

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

## We Make Home Happen.™

Our goal is simple:

To help every family we serve get to “Yes.”

**Yes** to the loan that unlocks the joy of home ownership.

**Yes** to the lending solution that meets every client’s unique needs and wants.

That’s why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let’s make home happen.

**CONTACT ME TODAY**



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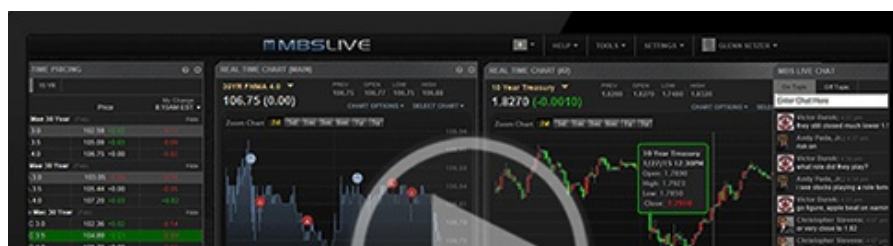


## MBS Recap: Volatility Eludes Bonds

### Volatility Eludes Bonds

**MBS Recap** | Matthew Graham | 4:35 PM

Bonds saw some steady selling pressure earlier in the week, but with the total damage amounting to an average of 2bps per day in 10yr yields, it was anything but volatile. The past 2 trading sessions had more noticeable ups and downs, but they played out in an even narrower range. Friday, specifically, was woefully range-bound with 10yr yields essentially in a 2bp range all day. Balmy PPI data and Fed Chair decisions and historic volatility in certain commodities didn't make any difference. Even the 3pm ET month-end trading barely registered a response despite the typical surge in volume (by far the highest minutes of volume of every month). Next week brings the big ticket econ data and thus a chance for some legit data driven volatility.





Watch the Video

## Alert

8:35 AM **PPI MUCH Higher Than Expected. Limited Selling So Far**

## MBS Morning

10:03 AM **Why Don't Bonds Care About The Massive Miss in PPI?**

4:20 PM

## Econ Data / Events

- ○ Core Producer Prices MM (Dec)
  - 0.7% vs 0.2% f'cast, 0% prev
- PPI YoY (Dec)
  - 3.0% vs 2.7% f'cast, 3% prev
- Producer Prices (Dec)
  - 0.5% vs 0.2% f'cast, 0.2% prev

## Market Movement Recap

- 08:39 AM MBS down about an eighth and 10yr up 1.6bps at 4.252
- 12:22 PM MBS down 2 ticks (.06). 10yr up 1.5bps at 4.251
- 02:34 PM Near strongest levels with MBS down only 1 tick (.03) and 10yr close to unchanged at 4.238
- 04:19 PM Volatility remains elusive into the close. MBS down 2 ticks (.06) and 10yr up up 0.7bps at 4.243

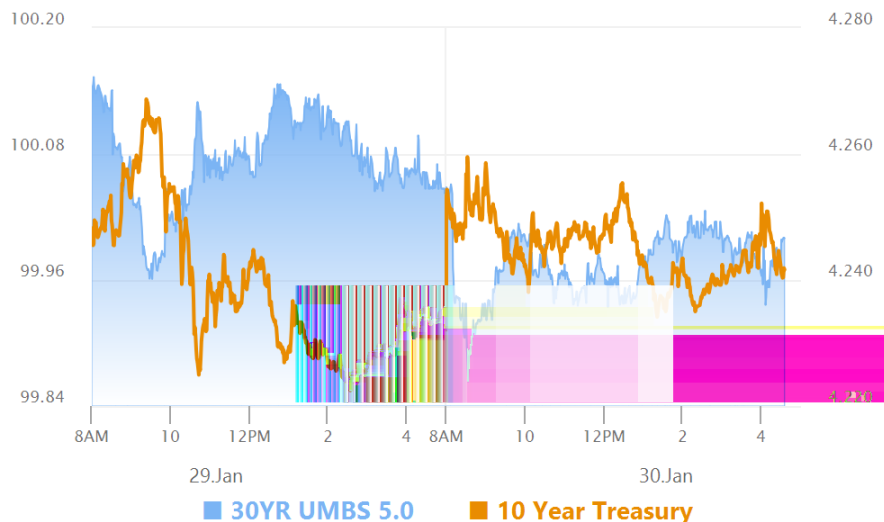
## Lock / Float Considerations

- 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")
  - 4.48
  - 4.40
  - 4.34
  - 4.28
  - 4.19
  - 4.12
  - 4.05
- **Floor/Resistance**
  - 3.89
  - 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	4.242%	+0.006%
2 YR	3.525%	-0.035%
30 YR	4.875%	+0.020%
5 YR	3.794%	-0.023%

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