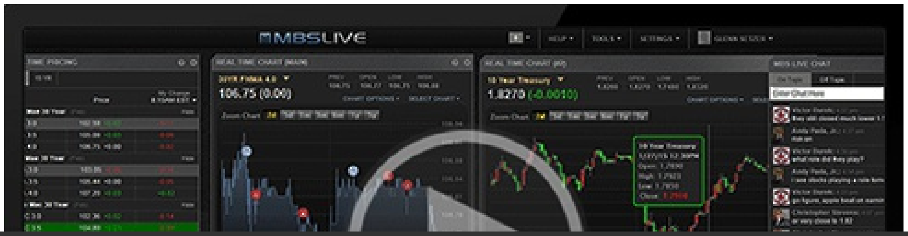
MBS Recap: Issuance and Oil Strike Back

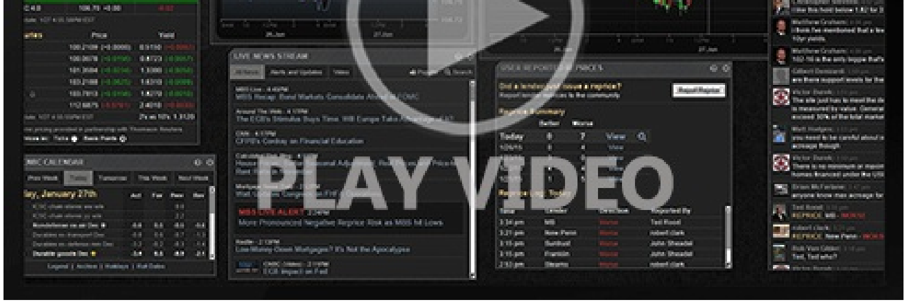
Chris Jones NMLS ID 130813
Mortgage Loan Officer, NEXA Mortgage, LLC
www.chrisjonesmortgagegroup.com
P: (312) 505-9949
M: (312) 505-9949
chrisjones@nexamortgage.com
3100 W Ray Road Suite 201
Chandler AZ 85226
Corporate NMLS ID: 1660690

Issuance and Oil Strike Back

MBS Recap Matthew Graham | 3:59 PM

Oil prices continue to ebb and flow in concert with the Iran war news cycle. There's no set schedule for such things, but there have been several Mondays where that narrative shifts in the opposite direction from wherever we left off at the end of the previous week. Last Wednesday was a recent low for oil and prices have risen since then. Today's increase was a bit of an acceleration so it's no surprise to see bond yields follow. Bonds also saw some mid-day pressure from an active corporate debt issuance landscape, but it's just as fair to say both oil prices and bonds yields have returned to the exact same levels seen during Tuesday's pre-market hours before the early rally.





Watch the Video

MBS Morning	
10:32 AM	Another Week, Another Oil Price Pivot
Alert	
1:03 PM	MBS Down an Eighth Since 9:30am
Alert	
3:18 PM	Negative Reprice Risk Increasing Just a Bit More
3:46 PM	

Market Movement Recap

09:47 AM Weaker overnight and losing more ground now. 10yr up 4.1bps at 4.688. MBS down 7 ticks (.22).

12:53 PM MBS at lows, down 9 ticks (.28) and 10yr up 5.4bps at 4.701

Lock / Float Considerations

- 8/10/26 - Unsurprising back-and-forth volatility on war-related headlines. Risk of same remains a fixture on any given day's lock/float considerations. Yields are closer to long-term ceilings, which mean less room for risk-tolerant clients to use those ceilings as technical lock triggers. Friday was a solid lock opportunity for the average client. Today isn't much worse. Peace prospect or inflation data would need to improve dramatically for that to change.

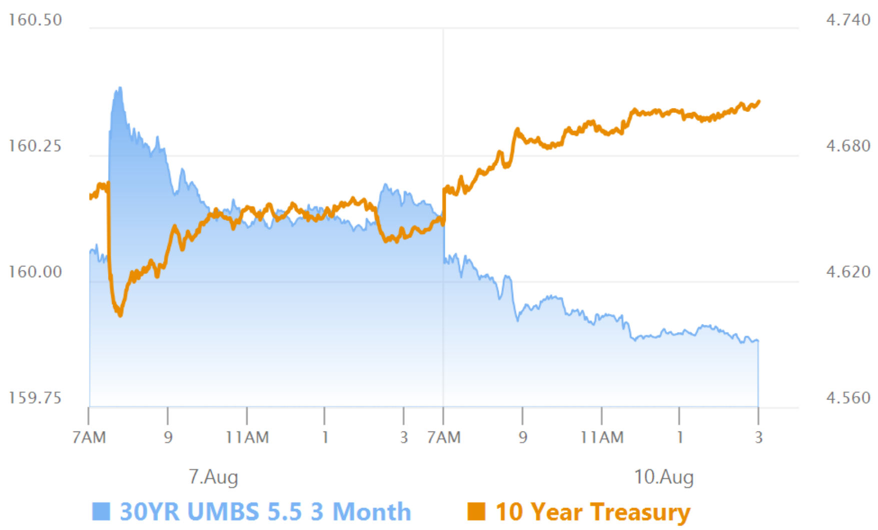
Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 4.80
  - 4.71

- 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	4.705%	+0.058%
2 YR	4.241%	+0.044%
30 YR	5.251%	+0.050%
5 YR	4.410%	+0.059%

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