



## The Day Ahead: Stronger Data Saps Overnight Gains

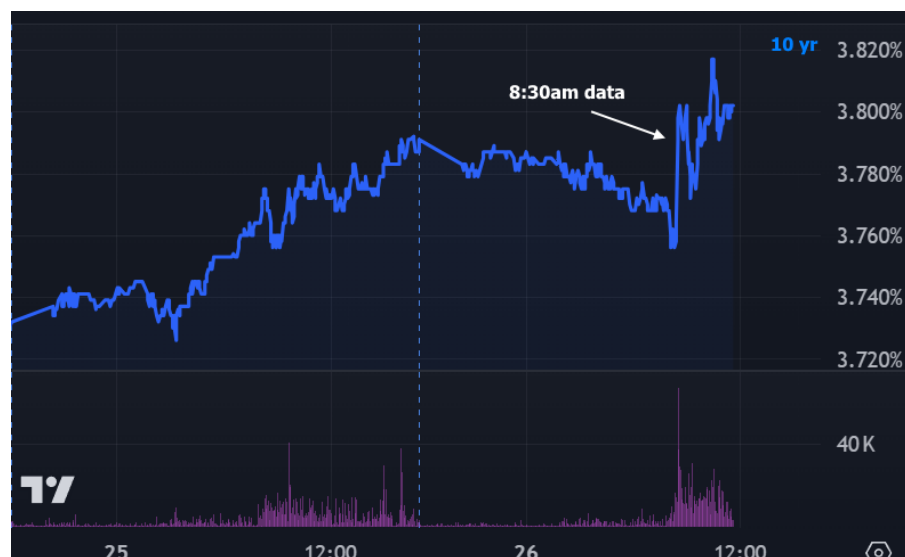
At the risk of tempting fate by discussing a leveling-off of the post-Fed correction again, the overnight session saw the most compelling case yet for the correction having run its course. The evidence didn't have as much to do with the outright level of gains in longer term yields as it did with the shape of yield curve trading over the past 2 days. During that time, the curve hit a ceiling and held flat for the longest period of time post-Fed-meeting.



**The Metrolina Mortgage Team**  
Loan Officer, Fairway Independent Mortgage  
[www.MetrolinaFairway.com](http://www.MetrolinaFairway.com)  
P: (561) 523-2226  
M: (561) 523-2226  
13700 Providence Rd  
Weddington NC 28104  
1002891



The improvement in yields was a bonus, but it was quickly counteracted by a stronger round of 8:30am econ data.



Last but not least, it's important not to assume that the yield curve movement will mean one specific thing for longer term rates going forward. The curve can widen/rise even as rates are coming down--something that it has done quite a bit over the past few months. Either way, the evolution of the following chart would look least surprising if it continues to widen.

