

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Simple, Strong Correlation With Oil Leaves Yields Lower



**Matthew M. Loan**

Senior Loan Officer,  
Mortgage Company, LLC.

[mbslive.net](http://mbslive.net)

**P:** (704) 867-5309

**M:** (980) 867-5309

1050 W. Main St.  
Charlotte NC 28031

NMLS: #987654321



**Christina "Demo"  
Realtor**

Managing Partner, Real  
Estate Company, LLC.

[mbslive.net](http://mbslive.net)

**P:** (704) 555-1212

**M:** (980) 555-1212

[social+test@mbslive.net](mailto:social+test@mbslive.net)

12954 S. Broad St.  
Charlotte NC 28031



# Simple, Strong Correlation With Oil Leaves Yields Lower

MBS Recap Matthew Graham | 3:23 PM

There's no sense in overcomplicating today's trading session. Oil was down significantly and so were bond yields. The correlation was very strong after 4am ET with each major peak and valley aligning. Econ data was present, but not a relevant consideration for trading. Stocks were also part of the correlation game but in a perfectly inverted way (peak in oil/yields = valley in stock prices). In other words, both sides of the market remain transfixed by energy prices. This hasn't been the exclusive market mover in March, but it's definitely been the dominant consideration, and that was double true today.



Watch the Video

## MBS Morning

10:38 AM Stronger Start as Markets Hope For De-Escalation

3:02 PM

## Econ Data / Events

- NY Fed manufacturing
  - -0.2 vs 3.2 f'cast, 7.1 prev

## Market Movement Recap

08:37 AM Moderately stronger overnight with additional gains in early domestic trading. MBS up a quarter

point and 10yr down 4.6bps at 4.232

12:22 PM MBS still up a quarter point and 10yr down 4.1bps at 4.237

02:56 PM Best levels of the day with MBS up 11 ticks (.34) and 10yr yields down 6bps at 4.218

## Lock / Float Considerations

- Volatility risk remains much higher than normal due to geopolitical uncertainty. The entire month of March has been bearish for rates so far. It makes sense to remain defensive until that bearish streak has clearly leveled off. This will take more than 2 green days to verify (note the false hope created by March 6th and 9th).

## Technical/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o 4.48
  - o 4.40
  - o 4.34
  - o 4.28
  - o 4.19
  - o 4.12
  - o 4.05
- Floor/Resistance
  - o 3.89
  - o 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	4.221%	-0.057%
2 YR	3.680%	-0.046%
30 YR	4.858%	-0.043%
5 YR	3.804%	-0.050%

---

[Open Dashboard](#)[Share This](#)