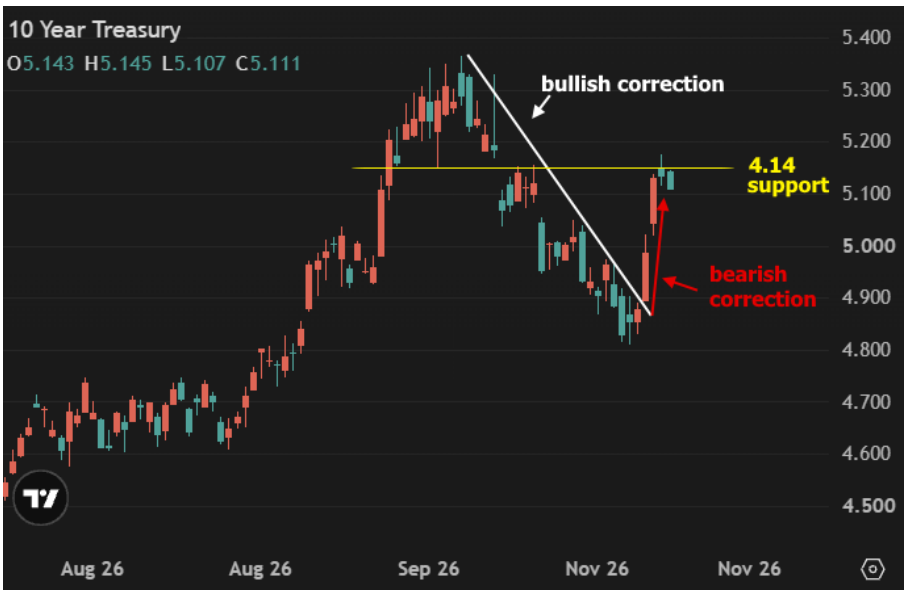
MBS & TREASURY MARKETS
Daily Coverage. Industry Leading Perspective.

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.





Faramarz Moeen-Ziai
Branch Manager, FMZ Loans
fmzloans.com
P: (415) 377-1147 x____
M: (415) 377-1147
2987 College Ave
Berkeley CA 94705
342090
173855

FMZ LOANS
POWERED BY CORNERSTONE FIRST MORTGAGE, LLC
PREPARED • TRUSTED • PROVEN

EQUAL HOUSING OPPORTUNITY

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

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