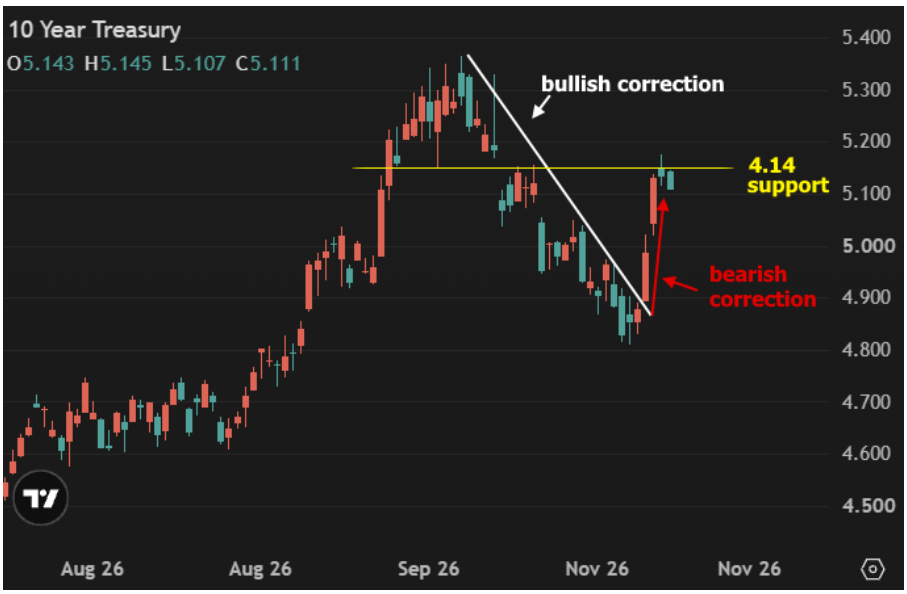
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The Day Ahead: Correction to The Correction Over?

While we can certainly correlate the recent bond rally with uncertainty in the tech sector, it's also fair to say that yields were high enough to be on the lookout for a correction (so fair that it was a fixture in our commentary for most of September and early October). In other words, the tech stock slide could be viewed as the spark, but the fuel was already in place. The implication of viewing that rally as a correction is that the rally momentum is finite unless there's extraordinary levels of additional motivation. Instead, we got higher inflation reports and a supportive bounce in stocks. That provided a clear impetus for the correction to--well... correct. As of last Friday, that bearish correction showed early signs of running its course and this morning is offering a bit more confirmation. From here, bonds are as free as they've been in a while to flip a coin to choose the direction of the next move.



All that having been said, you're still more than welcome to view the bond market's fate as being tied to the risk that tech stocks fall back into their old ways from 2 weeks ago.





John "Demo" Lender
VP of Lending, Demo Mortgage Co.
mbslive.net
P: (704) 555-1212
M: (407) 555-1234
10014 Normal Blvd.
Charlotte NC 28044
NMLS: 123456

LOREM IPSUM
YOUR COMPANY SLOGAN



Christina "Demo" Realtor
Managing Partner, Real Estate Company, LLC.
mbslive.net
P: (704) 555-1212
M: (980) 555-1212
social+test@mbslive.net
12954 S. Broad St.
Charlotte NC 28031

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