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The Day Ahead: Overnight Selling But Still in The Range

In terms of news that seems like it should be important, the biggest overnight development was the announcement of a 35% tariff on Canadian imports starting August 1st (up from the previously-slated 25%). Exemptions for USMCA goods and energy/fertilizer are probable, but TBD. And of course, it's also possible the deal will change again before August 1st. Nonetheless, when it comes to a top tier trading partner, any durable increase in tariffs is a concern for the bond market from an inflation standpoint. Both stocks and bonds lost ground overnight with 10yr yields pushing up toward (but not over) this week's highs.



Zachary Kempf

Capital Markets Analyst,
Plains Commerce Bank

plainscommerce.com

P: (605) 271-7939

3905 W 49th St
Sioux Falls SD 57106