

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## The Day Ahead: Slightly Weaker. No, It's Not Japan

There was a fair amount of momentum among financial news sources regarding the potential significance of last night's Bank of Japan (BOJ) announcement to the U.S. bond market. While it was clearly relevant for Japan, it's hard to make the case that it had any impact on overnight Treasury trading. It's always worth remembering that Japan's biggest impacts on the U.S. bond market are driven by the Ministry of Finance (MOF) and not the BOJ. In any event, today's chart shows the relative movement in USD/Yen (the easiest place to see BOJ impacts) and Treasuries. 10yr yields were perfectly flat for an hour after the initial announcement. More strikingly, yields were a hair lower from 1:30am to 3:00am when \$/Y was surging during the press conference.

(NOTE: the y-axes of the chart were set based on the highs and lows of the previous day in order to highlight the BOJ impact)



**Joe Rapisarda**

Mortgage Broker, Pacific  
Community Lender

[Vacavillehomeloans.com](http://Vacavillehomeloans.com)

M: 707-208-1916

190 South Orchard Ave #B115  
Vacaville CA 95688-\_\_\_\_  
230222



Member  
**FDIC**



EQUAL HOUSING  
OPPORTUNITY