

# MBS & TREASURY MARKETS

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## 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.



**Russell Baboff**

VP, Mortgage Banker,  
William Raveis Mortgage,  
LLC

[www.raveis.com/.../officerprofile.asp](http://www.raveis.com/.../officerprofile.asp)

**P:** (860) 463-1745

**M:** (860) 463-1745

7 Trap Falls Road  
Shelton CT 06117  
1014636

