UPDATE: Bonds Bounce Back Following Williams Comments

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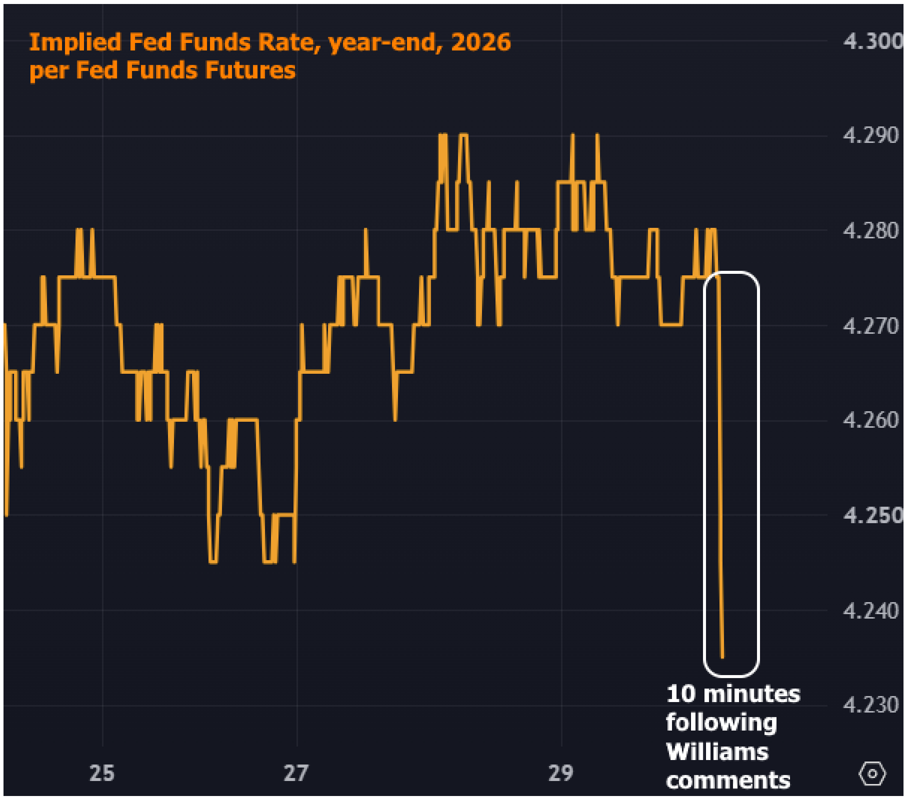
Just a head up for those curious about the mid-day recovery, this is the wire that marked the turning point:

FED'S WILLIAMS - SEES NO NEED FOR URGENCY AFTER SEPTEMBER RATE HIKE

As a reminder, Williams carries more weight than most Fed speakers. This is also a more unique comment relative to other Fed speakers recently. Markets agreed--especially Fed Funds Futures and the short end of the yield curve.



MBS are still weaker on the day, but by less than an eighth now (up roughly 3/8ths from lowest levels).

10yr up only 1.8bps at 5.257