## MBS & TREASURY MARKETS

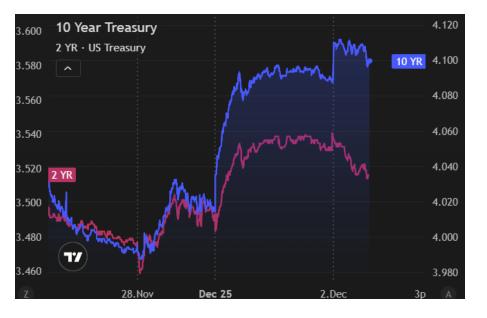
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## A message from Matthew M. Loan:

This is a **DEMO** marketing message. You can use them for promotional text. Mortgage rates are **moving back down** so feel free to give me a call or visit **my website** and I'll give you a quote.

## The Day Ahead: MBS Outperforming Longer-Term Treasuries

The early days of a new trading month and the positioning ahead of next week's Fed announcement have resulted in clear curve trading biases. In English, this means that shorter-term Treasuries are doing much better than longer-term Treasuries. For example, 2yr yields are down 2.4bps while 10yr yields are up 1.1bps. This dynamic is usually good for MBS because the average implied duration for MBS is closer to 5 years than 10 these days. The result: MBS and 5 year Treasuries are both slightly stronger on the day while 10s are still slightly weaker.





Matthew M. Loan Senior Loan Officer, Mortgage Company, LLC. mbslive.net P: (704) 867-5309

M: (980) 867-5309 1050 W. Main St. Charlotte NC 28031 NMI S: #987654321





