MBS Recap: Dueling Narratives Leave Yields Higher Ahead of Jobs Report

Heather Woods
Branch Manager- Broker-Loan Originator, TruLuxe Capital- Powered By My Community Mortgage
www.TruLuxeCapital.com
M: (210) 392-8299
heather@truluxecapital.com
Humble TX 77346
833399

Jennifer Yoingco
Realtor, Walzel Properties
www.houstonsuburb.com
M: (832) 286-8636
Jenyoingco7@gmail.com
15420 Ridge Park Dr
Houston TX 77095
648293

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

Dueling Narrative Leave Yields Higher Ahead of Jobs Report

MBS Recap Matthew Graham | 3:31 PM

In the overnight session yields followed oil prices higher, but notably, Treasuries continued to sell even after oil leveled off. Then during domestic hours, it was Treasuries' turn to level off while oil prices spiked. From 9am to 2pm, oil rose nearly $5/bbl while Treasury yields remained completely flat. One way to justify this would be via safe-haven demand from heavy stock losses, but we continue not loving that explanation because it is even less reliably correlated than bonds vs oil. At this point, we're simply hoping that the jobs report helps restore some sense of normal market/data correlation, but at this point, anything's possible.

Watch the Video

MBS Morning

9:24 AM 10yr Breaking Above 4.10% After Overnight weakness

Alert

3:13 PM Down an Eighth From Intraday Highs

3:26 PM

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Econ Data / Events

- Challenger layoffs (Feb)
  - 48.307K vs -- f'cast, 108.435K prev
- Continued Claims (Feb)/21
  - 1,868K vs 1850K f'cast, 1833K prev
- Import prices mm (Jan)
  - 0.2% vs 0.2% f'cast, 0.1% prev
- Jobless Claims (Feb)/28
  - 213K vs 215K f'cast, 212K prev

Market Movement Recap

08:51 AM Weaker overnight and little-changed after data. MBS down just over an eighth and 10yr up 3.6bps at 4.136

12:23 PM sideways at weaker levels. MBS down 5 ticks (.16) and 10yr up 3.6bps at 4.136

02:35 PM sideways at similar levels. MBS down 6 ticks (.19) and 10yr up 3.4bps at 4.134

Lock / Float Considerations

- Volatility risk remains much higher than normal amid a combination of geopolitical uncertainty and the schedule of incoming economic data. Recent bond market weakness received a hint of support on Tuesday, but only the most risk-tolerant clients would allow that to inform their lock/float preferences. Everyone else is waiting for firmer evidence that the bleeding has stopped

Technicals/Trends in 10yr (why 10yr)

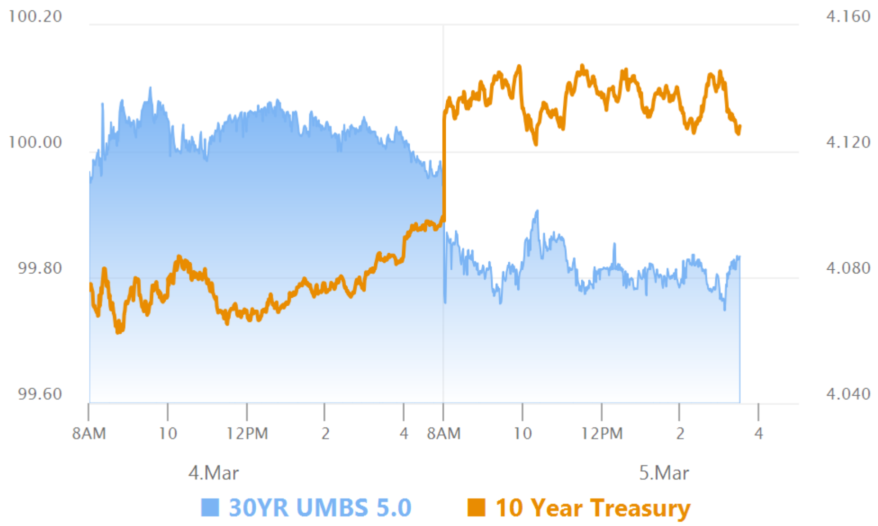
- Ceiling/Support (can be used as "lock triggers")
  - 4.48
  - 4.40
  - 4.34
  - 4.28
  - 4.19
  - 4.12
  - 4.05

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

- 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	4.130%	+0.029%
2 YR	3.574%	+0.027%
30 YR	4.742%	-0.002%
5 YR	3.721%	+0.028%

Open Dashboard

Share This

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.