



ALERT: MBS Rapidly Starting to Sober Up

MBS prices have been a complete mess since yesterday afternoon's announcement. A large contingent of traders who weren't in the office y'day afternoon traded the news for the first time this morning, thus adding to a massive spike early. Cooler heads are prevailing now and MBS have dropped 3/8ths of a point from the AM highs. That said, they continue to outperform TSYs significantly--just not as much as they were an hour ago.

5.0 coupons are currently up only an eighth of a point on the day. 10yr yields are up 1.8bps at 4.19.

This isn't a reprice alert since rate sheets aren't out yet, but when they do come out, we should no longer be expecting as dramatic a shift as suggested by this morning's initial trading.



Corri Klebaum

Certified Mortgage Advisor, Edge Home Finance Corporation

teamklebaum.com

P: (541) 605-2154

M: (503) 975-5005

corri@teamklebaum.com

1214 Adams Ave
La Grande OR 97850

NMLS #211442

Edge Home Finance Corporation |

NMLS #891464

