

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Bigger Picture Starting to Look More Normal

What's "normal" for the bond market? That depends how far back you want to look. Starting in late February, we had about a month of mostly sideways movement in a relatively narrow range as we waited for clarity on new fiscal policies and economic data. The tariff roll-out shook things up, to be sure, but for more than a week now, yields have been back in the same old "normal" pattern. So what's next? That's a good question. It could be a big policy shift, or economic data, or a global market event. No one knows, but we'll know it when we see it.



As a counterpoint to the chart above, consider that shorter term bonds have been trending in the opposite direction and at a faster pace.



Gray Buffington

President, HERO
MORTGAGE

heromortgage.com

P: (479) 531-3750

M: (479) 531-3750

609 SW 8th Street
Bentonville Arkansas 72712

RMLO 273613

NMLS 1946359





How to reconcile the outperformance of 2yr yields vs 10yr yields:

(remember that 2s have a lot in common with intermediate Fed rate expectations)

