MBS Recap: Almost Like Clockwork

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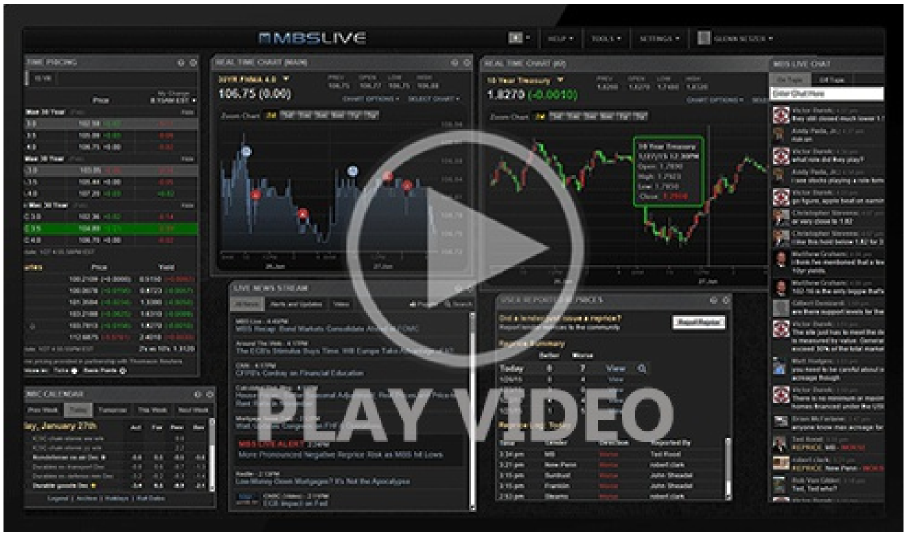
Almost Like Clockwork

MBS Recap Matthew Graham | 2:33 PM

Almost like clockwork, after several days spent mostly rallying on a headline-driven drop in oil prices, bonds reversed course as the tone of the headlines changed and oil prices bounced. That said, oil didn't bounce too much today. The rest of the drama for bonds came courtesy of a big corporate bond announcement before the open. Yields remain safely under supportive ceilings for now, but weekend-adjacent days have been prime candidates for war headline volatility. And as always, the jobs report can never be ruled out as a source of inspiration for better or worse.



Watch the Video

MBS Morning

11:05 AM Modest Overnight Weakness on Oil and Corporate Issuance.

Alert

11:55 AM MBS Down an Over Eighth From Highs

Alert

12:22 PM Negative Reprices Becoming Likely

2:18 PM

Econon Data / Events

- Jobless claims
  - 199k vs 202k f'cast, 198k prev

Market Movement Recap

09:18 AM Moderately weaker overnight on a combo of oil and corporate bond issuance. MBS down 5 ticks (.16) and 10yr up 2.4bps at 4.637

11:46 AM MBS Down 7 ticks (.22) and 10yr up 4.5bps at 4.658

12:23 PM MBS now down 10 ticks (.31) and 10yr up 5.9bps at 4.673

02:20 PM Sideways at weakest levels. MBS down 9 ticks (.28) and 10yr up 5.9bps at 4.672

Lock / Float Considerations

- 8/6/26 - Solid reminder today about the ever-present risk of war-related volatility in bonds. No reason to expect it couldn't be a factor again on Friday. The jobs report can also never be ruled out. No directional bias with the volatility warning. Decent lock opportunity for lenders that didn't reprice too significantly today. Risk takers still have their eye on overhead support in Treasuries.

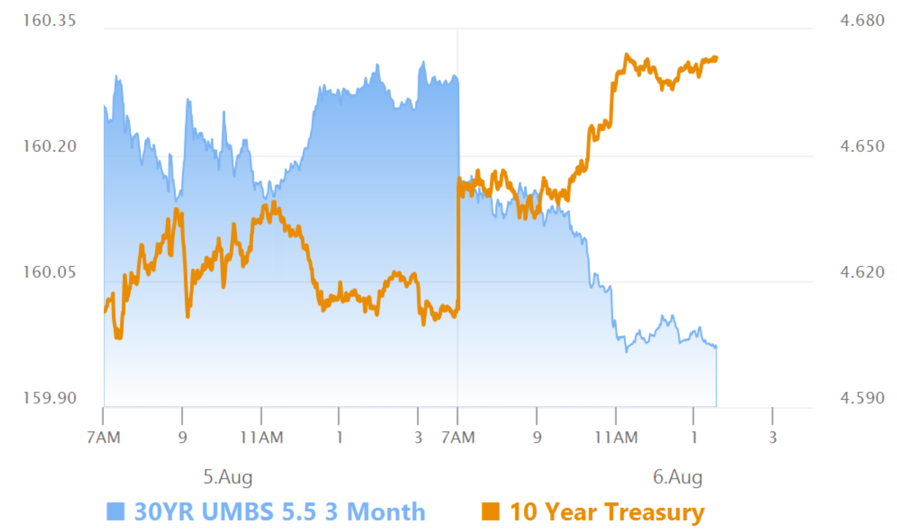
Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 4.80

- 4.71

- Floor/Resistance
  - 4.42
  - 4.54
  - 4.62

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	4.674%	+0.061%
2 YR	4.250%	+0.077%
30 YR	5.214%	+0.045%
5 YR	4.393%	+0.064%

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