

The Day Ahead: Friendly Data Helping Erase Overnight Weakness

Bonds drifted steadily higher in yield during the overnight session with most of the weakness seen after European markets opened. The net effect was roughly 4bp increase in 10yr yields and an eighth of a point of weakness in MBS. ADP data did no harm at 8:15am, but bonds stayed near opening levels during the first 2 hours. Today's marquis data--ISM Services--came out much weaker than expected. That was all it took to spark a reversal that leaves 10yr yields almost 3bps lower heading into the PM hours. The eighth point loss in MBS has turned into an eighth point gain.



Robert Cloud

Mortgage Broker, Cloud
Financial Group LLC

www.bobbycloud.com

P: 5126272487

M: 5126272487

8007 Davis Mountain Pass
Austin TX 78726-____
247321