

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Pre-Fed Consolidation, Pre-Auction Concession

As the shutdown continues, econ data remains sparse. This makes for smaller, more range-bound movement overall with last week making a decent case to established the floor of the current range in Treasury yields. A good-but-not-good-enough CPI helped seal the deal on Friday, but the impending Fed announcement is just as relevant. The market has already priced in the 25bp cut and has moved on to the next consideration: a **dovish** vs **hawkish** press conference. Combine that uncertainty with the need to underwrite the week's accelerated Treasury auction cycle (Mon/Tue as opposed to the normal Tue-Thu) and it's completely forgivable to see 10yr yields respecting a floor of 3.97 after briefly challenging it last week.



Tamala Stewart

Managing Loan Officer,
New Season Mortgage

nsmloans.com

P: (479) 279-3037

tamala@nsmloans.com

900 SE 5th St, Ste22
Bentonville AR 72712

1634413

1045205

