

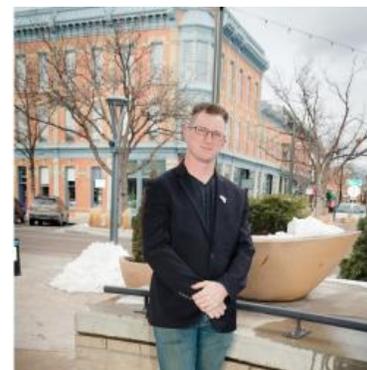
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

A message from Marc Erickson:

For informational purposes only. This is not a commitment to lend or extend credit. Information and/or dates are subject to change without notice. All loans are subject to credit approval. Rates vary based upon market conditions and borrower qualification.

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



Marc Erickson

Mortgage Guide, Excel
Financial Group, LLC

www.themortgagemarc.com

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue
Fort Collins CO 80524
1245157



Ehric Wolfe

REALTOR®, Coldwell
Banker Realty

www.coloradowolfehomes.com

P: (970) 691-5299

ehric@coloradowolfehomes.com

3665 John F Kennedy Parkway
Fort Collins CO 80525



Bonds Close Out Epic Week of Resilience With Friendly Data

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

- y/y Headline CPI (Jan)
 - 2.4% vs 2.5% f'cast, 2.7% prev

Market Movement Recap

- 12:45 PM Stronger After CPI and sideways since then. MBS up roughly an 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

100.60

4.200





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