

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Quick Rally Toward Key Resistance Just Before The Open

Bonds spend most of the night trading sideways to slightly stronger. Oil prices fell sharply, making it tempting to conclude that's the reason that 10yr yields were almost 7bps lower at 9am. But more than half of the oil rally was over before Treasuries began rallying. There was an obvious and uncommonly large volume spike in Treasuries around 7:50am ET. Oil was still falling at the time. It likely contributed to the bond buying, but not enough that we'd give it primary credit. The nature of the Treasury rally is highly suggestive of massive accounts partaking in quarter-end rebalancing (just a bigger version of month-end trading).



Despite the surge, yields are only now getting back to the same old 4.42% technical resistance level that's blocked further progress since late May.



VIVIENNE WONG

Mortgage Loan Consultant,
Blue Financial Group

www.bluefinancialgroup.com

P: (714) 364-4603

M: (626) 833-3237

vivienne@bluefinancialgroup.com

3230 E Imperial Hwy, Suite 300
Brea CA 92821

NMLS#: 320700



Jason Yau

Realtor, Fusion Home
Group

www.fusionhomegroup.com

P: (626) 283-2707

jason@fusionhomegroup.com

15335 Fairfield Ranch Rd. #100
Chino Hills CA 91709

DRE# 01897740

