MBS Recap: Bonds Tell Warsh What They Think of His Changes

newseason
MORTGAGE LLC
nsmloans.com
479-279-3037

Tamala Stewart
Managing Loan Officer,
New Season Mortgage
nsmloans.com
P: (479) 279-3037
tamala@nsmloans.com
900 SE 5th St, Ste22
Bentonville AR 72712
1634413
1045205

newseason
MORTGAGE LLC

Bonds Tell Warsh What They Think of His Changes

MBS Recap Matthew Graham | 4:54 PM

Ironically, one of Warsh's comments in today's press conference was that market movement is the most important source of information for the Fed. At the same time, the market was effectively saying that it was also fond of hearing what was on the Fed's mind, and if the Fed is going to stop sharing those thoughts, the market was going to cry about it. This certainly wasn't the whole story as the hawkish dot plot did about half the damage well before the press conference. One could also argue that some traders may have expected Warsh to do something to push back against that Hawkishness. Instead, he did very little apart from reference various task forces that would be working on several projects. In general, the lack of transparency and the absence of even a semblance of forward guidance led the market to rapidly price in a higher risk premium in both stocks and bonds. Bottom line, markets said "if you aren't going to do anything to push back on that hawkish dot plot, we're gonna go ahead and assume rate hikes are more likely."

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Watch the Video

MBS Morning

9:40 AM What Are Bonds Waiting For?

Commentary

2:00 PM Here's What Changed in The New Fed Announcement

Alert

2:03 PM Selling Off After Dot Plot

Alert

3:25 PM Negative Reprice Risk Increasing

4:32 PM

Econ Data / Events

- Retail Sales (May)
  - 0.9% vs 0.5% f'cast, 0.5% prev
- Retail Sales Control Group MoM (May)
  - 0.7% vs 0.4% f'cast, 0.5% prev

Market Movement Recap

08:33 AM Flat overnight and no reaction to data. MBS unchanged and 10yr unchanged at 4.44.

11:30 AM MBS up 1 tick (.03) and 10yr down 1bp at 4.431

02:17 PM MBS down an eighth and 10yr up 1.2bps at 4.455

03:10 PM MBS down 10 ticks (.31) and 10yr up 3.2bps at 4.473

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Lock / Float Considerations

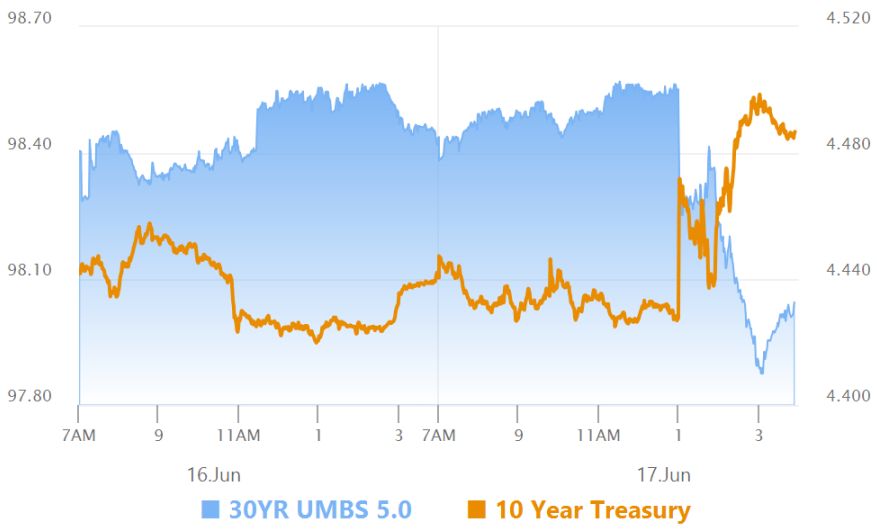
- 6/17/26 - Not only did bonds reject the 4.42% technical floor this morning, they found plenty of reason to sell-off after the Fed Announcement. Any time we see this kind of momentum in response to a big ticket event, we prefer to confirm that momentum has actually ended rather than assume we know exactly where it will end. This is doubly true for late-day events that haven't yet had time to be fully traded by overseas markets. In other words, it's back to a defensive stance until we can confirm a supportive bounce.

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

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

30YR UMBS 5.5
30YR GNMA 5.0
15YR UMBS-15 5.0

US Treasuries		
10 YR	4.486%	+0.045%
2 YR	4.185%	+0.127%
30 YR	4.930%	-0.014%
5 YR	4.261%	+0.103%

Open Dashboard

Share This

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.