

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Tariff Ruling Tried (And Failed) to Steal The Show

Ian Overcarsh

Mortgage Banker, First National Bank

www.fnb-online.com/.../overcarshi

M: (704) 650-1922

overcarshi@fnb-corp.com

401 S. Graham Street
Charlotte NC 28202
1065792



Lillian Isaac

NC/SC Broker, Realtor®,
SRES License NC/SC
General Contractor |
Author, Lillian Isacc Realty

LillianIsaacRealty.com

P: (704) 492-8706

lillian@lillianisaacrealty.com

6277 Carolina Commons Dr. #363
Indian Land SC 29707

Tariff Ruling Tried (And Failed) to Steal The Show

MBS Recap Matthew Graham | 4:43 PM

If you were told ahead of time that Friday morning would bring news that the Supreme Court struck down the IEEPA tariffs, you wouldn't be crazy to think it would be the week's biggest news and a big potential source of volatility for bonds. But reality wasn't quite as dramatic. It's true that the tariff ruling garnered the

week's highest volume as well as some elevated volatility during the day. In other words, less than 3bps in 10yr yields and about half of that was recovered as the day progressed. Reasons and implications are discussed in greater detail in today's recap video.



Watch the Video

MBS Morning

9:25 AM Opening Salvo of Data Fails to Inspire

Alert

10:05 AM Bonds Selling as Supreme Court Strikes Down Tariffs

3:30 PM

Econ Data / Events

- ○ Core PCE (m/m) (Dec)
 - 0.4% vs 0.3% f'cast, 0.2% prev
- Core PCE (y/y) (Dec)
 - 3.0% vs 2.9% f'cast, 2.8% prev
- Core PCE Prices QoQQ4
 - 2.7% vs 2.6% f'cast, 2.9% prev
- GDPQ4
 - 1.4% vs 3% f'cast, 4.4% prev
- GDP Final SalesQ4
 - 1.2% vs -- f'cast, 4.5% prev
- PCE (y/y) (Dec)
 - 2.9% vs 2.8% f'cast, 2.8% prev

- PCE prices (m/m) (Dec)
 - 0.4% vs 0.3% f'cast, 0.2% prev
- PCE Prices (Q/Q)Q4
 - 2.9% vs 2.8% f'cast, 2.8% prev

Market Movement Recap

- 08:49 AM Slightly stronger overnight and a tiny bit of push-back after data. MBS unchanged and 10yr down 1bp at 4.066
- 10:13 AM Weaker after SCOTUS ruling on tariffs. MBS down 2 ticks (.06) and 10yr up 2bps at 4.097
- 04:30 PM More than reasonably resilient in the PM hours. MBS now unchanged and 10yr up only 1bp at 4.085

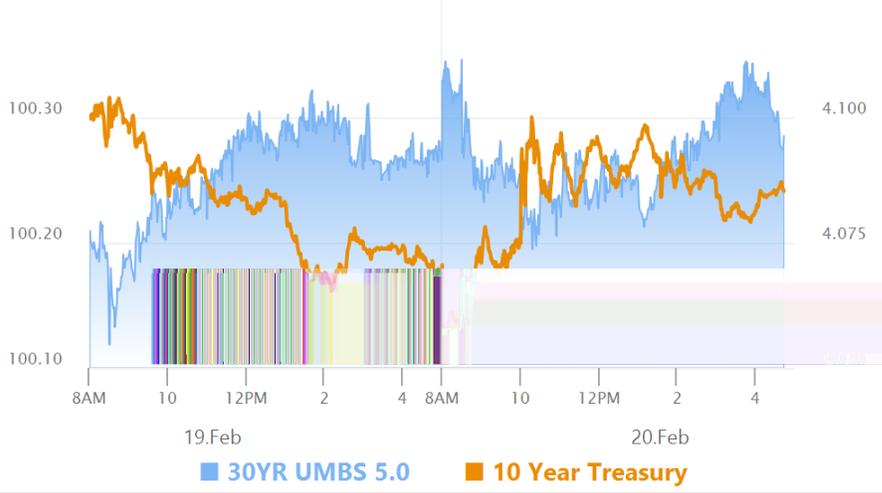
Lock / Float Considerations

- The week ended uneventfully for the bond market despite the apparently eventful news and data. The upcoming week is even lighter in terms of data, but political developments may add some volatility.

Technical/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	4.085%	+0.009%
2 YR	3.480%	+0.025%
30 YR	4.725%	+0.028%
5 YR	3.648%	+0.014%

Open Dashboard

Share This