

# MBS & TREASURY MARKETS

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## **ALERT:** No Love From 7yr Treasury Auction; Weakest Levels of The Day

- 7yr auction
  - 4.65 vs 4.637 expectations.
- Bid to cover
  - 2.43 vs 2.53x recent avg

This week's Treasury auctions haven't done the bond market any favors. None of the results have been catastrophic, but all have been moderately weaker than expected. Bonds have responded to all three and the just-concluded 7yr auction is garnering a similar response to yesterday's 5yr.

10yr yields are now up 6+bps at 4.654 and MBS are down the better part of a quarter point.



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