


























✅ P&L calculation completed successfully!
Positions analyzed: 25
Total Unrealized P&L: \$1,345,931.80
Total MTM Value: \$55,239,311.18

=== P&L SUMMARY BY POSITION ===

3149443QJ0	(A101)	\$-13,548.59	(-2.48%)		LOSS
3142374RC8	(B123)	\$62,191.14	(2.95%)		PROFIT
3141458HKL	(R345)	\$15,250.05	(1.91%)		PROFIT
3142374RC8	(A101)	\$72,857.30	(2.95%)		PROFIT
31483636I1	(B123)	\$63,988.56	(2.89%)		PROFIT
3149539XRW	(R345)	\$20,706.52	(1.20%)		PROFIT
314234334X	(A101)	\$105,054.94	(3.66%)		PROFIT
3147714PA6	(B123)	\$-4,124.71	(-0.10%)		LOSS
3141528SX0	(R345)	\$114,709.67	(8.48%)		PROFIT
3143105EI1	(A101)	\$-25,205.22	(-1.07%)		LOSS
3141458HKL	(B123)	\$71,274.33	(1.91%)		PROFIT
3148009KQA	(R345)	\$-24,315.88	(-2.23%)		LOSS
3149443QJ0	(A101)	\$-56,929.73	(-2.48%)		LOSS
3149525PGL	(B123)	\$121,717.62	(4.56%)		PROFIT
31422174XW	(R345)	\$55,247.22	(2.35%)		PROFIT
3141458HKL	(A101)	\$23,913.69	(1.91%)		PROFIT
3147932YRL	(B123)	\$46,043.59	(4.22%)		PROFIT
3141528SX0	(R345)	\$294,778.61	(8.48%)		PROFIT
3149525PGL	(A101)	\$128,339.46	(4.56%)		PROFIT
3141458HKL	(B123)	\$59,418.21	(1.91%)		PROFIT
3149539XRW	(R345)	\$28,303.52	(1.20%)		PROFIT
3149525PGL	(A101)	\$114,081.54	(4.56%)		PROFIT
3143105EI1	(B123)	\$-22,981.08	(-1.07%)		LOSS
31483636I1	(R345)	\$29,033.67	(2.89%)		PROFIT
3147932YRL	(A101)	\$66,127.37	(4.22%)		PROFIT

💰 MBS P&L Analytics & Trading Strategy

Get specific P&L insights and holding period recommendations for your MBS positions

P&L Query:

Which Positions should I hold for next 3 - 6 months

Analyze P&L Strategy

P&L Analysis Query: Which Positions should I hold for next 3 - 6 months

As an expert MBS trader and risk manager, I've thoroughly analyzed your P&L data to provide actionable recommendations for the next 3-6 months.

Overall Portfolio Assessment:

Your portfolio currently holds a strong net unrealized gain of +1, 345, 931.80 * (2.30274,104.05, which is a significant income stream and a strong defensive characteristic.

However, a major concern is the ****total duration risk of 327, 102.42 ***

***.Thisimpliesthatforevery1basispoint(0.013,271 in market value. A 100bps (1%) rise in rates could result in a -32.7millionMTMloss.Thisisaveryhighsensitivityfora55M portfolio. Furthermore, the prevalence of negative "Daily PnL" for many positions (even profitable ones) suggests that the market has recently seen upward rate movements or spread widening, eroding recent gains. This indicates a need for proactive risk management.**

1. Position-Level P&L Analysis and Holding Period Recommendations (3-6 Months)

Here are specific recommendations for each position, categorized for clarity:

A. Strong Holds (High Conviction - Excellent Carry, Positive Momentum, Favorable Profile)

These positions are performing well and/or have strong monthly carry that is expected to drive positive P&L over the next 3-6 months.

- **POS0001 (CUSIP: 3142374RC8, Book: B123)**
 - **Stats:** PnL%: +2.95%, Current Clean: 96.67 (Discount), Coupon: 6.4%, WAM: 315, CPR: 136.45, Monthly Carry: \$11,761.92, Duration Risk: \$14,009.55, Daily PnL: +\$21,391.99.
 - **Recommendation: HOLD.** Strong performer with excellent carry and positive daily momentum. The discount price coupled with high CPR ensures efficient pull-to-par.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$97K (3M), ~\$132K (6M) Total Unrealized PnL.
- **POS0002 (CUSIP: 3141458HKL, Book: R345)**
 - **Stats:** PnL%: +1.91%, Current Clean: 97.51 (Discount), Coupon: 6.4%, WAM: 275, CPR: 123.67, Monthly Carry: \$4,372.77, Duration Risk: \$1,897.72, Daily PnL: +\$8,034.97.
 - **Recommendation: HOLD.** Solid PnL, good carry, and notably low duration risk relative to carry. Continues to be attractive.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$28K (3M), ~\$41K (6M) Total Unrealized PnL.
- **POS0003 (CUSIP: 3142374RC8, Book: A101)**
 - **Stats:** PnL%: +2.95%, Current Clean: 96.67 (Discount), Coupon: 6.4%, WAM: 315, CPR: 136.45, Monthly Carry: \$13,779.16, Duration Risk: \$16,412.27, Daily PnL: +\$25,060.84.
 - **Recommendation: HOLD.** Identical to POS0001, excellent performance and strong fundamentals.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$114K (3M), ~\$155K (6M) Total Unrealized PnL.
- **POS0007 (CUSIP: 3147714PA6, Book: B123)**
 - **Stats:** PnL%: -0.10%, Current Clean: 95.50 (Discount), Coupon: 6.6%, WAM: 257, CPR: 127.89, Monthly Carry: \$22,685.89, Duration Risk: \$8,833.75, Daily PnL: +\$39,597.19.
 - **Recommendation: HOLD / CONSIDER ADDING.** Despite a slight current loss, this is a powerful carry trade. Very high monthly carry and strong positive daily PnL suggest rapid recovery and significant future income. The high coupon discount profile is highly attractive.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$64K (3M), ~\$131K (6M) Total Unrealized PnL.
- **POS0009 (CUSIP: 3143105EI1, Book: A101)**
 - **Stats:** PnL%: -1.07%, Current Clean: 94.56 (Discount), Coupon: 6.6%, WAM: 187 (Short), CPR: 137.12, Monthly Carry: \$13,329.68, Duration Risk: \$7,326.88, Daily PnL: +\$23,024.00.
 - **Recommendation: HOLD / CONSIDER ADDING.** Similar to POS0007, high carry and strong recent recovery. The short WAM and high coupon make it a very desirable discount bond.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$14K (3M), ~\$54K (6M) Total Unrealized PnL (turning profitable).
- **POS0010 (CUSIP: 3141458HKL, Book: B123)**
 - **Stats:** PnL%: +1.91%, Current Clean: 97.51 (Discount), Coupon: 6.4%, WAM: 275, CPR: 123.67, Monthly Carry: \$20,437.08, Duration Risk: \$8,869.37, Daily PnL: +\$37,553.14.
 - **Recommendation: HOLD.** Consistent strong performance from this CUSIP, high carry.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$132K (3M), ~\$193K (6M) Total Unrealized PnL.
- **POS0013 (CUSIP: 3149525PGL, Book: B123)**
 - **Stats:** PnL%: +4.56%, Current Clean: 99.98 (Near Par), Coupon: 6.8%, WAM: 304, CPR: 138.67, Monthly Carry: \$15,569.60, Duration Risk: \$24,222.63, Daily PnL: +\$27,750.52.

- **Recommendation: HOLD.** Excellent PnL and high monthly carry. Near-par high coupon bonds are good sources of stable income.
- **3-6 Month P&L Projection (Flat Rates):** ~\$168K (3M), ~\$215K (6M) Total Unrealized PnL.
- **POS0015 (CUSIP: 3141458HKL, Book: A101)**
 - **Stats:** PnL%: +1.91%, Current Clean: 97.51 (Discount), Coupon: 6.4%, WAM: 275, CPR: 123.67, Monthly Carry: \$6,856.97, Duration Risk: \$2,975.82, Daily PnL: +\$12,599.69.
 - **Recommendation: HOLD.** Another strong instance of the 3141458HKL CUSIP.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$44K (3M), ~\$65K (6M) Total Unrealized PnL.
- **POS0018 (CUSIP: 3149525PGL, Book: A101)**
 - **Stats:** PnL%: +4.56%, Current Clean: 99.98 (Near Par), Coupon: 6.8%, WAM: 304, CPR: 138.67, Monthly Carry: \$16,416.64, Duration Risk: \$25,540.42, Daily PnL: +\$29,260.24.
 - **Recommendation: HOLD.** Strong performance, high carry, excellent near-par bond.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$177K (3M), ~\$226K (6M) Total Unrealized PnL.
- **POS0019 (CUSIP: 3141458HKL, Book: B123)**
 - **Stats:** PnL%: +1.91%, Current Clean: 97.51 (Discount), Coupon: 6.4%, WAM: 275, CPR: 123.67, Monthly Carry: \$17,037.48, Duration Risk: \$7,394.00, Daily PnL: +\$31,306.37.
 - **Recommendation: HOLD.** Consistent strong performance from this CUSIP.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$110K (3M), ~\$161K (6M) Total Unrealized PnL.
- **POS0021 (CUSIP: 3149525PGL, Book: A101)**
 - **Stats:** PnL%: +4.56%, Current Clean: 99.98 (Near Par), Coupon: 6.8%, WAM: 304, CPR: 138.67, Monthly Carry: \$14,592.82, Duration Risk: \$22,703.00, Daily PnL: +\$26,009.56.
 - **Recommendation: HOLD.** Another solid position in the performing 3149525PGL CUSIP.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$157K (3M), ~\$201K (6M) Total Unrealized PnL.
- **POS0022 (CUSIP: 3143105EI1, Book: B123)**
 - **Stats:** PnL%: -1.07%, Current Clean: 94.56 (Discount), Coupon: 6.6%, WAM: 187 (Short), CPR: 137.12, Monthly Carry: \$12,153.46, Duration Risk: \$6,680.35, Daily PnL: +\$20,992.34.
 - **Recommendation: HOLD / CONSIDER ADDING.** Mirror of POS0009, high carry and positive daily PnL driving recovery.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$13K (3M), ~\$49K (6M) Total Unrealized PnL (turning profitable).

B. Hold with Caution / Monitor Closely (Good PnL, but Recent Headwinds or Higher Risk)

These positions have generally positive PnL but are showing recent negative daily PnL, or have characteristics (e.g., very long WAM) that require close monitoring in a volatile rate environment.

- **POS0004 (CUSIP: 31483636I1, Book: B123)**
 - **Stats:** PnL%: +2.89%, Current Clean: 98.68 (Discount), Coupon: 5.5%, WAM: 251, CPR: 126.78, Monthly Carry: \$10,437.04, Duration Risk: \$10,383.53, Daily PnL: -\$22,999.45.
 - **Recommendation: HOLD WITH CAUTION.** Good overall PnL and carry, but the significant negative daily PnL is concerning. Monitor daily price action closely. If the negative trend persists, consider trimming.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$95K (3M), ~\$126K (6M) Total Unrealized PnL.
- **POS0005 (CUSIP: 3149539XRW, Book: R345)**
 - **Stats:** PnL%: +1.20%, Current Clean: 97.04 (Discount), Coupon: 5.5%, WAM: 378 (Long), CPR: 134.12, Monthly Carry: \$8,111.53, Duration Risk: \$3,010.41, Daily PnL: -\$17,520.90.
 - **Recommendation: HOLD WITH CAUTION / MONITOR.** Modest PnL, but long WAM and significant negative daily PnL. Carry should help, but monitor for sustained price depreciation.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$45K (3M), ~\$69K (6M) Total Unrealized PnL.
- **POS0006 (CUSIP: 314234334X, Book: A101)**

- **Stats:** PnL%: +3.66%, Current Clean: 99.41 (Near Par), Coupon: 5.6%, WAM: 233, CPR: 124.78, Monthly Carry: \$13,771.25, Duration Risk: \$16,673.78, Daily PnL: -\$30,100.01.
 - **Recommendation:** **HOLD BUT MONITOR EXTREMELY CLOSELY.** Strong overall PnL and high carry, but the *very large* negative daily PnL (\$30K in one day) is a serious red flag. This indicates significant recent depreciation. If this daily trend continues, the monthly carry will be quickly eroded. Be prepared to trim if this persists.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$146K (3M), ~\$187K (6M) Total Unrealized PnL.
- **POS0014 (CUSIP: 31422174XW, Book: R345)**
 - **Stats:** PnL%: +2.35%, Current Clean: 98.49 (Discount), Coupon: 4.2%, WAM: 461 (Very Long), CPR: 133.45, Monthly Carry: \$8,443.90, Duration Risk: \$18,443.69, Daily PnL: -\$24,366.68.
 - **Recommendation:** **HOLD WITH CAUTION / CONSIDER TRIMMING.** Positive PnL, but very long WAM makes it highly susceptible to rising rates. Significant negative daily PnL is concerning. While a discount, the long WAM magnifies extension risk. Trim if rates are expected to rise further.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$80K (3M), ~\$105K (6M) Total Unrealized PnL.
- **POS0016 (CUSIP: 3147932YRL, Book: B123)**
 - **Stats:** PnL%: +4.22%, Current Clean: 99.82 (Near Par), Coupon: 6.1%, WAM: 459 (Very Long), CPR: 130.12, Monthly Carry: \$5,708.66, Duration Risk: \$14,261.16, Daily PnL: +\$11,230.14.
 - **Recommendation:** **HOLD WITH CAUTION.** Strong PnL and positive daily PnL, but the *extremely long* WAM (459 months) is a significant duration risk. If rates rise, this bond is highly vulnerable to extension risk and significant price depreciation. Monitor very closely.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$63K (3M), ~\$80K (6M) Total Unrealized PnL.
- **POS0020 (CUSIP: 3149539XRW, Book: R345)**
 - **Stats:** PnL%: +1.20%, Current Clean: 97.04 (Discount), Coupon: 5.5%, WAM: 378 (Long), CPR: 134.12, Monthly Carry: \$11,087.56, Duration Risk: \$4,114.90, Daily PnL: -\$23,949.13.
 - **Recommendation:** **HOLD WITH CAUTION / MONITOR.** Similar to POS0005. Moderate PnL, long WAM, and concerning negative daily PnL.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$61K (3M), ~\$94K (6M) Total Unrealized PnL.
- **POS0023 (CUSIP: 31483636I1, Book: R345)**
 - **Stats:** PnL%: +2.89%, Current Clean: 98.68 (Discount), Coupon: 5.5%, WAM: 251, CPR: 126.78, Monthly Carry: \$4,735.62, Duration Risk: \$4,711.34, Daily PnL: -\$10,435.59.
 - **Recommendation:** **HOLD WITH CAUTION / MONITOR.** Similar to POS0004. Good overall PnL and carry, but the negative daily PnL is a concern.
 - **3-6 Month P&L Projection (Flat Rates, assuming recent daily loss stabilizes):** ~\$43K (3M), ~\$57K (6M) Total Unrealized PnL.
- **POS0024 (CUSIP: 3147932YRL, Book: A101)**
 - **Stats:** PnL%: +4.22%, Current Clean: 99.82 (Near Par), Coupon: 6.1%, WAM: 459 (Very Long), CPR: 130.12, Monthly Carry: \$8,198.72, Duration Risk: \$20,481.74, Daily PnL: +\$16,128.63.
 - **Recommendation:** **HOLD WITH CAUTION.** Similar to POS0016, with the same significant duration risk due to very long WAM. Monitor closely for rate movements.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$90K (3M), ~\$115K (6M) Total Unrealized PnL.

C. Consider Trimming / Exit (Realize Gains or Cut Losses, Reduce Risk)

These positions are either significantly profitable where it's prudent to lock in gains, or underperforming significantly and acting as a drag on the portfolio.

- **POS0008 (CUSIP: 3141528SX0, Book: R345)**
 - **Stats:** PnL%: +8.48%, Current Clean: 104.27 (Premium), Coupon: 4.9%, WAM: 162 (Short), CPR: 118.56, Monthly Carry: \$5,677.55, Duration Risk: \$14,584.81, Daily PnL: +\$14,460.37.
 - **Recommendation:** **TRIM 25-30% TO LOCK IN GAINS.** This is your best-performing bond, with a substantial 8.48% PnL. While it has favorable characteristics for a premium (short WAM, lower CPR), it's

prudent to de-risk by realizing some profits.

- **Price Target:** Consider selling into any rally towards 105.00-105.50.
- **3-6 Month P&L Projection (Flat Rates):** ~\$131K (3M), ~\$148K (6M) Total Unrealized PnL.
- **POS0017 (CUSIP: 3141528SX0, Book: R345)**
 - **Stats:** PnL%: +8.48%, Current Clean: 104.27 (Premium), Coupon: 4.9%, WAM: 162 (Short), CPR: 118.56, Monthly Carry: \$14,590.05, Duration Risk: \$37,479.76, Daily PnL: +\$37,159.97.
 - **Recommendation:** **TRIM 25-30% TO LOCK IN GAINS.** This is the largest position in your best-performing CUSIP. Realizing a portion of these substantial profits (\$294K unrealized PnL) is excellent risk management.
 - **Price Target:** Same as POS0008, selling into 105.00-105.50.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$338K (3M), ~\$382K (6M) Total Unrealized PnL.
- **POS0000 (CUSIP: 3149443QJ0, Book: A101)**
 - **Stats:** PnL%: -2.48%, Current Clean: 93.66 (Discount), Coupon: 4.7%, WAM: 444 (Long), CPR: 140.23, Monthly Carry: \$2,201.88, Duration Risk: \$5,907.41, Daily PnL: -\$5,396.95, Trade Costs: \$2,075.00.
 - **Recommendation:** **EXIT / TRIM SIGNIFICANTLY.** This bond is underwater, has negative daily PnL, incurred trade costs, and has a very long WAM, making it sensitive to rate rises. The monthly carry is insufficient to quickly recover losses. This is a drag.
 - **Price Target:** Attempt to sell at 94.00-94.25 to minimize further losses.
 - **3-6 Month P&L Projection (Flat Rates):** ~\$6K loss (3M), breakeven (6M) - assuming no further price erosion.
- **POS0011 (CUSIP: 3148009KQA, Book: R345)**
 - **Stats:** PnL%: -2.23%, Current Clean: 94.30 (Deep Discount), Coupon: 3.1% (Low), WAM: 261, CPR: 125.89, Monthly Carry: \$2,894.75, Duration Risk: \$5,361.82, Daily PnL: -\$10,757.26.
 - **Recommendation:** **EXIT / SELL.** This is an underperformer. It's significantly underwater, has a very low coupon (less attractive for carry), and has negative daily PnL. Its monthly carry is too low to quickly offset losses, and it's vulnerable to further rate rises.
 - **Price Target:** Sell at market or attempt to sell at 94.50-94.75.
 - **3-6 Month P&L Projection (Flat Rates):** Still negative ~\$15K (3M) and ~\$6K (6M).
- **POS0012 (CUSIP: 3149443QJ0, Book: A101)**
 - **Stats:** PnL%: -2.48%, Current Clean: 93.66 (Discount), Coupon: 4.7%, WAM: 444 (Long), CPR: 140.23, Monthly Carry: \$9,252.07, Duration Risk: \$24,822.31, Daily PnL: -\$22,677.40.
 - **Recommendation:** **EXIT / TRIM SIGNIFICANTLY.** This is the largest position in the underperforming 3149443QJ0 CUSIP. Its large size means it's a significant drag. The same rationale as POS0000 applies, but with more urgency due to its size and higher duration risk.
 - **Price Target:** Same as POS0000, selling at 94.00-94.25.
 - **3-6 Month P&L Projection (Flat Rates):** Still negative ~\$29K (3M), almost breakeven (6M) - very slow recovery.

2. Risk-Adjusted Returns Considering Duration, Carry, and Prepayment Risk

- **High-Carry, Low-Duration-Risk Bonds:** Focus on CUSIPs like 3141458HKL (POS0002, POS0010, POS0015, POS0019) and 3143105EI1 (POS0009, POS0022). These offer excellent carry-to-duration ratios, meaning they generate high income relative to their interest rate sensitivity. Their discount pricing with relatively high coupons makes them good "pull-to-par" candidates, especially with high CPRs.
- **Managing Prepayment Risk for Premiums:** While 3141528SX0 (POS0008, POS0017) has delivered exceptional returns, its premium pricing means higher CPRs lead to faster premium amortization ("burn-off"). The current CPR of 118.56 indicates active prepayments. Trimming these positions helps capture gains before further premium erosion.
- **Managing Extension Risk for Discounts:** For discount bonds with long WAMs (like 3149443QJ0 - POS0000, POS0012), if rates rise and CPRs fall, their WAM can extend further. This delays their pull-to-par, making them worse performers. This is a key reason for recommending exit on these.
- **The "Daily PnL" Warning:** The negative daily PnL across several positive positions (e.g., POS0004, POS0005, POS0006) is a critical real-time risk indicator. It suggests that recent market movements (likely higher rates)

are directly impacting your bond values. While carry can offset this over time, prolonged negative daily PnL will erode profits quickly. This requires active, daily monitoring and a willingness to act.

3. Specific Entry/Exit Strategies with Price Targets

- **Entry Strategy (Post-Exit/Trim):**
 - **Focus on High-Carry, Discount Bonds:** Re-deploy capital from exited positions into the high-conviction "Hold/Add" group (e.g., 3147714PA6, 3143105E11) if opportunities arise to add at current or slightly better prices. Look for bonds with coupons 5.5% and above, trading at a discount, with WAMs ideally under 300 months, and decent CPRs.
 - **Consider Floating Rate MBS:** To diversify interest rate exposure and reduce duration risk, investigate floating-rate MBS as an alternative to fixed-rate, especially if a rising rate environment is anticipated.
- **Exit/Trim Price Targets:**
 - **3149443QJ0 (POS0000, POS0012):** Immediate action. Seek to exit at any price point above 94.00, ideally 94.25-94.50, to minimize losses.
 - **3148009KQA (POS0011):** Immediate action. Seek to exit at any price point above 94.50, ideally 94.75-95.00, to minimize losses.
 - **3141528SX0 (POS0008, POS0017):** Trim 25-30%. Look to execute this on any near-term strength, targeting 105.00-105.50. This is to lock in profits, not necessarily because the bond is fundamentally bad.
- **Stop-Loss Levels:** For positions identified as "Hold with Caution," if their total unrealized PnL (including accrued) drops below a predefined threshold (e.g., -1.0% or -1.5% from current MTM value, or a specific price level), initiate a trim or exit review.

4. Portfolio Optimization Suggestions

- **Reduce Overall Duration Risk:** Your total duration risk is high. Trimming the premium 3141528SX0 CUSIPs and exiting the long WAM, underperforming 3149443QJ0 CUSIP will help. Consider using a small percentage of your portfolio value for interest rate hedges (e.g., shorting Treasury futures) if your market view leans towards higher rates.
- **Enhance Carry-to-Risk Ratio:** Shift capital from low-carry, negative PnL bonds (3148009KQA) to high-carry, recovering discount bonds (3147714PA6, 3143105E11). This improves your income generation per unit of duration risk.
- **Diversify by Coupon and WAM:** While you have a mix, the concentration in certain CUSIPs with similar characteristics (e.g., several 6.4% coupons around 275-315 WAM) could expose the portfolio to specific sector risks. Consider looking for opportunities in lower WAM (short-duration) high coupons, or higher coupons at discounts (which you already have some of).
- **Book-Level Performance:** Consider the performance by 'Book'. 'A101' and 'B123' generally seem to have stronger performers (more positions in the 'Hold' category), while 'R345' has a mix, including some of the clear 'Exit' candidates. This might inform future allocation strategies or risk limits by book.
- **State Concentration:** Texas and California are prevalent states. This is common in MBS but monitor any state-specific economic or housing data that could impact prepayment or default behavior (though not directly in this data, it's a general MBS risk).

5. Interest Rate Scenario Analysis Impact on P&L

- **Current Reality (Implied by Negative Daily PnL):** It appears rates have recently moved *upwards*, or MBS spreads have widened. This is a drag on portfolio MTM, which the substantial monthly carry is currently offsetting in overall PnL.
- **Scenario 1: Rates Continue to Rise (e.g., +50bps over 3-6 months)**
 - **Impact:** This is the most significant threat. Your substantial duration risk would lead to material MTM losses (e.g., \$16.35M for a 50bps rise).
 - Premium bonds (3141528SX0) would fall, and prepayment speeds would slow (extension risk).
 - Discount bonds, especially those with long WAMs (like 3149443QJ0, 31422174XW), would see deeper losses and slower pull-to-par.
 - High monthly carry positions (e.g., 3147714PA6, 3143105E11) would partially cushion losses, but likely not fully offset significant rate increases.

- **Action:** If this scenario becomes your central forecast, implement hedges, reduce long WAM exposure, and trim profitable premium positions more aggressively. Prioritize portfolio liquidity.
- **Scenario 2: Rates Fall (e.g., -50bps over 3-6 months)**
 - **Impact:** Highly positive. Your portfolio would experience significant MTM gains (e.g., +\$16.35M for a 50bps fall).
 - Discount bonds (majority of your portfolio) would rally strongly, and high CPRs would accelerate pull-to-par. This is the ideal scenario for recovery positions.
 - Premium bonds would also rally but face increased prepayment risk (faster premium burn-off), potentially capping upside.
 - **Action:** Ride the rally, especially in your discount positions. Be vigilant about accelerated premium burn-off in your highly profitable premium bonds and consider exiting them after significant appreciation.
- **Scenario 3: Stable Rates / Range-Bound (e.g., +/- 10-20bps over 3-6 months)**
 - **Impact:** This is the most favorable scenario for your current portfolio structure.
 - Monthly carry (\$274K/month) would become the dominant driver of P&L, leading to substantial income generation (>\$1.6M over 6 months).
 - Price movements would be minimal, allowing carry to accrue unimpeded.
 - CPR trends would remain relatively stable.
 - **Action:** Maintain current strategy, prioritizing high-carry positions. Continue to monitor daily PnL and exit chronic underperformers. Consider adding to high-carry discount bonds on minor dips.

Overall Trading Recommendations Summary:

1. **Cut Your Losses:** Immediately exit or significantly trim positions POS0000, POS0011, POS0012. These are drains on portfolio performance and capital.
2. **Take Some Profits:** Trim 25-30% of your highly profitable 3141528SX0 positions (POS0008, POS0017) to de-risk and lock in substantial gains.
3. **Hold Core Performers:** Maintain exposure to the robust, high-carry, and positive momentum positions, especially those trading at a discount or near par with high coupons.
4. **Monitor the "Caution" List:** Pay very close attention to positions showing negative daily PnL or having very long WAMs (POS0004, 0005, 0006, 0014, 0016, 0020, 0023, 0024). Be ready to trim if their daily performance doesn't stabilize or if rates continue to rise.
5. **Manage Overall Duration:** Your total duration risk is a significant vulnerability. Consider a tactical hedge if your outlook for rates is bearish. Reinvest proceeds from exits/trims into assets that reduce duration (e.g., shorter WAM, or floating-rate products).
6. **Prioritize Carry:** The portfolio's strong monthly carry is its greatest strength in a volatile or stable rate environment. Continuously seek opportunities to enhance this carry while managing associated risks.



Winning Positions

Count: 19

Total P&L: \$1,493,037.01



Losing Positions

Count: 6

Total P&L: \$-147,105.21

Portfolio Total

Net P&L: \$1,345,931.80

Return %: 2.30%

SAMPLE QUERIES FOR TRADERS:

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- 'Analyze carry vs duration risk for next 6 months'
- 'Which position should I trim based on P&L and risk?'
- 'Project P&L if rates rise 50bps over 3 months'
- 'Best positions to hold through next Fed meeting'
- 'Suggest hedge ratios based on current P&L exposure'

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