

ALERT: Pushing The Boundaries of The Range (In a Good Way)

- Existing Home Sales
 - 3.79m vs 3.9m f'cast, 3.95m prev

Bonds were unchanged to slightly stronger in the overnight session, but not for any specific reasons. One could claim that overseas markets took some solace in the solid results of yesterday's 20yr bond auction. There would be no great way to refute that, but also no objective way to confirm it.

The better approach would be simply to say that a few bps of movement in either direction is inconsequential and incidental in the bigger picture although the fact that the movement is in a friendly direction means that yields are technically at new lows in the recent trading range.

10s are down almost 3bps at 4.395 and MBS are up 5 ticks (.16).



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