

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.



Corri Klebaum
Certified Mortgage
Advisor, Edge Home
Finance

teamklebaum.com
P: (541) 605-2154
M: (503) 975-5005
corri@teamklebaum.com

1214 Adams Ave
La Grande OR 97850
NMLS#211442
Edge Home Finance LLC | NMLS
#891464

