

UPDATE: First Move is Slightly Stronger After Fed Announcement

- Fed notes "lack of further progress toward inflation goal."
- Fed says risks to achieving goals "have moved" instead of "are moving" into better balance
- QT tapering confirmed
 - Treasury cap reduced from 60bln to 25bln.
 - No change in MBS QT, as expected

The text of the statement is largely as-expected with a token nod to higher inflation data and the QT tapering announcement. Bond volumes are very light compared to the average Fed announcement, but the first move is slightly stronger.

MBS are up 3/8ths on the day and 10yr yields are down 6bps at 4.622.



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