

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

## We Make Home Happen.™

Our goal is simple:

To help every family we serve get to “Yes.”

**Yes** to the loan that unlocks the joy of home ownership.

**Yes** to the lending solution that meets every client’s unique needs and wants.

That’s why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let’s make home happen.

**CONTACT ME TODAY**



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## The Day Ahead: Slow, Slightly Stronger Start to a Potentially Volatile Week

For all the time we spend pushing back on the notion that the Fed Funds Rate is a root cause for volatility in longer-term rates, that push-back always carries a notable caveat: Fed Funds Rate expectations definitely have a direct correlation with longer-term rates.

There are two reasons those expectations can change: markets are either assuming the change due to economic data or markets are reacting to a change in the Fed's reaction function. Fed speeches and especially the quarterly dot plot (a summary of each Fed member's base case rate expectations) account for changes in the reaction function.

This is why the dot plot can be such a big market mover. It also causes volatility because the market spends 3 months trying to get inside the Fed's head and the dots let the market know how good of a job they did.

Bottom line: with a fairly big shift in labor market metrics over the past 3 months, Wednesday afternoon's dot plot is this week's focal point for potential volatility.

Bonds are starting the week slightly stronger after holding fairly steady in the overnight session.

