MBS Recap: Technically a Breakout, But It Could Have Been Worse

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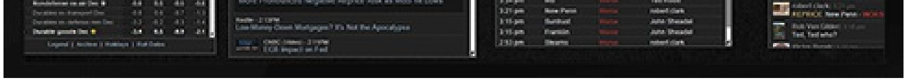
MBS Recap Matthew Graham | 4:59 PM

10yr yields closed just under 4.74 at the end of July and just over 4.75% today. That's the highest close since January 2025 which, at first glance, sounds pretty gloomy. But it's worth noting that several days have ended just a bp or two below today's levels. In other words, it was ultimately a small, incremental bump. Perhaps more importantly, it was not-at-all out of character with respect to the prevailing trend.



Watch the Video

MBS Morning

10:13 AM Month-End Trading Taking a Toll

4:12 PM

Market Movement Recap

09:33 AM MBS down 6 ticks (.19) and 10yr up 4bps at 4.753

12:24 PM MBS down 5 ticks (.16) and 10yr up 4.9 bps at 4.761

04:01 PM MBS down 3 ticks (.09) and 10yr up 3.2bps at 4.744

Lock / Float Considerations

- 8/31/26 - AM weakness may have been driven by temporary factors, but bonds nonetheless broke to the weak side of technical support levels. Moreover, the negative trend easily remained intact. There will always be pockets of correction amid broadly negative momentum, but trying to time those accurately is impossible. It makes sense to remain defensive until there's a clear reversal in the bigger-picture trend.

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	4.751%	+0.039%
2 YR	4.343%	-0.001%
30 YR	5.243%	+0.039%
5 YR	4.502%	+0.019%

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