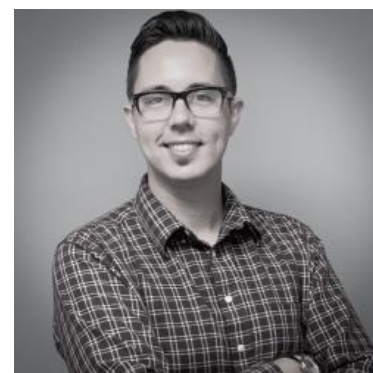


# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## 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.



**Mike Hardy**

Broker | Owner, True North Lending

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

M: (562) 370-0544

[mike@truenorthlender.com](mailto:mike@truenorthlender.com)

6621 E. Pacific Coast Highway  
Long Beach CA 90803

NMLS #1175689

DRE #01326046

**TRUE NORTH**  
LENDING

