

MBS & TREASURY MARKETS

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MBS Recap: Just Another Reasonably Bad Day For Bonds

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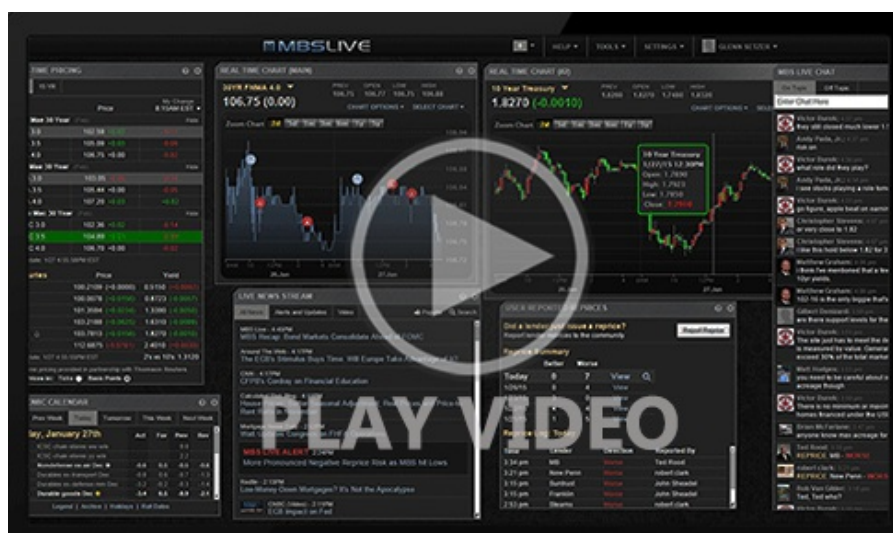
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Just Another Reasonably Bad Day For Bonds

MBS Recap | Matthew Graham | 4:52 PM

Bonds had a bad day for the 3rd time this week. The weakness was reasonable in light of fuel prices hitting the highest level since 2022 by some measures. That said, the intraday correlation between bonds and oil/gas/etc wasn't overly compelling. We continue to view oil as a bad actor in the background--something that adds general pressure via the inflation outlook. Nitty gritty market movers require conjecture today. The only thing jumping off the screen was a vertical leap by the short end of the curve between 9:30am-10:00am ET. The timing suspiciously coincides with the 9:30am NYSE open which is worth noting considering that's been a volatile time of day for bonds every day this week. Timing aside, market participants actively increased their bets on a Fed rate hike in 2026, and that spilled over to the rest of the yield curve. Best-case scenario: this is heightened nervousness ahead of next week's Fed announcement in a regime that's light on forward guidance.



Watch the Video

10:18 AM Just a Bit Weaker as Oil Keeps Rising

Alert

10:37 AM MBS Down an Eighth From Rate Sheet Print Times

3:58 PM

Market Movement Recap

- 09:36 AM modestly weaker overnight. MBS down 5 ticks (.16) and 10yr up 1.2bps at 4.637
- 10:21 AM 10yr up 2.7bps at 4.652. MBS down 6 ticks (.19).
- 02:49 PM MBS down 5 ticks (.16) and 10yr up 2.8bps at 4.654

Lock / Float Considerations

- 7/22/26 - (unchanged from yesterday) 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
 - o 4.42
 - o 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	4.658%	+0.032%
2 YR	4.303%	+0.033%
30 YR	5.146%	+0.016%
5 YR	4.407%	+0.035%

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