MBS Recap: Boring Day But At Least Bonds Turned Green

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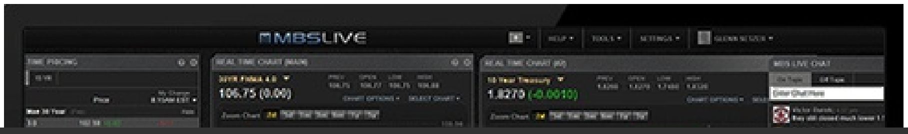
Boring Day But At Least Bonds Turned Green

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 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	4.705%	-0.017%
2 YR	4.171%	-0.002%
30 YR	5.285%	-0.019%
5 YR	4.364%	-0.006%

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