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The Week Ahead: Bonds Weighing Options on Holiday-Shortened Week

- SIFMA recommended early close for markets (2pm ET) on Thu and full close on Friday
- Friday is NOT a bank holiday
- Bond markets in equivocal territory in terms of momentum
- Data limited, but Durable Goods on Thu and GDP on Fri

This week brings the Good Friday holiday, resulting in a **full market closure on Friday** and an early close on Thursday, as recommended by SIFMA. That means Friday **WILL** be a rescission day, but bond markets won't be moving. As such, there is no scheduled commentary for Friday.

There will be data though. In fact, the **2 biggest reports** of the week will be out on the holiday-affected days. Thursday's data is arguably bigger as Durable goods is a more timely release. It covers the month of February, whereas the Final GDP numbers on Friday are merely a revision to data from Q4-2015.

In terms of momentum, bond markets begin the week in equivocal territory. Had we woken up to a surge lower in yields, we could **BEGIN** to conclude that a new, positive trend was forming. As it stands, the moderate weakness does more to suggest a "sideways consolidation" as opposed to any new positive/negative momentum. Until technicals start sending clear signals, we can continue to watch nearby pivot points for short-term momentum indications.

The nearest **supportive ceiling** in 10yr yields is 1.92 and the rally target (a floor we'd love to break) is 1.84. As always, keep in mind that "breaking" a pivot point is slightly subjective. There needs to be a certain amount of follow-through, either in terms of distance or time. In other words, yields would have to break far enough past a pivot and hold that break for a long enough time to consider it successfully broken.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.37	+0.30
MBS GNMA 6.0	100.35	+0.27
10 YR Treasury	4.6645	-0.0394
30 YR Treasury	4.7739	-0.0400

Pricing as of: 4/26 5:05PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.45%	-0.07	0.00
15 Yr. Fixed	6.86%	-0.05	0.00
30 Yr. FHA	6.95%	-0.05	0.00
30 Yr. Jumbo	7.64%	-0.04	0.00
5/1 ARM	7.50%	-0.05	0.00
Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 4/26



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