

MBS & TREASURY MARKETS

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MBS Recap: Weekend Selling Reverses After Another Round of De-Escalation Headlines

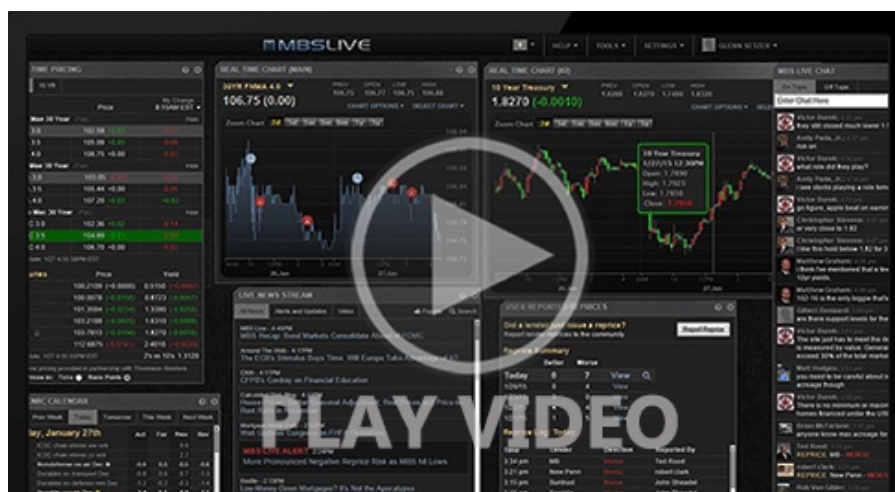


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Weekend Selling Reverses After Another Round of De-Escalation Headlines

MBS Recap | Matthew Graham | 4:04 PM

Another day, another chance to sort through a barrage of war-related headlines to see which ones mattered to the bond market. In today's case, there were two distinct contenders. The first was apparently bogus. It referred to Iran considering abandoning its enrichment program and it actually caused a visible surge in volume and volatility. The second contender was a batch of headlines around 12:30ET that generally spoke to de-escalation potential and negotiation possibilities. All told, it was enough to reverse the overnight weakness seen after negotiations were allegedly abandoned.



MBS Morning

10:22 AM Overnight Weakness (But Bouncing Back) After Peace Talks Fail

3:40 PM

Econ Data / Events

- Existing home sales (Mar)
 - 3.98M vs 4.06M f'cast, 4.09M prev

Market Movement Recap

- 09:23 AM Slightly weaker at the open, but mostly recovered now. MBS down 1 tick (.03) and 10yr down 1bp at 4.325
- 01:26 PM Best levels. MBS up an eighth and 10yr down 1bp at 4.305
- 03:36 PM Holding near best levels with MBS up 5 ticks (.16) and 10yr down 1.8bps at 4.297

Lock / Float Considerations

- 4/13/26 - While we assume that the right (or wrong) mix of war-related headlines COULD cause a sharp response in the bond market, the recent trajectory has been very flat compared to March. This leaves more room for different lock/float strategies. Risk takers can set lock triggers at 4.34% or 4.40% in 10yr yield terms. The risk averse crowd doesn't have any reason to lower their defenses until yields are convincingly breaking below 4.30%.

Technicals/Trends in 10yr (why 10yr)

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

- Floor/Resistance
 - o 4.05
 - o 4.12
 - o 4.19
 - o 4.28
 - o 4.34
 - o 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 | 4.289% | -0.026% |
| 2 YR | 3.772% | -0.025% |
| 30 YR | 4.893% | -0.021% |
| 5 YR | 3.907% | -0.036% |

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