MBS & TREASURY MARKETS

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The Day Ahead: Modest Overnight Weakness on Oil and Corporate Issuance.

It's as good of a day as any to revisit our primer on corporate debt issuance given that it's having an impact on bonds today. Alphabet announced a $25bln bond offering around 7:45am ET, and yields instantly moved 2bps higher. Before that, there was nearly 2bps of weakness as bonds followed oil prices modestly higher. Since the start of the domestic session, things have been calm. Econ data was a non-event. Both MBS and Treasuries are holding near yesterday's weakest levels (not a huge deal considering the narrow range). Lastly, this could simply be viewed as a quick, token pull-back ahead of jobs report Friday.

Todd Hanley, RICP®, CMA™

Senior Loan Officer, United Direct Lending

https://todd.mortgage

M: (954) 806-5114

todd.hanley@uniteddirectlending.com

5500 NW Glades Rd
Boca Raton FL 33431-7367

LO71086