MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: More War. More Selling

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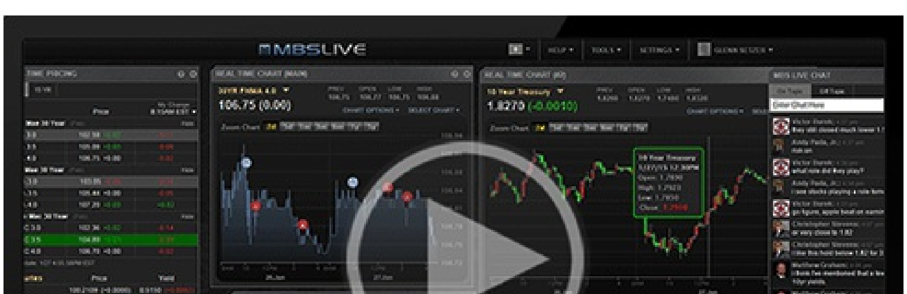
More War. More Selling

MBS Recap Matthew Graham | 4:49 PM

Tuesday was as straightforward as it was unpleasant for the bond market. Mid-day news regarding new air strikes in Iran caused an immediate reaction in oil prices. This was more than enough to reverse the rally that followed this morning's 10am ET economic data. Oil prices hit the highest level since late July and bond yields matched the highest closing levels since January 2025.



Watch the Video

MBS Morning

9:45 AM Selling Continues And It's Not Just Oil

Alert

12:32 PM MBS Down an Eighth From Highs After War Headlines

Alert

2:10 PM Negative Reprice Risk Increasing

4:17 PM

Econ Data / Events

- ISM Manufacturing PMI (Aug)
  - 54.6 vs 55.2 f'cast, 55.6 prev
- ISM Mfg Prices Paid (Aug)
  - 71.1 vs 72 f'cast, 71.1 prev
- USA JOLTS Job Openings (Jul)
  - 7.271M vs 7.3M f'cast, 7.359M prev

Market Movement Recap

08:54 AM MBS down a quarter point and 10yr up 3bps at 4.784

10:17 AM Stronger after 10am data, but still weaker on the day. MBS down an eighth and 10yr up 1bp at 4.761

12:32 PM MBS down 6 ticks (.19) and 10yr up 3.4bps at 4.786

02:11 PM MBS down 9 ticks (.28) and 10yr up 4bps at 4.791

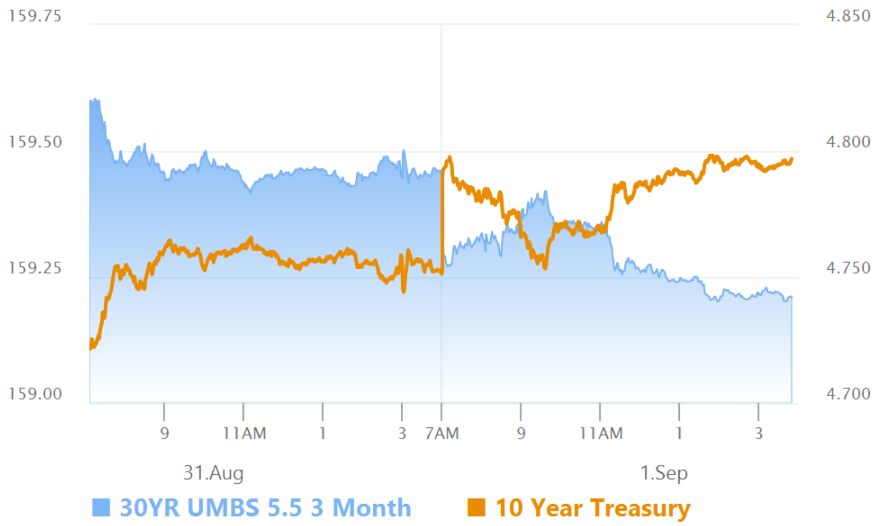
Lock / Float Considerations

- 9/1/26 - War headlines and oil price volatility present persistent risks for volatility. 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	4.798%	+0.046%
2 YR	4.400%	+0.054%
30 YR	5.271%	+0.029%

5 YR	4.557%	+0.051%

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