

Decent Data and Palatable Powell

By: Matthew Graham | Wed, May 1 2024, 4:49 PM

Bonds managed modest to moderate gains after digesting all of the morning's economic data and events. None of the reports were too exciting and one might conclude that traders were slightly more interested in buying bonds regardless of the data. Yields flat-lined in stronger territory ahead of the Fed. The announcement itself was largely as-expected. The same could be said of the press conference, but with the qualification that Powell definitely stopped short of expressing as much concern about inflation as the recent data justified. Rate cuts aren't likely any time soon, but the next move is still seen as much more likely to be a cut rather than a hike. Markets also appreciated Powell's reiteration that the Fed wouldn't hesitate to do what it needed to do based on the data/economy without considering political implications.

Econ Data / Events

- - ADP Employment
 - 192k vs 175k fcast, 208k prev
 - TSY refunding announcement
 - increases in shorter part of the curve
 - no increases in 10yr and up
 - small buyback announced
 - S&P Manufacturing PMI
 - 50.0 vs 49.9 fcast, 51.9 prev
 - ISM Manufacturing
 - 49.2 vs 50.0 fcast, 50.3 prev
 - ISM Prices
 - 60.9 vs 55.0 fcast, 55.8 prev

Market Movement Recap

- 08:59 AM
unchanged overnight and modestly stronger after ADP/Treasury. MBS up an eighth. 10yr down 2.3bps at 4.66
- 09:46 AM
Slightly stronger leading up to S&P PMI. No reaction afterward. MBS up 7 ticks (.22). 10yr down 3.2bps at 4.65
- 10:05 AM
No major reaction to 10am data. 10yr yields are down 4bps at 4.643 and MBS are up nearly a quarter point.
- 02:18 PM
Modestly stronger after Fed. 10yr down 4.2bps at 4.462. MBS up a quarter point
- 02:47 PM
Additional gains as Powell press conference continues. MBS up half a point. 10yr down 10bps at 4.587

View More: <http://www.mortgagenewsdaily.com/mbs>

MBS & Treasury

MBS Prices	Price	Change
UMBS 6.0	99.46	+0.40
UMBS 6.5	101.08	+0.34
GNMA 6.0	100.48	+0.27
GNMA 6.5	101.49	+0.23

Pricing as of: 5/1 5:04PM EST

Treasuries	Yield	Change
2 YR	4.9487	-0.0115
5 YR	4.6329	-0.0182
7 YR	4.6262	-0.0172
10 YR	4.6166	-0.0179
30 YR	4.7420	-0.0094

Pricing as of: 5/1 11:59PM EST

Average Mortgage Rates



Mortgage Rates	Rate	Change
30 Yr. Fixed	7.41%	-0.10
15 Yr. Fixed	6.84%	-0.06
30 Yr. Jumbo	7.60%	-0.07
7/6 SOFR ARM	7.50%	-0.05
30 Yr. FHA	6.88%	-0.11
30 Yr. VA	6.89%	-0.11

Rates as of: 5/1