

MBS & TREASURY MARKETS

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ALERT: Negative Reprice Risk For Some Lenders as Powell Speaks

Bonds were already giving up some ground in the 2 hours leading up to today's Powell speech, but they are selling a bit more after the following comment:

POWELL: RECENT DATA SHOWS LACK OF FURTHER PROGRESS ON INFLATION THIS YEAR. Specifically, he said "it's likely to take longer than expected" to achieve inflation goals.

While this can be filed in the "no duh" category, it's not the **dovish** push-back that some Fed watchers were hoping for.

MBS are down 3/8ths on the day now and 6 ticks (.19) from the most recent highs. As such, some lenders who repriced for the better in the past few hours could be considering a negative reprice.

10yr yields are up 8.5bps at 4.69



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