

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## The Day Ahead: Bonds Cheer Powell Pivot

Today's Jackson Hole speech gave Fed Chair Powell an opportunity to adjust his stance in light of much weaker jobs report that came out 2 days after the last Fed meeting. Powell had quite a bit to say, but the only thing the market really needed hear in order to facilitate a reaction was that the balance of risks may warrant adjusting policy. A close second was that tariff-driven inflation was unlikely to be a lasting dynamic given the downside risks to the labor market. Bonds rallied instantly on the release of the speech with short-term yields logically leading the way (due to their closer connection to Fed rate expectations). September rate cut odds moved back to the 90%+ levels seen earlier this week. 10yr yields are back in the middle of their August range and MBS are back near 2025's highs.



**Max Ozkural**

Chief Investment Officer,  
SM Capital, Inc.

[www.smcapitalinc.com](http://www.smcapitalinc.com)

P: (914) 391-8026

[max@smcapitalinc.com](mailto:max@smcapitalinc.com)

120 Kisco Ave

Mt. Kisco NY 10549



EQUAL HOUSING  
OPPORTUNITY

