



## MBS Recap: Bonds Close Out Epic Week of Resilience With Friendly Data

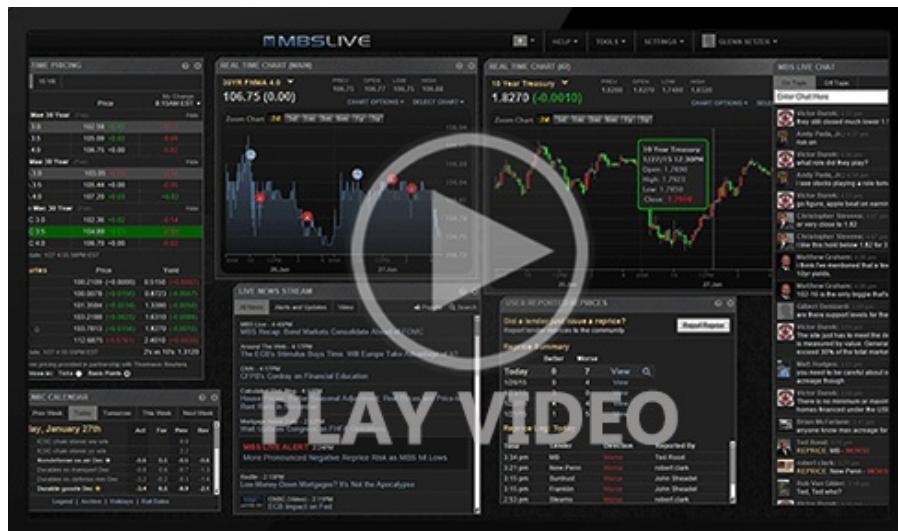


**Scott Green**  
Home Loan Consultant,  
Monument Mortgage  
Group  
**P:** (602) 971-0544 x1  
**M:** (602) 577-8311  
scott@scotthelps.com  
21501 N. 78th Ave #100  
Phoenix AZ 85382  
Company NMLS #2512600  
Individual NMLS #155901



**David Rickey**  
Home Loan Consultant,  
Monument Mortgage  
Group  
[www.azmonument.com](http://www.azmonument.com)  
**P:** (602) 971-0544 x2  
david@azmonument.com  
21501 N. 78th Ave  
Peoria AZ 85382  
Company NMLS # 2512600  
Individual NMLS #1493357

Friday was a logically friendly day thanks to slightly lower CPI. But no matter what happened on any of the other 4 days, this week was all about bonds ending up at much stronger levels in spite of a jobs report that should have sent rates higher on Wednesday. Ironclad justification remains impossible, but the leading theory involves heavy liquidation mode in stocks/commodities on Thursday. Holiday weekend positioning could also be a factor. As such, we'll learn a lot more next Tuesday--especially if stocks find a reason to stage a big bounce.



Watch the Video

## Update

8:32 AM First Move is Stronger After CPI

## MBS Morning

9:55 AM Bonds Rally, Ignoring Surge in SuperCore CPI

2:24 PM

## Econ Data / Events

- m/m CORE CPI (Jan)
  - 0.3% vs 0.3% fcast, 0.2% prev
- m/m Headline CPI (Jan)
  - 0.2% vs 0.3% fcast, 0.3% prev
- y/y CORE CPI (Jan)
  - 2.5% vs 2.5% fcast, 2.6% prev

- y/y Headline CPI (Jan)
  - 2.4% vs 2.5% fcast, 2.7% prev

## Market Movement Recap

12:45 PM Stronger After CPI and sideways since then. MBS up roughly and eighth and 10yr down 4bps at 4.06

01:52 PM Losing ground modestly. MBS still up 2 ticks (.06) and 10yr still down 3.5bps at 4.066

02:58 PM MBS up an eighth and 10yr down 4.7bps at 4.053

## Lock / Float Considerations

- Thursday night was a coin flip for locking/floating. It ended up being rate-friendly thanks to CPI, but the moderate gains suggest the mystery momentum that fueled an impressive week for bonds is starting to wane. Risk-averse clients continue to favor locking in these scenarios--especially with rates basically matching 3.5-year lows. Risk-tolerant clients have that much more room to set overhead lock triggers.

## 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	4.049%	-0.051%
2 YR	3.409%	-0.044%
30 YR	4.696%	-0.041%
5 YR	3.603%	-0.053%

[Open Dashboard](#)

[Share This](#)