

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

UPDATE: MBS Surge Following Trump Comments

The newswire in question:

TRUMP: INSTRUCTING MY REPRESENTATIVES TO BUY \$200 BLN DOLLARS IN MORTGAGE BONDS

The reaction:



Philip Bennett
President, Bennett Capital
Partners Mortgage Brokers

bcpmortgage.com
P: (800) 457-9057
M: (305) 407-0747
1101 Brickell Ave STE 800
Miami FL 33131
Pers# 1098318
Corp# 2046862



We don't know exactly how this will play out yet, but MBS traders are clearly willing to react this afternoon. Based on the fact that there's almost exactly \$200bln of balance sheet room for the GSEs, this doesn't seem like a random, spur of the moment comment.