

MBS & TREASURY MARKETS

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The Day Ahead: In The Absence of Data, No Need For More Selling

While the recent trend has been unpleasant for the bond market, at least it's logical. Apart from some uncertainty related to the election and forthcoming Fed meeting, data drives all (to be fair, data drives the Fed as well). Thursday brought the week's biggest supply of data with all the big reports being stronger than expected. Bonds logically tanked. Now today, there is no significant data so bonds have no reason to tank.



Zachary Kempf
Capital Markets Analyst,
Plains Commerce Bank

plainscommerce.com

P: (605) 271-7939

3905 W 49th St
Sioux Falls SD 57106

For those wondering why we'd say there's no data today despite the release of Housing Starts/Building Permits, that's because the new residential construction data hasn't had even a modest impact on the bond market for well over a decade. This isn't likely to change unless there's another "crisis" type recession focused on the housing market. And even then, other housing-related data would be more likely to move markets than Starts/Permits.