MBS Recap: War Headlines Pushing Oil and Yields Higher

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War Headlines Pushing Oil and Yields Higher

MBS Recap Matthew Graham | 1:46 PM

Some summertime Mondays are slow and uneventful. Some see brisk movement. Today's was somewhere in between. There was modest pressure at the outset following headlines about Iran planning to escalate hostilities. The sharpest increase in oil prices coincided with Iran seizing a UAE tanker in the Strait of Hormuz. 10yr yields followed and hit the highs of the day shortly thereafter. Bottom line: fairly straightforward day, even if moderately unpleasant for fans of low rates.

Watch the Video

MBS Morning

9:43 AM Under Some Pressure For Usual Reasons

Alert

1:32 PM Down an Eighth From Highs

1:36 PM

Econ Data / Events

- NY Fed Manufacturing
  - 20.6 vs 11 f'cast, 15.6 prev

Market Movement Recap

09:21 AM MBS down and eighth and 10yr up 1.4bps at 4.707

11:02 AM MBS down 1 tick (.03) and 10yr up 1bp at 4.702

01:15 PM MBS down 3 ticks (.09) and 10yr up 1.9bps at 4.712

Lock / Float Considerations

- 8/17/26 - Meaningful progress for the bond market remains elusive--a fact that's doubly true on any day with higher fuel prices in play. This dynamic will continue as long as the Iran war continues, thus making overnight floating a perpetually risky strategy.

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	4.720%	+0.027%
2 YR	4.171%	-0.002%
30 YR	5.308%	+0.048%
5 YR	4.371%	+0.010%

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