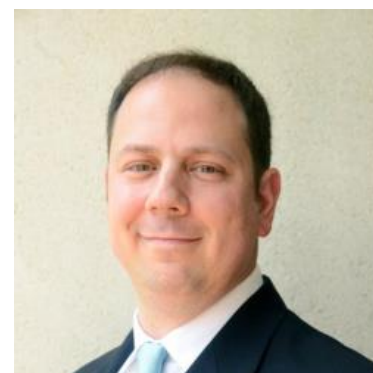


MBS & TREASURY MARKETS

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MBS Recap: Boring Day But At Least Bonds Turned Green



Michael Levine

Senior Loan Officer,
CrossCountry Mortgage

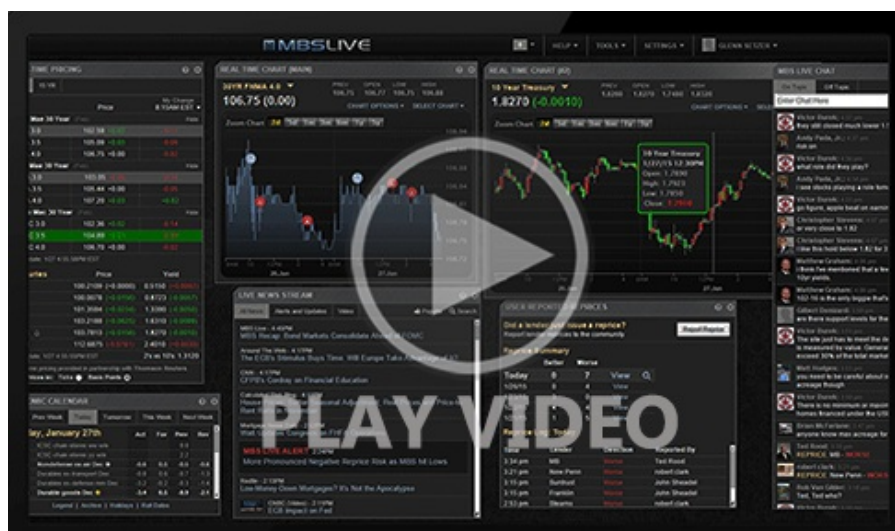
M: 914-391-1183

2900 Westchester Ave.
Purchase NY 10577-____
307827

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

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
 - 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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