

MBS & TREASURY MARKETS

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MBS Recap: Boring Day But At Least Bonds Turned Green



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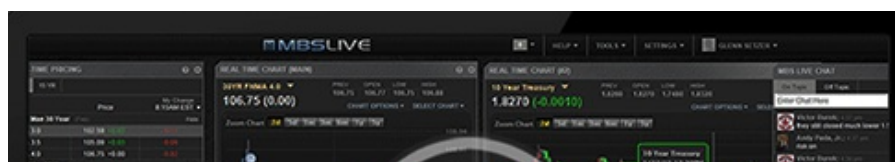


EQUAL HOUSING
OPPORTUNITY

Boring Day But At Least Bonds Turned Green

MBS Recap | Matthew Graham | 4:24 PM

Tuesday offered remarkably of interest or consequence for the bond market. The most notable development was the brief visit to 4.75% in 10yr yields followed by the emergence of the quintessential "dip buyer" (i.e. "hey look... yields are high enough again that I think I'm going to buy some Treasuries"). The post-9:30am timing adds emphasis to that mentality among the retail investor community. Apart from that, there were no obvious motivations or relevant data points. Wednesday suffers a similar absence of scheduled events with the only exception being the Fed Minutes release at 2pm ET.





Watch the Video

MBS Morning

10:26 AM Weaker Start, But Traders Buying The Dip

4:06 PM

Econ Data / Events

- ○ Building Permits (Jul)
 - 1.443M vs 1.37M f'cast, 1.374M prev
- Housing starts number mm (Jul)
 - 1.239M vs 1.35M f'cast, 1.427M prev
- Import prices mm (Jul)
 - -0.4% vs 0.1% f'cast, 0.3% prev

Market Movement Recap

- 09:17 AM Slightly weaker overnight and sideways since then. 10yr up 1.8bps at 4.74 and MBS down an eighth of a point.
- 12:51 PM MBS unchanged and 10yr down 1.2bps at 4.71
- 02:37 PM MBS up 1 tick (.03) and 10yr down 1.6bps at 4.706

Lock / Float Considerations

- 8/18/26 - (unchanged from yesterday): 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

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")
 - o 4.80
 - o 4.71
- Floor/Resistance
 - o 4.42
 - o 4.54
 - o 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%	-0.017%
2 YR	4.171%	-0.002%
30 YR	5.285%	-0.019%
5 YR	4.364%	-0.006%

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