

MBS & TREASURY MARKETS

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ALERT: Down an Eighth From Highs

10yr yields are still down 1.3bps on the day at 4.679 but that's up more than 3bps from the post-data lows.

Selling has been fairly steady but accelerated a bit after the 9:30am NYSE open as accounts sold both stocks/bonds simultaneously (a thing that sometimes happens, either in response to Fed rate expectations or due to risk parity trading). There were also a few block trades that came through around the same time.

The net effect for MBS is an eighth of a point drop from the AM highs, which incidentally coincide with some lenders' rate sheet print times. It's probably a bit early to guarantee repricing risk, but we're right on the edge for the jumpiest lenders. Another tick or two of weakness would make it a bigger risk (obviously).



Justin Toenjes

Originating Branch
Manager, Peoples
Mortgage

www.peoplesmortgage.com/.../jt

P: (480) 237-8144

M: (480) 620-0935

jtoenjes@peoplesmortgage.com

2055 E. Centennial Way
Tempe Az 85284

Loan Officer - Justin Toenjes - LO
Licensing: AZ-L

Company Licensing: Peoples
Mortgage Company, A DBA



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