

MBS & TREASURY MARKETS

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MBS Recap: Global Bond Market in Reprice Mode

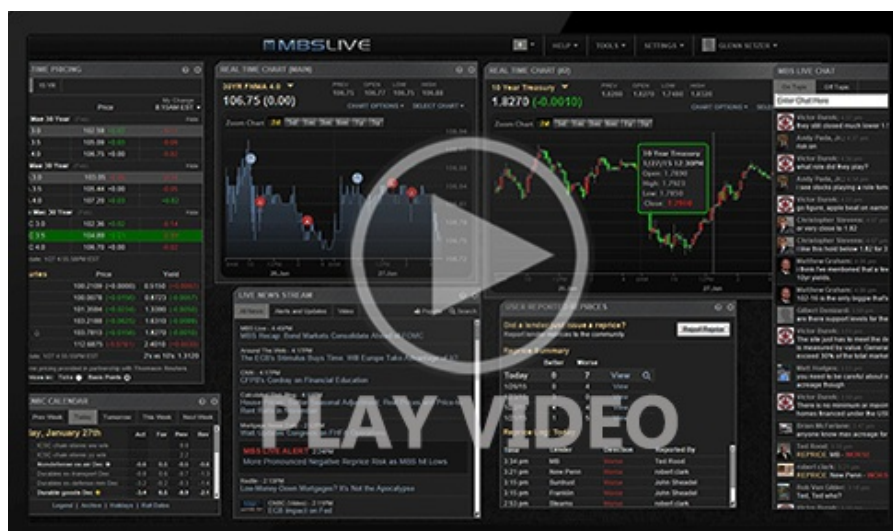


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Global Bond Market in Reprice Mode

MBS Recap | Matthew Graham | 5:19 PM

Around here, "reprice" typically refers to mid-day rate changes from mortgage lenders, but infrequently, a big picture repricing occurs in the bond market. That's what's going on in March and especially over the last 2.5 days. Wednesday's Fed comments and Thursday's ECB/BOE comments confirmed that there's a floor under short term rates for a vast majority of the planet's reserve currency holdings, AND that hikes are quickly replacing cuts as the next likely move (September Fed meeting went from 0% hike chance to more than 25% in less than 2 days). Trading and investment strategies of a majority of the world's investible capital was positioned for an entirely different reality before the Iran war. Now it is repositioning... repricing for new realities.



MBS Morning

9:46 AM Central Banks Cite Oil to Steal Spotlight From Oil

Alert

10:52 AM Assume Negative Reprice Potential Until Further Notice

Alert

2:58 PM New Lows. Reprice Risk is Ongoing

3:10 PM

Market Movement Recap

09:46 AM Sharply weaker overnight with additional selling all morning. MBS down over half a point and 10yr up 7.8bps at 4.327.

01:37 PM MBS down half a point and 10yr up 11.4bps at 4.364

Lock / Float Considerations

- updated 3/20/26

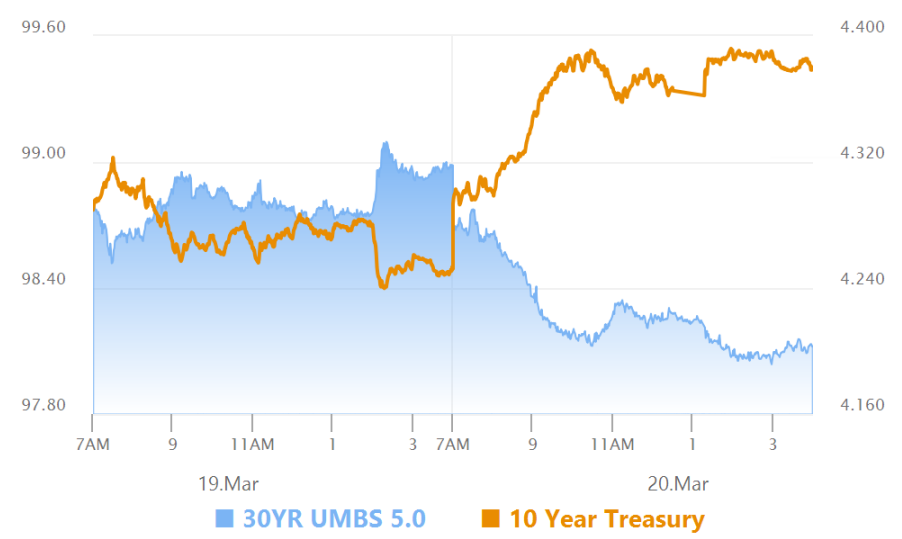
Things are very simple right now because they're very bad. All of March has been generally a one-way trade for bonds with a few corrective moments. We'd continue to wait for the dust to definitively settle before feeling like taking any major risks with locking/floating. The only arguments in favor of floating involve attempting to predict the future and catch falling knives.

Technicals/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	4.377%	+0.127%
2 YR	3.904%	+0.113%
30 YR	4.942%	+0.104%
5 YR	4.012%	+0.135%

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