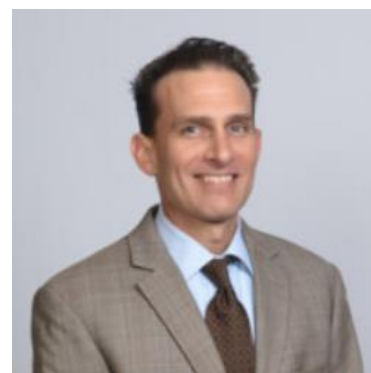


MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Month-End Trading Taking a Toll

Bonds were actually a hair stronger at the open, but quickly tanked just after 8am. The nature of said tankage is strongly suggestive of month-end positioning. While it's true oil prices are higher than Friday, the spike in bond yields didn't correlate in a manner typically consistent with oil being the driver. Also, there is a relatively sharp move underway in the yield curve (i.e. 2yr yields remain unchanged while 10yr yields are 5+ bps higher). Heavy curve trading in the absence of obvious catalysts and related market correlation all but confirm "month-end trading" (unless there's a huge [corporate bond](#) announcement that we missed).



Craig Garcia

President, Capital Partners
Mortgage Services, LLC

P: (954) 271-2024

M: (561) 252-2532

1515 N University Dr #102D
Coral Springs FL 33071
#653593



