

Conv CMO July Issuance

8/09/2021

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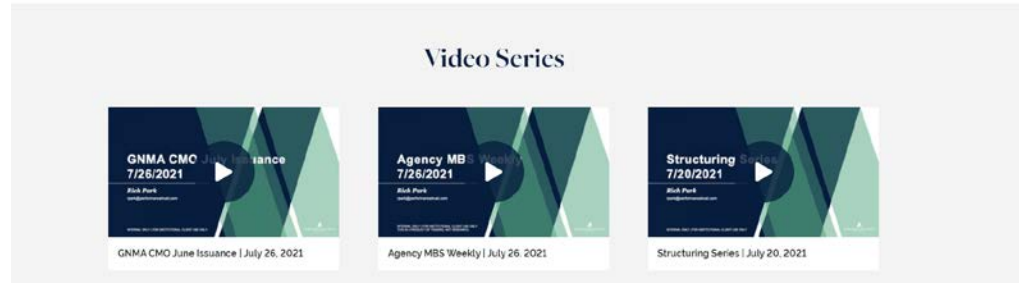
- 7/9/2021 - June CMO Issuance Conventional
- 7/19/2021 – Agency MBS Weekly
- 7/20/2021 – Structuring Series PAC/SUP
- 7/26/2021 – Agency MBS Weekly
- 7/26/2021 – June CMO Issuance Ginnie
- 8/02/2021 - Agency MBS Weekly

Upcoming

- 8/09/2021 – Agency MBS Weekly
- 8/09/2021 – July CMO issuance
- 8/13/2021 - Structuring Series Part 2

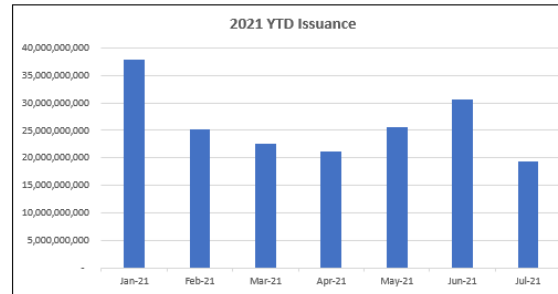
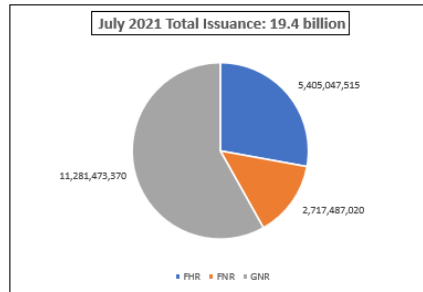


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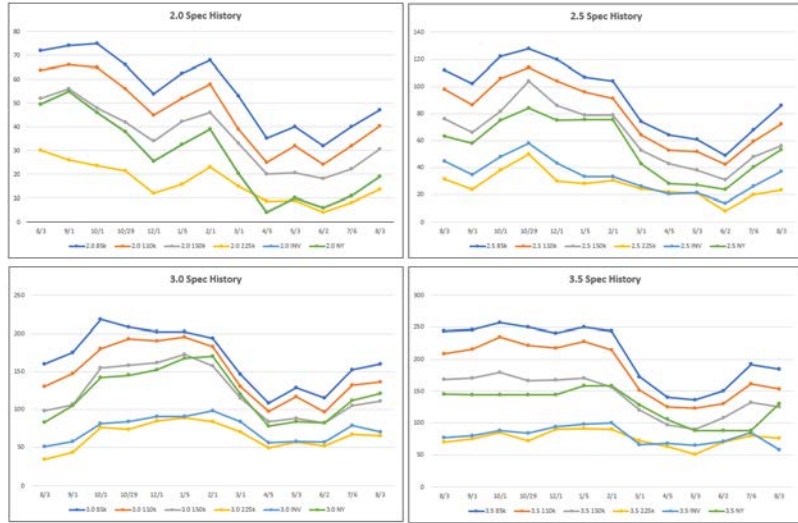
- * Contact rpark@performancetrust.com or your Sales Team for Slides
- * Data Sources: Yieldbook, Bloomberg, RiskSpan, newyorkfed, SIFMA

Total CMO Issuance July 2021



- July Total CMO Issuance at 19.4 billion, 36% drop from June
- Lowest volume Issuance of the year
- Conventional Issuance at 8.1 billion
- GNMA Issuance at 11.2 billion

Why was Volume down so much?



- Specifieds payups rebounded sharply from May lows into June/July
- Derivatives still weak (though bifurcated, newer wala lower cpn bid)
- Bank Demand weaker into lower yields than June

Why was Volume down so much? (cont.)

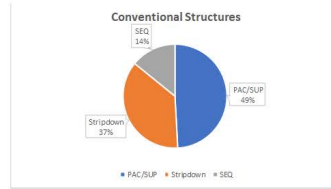
Support Z	Size	Coupon
FHR 5129 HZ	10,799,825	1.25x3.5
FHR 5133 MZ	18,753,685	1.50x2.5
FNR 2021-54 NZ	20,000,000	2.00x3.0
FNR 2021-54 ZJ	38,352,000	2.50x2.5
FNR 2021-51 GZ	35,746,000	2.50x2.5
FHR 5136 ZJ	32,724,000	2.50x2.5
FNR 2021-52 JZ	25,597,673	2.50x2.5
FHR 5135 MZ	23,542,535	2.50x2.5
FHR 5132 LZ	18,000,410	2.50x2.5
FHR 5129 TZ	16,453,948	2.50x2.5
FNR 2021-54 HZ	12,210,202	2.50x2.5
FNR 2021-55 ZN	7,496,422	2.50x2.5
FHR 5131 LZ	95,074,931	3.00x3.0
FHR 5129 CZ	64,077,424	3.00x3.0
FHR 5129 ZW	60,312,737	3.00x3.0
FHR 5131 JZ	42,030,330	3.00x3.0
FNR 2021-53 ZL	39,616,866	3.00x3.0
FNR 2021-50 Z	32,255,769	3.00x3.0
FHR 5132 PZ	31,033,562	3.00x3.0
FHR 5129 WZ	28,885,922	3.00x3.0
FHR 5129 ZH	28,053,134	3.00x3.0
FNR 2021-53 ZN	22,368,551	3.00x3.0
FHR 5129 ZE	22,142,367	3.00x3.0
FHR 5133 ZP	21,904,956	3.00x3.0
FNR 2021-53 Z	16,923,899	3.00x3.0
FHR 5131 QZ	11,981,354	3.00x3.0
FNR 2021-51 MZ	11,934,664	3.00x3.0
FHR 5132 EZ	6,159,000	3.00x3.0
FHR 5132 KZ	5,874,863	3.00x3.0
FHR 5132 HZ	5,793,750	3.00x3.0
FNR 2021-51 CZ	5,582,777	3.00x3.0
FHR 5135 Z	20,503,989	3.50x3.5

- Lagging Support Bid into rally; Almost all Support Z's were full coupon (Cheaper Support, Harder Deal)

July Issuance Breakdown

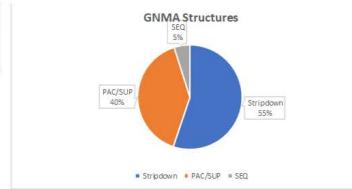
Conventionals		
Structure	Size	Percent
PAC/SUP	3,993,393,559	49.2%
Stripdown	2,979,459,012	36.7%
SEQ	1,149,682,006	14.2%

*TACS/CHI included in PAC/SUP
*Stripdown includes floater/line

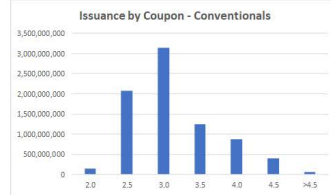


GNMA		
Structure	Size	Percent
Stripdown	6,225,562,838	55.2%
PAC/SUP	4,504,165,647	39.9%
SEQ	551,754,920	4.9%

*Stripdown includes floater/line



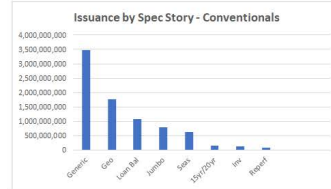
Conventionals		
Coupon	Size	Percent
2.0	143,096,664	2%
2.5	2,081,348,855	26%
3.0	3,145,491,882	40%
3.5	1,249,757,677	16%
4.0	880,456,583	11%
4.5	390,830,672	5%
>4.5	63,761,759	1%



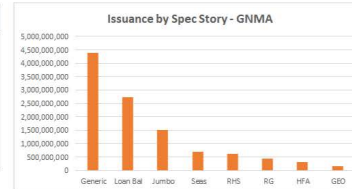
GNMA		
Coupon	Size	Percent
2.0	6,602,014	0%
2.5	2,578,173,301	23%
3.0	6,501,718,461	58%
3.5	1,458,941,281	13%
4.0	306,441,276	3%
4.5	260,390,749	2%
>4.5	38,139,806	0%



Conventional		
Story	Size	Percent
Generic	3,482,289,862	43%
Geo	1,769,519,700	22%
Loan Bal	1,082,472,107	13%
Jumbo	799,992,344	10%
Seas	627,165,837	8%
15yr/20yr	158,361,273	2%
Inv	135,702,551	2%
Reperf	67,030,903	1%



GNR		
Story	Size	Percent
Generic	4,385,854,775	39%
Loan Bal	2,723,850,585	24%
Jumbo	1,507,673,760	13%
Seas	678,528,414	6%
RHS	610,495,643	5%
RG	445,736,380	4%
HFA	319,640,376	3%
GEO	162,498,235	1%
FHA	323,258,341	3%
VA	123,546,897	1%



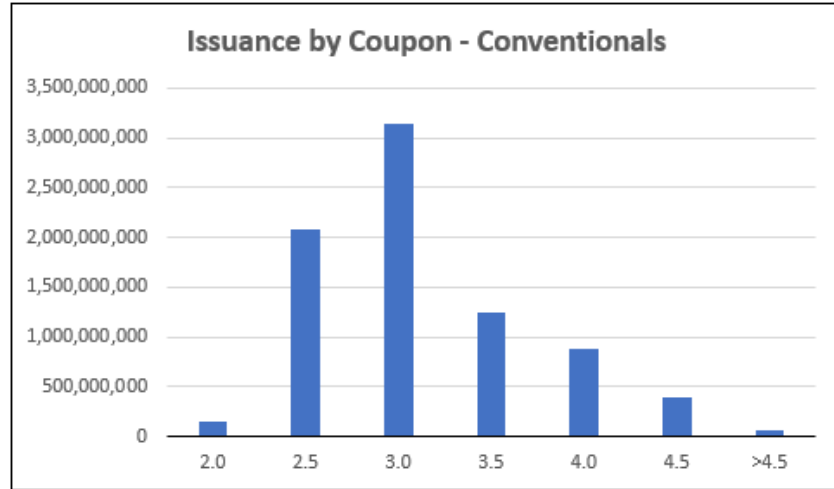
- Generic collateral again the most popular collateral of choice (next mo seeing a lot of Jumbo deals for August)
- PAC/SUP deals up to 50% from 30%
- Floater Issuance down to 1.7 from 2.9 billion

July Floater Spreads

Cap	DM
2.5	65-75
3.0	35-45
3.5	30-35
4.0	25-30

July Conventional Issuance by Coupon

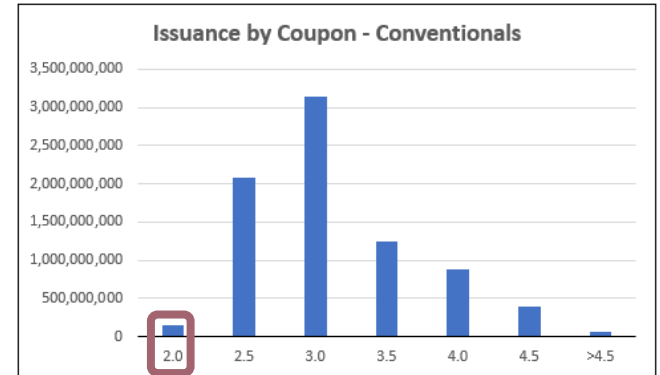
Conventionals		
Coupon	Size	Percent
2.0	143,096,664	2%
2.5	2,081,348,855	26%
3.0	3,145,491,882	40%
3.5	1,249,757,677	16%
4.0	880,456,583	11%
4.5	390,830,672	5%
>4.5	63,761,759	1%



- 3.0's were the most popular coupon in conventional issuance; 40% of deals

July Issuance – UMBS 2.0

- 2% of all UMBS deals were off 2.0's: ~150mm in total out of 8bln
- Just 2 Seq Deals were created, both off Jumbo 2.0's (only place in 2.0's to get some spread): FHR 5131 EM 2x2 seq, 7yr base and FNR 21-52 MA



July Issuance – UMBS 2.5

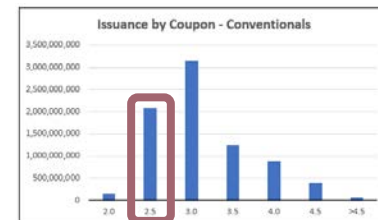
- 26% of all UMBS deals were off 2.5's: ~2.1 bln in total out of 8bln
- 250mm in front seq off NY Jumbo 2.5's:
 FHR 5129 LG – 1.25x2.5 fseq; stripped with 3+30 ft/iio
 FNR 21-48 N - 1.00x2.5 fseq; stripped with 4+35 ft/iio

100% FRJM3P 2.5 N		3.071(353)5 CUSIP 3137H1066		Pool Level		50 Group 5: 30YR/2.5/FNMA/G5			
Orig Amt	149,894,249	Orig Speed	348 PSA						
Priced	07/22/2021	1 mo Hist	24.16 PSA	08/01/2021					
Dated	MIXED	Default	520 PSA	B.Median		Orig 08/01/2021			
Settled	07/30/2021	PAC %	SUP/PAC %	SUP % Other %		WAC 3.0709 3.071			
First Pay	08/25/2021	Orig	100.0	WAM		29y 07m 29y 05m			
08/21 Amt	149,606,415	Curr	100.0	Age		00y 04m 00y 05m			
CF Class	Tranche Description	Cpn	Orig Mty	Curr(000)	Original(000)	Factor	QWAL	Curr Band	As Of
1 Y F	FLT, SEQ	0.350	12/25/44	67,593	67,799	0.9970	2.40	--	--
2 Y L	EXCH, SEQ	2.500	08/25/51	54,976	54,976	1.0000	8.50	--	--
3 Y LG	SEQ	1.250	12/25/44	27,037	27,119	0.9970	2.40	--	--
4 Y S	IO, INV, NTL, SEQ	2.650	12/25/44	67,593	67,799	0.9970	2.40	--	--
5 Y V	AD, SEQ	2.500	10/25/45	27,890	27,947	0.9980	5.30	No Band	08/21
6 Y Z	Z, SEQ	2.500	08/25/51	27,086	27,030	1.0021	10.50	--	--



July Issuance – UMBS 2.5

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- 250mm in front seq off NY Jumbo 2.5's:
FHR 5129 LG – 1.25x2.5 fseq; stripped with 3+30 ft/iio
FNR 21-48 N - 1.00x2.5 fseq; stripped with 4+35 ft/iio
- ~1 billion in Pac/Sup created: Generic and Jumbo Collateral used.
Pacs were generally 4.5yr->6yr [150-300]. Ex) FHR 5133 MC
~h60/l70's // (These deals are being printed in August also)
- ~750mm in Seq off NY 2.5 (Similar deals done in June)
ex) FHR 5134 KA 1.5x2.5 seq off ny 2.5 3.5->7yr
as wide as 90's in early June, as low as l70's
- One stripdown off 200k 20yr 2.5: FHR 5133 BA/BD 1.5x2.5
and 3.0x2.5

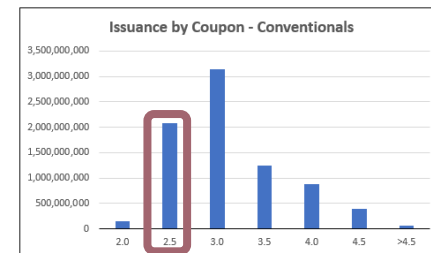


July Issuance – UMBS 2.5

FHR 5133 MC Mtg											
100% FNCL 2.5 N											
8/2021	1465P8.8C	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B
3.254(356)3	CUSIP 3137H1H52	Pool Level	1.5% Maturity	12/25/48	CA	19% 2021	100%				
8/2021	1171 4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6Mo	-- -- --	07/30/2021	67,837,000	LTV/HLTV	8/1-8/31	MC	11%				
12Mo	-- -- --	08/25/2021	67,585,092	MAXLS	1,053,000	Next Pay	9/25/21	WA	10%		
Life	1465 8.8	-- -- --	Factor	0.99628657	WACLS	376,629	Collar	131-243	TX	7%	
			# Loans	658							
Price-to-Yield											
Settle	08/11/21	0 MED	+300 MED	+200 MED	+100 MED	-100 MED	-200 MED	-300 MED			
Vary	0	323 PSA	102 PSA	110 PSA	150 PSA	734 PSA	1024 PSA	1118 PSA			
Price	100-16%	1.3500	1.3893	1.3848	1.3766	1.2457	1.1824	1.1637			
Avg Life		4.35	5.69	5.47	5.10	2.45	1.96	1.85			
Mod Duration		4.16	5.36	5.16	4.83	2.39	1.92	1.82			
Prin Win	Date	9/21-11/30	9/21-9/33	9/21-3/33	9/21-2/33	9/21-1/26	9/21-11/24	9/21-8/24			
	Spread	70	51	54	59	94	98	97			
Aug21 Jul	Jan	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Govt(I)
1465P	776	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	16.25
8.8C	3.1	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	0.04 0.07 0.21 0.41 0.77 1.07 1.30 1.95
											Disc 30/360 3Y 99-29 5Y 99-09

FHR 5134 KA Mtg											
100% FNCL 2.5 N											
8/2021	43P 0.2C	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B	0.0B
3.213(356)2	CUSIP 3137H1H84	Pool Level	1.5% Maturity	7/25/48	NY	100% 2021	98%				
8/2021	135,005,000	LTV/HLTV	73/73	Accrual	8/1-8/31	2020	2%				
6Mo	-- -- --	07/30/2021	135,005,000	LTV/HLTV	73/73	Accrual	8/1-8/31	2020	2%		
12Mo	-- -- --	08/25/2021	134,702,232	MAXLS	1,053,000	Next Pay	9/25/21				
Life	43 0.2	-- -- --	Factor	0.9975736	WACLS	376,142	Collar	No Band			
			# Loans	907							
Price-to-Yield											
Settle	08/11/21	0 MED	+300 MED	+200 MED	+100 MED	-100 MED	-200 MED	-300 MED			
Vary	0	323 PSA	102 PSA	110 PSA	150 PSA	734 PSA	1024 PSA	1118 PSA			
Price	100-28%	1.2183	1.3628	1.3573	1.3295	1.0155	0.9051	0.8729			
Avg Life		3.57	7.52	7.21	5.99	2.06	1.67	1.59			
Mod Duration		3.45	6.95	6.69	5.63	2.02	1.65	1.56			
Prin Win	Date	9/21-8/29	9/21-2/39	9/21-7/38	9/21-10/35	9/21-7/25	9/21-8/24	9/21-5/24			
	Spread	70	25	27	41	79	74	72			

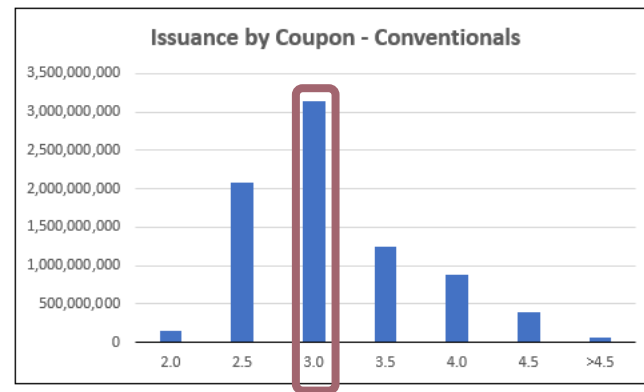
- Examples of PAC/SUP off Generic 2.5
 Struct: full coupon 2.5x2.5 sup z, [150-300] pac, pac io
 and
 1.5x2.5 fseq off NY 2.5
 Struct: seq Z, front seq io + front seq stripdown (1.5% cpn)



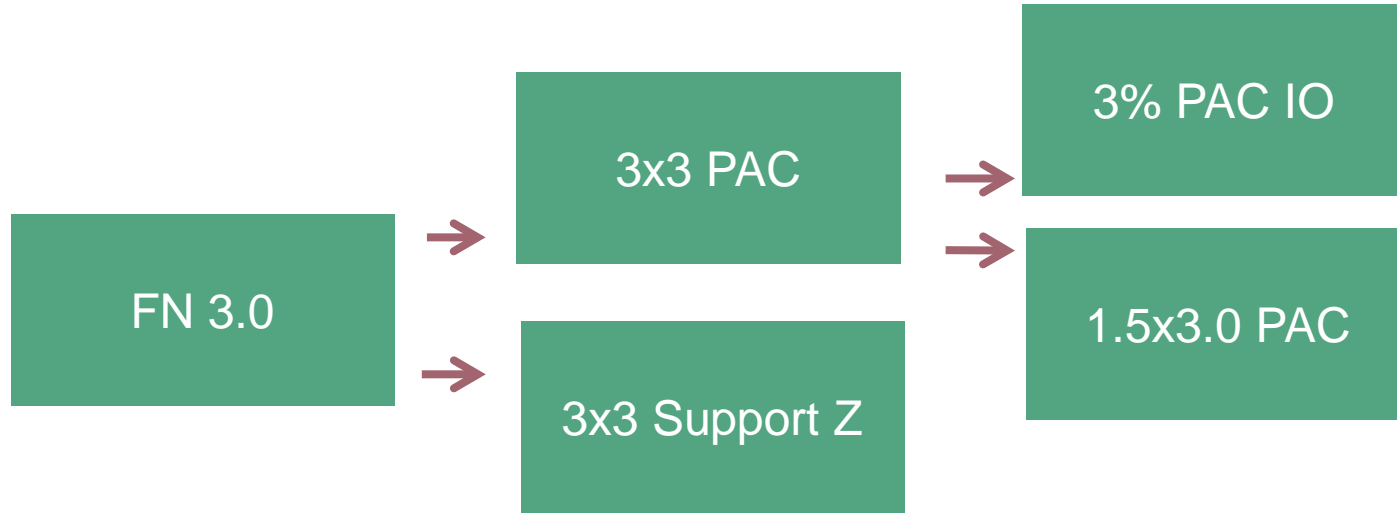
July Issuance – UMBS 3.0

- 40% of all UMBS deals were off 3.0's: ~3.1 bln in total out of 8bln
- 185mm 3 cap S+40 Floaters ex) FHR 5130 FA
- ~2.7 billion in Pac/Sup created: 98% used generic 3.0's, one deal used NY 3.0. Shorter PACs with higher bands 300-400, very similar to June Deals and Structuring Series. 3yr in base. Ex) FHR 5131 JK

FHR 5131 JK Mtoe												
100% FNL 3.0 N												
8/20/21	1484P	59.2C	0.2B	Trans	AD, PAC	Coupon	1.25%	Maturity	8/25/31	CA	261,000	100%
3%	164	20.1	0.1	07/20/2021	30,000,000	130/181/17	2772	Account	8/1/2019	TX	78,289	0%
6%	205	44.2	0.2	08/25/2021	29,671,052	MMLS	1,395,000	Next Pay	9/25/21	MA	61,2018	0%
12%	224	34.6	0.2	Factor	0.0890	0.038	MCLS					
Life	148	29.2	--	# Loans	46,207			316,413	Collar	No Band	CO	5%
Price-to-Yield												
Settle	08/11/21	0 MED	+300 MED	+200 MED	+100 MED	-100 MED	-200 MED	-300 MED				
Vary	0	379 PSA	111 PSA	133 PSA	203 PSA	648 PSA	750 PSA	795 PSA				
Price	100.041	1.1707	1.2146	1.2105	1.1973	1.1690	1.1567	1.1511				
Avg Life	3.00	6.09	5.48	4.14	2.72	2.36	2.23					
Mod Duration	2.91	5.76	5.21	3.98	2.64	2.30	2.18					
Prim Wtd	9/21-4/29	9/21-5/25	9/21-3/24	9/21-5/31	9/21-1/10	9/21-11/48	9/21-10/47					
Spread	70	28	37	58	81	87	89					
Aug21	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug21
1484P	1774	--	--	--	--	--	--	--	--	--	16.36	0.04
39.2C	43.2	--	--	--	--	--	--	--	--	--	Dec	2012/2013
											6M	1Y
											2Y	3Y
											5Y	7Y
											10Y	30Y
											1.30	1.95



PAC/SUP Structure

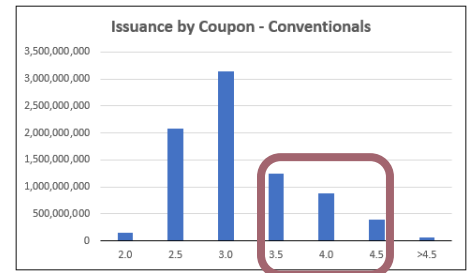


- High Median speeds; Used hi Pac Bands
- Collateral usually has a bit of seasoning, paying fast
- Structure: PAC/Sup Z (Full coupon), then Pac IO + Stripped PAC

July Issuance – UMBS 3.5-4.5

- 30% of all UMBS deals were off 3.5-4.5: ~2.5 bln in total out of 8bln
- 600mm in floaters:
 - 4.0 cap S+25-35
 - 3.5 cap S+30-35
- Finally, stripdowns! ~1.5 billion in stripdowns all off seasoned Lbal 3.5-4.5 (mostly 3.5/4.0). Most were 2% coupons. Same axe?
 Ex) FHR 5134 AB 2.0x4.5 stripdown off 50 wala 150k 4.5

FHR 5134 AB Mite		Actions		Export		Settings		Yield Table	
100% FNCL 4.5 M	4,921,302,500	CUSIP	313791ML0	2.00	Notary	8/25/31	FX	15	2017
9/20/21	529	31.2	0.08	Tranche	PI Coupon	78/64	Accrual	8/1-8/31	FL
9/20/21	519	31.1	0.8	07/30/2021	180,548,060	1TV/HLTV		12%	2016
9/20/21	551	33.1	0.4	08/25/2021	174,600,227	MAXLS	150,000	Next Pay	9/25/21
9/20/21	520	31.2	0.0	Factor	0.9676539	WCLIS	122,660	Collar	No Band
9/20/21	529	31.7	--	# Loans	1,428				5%
Settle 08/21/21									
	0	301	PSA	165	PSA	216	PSA	287	PSA
	0	301	PSA	165	PSA	216	PSA	287	PSA
Price	103.04	1.1011	1.5005	1.4051	1.2618	0.9747	0.8277	0.8004	
Avg Life	3.76	7.05	5.84	4.63	3.27	2.84	2.77		
Mod Duration	3.60	6.40	5.40	4.37	3.16	2.77	2.70		
Print Win	9/21-2/47	9/21-2/47	9/21-2/47	9/21-2/47	9/21-2/47	9/21-2/47	9/21-2/47		
Spread	50	40	51	56	51	44	43		



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 - 4.0 cap S+25-35
 - 3.5 cap S+30-35
- Finally, stripdowns! ~1.5 billion in stripdowns all off seasoned Lbal 3.5-4.5 (mostly 3.5/4.0). Most were 2% coupons. Same axe?
Ex) FHR 5134 AB 2.0x4.5 stripdown off 50 wala 150k 4.5
- ~250mm in PACs off story 3.5's (NY, 110k) 4yr in base





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