

Bloomberg Sessions



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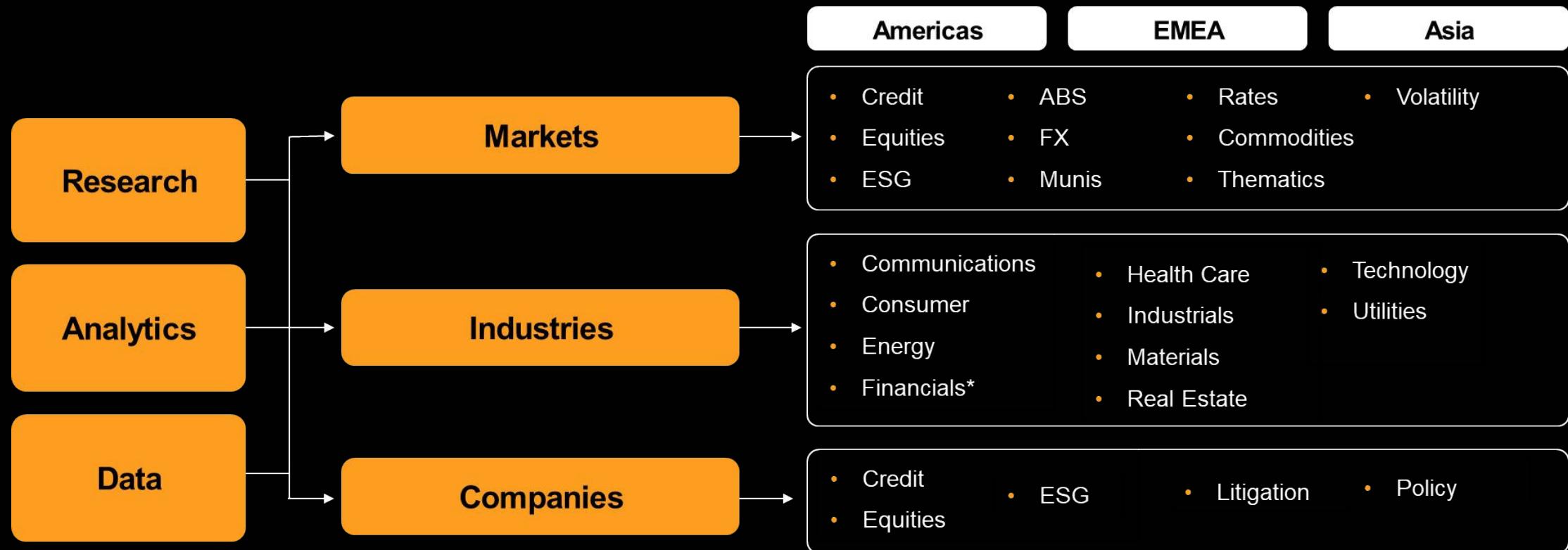


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Research, analytics and data tools to help you make informed investment decisions



*Includes Market Structure Research

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Mortgages Dashboard (BI MORTN) North America ★

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Outlook (Click to see more) »

For the Agency MBS Market, Greater Complexity ...
 THESIS: The agency mortgage-backed security (MBS) market faces a more complex challenge in 2026 than in recent years. Shaped by unprecedented coupon and pool dispersion, fast-changing policy ...

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Featured Research

- 1) [Rising Supply Threatens TBA Financing Advantage](#)
- 2) [What's Next for MBS CMOs After Banner Year?](#)
- 3) [Conventional Mortgage Rates Break Below 6%](#)
- 4) [2026 MBS Demand Outlook: GSEs Shape the Mix](#)

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| All Research |
|---|
| 5) ✓ MBS Financing Discount on TBA Trades May Fade as Supply G... 07:12 ▲ |
| 6) ✓ Trump at Davos Touts Lower Mortgage Rates, Not Supply Fix... 01/21 |
| 7) ✓ CMO Supply Poised to Stay Elevated, Shift Mix as Curve Stee... 01/20 |
| 8) ✓ Letting Home Buyers Tap 401(k)s Won't Ease Affordability: ... 01/16 |
| 9) ✓ Mortgages Below 6% May Benefit Refinancers More Than Purc... 01/14 |
| 10) ✓ GSEs Tip MBS-Demand Scales Further Toward Balance-Sheet ... 01/13 |
| 11) ✓ Trump Tells Fannie, Freddie to Buy \$200 Billion of MBS: BBT... 01/12 |
| 12) ✓ GSEs Buying More MBS Is Only Temporary Fix for Long-Term... 01/12 |
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| 14) ✓ Up to \$200 Billion of MBS Buys by GSEs to Squeeze Spreads:... 01/08 |
| 15) ✓ FHFA Housing Rules for 2026-28 Favor Middle-Class Mortgages 01/08 |
| 16) ✓ MDC Momentum Declined to Consistent 2026 Deposit Tighten... 01/05 |

| Key Indicators | Latest |
|-----------------------|--------|
| Major Indices | |
| 31) 30YR CC Yield | 5.02 |
| 32) 30YR CC Spread | .99 |
| 33) 30YR Primary ... | 6.18 |
| 34) 10YR Yield | 4.23 |
| 35) Federal Funds ... | 3.75 |
| 36) MOVE Index | 56.50 |
| 37) MBA Applicatio... | 397.20 |
| 38) GDP Quarterly ... | 4.40 |
| 39) Core PCE Def. | 2.79 |
| 40) Unemployment... | 4.40 |

MBS Risks, Potential Abound as New Challenges Emerge in 2026

Key Drivers for 2026

Security Selection Over Sector Positioning

BI View:

The historic dispersion across mortgage-backed security coupons and sectors offers investors more opportunities to differentiate performance.

Policy Wildcards

BI View:

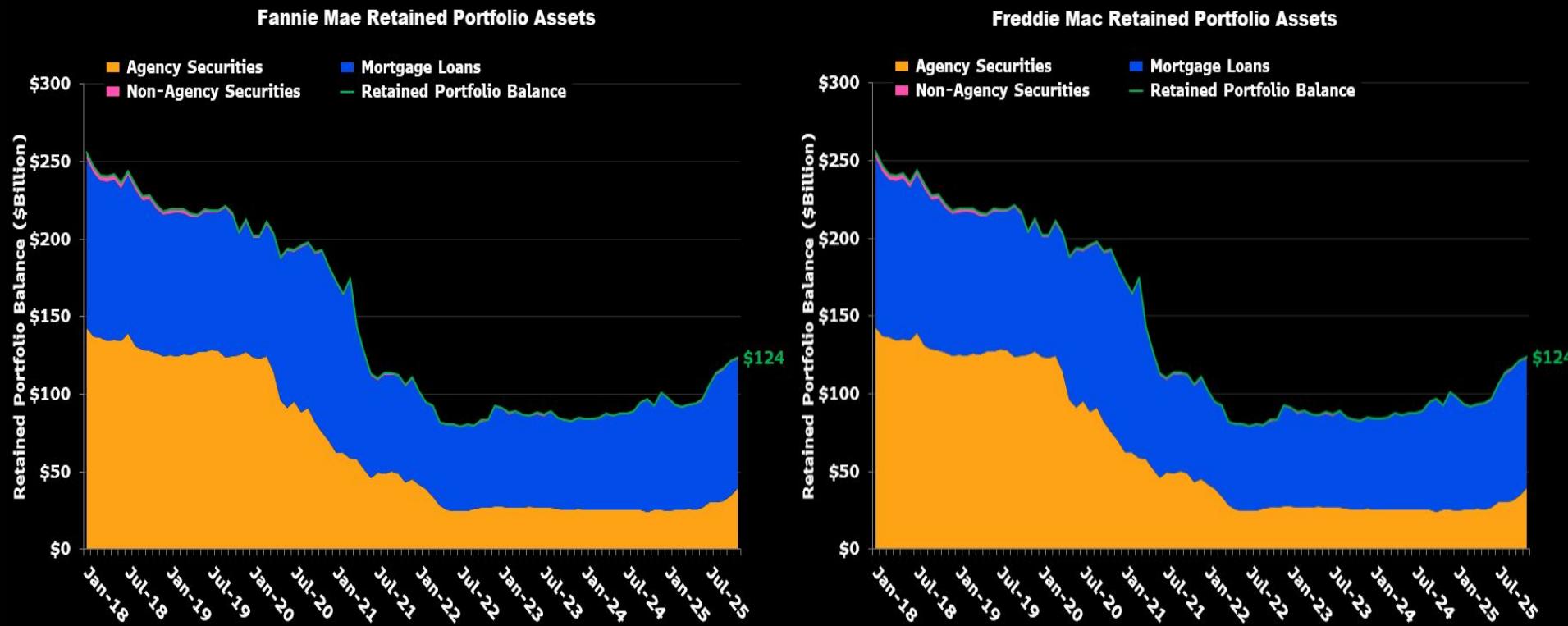
Evolving housing and financial policies, including affordability measures, possible GSE privatization and shifts in Federal Reserve policies and priorities, may create exogenous shocks affecting MBS performance.

Escalating Refinance Risks

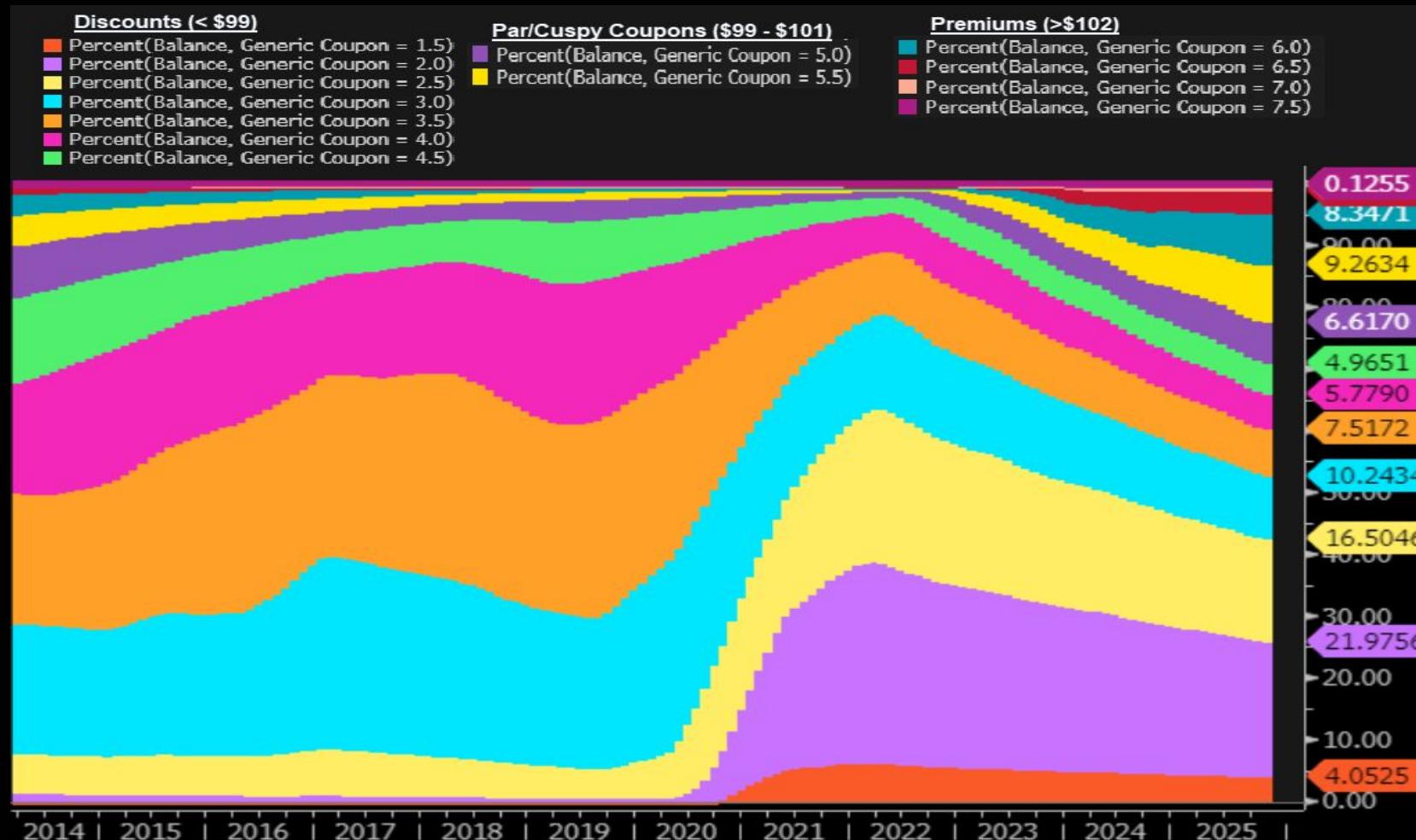
BI View:

Mortgage bankers and servicers focused on recapture technology are boosting refinancing responses and increasing MBS convexity risks.

GSE MBS Buying Pulled Spreads Rapidly Tighter



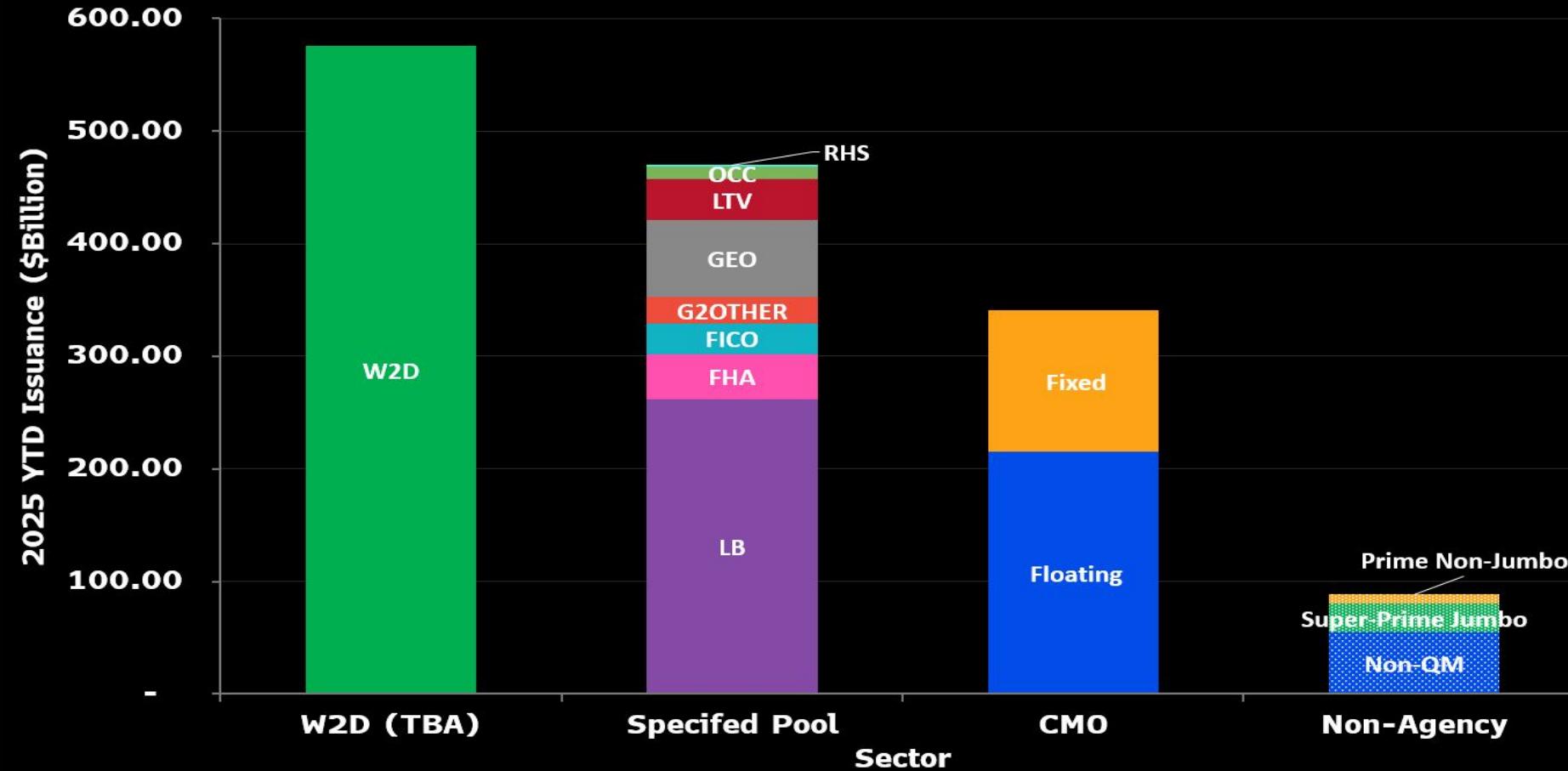
Coupon Stack Offers Wide Range of Risk/Reward Profiles



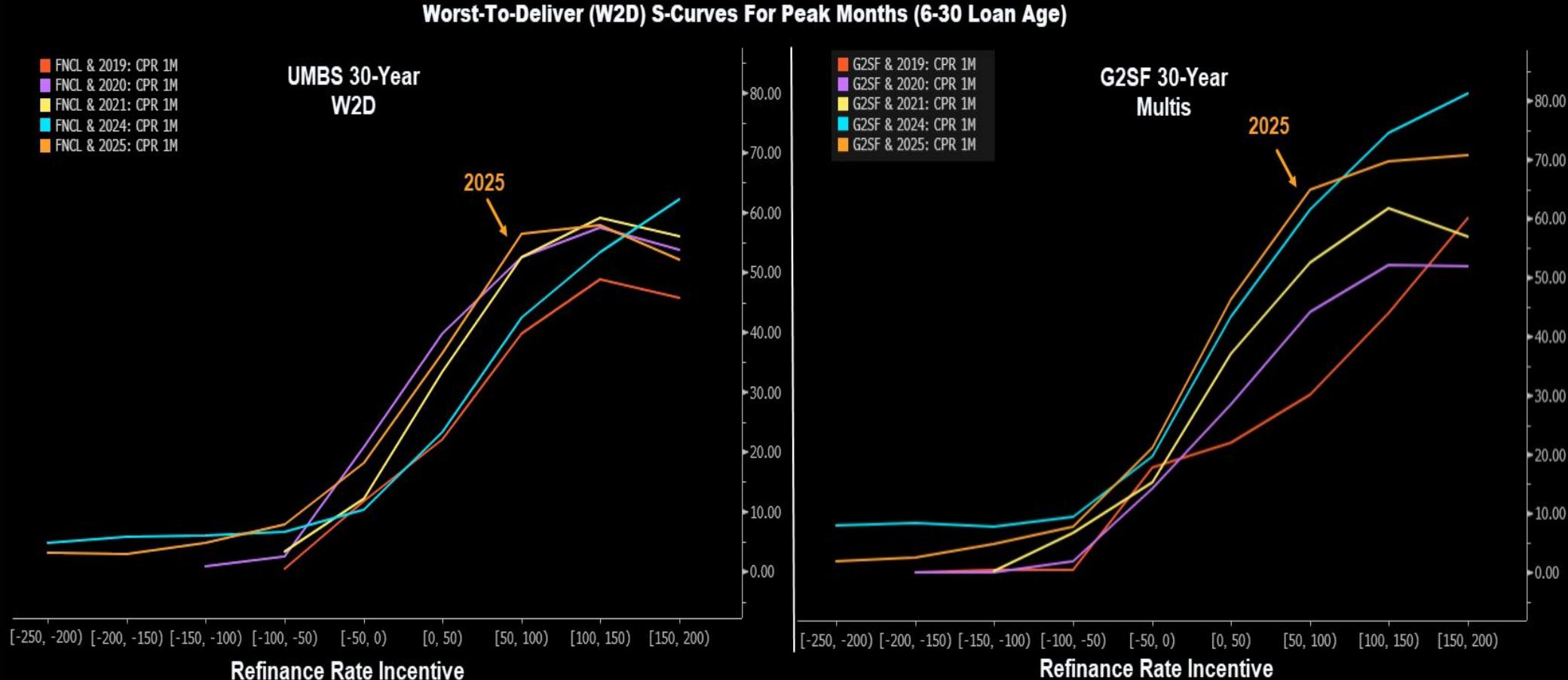
Source: Bloomberg Intelligence

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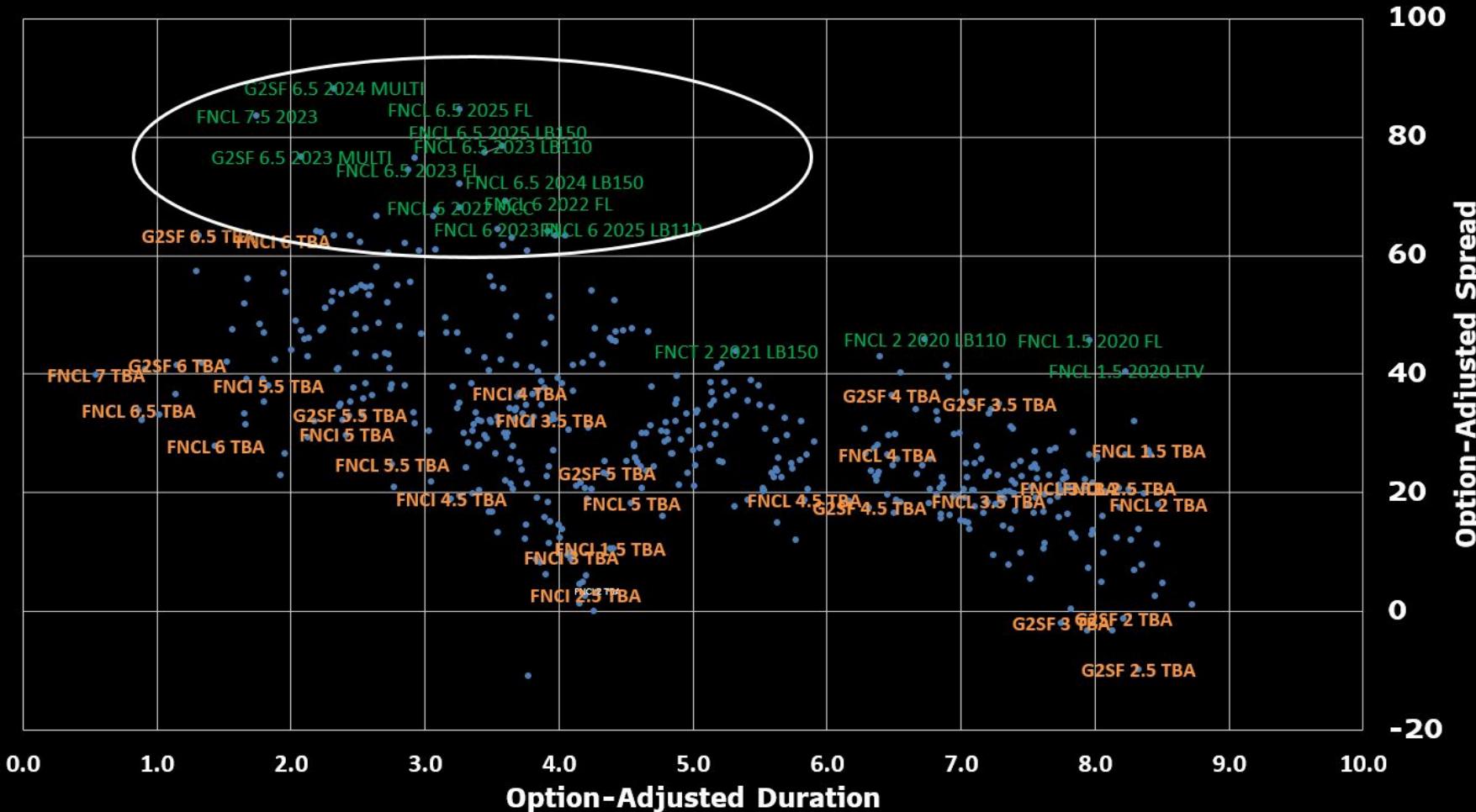
Strong Specified Pool, CMO, Non-Agency Issuance Expand Options



Refinancing Sensitivity Curves Are Steep – And Getting Steeper



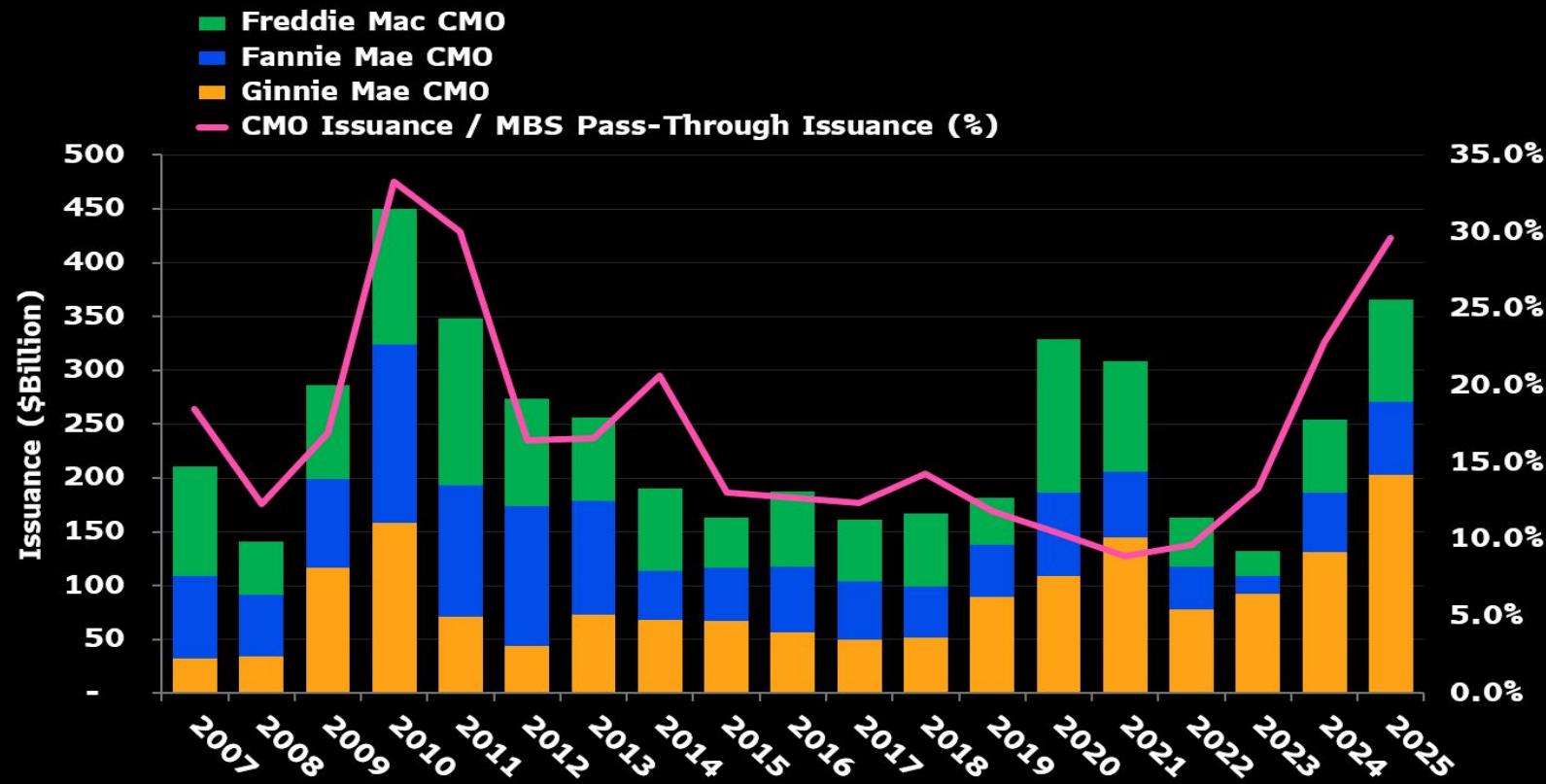
Prepay-Protected Premiums Stand Out on Efficient Frontier



What's Next For MBS CMOs After Banner Year?

Origination May Stay Elevated; Mix May Shift As Curve Steepens

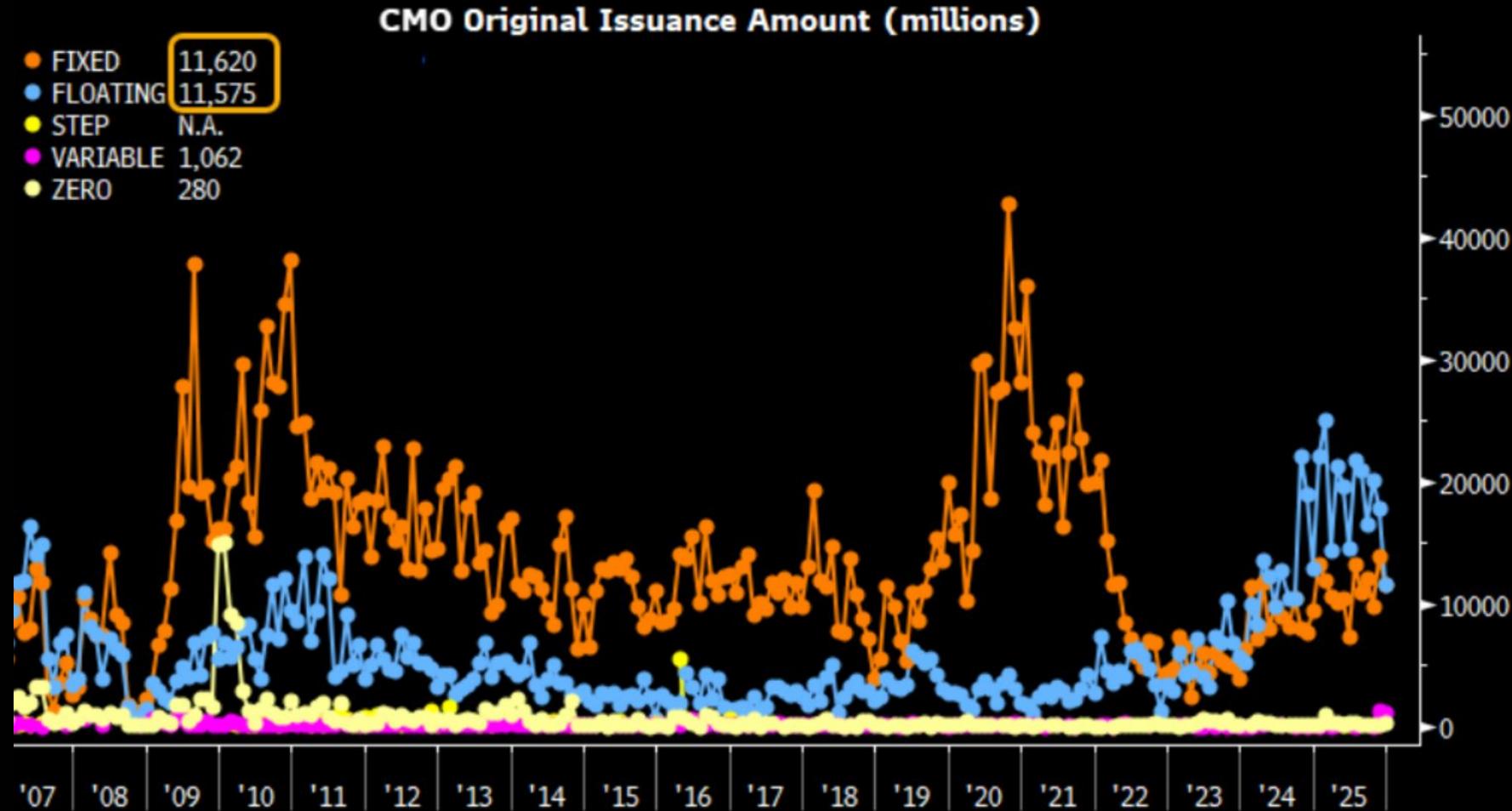
Record Year For GNMA, Floaters



Source: Bloomberg Intelligence

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Fixed-Rate Issuance Exceeded Floater In December



Steeper Yield Curve Driving Structural Innovations

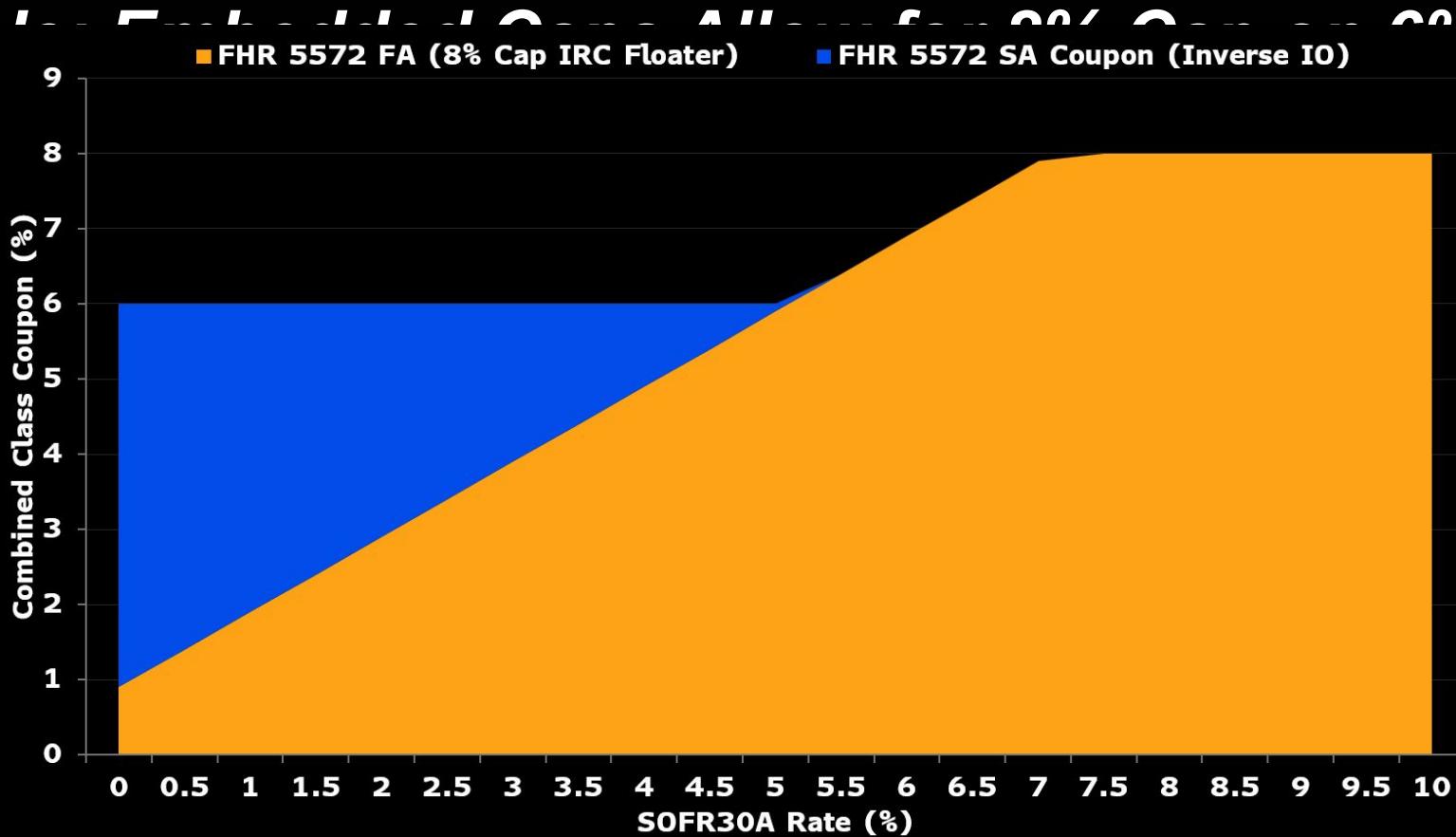
Example: Mandatory Redemption Bond Backed by 7/6 ARM

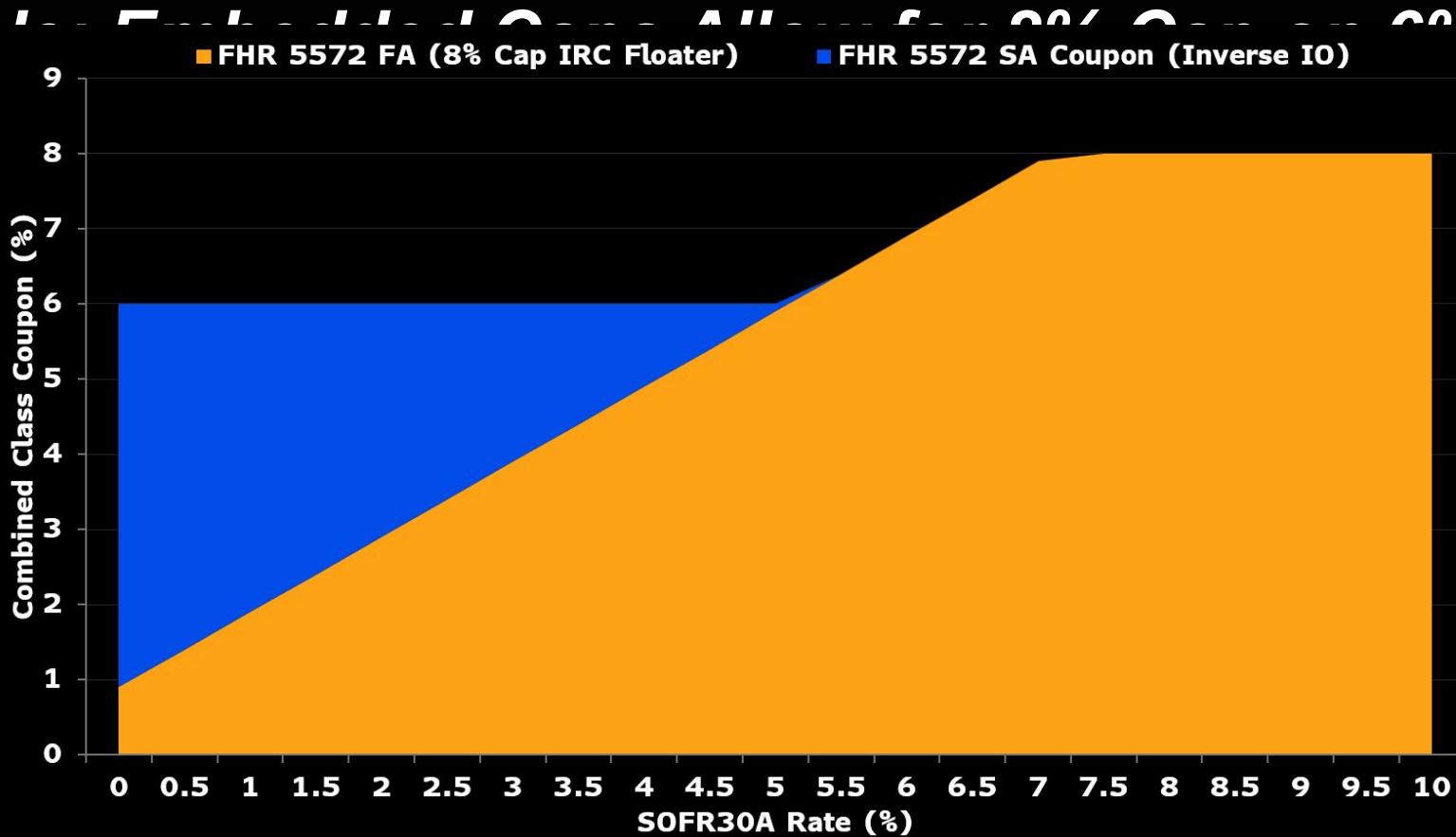


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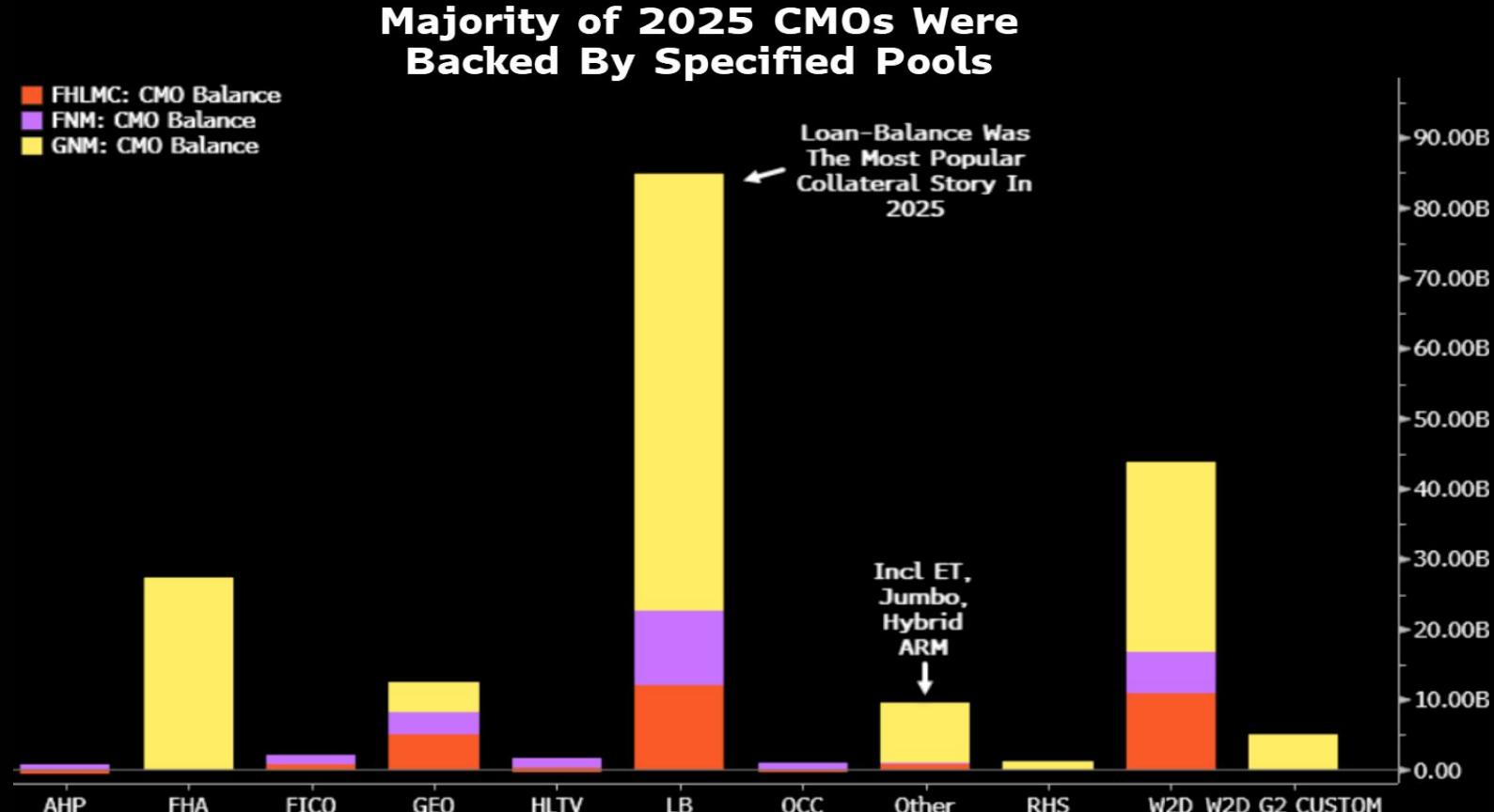
Interest Rate-Contract Classes Offsets Declining Floater Caps

Example **Collateral**



Call Protection Is Getting Creative as Rates Fall, Refis Rise

Loan Level Decomposition May Further Tailor Risk/Reward Profiles



Source: Bloomberg Intelligence

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