MBS Recap: Bombarded by Headlines, But Little-Changed

Justin Grable
President of Mortgage Lending, ABLE Mortgage
www.ABLEMortgage.com
P: (951) 899-0009
M: (951) 899-0010
justin@ablemortgage.com
41923 Second St.
Temecula CA 92592
NMLS 246763
CA DRE 01411989

Bombarded by Headlines, But Little-Changed

MBS Recap Matthew Graham | 4:17 PM

Monday's trading session ended up being an exercise in headline-watching, as has been the case on so many days since the start of the Iran war. Today was more active than normal in that regard. The earliest headlines (as covered in the AM commentary) were helpful until they weren't. Subsequent headlines continued pushing back on the notion of an easy peace deal until 3pm. At that point, Trump posted that a planned military operation for tomorrow was cancelled and that serious negotiations were now taking place between great leaders and allies, and that a deal will be made. Bond yields and oil prices dropped on that one with Treasuries ultimately making it back to unchanged in the final hour of the session.

Watch the Video

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MBS Morning

10:36 AM Early Gains And Losses on Conflicting War Headlines

Alert

10:40 AM MBS Down More Than an Eighth From Highs

Alert

2:10 PM Negative Reprices Becoming More Likely

3:48 PM

Market Movement Recap

08:55 AM Some early gains on war headlines. MBS up 5 ticks (.16) and 10yr down 1.8bps at 4.573

11:04 AM Gains fully erased as newswires push back on previous headlines. MBS down 1 tick (.03) and 10yr up 1.8bps at 4.61

02:48 PM New lows. MBS down a quarter point and 10yr up 2.7bps at 4.618

Lock / Float Considerations

- 5/18/26 -Some signs of resilience, but bonds didn't show any strong urge to buy the dip without justification in the news. It continues to be the case that a peaceful resolution to the Iran war will likely push rates lower, and the market seems like it will be receptive when the time comes, but it's also the case that the timeline is unknowable.

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

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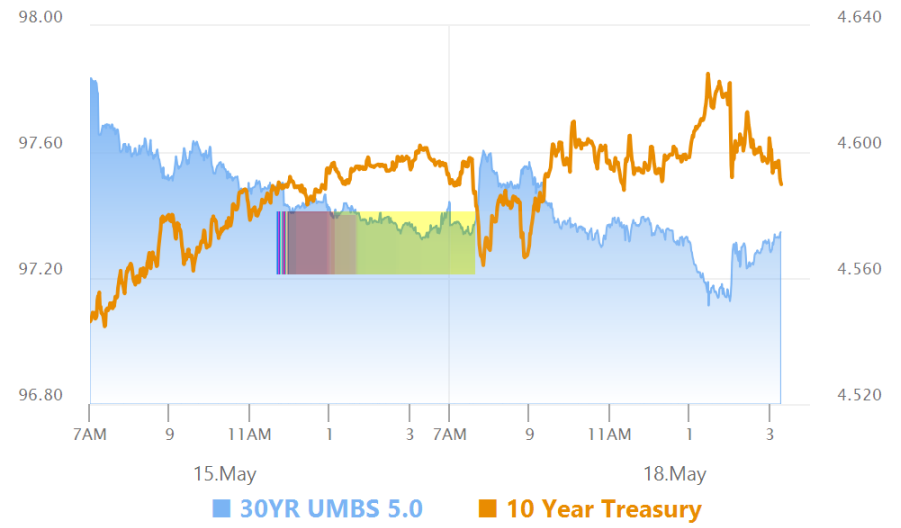
- 4.40

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	4.589%	-0.003%
2 YR	4.050%	-0.036%
30 YR	5.125%	+0.007%
5 YR	4.241%	-0.008%

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