

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Sideways Start is a Victory

This morning could have been much worse. The bond market could have continued spiraling on fear that it is now responsible for conducting monetary policy--something that sounds weird when you first read it, but is actually central to the discussion based on Warsh's comments in yesterday's press conference. In short, bonds tightened policy yesterday and acknowledged that the Fed did not (2yr lower, 10/30yr much higher). That theme is continuing this morning, but thankfully is only playing out in curve trading as 30yr bonds are flat while 2yr yields continue dropping. Ho-hum econ data helped by staying out of the way (no major reaction in terms of volume or volatility as it stands). MBS are up just over an eighth and 10s are down 2bps. Bad news: rates/yields are still right in line with long-term highs. Good news: they're not breaking those highs.



Nathaniel Rutkoski

Mortgage Broker, Zoom Loans

www.ZMLoans.com

P: (408) 767-6311

M: (209) 362-4843

2140 W Grantline Rd
Tracy CA 95376

NMLS# 356590

ZOOM LOANS



