

The Day Ahead: Markets Trading Shutdown Risks? We'll Find Out Soon

It's been an on-again, off-again week for bonds and several of their trading motivations. Economic data has played its part at times, but not in any excessive way. The same goes for the recently relevant "stock lever" (the tendency for higher stock prices to push bond yields higher and vice versa). It was the latter that was most noticeable in the overnight session with modestly higher stocks and bond yields.



Paul E Smith

Owner, Main Street
Mortgage Company

www.texasmainstreet.com

P: (713) 528-1245

M: (713) 480-7385

3100 Richmond Ave
Houston TX 77098

MSMC NMLS 296814

Paul E Smith NMLS 193580



The most basic assumption is that this has something to do with late headlines yesterday regarding the prospects for averting a government shutdown. Whether or not this is the true motivation is nearly moot for two reasons. First off, the extraordinary measures that have prevented a shutdown thus far technically expire today if we take the government at their word. Perhaps more importantly, none of this week's movement in bonds has been very consequential. If anything, it's a garden variety consolidation after hitting multi-month lows last week.

10yr Yield

