

# MBS & TREASURY MARKETS

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## MBS Recap: Decent Gains, But Some Signs of Resistance



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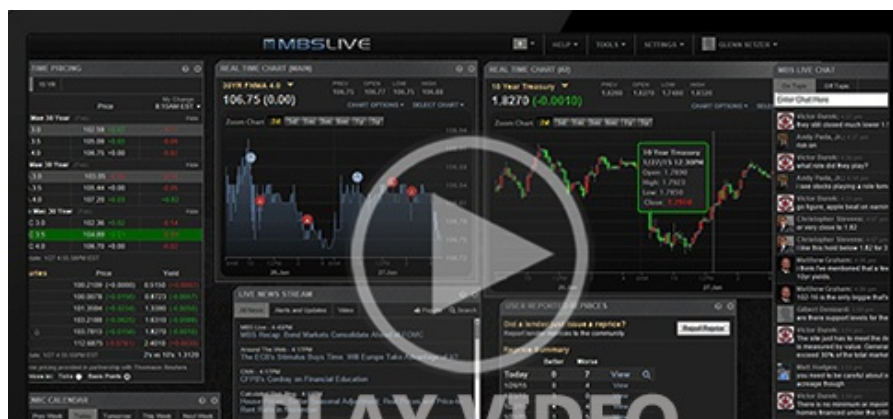
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## Decent Gains, But Some Signs of Resistance

MBS Recap | Matthew Graham | 4:23 PM

Bonds improved overnight at the start of European trading and made additional gains in concert with lower oil prices during the domestic session. Notably, the gains met resistance at 4.42%--a resistance level that's been on our radar since the last bounce a few weeks ago. Technical levels certainly don't predict the future, but they can provide a framework for measuring the pace of change in trading levels. If bonds are weaker in the morning, it would act as confirmation that the initial response to the Iran peace deal has played out. In addition, there's potential volatility surrounding the Fed announcement, almost exclusively reserved for feeling out any visible shifts from new Fed Chair Kevin Warsh.

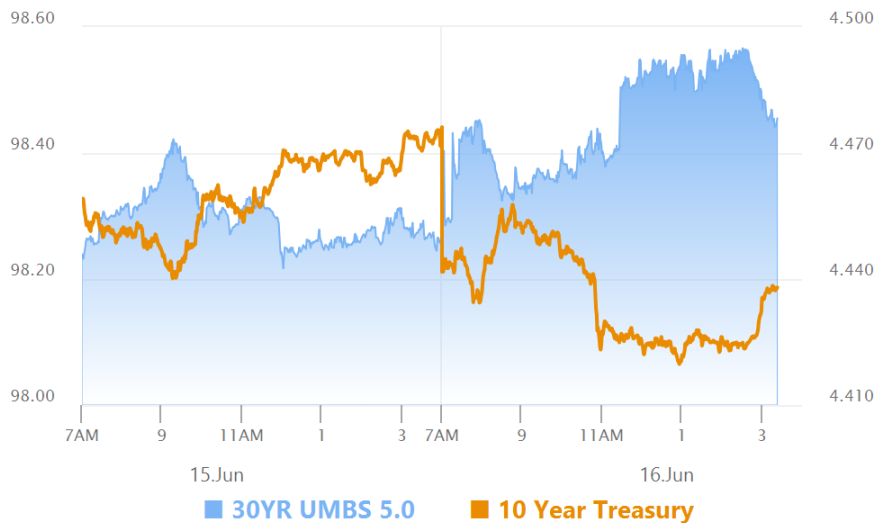




## Technicals/Trends in 10yr (why 10yr)

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

## 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	4.438%	-0.039%
2 YR	4.056%	-0.017%
30 YR	4.940%	-0.038%
5 YR	4.162%	-0.031%

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