

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

A message from Marc Erickson:

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MBS Recap: Over Before it Began



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Over Before it Began

Monday proved to be a boring trading day despite the moderately big sell-off. Yields actually didn't move much during the domestic session. In fact, they didn't move during the overnight session either. Because the day's market-moving news happened on Sunday before trading began, it was instantly priced in at the open, and the rest of the day was spent drifting sideways to slightly weaker. Bonds ultimately underperformed their prevailing correlation with oil prices. We're not reading anything into this--especially in light of the Treasury auction cycle possibly adding some concessionary weakness.



Watch the Video

MBS Morning

11:28 AM Weaker Start After Peace Deal Stalls

Alert

1:03 PM MBS Down Just Over an Eighth From AM Highs

3:38 PM

Econ Data / Events

- Existing home sales (Apr)
 - 4.02M vs 4.05M f'cast, 3.98M prev

Market Movement Recap

- 09:03 AM Weaker overnight after peace deal impasse. MBS down a quarter point and 10yr up 2.6bps at 4.381
- 12:58 PM weakest levels with 10yr up 4.6bps at 4.401 and MBS down almost 3/8ths
- 02:08 PM some support after hitting weakest levels. MBS down 11 ticks (.34) and 10yr up 4.8bps at 4.403

Lock / Float Considerations

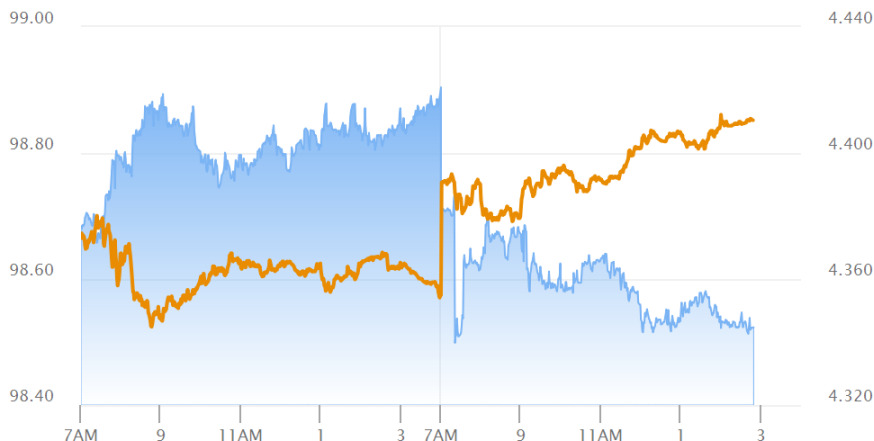
- 5/11/26 - (unchanged from Friday) Bonds remain range-bound after starting the week near the highs and failing to break below 4.34%. The next big move depends on the course of the war. There's no way to set a lock/float strategy based on war headlines in the short term. In the slightly longer term, a peace deal would likely carry some benefit for rates versus current levels.

Technical/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	4.410%	+0.055%
2 YR	3.950%	+0.064%
30 YR	4.985%	+0.041%
5 YR	4.070%	+0.060%

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