MBS & TREASURY MARKETS
Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Lose Almost All The Overnight Gains

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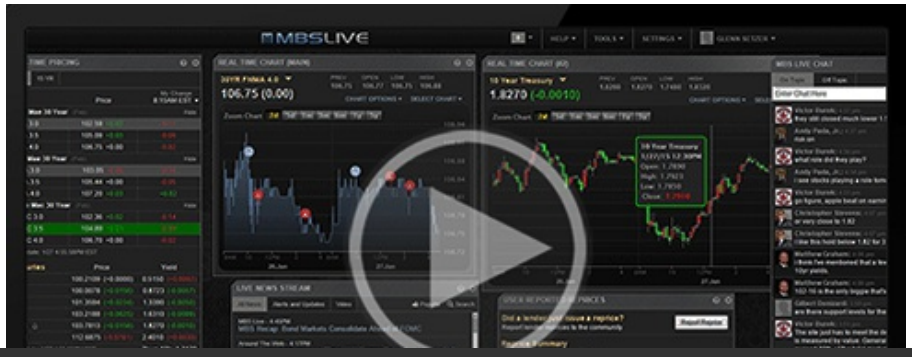
Bonds Lose Almost All The Overnight Gains

MBS Recap Matthew Graham | 4:30 PM

Bonds rallied sharply overnight--adding onto an already decent rally yesterday afternoon that took 10yr yields from 4.38% to 4.23% in less than 24 hours. Now at Wednesday's close, we're back to unchanged levels near 4.30%. The move follows a similar correction seen in longer-term oil futures and, in a general sense, a news cycle that made the ceasefire seem increasingly tenuous as the day progressed. The absence of a bigger, sustained rally speaks to the uncertainty surrounding the U.S. withdrawal from the Middle East as well as lingering impacts on energy costs that may still flow through to inflation data.



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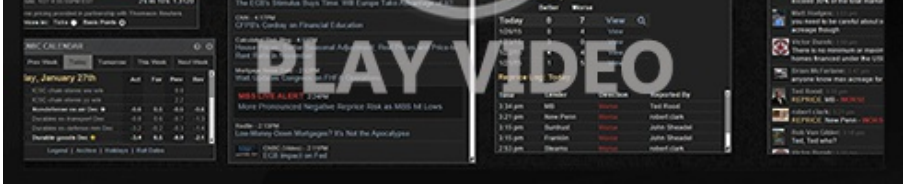

Watch the Video

MBS Morning

9:06 AM Logical Rally After Ceasefire Agreement

Alert

10:58 AM MBS Down a Quarter Point From Highs

Alert

2:43 PM Additional Negative Reprice Risk

3:59 PM

Market Movement Recap

09:08 AM logically stronger overnight and holding gains steadily so far. MBS up almost 3/8ths and 10yr down 5.2bps at 4.244

10:58 AM MBS up 5 ticks (.16) but down a quarter point from highs. 10yr down 2.8bps at 4.268, but up more than 3bps from lows.

02:09 PM No reaction to 10yr auction or Fed minutes. MBS up 6 ticks (.19) and 10yr down 2.2bps at 4.274

02:44 PM New lows. MBS just barely better than unchanged, and same story for 10yr yield at 4.293

Lock / Float Considerations

- 4/8/26 - With the ceasefire being temporary and also already on shaky ground, the safest bet is to view overnight yield lows (4.23-ish) as the low end of the prevailing range (the more aggressive strategy is to use closing levels, closer to 4.30%). The high end is 4.38. In the bigger picture, the U.S. has shown its hand in terms of wanting out of the war, which could be considered broadly constructive for rates, but that's why yields are no longer near 4.5%. We would still favor a defensive strategy until there's a more definitive resolution and more convincing range breakout.

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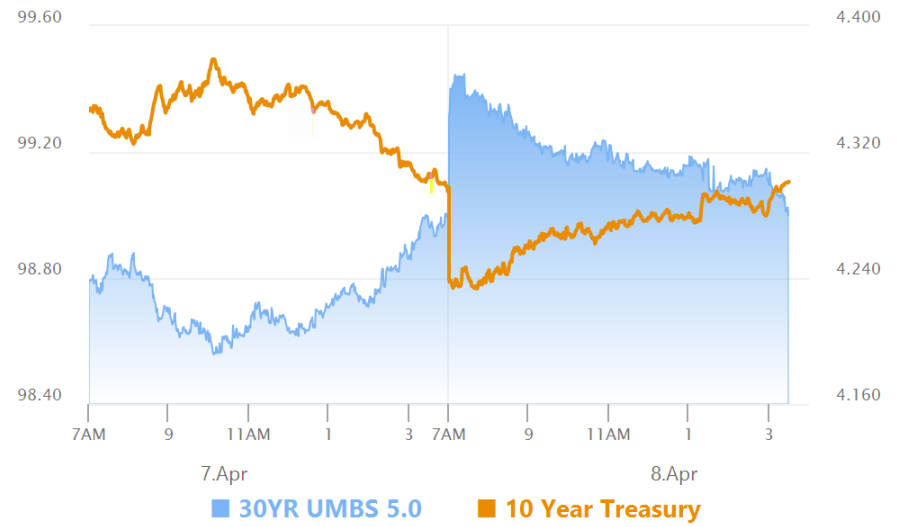
Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 4.66
  - 4.59
  - 4.48

- Floor/Resistance
  - 4.05
  - 4.12
  - 4.19
  - 4.28
  - 4.34
  - 4.40

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	4.301%	+0.005%
2 YR	3.792%	+0.003%
30 YR	4.893%	+0.021%
5 YR	3.928%	-0.002%

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