

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

UPDATE: No Major Initial Reaction to Fed Announcement

- No Change to Rates
- Bowman and Waller dissented (expected)
- No major verbiage changes

Bonds were already recovering AM losses ahead of the Fed announcement and they haven't moved much afterward. MBS are still down 1 tick (.03) on the day and 10yr yields are up 2.4bps at 4.345.

The only verbiage change was MILDLY rate-friendly in that it characterized economic growth as "moderating" whereas it previously said it was "continuing to expand at a solid pace. Tangentially, the Fed dropped a line about economic uncertainty diminishing.

The net takeaway is, again, MILDLY rate-friendly, and that jives with the inoffensive trading reaction.



Patrick Smith

Executive / Management /
Banker, Integrated Funding

P: (919) 847-2766

4098 Barrett Dr
Raleigh NC 27609
67369

