

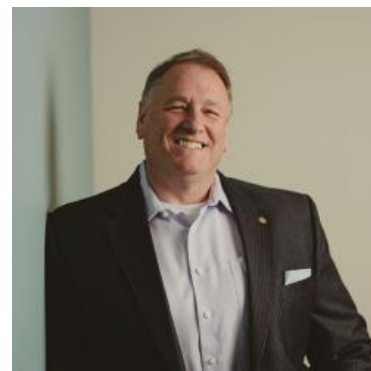
UPDATE: First Move is Modestly Weaker After Fed Announcement

- Fed says labor market conditions have generally eased as opposed to saying "job gains have slowed" previously
- Fed drops the phrase about gaining greater confidence that inflation is moving toward 2% and instead just says the risks to achieving the goal are roughly in balance. This could be taken two ways... more later
- Fed now says "in support of its goals" instead of "in light of the progress" toward goals...

The last bullet point suggests the Fed is happy with where things are at and would just like to keep it that way.

Bonds haven't reacted significantly, but there's a bit of weakness. 10yr yields are up to 4.36, still down 7+bps on the day, but up from 4.34 ahead of the Fed.

MBS are still up almost half a point, but down a few ticks from pre-Fed levels. No major drama so far. As expected.



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