

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Headwinds, Cont'd



Michael Addison

Michael Addison Team

www.MichaelAddison.com

M: (214) 500-1358

michael@michaeladdison.com

Dallas TX 75205

NMLS# 603214



Headwinds, Cont'd

MBS Recap | Matthew Graham | 5:05 PM

"Headwinds, Cont'd" could be apply to the entirety of 2022-2026 or just March-July of 2026. But let's just focus on today's installment. For the second day this week, there wasn't any stellar correlation between bonds and other markets, econ data, or news headlines. Still, we wouldn't say that today's moderate weakness was a mystery move. In fact, it may even be fairly straightforward. Fuel prices came into the week at the highest level since May 19th (which was the highest since 2022). Front month oil futures spiked in the early AM hours and the peak coincided with the peak in bond yields. Additionally, bonds sold off at 9:30am for the second straight day, suggesting some trade flow considerations surrounding the NYSE open and earnings season money shuffling.





[Watch the Video](#)

MBS Morning

9:26 AM Bonds Grudgingly Giving Back Last Week's Inflation Rally

Alert

9:41 AM Heads-Up: Down a Quick 6 Ticks (.19)

3:42 PM

Market Movement Recap

- 08:48 AM Modestly weaker overnight. MBS down 2 ticks (.06) and 10yr up 1.2bps at 4.605
- 09:57 AM near weakest levels. MBS down 5 ticks (.16) and 10yr up 3.7bps at 4.631
- 02:41 PM Sideways after earlier weakness. MBS down 5 ticks (.16) and 10yr up 3.8bps at 4.631

Lock / Float Considerations

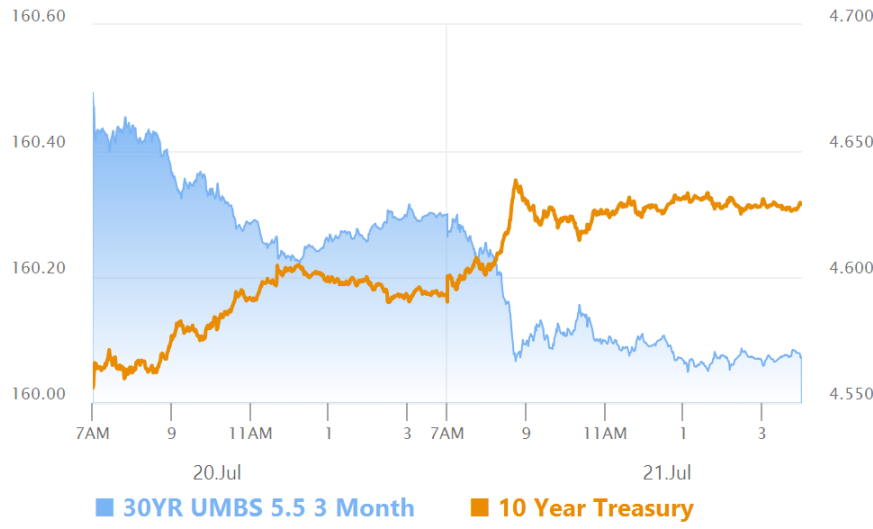
- 7/21/26 - Momentum remains broadly negative in the bigger picture. Risk-averse clients continue waiting for that to change before shifting out of a lock-biased stance. Risk-tolerant clients are running out of overhead lock triggers, though some bond strategists would say this makes a near-term bounce more likely. Either way, any major event-driven bounce would create short term opportunities.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.69
 - o 4.62
- Floor/Resistance
 - o 4.28
 - o 4.34
 - o 4.36

- 4.42
- 4.54

MBS & Treasury Markets



MBS

- 30YR UMBS 5.5
- 30YR UMBS 6.0
- 30YR GNMA 5.5
- 15YR UMBS-15 5.0

US Treasuries

10 YR	4.632%	+0.038%
2 YR	4.262%	+0.055%
30 YR	5.132%	+0.019%
5 YR	4.365%	+0.047%

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