





Watch the Video

## MBS Morning

9:41 AM Mostly Sideways to Start. Light Econ Calendar

Alert

12:53 PM Weakest Levels. MBS Down an Eighth From Highs

3:05 PM

## Econ Data / Events

- - S&P Global Composite PMI (Jan)
    - 52.8 vs -- f'cast, 52.7 prev
  - S&P Global Manuf. PMI (Jan)
    - 51.9 vs 52 f'cast, 51.8 prev
  - S&P Global Services PMI (Jan)
    - 52.5 vs 52.8 f'cast, 52.5 prev
  - Consumer Sentiment (Jan)
    - 56.4 vs 54.0 f'cast, 52.9 prev
  - Sentiment: 1y Inflation (Jan)
    - 4.0% vs 4.2% f'cast, 4.2% prev
  - Sentiment: 5y Inflation (Jan)
    - 3.3% vs 3.4% f'cast, 3.2% prev
  - U Mich conditions (Jan)
    - 55.4 vs 52.4 f'cast, 50.4 prev

## Market Movement Recap

- 09:27 AM Modestly stronger overnight, but gains erased at the open. MBS down 1 tick (.03) and 10yr up about half a bp at 4.248
- 11:29 AM Still mostly sideways. MBS unchanged and 10yr basically unchanged (up 0.3bps) at 4.245
- 01:09 PM Near weakest levels with MBS down 2 ticks (.06) and 10yr up 1.6bps at 4.258

03:05 PM

Back and forth volatility over the past hour but now back in positive territory. MBS up 1 tick (.03) and 10yr down half a bp at 4.237

## Lock / Float Considerations

- Mortgage rates have some insulation against broader bond market sell-offs due to GSE MBS purchases, but barring a big Treasury rally, the lower limit of the mortgage rate range was established in early January. One of two things is required for a meaningful push back toward lower rates: more selling to set an entry point for bond buyers, or legitimate deterioration in big ticket data (and there's none on the horizon until the first week of February).

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o 4.48
  - o 4.40
  - o 4.34
  - o 4.28
  - o 4.19
  - o 4.12
  - o 4.05
- Floor/Resistance
  - o 3.89
  - o 3.97

## MBS & Treasury Markets



## MBS

30YR UMBS 5.0		+
30YR UMBS 5.5		+
30YR GNMA 5.0		+
15YR UMBS-15 5.0		

## US Treasuries

10 YR	4.230%	-0.012%
2 YR	3.596%	-0.006%
30 YR	4.830%	-0.004%
5 YR	3.829%	-0.013%

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