

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: A "No Whammies" Rally For Bonds After Data and Powell

This morning's market action is quickly helping us understand the enigmatic trading seen yesterday (i.e. a sell-off without any great scapegoats). Retail sales' control group was well below expectations and helped validate a moderate overnight rally. Bigger moves and more sustained volume followed Powell's scheduled speech at the policy framework conference. Perhaps there was a concern that Powell's update would hint at a shift toward tolerating "higher for longer" policy rates in the same way that the 2020 framework review resulted in a "lower for longer" playbook. The net effect has been a nearly complete reversal of yesterday's weakness, but yields are currently bouncing before finishing that job.



Dan Clifton

Mortgage Guru, Clifton
Mortgage Solutions

CliftonMortgageSolutions.com

P: (888) 681-0777

M: (407) 252-3039

dan@cliftonmortgagesolutions.com

1177 Louisiana Ave
Winter Park FL 32789

NMLS #284174

