

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Bonds End at Strongest Levels



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## Bonds End at Strongest Levels

MBS Recap | Matthew Graham | 4:37 PM

Unlike yesterday, which saw an uneventful open give way to intraday weakness, today's momentum was mostly friendly. Bonds avoided panicking in the morning hours. Mid-day war-related headlines made for some quick 2-way trading in the noon hour, but yields never went any higher than the AM highs. After sorting out that volatility, steady gain brought yields to the lowest levels of the day in the final hour of trading. For context, this is right on the highest edge of the short-term range seen in the week and a half leading up to the jobs report.



Watch the Video

## MBS Morning

9:51 AM Another Decent Start, But Will it Last?

Alert

11:34 AM MBS Down an Eighth From Highs

3:56 PM

## Econ Data / Events

- ○ NFIB Business Optimism Index (May)
  - 95.3 vs 96.0 f'cast, 95.9 prev
- ADP Employment Change Weekly
  - 29K vs -- f'cast, 35.75K prev
- Trade Gap (Apr)
  - -55.90B vs \$-56.1B f'cast, \$-60.3B prev

## Market Movement Recap

- 08:23 AM A hair stronger overnight. MBS up 1 tick (.03) and 10yr down 2bps at 4.543
- 01:38 PM MBS up 2 ticks and 10yr down 3.6bps at 4.528
- 04:15 PM MBS up 5 ticks (.16) and 10yr down 4.4bps at 4.52

## Lock / Float Considerations

- 6/9/26 - Decent show of support for bonds today means we can move on from worrying about post-payrolls momentum and instead focus on event risk. Specifically, CPI is on deck Wednesday morning. While not as big a potential market mover as last Friday's jobs report, it can be close depending on results (and occasionally bigger). Risk-tolerant clients would now be eyeing an overhead lock trigger at 4.57%. Risk-averse clients still haven't seen a solid enough show of support to justify a more neutral stance.

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o 4.80
  - o 4.72
  - o 4.66
  - o 4.59
  - o 4.51
- Floor/Resistance
  - o 4.19
  - o 4.28
  - o 4.34
  - o 4.43

## MBS & Treasury Markets



### MBS

30YR UMBS 5.0	+
30YR UMBS 5.5	+
30YR GNMA 5.0	+

30YR GNMA 5.0  
15YR UMBS-15 5.0

+

### US Treasuries

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10 YR	4.517%	-0.047%
2 YR	4.121%	-0.036%
30 YR	4.997%	-0.041%
5 YR	4.245%	-0.047%

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