

MBS Recap: Surprisingly Big Bond Rally Relative to The Data



Matthew M. Loan

Senior Loan Officer,
Mortgage Company, LLC.

mbslive.net

P: (704) 867-5309

M: (980) 867-5309

1050 W. Main St.
Charlotte NC 28031

NMLS: #987654321



Surprisingly Big Bond Rally Relative to The Data

MBS Recap | Matthew Graham | 2:55 PM

Bonds went on a bit of a buying spree on Thursday. It was the biggest rally day since November, at least, and that's impressive given the motivations. Specifically, there was a trifecta of downbeat labor market reports (Challenger, Jobless Claims, and Job Openings). Individually, none of these are worth a third of the move we saw today, but the whole was greater than the sum of its parts. There's also a 4th report being traded today: next week's big jobs report. In other words, between yesterday's ISM employment numbers and today's reports, traders are taking a cautious lead-off ahead of the big jobs report. This raises the stakes for volatility next Wednesday morning.

The screenshot shows the MBS Live software interface. On the left, there's a 'TIME PRICING' table for the 30-Year Treasury, showing yields for various maturities from 0.1 to 30 years. The main area features four real-time charts: '30YR Fixed 4.0%', '10 Year Treasury', '10 Year Treasury', and '30 Year Treasury'. Each chart displays price and yield data with green and red bars. A large play button is overlaid on the charts. Below the charts, there's a news feed with a headline about the ECB's stimulus. On the right, there's a 'CHAT' window with a list of messages from users like 'Andy Pfeifer, Jr.' and 'John on'. The bottom of the screen has a navigation bar with tabs for 'Today', '7', and 'View'.



Watch the Video

MBS Morning

9:21 AM Stronger Start Thanks to Employment Data

2:01 PM

Econ Data / Events

- ◦ Continued Claims (Jan)/24
 - 1,844K vs 1850K fcast, 1827K prev
- Jobless Claims (Jan)/31
 - 231K vs 212K fcast, 209K prev

Market Movement Recap

08:32 AM Modestly stronger overnight with additional gains after AM data. MBS up almost an eighth and 10yr down 4bps at 4.24

10:06 AM Additional gains after JOLTS data with 10yr down 5 bps at 4.228 and MBS up 5 ticks (.16).

01:09 PM Best levels of the day. MBS up a quarter point and 10yr down 7.1bps at 4.207

Lock / Float Considerations

- Thursday's labor market data got bonds moving in a more serious way. There is no remaining big ticket data this week, but the clear implication is for next Wednesday's jobs report to either endorse a move back into the previous range or reinforce the recent breakout. On a short-term, tactical note, if you're floating with a lender who didn't offer any noticeable improvement today, you're more insulated than normal going into tomorrow.

Technicals/Trends in 10yr (whv 10yr)

CEILINGS/FLOORS IN 10YR (1.1% - 1.5%)

- 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	4.207%	-0.071%
2 YR	3.480%	-0.075%
30 YR	4.860%	-0.060%
5 YR	3.749%	-0.082%

[Open Dashboard](#)

[Share This](#)