

MBS & TREASURY MARKETS

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UPDATE: Minimal Reaction to Fed Announcement and Dots So Far

If anything, bonds are slightly stronger than before the announcement, but volume and volatility are insanely low for a Fed day (this morning's PPI/Oil trade was much bigger). Dots were little-changed.

Before and After Dot Plot Comparison

| Rate | 2026 | | 2027 | | 2028 | | Longer Run | |
|------|-------|----------|----------|----------|----------|----------|------------|----------|
| | DEC | MAR | DEC | MAR | DEC | MAR | DEC | MAR |
| 5.5 | | | | | | | | |
| 5.25 | | | | | | | | |
| 5.0 | | | | | | | | |
| 4.75 | | | | | | | | |
| 4.5 | | | | | | | | |
| 4.25 | | | | | | | | |
| 4.0 | | | | | | | | |
| 3.75 | ••• | | ••• | •• | •• | •• | •• | •• |
| 3.5 | ••••• | •••••••• | ••••• | •••• | •••• | •••• | •••• | •••• |
| 3.25 | ••••• | •••••••• | ••••• | •••• | •••• | •••• | •••• | •••• |
| 3.0 | ••••• | ••••• | •••••••• | •••••••• | •••••••• | •••••••• | •••••••• | •••••••• |
| 2.75 | •••• | •••• | ••••• | ••••• | ••••• | ••••• | ••••• | ••••• |
| 2.5 | •• | •• | •••• | •••• | ••••• | ••••• | ••••• | ••••• |
| | | | •• | •• | | | | |

MBS are down 3 ticks (.09) but rising. 10yr up 1.4bps at 4.213 but falling.



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