

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: More Signs of Resilience But Still Tuned-In to Oil

To be sure, bonds are still very tuned-in to oil price movement with a high level of moment-to-moment correlation. That dynamic has seen yields trade both higher and lower so far today with most of the "lower" happening between 8:20 and 9:10am. Since then, both yields and oil are back on the rise. But the more interesting development is the slightly broader correlation which has seen bond yields holding under a 4.82% ceiling (10yr) even as oil prices made 3 new highs on 9/1, 9/3, and again this morning. There's likely a limit to this resilience in the event oil continues spiking, but it's mildly encouraging to see it on a week with heavy corporate issuance expected as well as a Treasury auction cycle.



Counterpoint: the bond market should still not be mistaken for something bullish, even if there's some relative outperformance vs oil prices.



Ryan and Jaime Ingram

The Owner's (since 1996),
Interstate Mortgage
Service

www.InterstateMortgage.net

P: (480) 553-5555

M: (480) 329-0707

jaime@interstatemortgage.net

25062 S. 190th Street
Queen Creek AZ 85142

NMLS ID: 89235

Company ID: 37053



INTERSTATE
MORTGAGE SERVICE



10 Year Treasury

O4.795 H4.797 L4.760 C4.774

