

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## The Day Ahead: When is a Rally Not a Rally? (Explaining "Big" Overnight Move)

Up until last Friday, 10yr Treasury yields had consistently closed at 4.27-4.28 last week. Now this morning, we're at 4.27-4.28 again. That's the shortest way to explain that we're not dealing with a meaningful rally. It's only impressive when considered against the weird, panicky starting point created by the weird, panicky sell-off on Friday.



**Victor Emmel**

Mortgage Advisor,  
Goodway Mortgage

[www.goodwaymortgage.com](http://www.goodwaymortgage.com)

M: (801) 819-5901

[victor@goodwaymortgage.com](mailto:victor@goodwaymortgage.com)

10808 S River Front Pkwy  
South Jordan UT 84095

NMLS 133605

CO NMLS 2235920



Another way to put this morning's move into perspective is to remember that a 10-12bp rally right now is equivalent to a 3-4bp rally during more normal times. As for justification, the approaches are limited to two options: shifting election odds and/or a reversal of a pre-weekend position dump that's now being reversed--probably a combination of the two.

[kalshi.com/elections](http://kalshi.com/elections)



Oct 19

Nov 4

