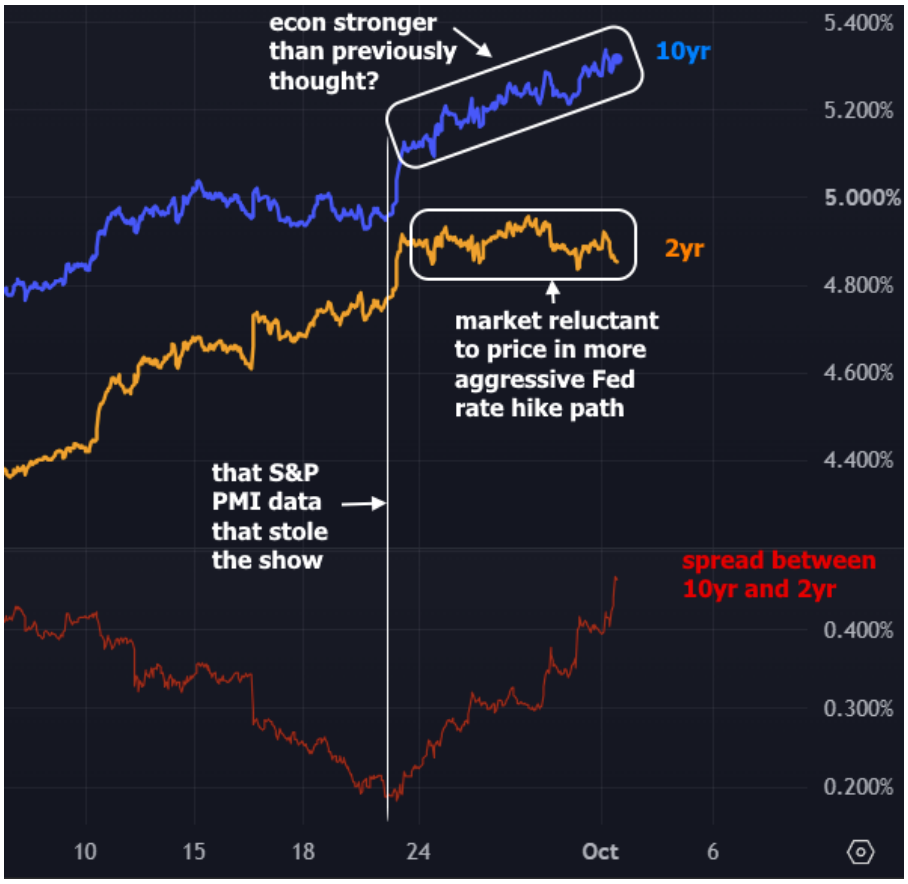
The Day Ahead: No Love From October So Far, But The Day's Not Over

Sometimes we see a distinct shift in momentum on the first day of a new month. This is not one of those times. October 1st picks up where September 30th left off with more yield curve steepening (2yr and 10yr yield getting farther apart). This is a reflection of the sudden shift in economic data expectations last Wednesday combined with the fact that the Fed rate hike outlook has been broadly flat after Wednesday's pop. It's still anyone's game as far as today goes. 10s and MBS are moderately weaker while the 2yr is almost 5bps lower (anchored to those now-resilient Fed Funds Futures). Stronger ISM components (orders, backlogs, prices) caused an initial pop in yields, but we've already recovered 20 minutes later.



Mondie Picl
Branch Manager, Fairway Independent Mortgage
mondie@mondiepicl.com
P: 909-635-6416
M: 626-233-1303
mondie@fairwaymc.com
341 Harvard Avenue
Claremont CA 91711
299679

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.