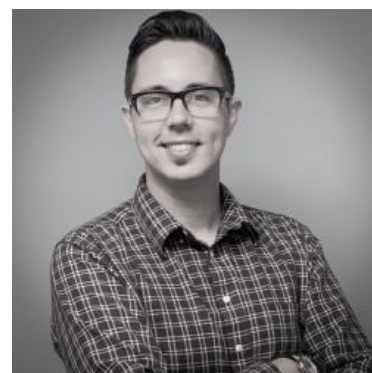


MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Weekend Weakness And Another Showdown With a Technical Ceiling

Bonds are weaker to start the new week and the catalyst is simple. The U.S. ramped up air strikes in Iran, both in terms of number and distance inland. Iran responded by hitting various allied targets. Perhaps more importantly for financial markets, shipping traffic has returned back to war-time lows after a noticeable surge in the 2nd half of June. Oil prices launched higher overnight and bond yields followed.



Mike Hardy

Broker | Owner, True North Lending

www.TrueNorthLender.com

M: (562) 370-0544

mike@truenorthlender.com

6621 E. Pacific Coast Highway
Suite 155

Long Beach CA 90803

NMLS #1175689

DRE #01326046

TRUE NORTH
LENDING



Still, the market doesn't view these punches and counterpunches as a sign of perpetual war, but rather a negotiation strategy-- at least for now. Were it otherwise, we'd be seeing oil prices jump a lot more than they did, and 10yr yields wouldn't be successfully bouncing at the 4.59 ceiling.

