

MBS & TREASURY MARKETS

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ALERT: Negative Reprice Risk Increasing

Bonds just drifted to slightly weaker levels. MBS are still up 3 ticks on the day, but pushing into new lows. Previously, we were looking at an eighth point gap from AM highs. Now that's up to 5 ticks (.16) depending on when you look. The tie breaking vote to send this alert was cast by Treasury yields rising more definitively to the higher of the day (something that could add some pressure for MBS in the coming minutes).

Bottom line, you still might not see many reprices, but the risks are just a bit higher than they were at the time of the last alert.



Dan Beam

Senior Vice President
Director Residential
Lending, Penn Community
Bank

www.penncommunitybank.com

P: (215) 788-6094 x5328

M: (215) 416-4657

219 S 9th Street
Perkasie PA 18944

Member
FDIC



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