

# 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.



### CHRIS SMITH

Area Manager, Chris Smith Group at Nations Lending Corp.

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

**P:** (260) 204-1385

**M:** (260) 710-2862

9614 Lima Rd  
Fort Wayne IN 46818  
470511



**Chris Smith  
Group**



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

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

