

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

We Make Home Happen.™

Our goal is simple:

To help every family we serve get to "Yes."

Yes to the loan that unlocks the joy of home ownership.

Yes to the lending solution that meets every client's unique needs and wants.

That's why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let's make home happen.

CONTACT ME TODAY



Nickolas Inhelder

Mortgage Broker, In Clear To Close - InCTC LLC

www.AslanHLC.com

P: (720) 446-8778

M: (858) 229-9533

nick@incleartoclose.com

1777 S. Harrison St.

Denver CO 80210

2037157 - CO, FL

2656899 - AL, CO, FL, SD

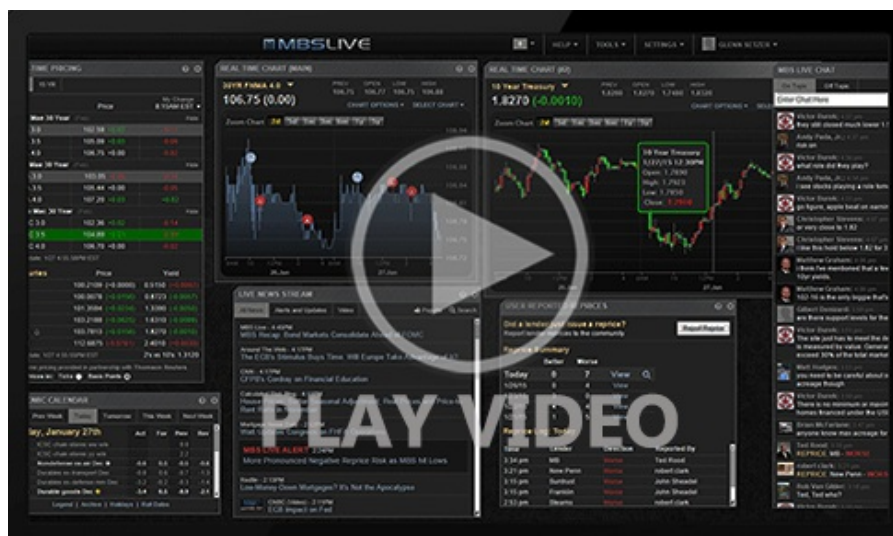


MBS Recap: Why Were 10yr Yields Only a Few bps Lower Today?

Why Were 10yr Yields Only a Few bps Lower Today?

MBS Recap | Matthew Graham | 4:41 PM

If you missed this morning's commentary, the gist is that inflation for June (via the CPI report) came in much lower than forecast (biggest "miss" in over a year). Given the market's preoccupation with inflation, this logically resulted in an immediate bond rally. 10yr yields only ended up a few bps lower by the end of the day. There are 3 key reasons. The first is purely mechanical and it has to do with the shorter-term rates benefitting the most. Fed Funds Futures did the best with the end-of-year implied rate falling an eighth of a point (or one half of a rate hike erased). It's common to see longer term bonds lag these moves with direct Fed rate implications. That said, we would have expected short term rates to do better as well were it not for the fact that fuel prices bottomed in June (when this data was collected) and have since been moving back up fairly quickly. The 3rd reason is related but more timely: fuel prices fell with bond yields into the 11am hour, but erased those gains after that.



Watch the Video

MBS Morning

8:56 AM Strong Start After Sharply Lower CPI

3:28 PM

Econ Data / Events

- ○ m/m CORE CPI (Jun)
 - 0.0% vs 0.2% f'cast, 0.2% prev
- m/m Headline CPI (Jun)
 - -0.4% vs -0.1% f'cast, 0.5% prev
- y/y CORE CPI (Jun)
 - 2.6% vs 2.8% f'cast, 2.9% prev
- y/y Headline CPI (Jun)
 - 3.5% vs 3.8% f'cast, 4.2% prev

Market Movement Recap

08:32 AM stronger after CPI. 10yr down 7.6bps at 4.541. MBS TBD, but should be up more than a quarter point soon when they catch up

11:53 AM off the strongest levels on a combination of war headlines and Warsh inflation commitments. MBS up 11 ticks (.34) and 10yr down 2.9bps at 4.587

01:53 PM

Lock / Float Considerations

- 7/14/26 - Reprieve from the surprisingly low CPI numbers, but not even enough to counteract yesterday's weakness. Bonds will need more convincing. Floating remains risky until we see a much stronger show of support (today's was somewhat underwhelming relative to the inflation data--likely because the fuel price situation has re-spiked since June's data collection).

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.59
 - o 4.51
 - o 4.42
- Floor/Resistance
 - o 4.19
 - o 4.28
 - o 4.34
 - o 4.36

MBS & Treasury Markets



MBS

30YR UMBS 5.5	+
30YR UMBS 6.0	+
30YR GNMA 5.5	+

US Treasuries

10 YR	4.586%	-0.030%
2 YR	4.189%	-0.084%
30 YR	5.100%	-0.007%
5 YR	4.315%	-0.062%

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