MBS & TREASURY MARKETS

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MBS Recap: Bonds Bounce Back After Mid-Day Stumble

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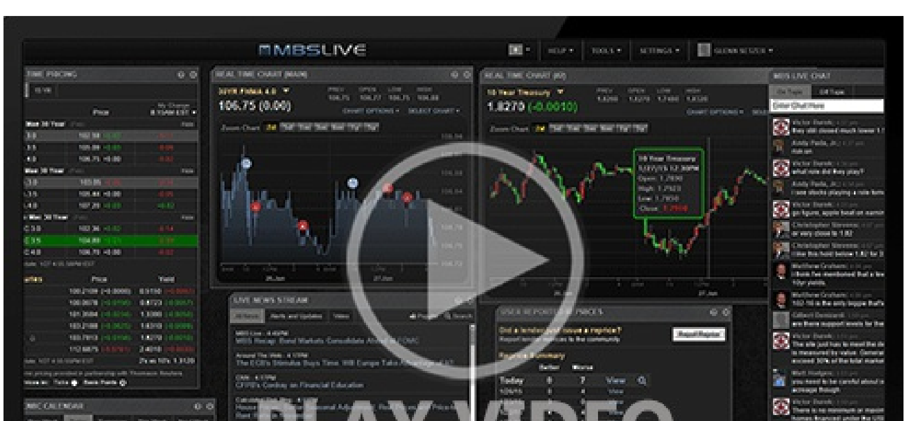
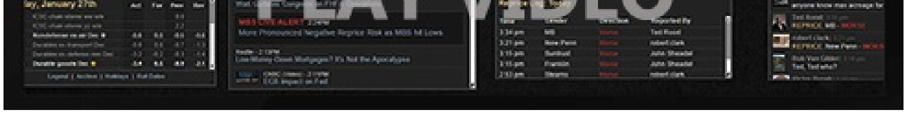
Bonds Bounce Back After Mid-Day Stumble

MBS Recap Matthew Graham | 4:37 PM

Bonds began the day in stronger territory following overnight reports of regarding a potential reopening of the Strait of Hormuz. Yields and oil prices moved steadily higher after that, ultimately rising into negative territory following Trump's UN speech. Subsequent newswires pushed back in the other direction. These involved claims of contact between the U.S. and the Iranian delegation on the sidelines of the UN general assembly as well as Trump comments regarding momentum toward a deal. None of the above was sweeping or definitive, but it was enough to bring oil prices back to session lows and for bonds to move back into positive territory.





Watch the Video

MBS Morning

9:12 AM Fake or Not, Hormuz Headlines Helping Bonds

Alert

11:41 AM Down an Eighth From AM Highs

4:36 PM

Market Movement Recap

02:09 PM MBS back into positive territory after earlier losses on reports of Trump meeting with Iranian delegation. Oil and yields dropped together. 10yr now unchanged at 4.953 and MBS up 2 ticks (.06).

03:45 PM More gains on additional headlines regarding U.S./Iran discussions. 10yr down 0.3bps at 4.949 and MBS up 3 ticks (.09).

Lock / Float Considerations

- 9/22/26 - As expected, the light data calendar has left most of the market's focus on war headlines and oil price volatility. This dynamic should continue, but there's no inherent bullish or bearish bias that underlies it. Technical levels remain relevant until there's a clear break outside the current range (4.93%-ish to 5.01%-ish). In the bigger picture, the default stance hasn't changed since the beginning of July: we continue waiting for a definitive shift/rally before it makes sense to be anything other than conservative in terms of lock/float decisions.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 5.14
- Floor/Resistance
  - 4.62
  - 4.71
  - 4.80

- 4.83
- 4.93
- 5.00

MBS & Treasury Markets

MBS

30YR UMBS 6.0	+
30YR UMBS 6.5	
30YR GNMA 6.0	
15YR UMBS-15 5.0	

US Treasuries

10 YR	4.955%	+0.003%
2 YR	4.743%	0.000%
30 YR	5.295%	+0.011%
5 YR	4.828%	+0.001%

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