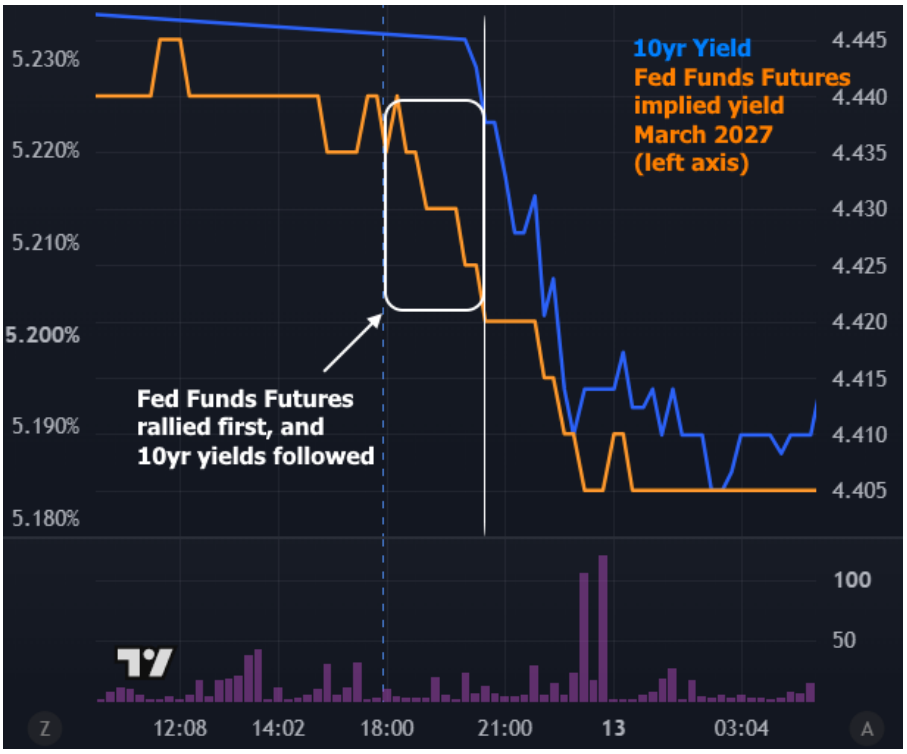
The Day Ahead: Stronger Start. It's Complicated

Tuesday morning joins a fairly long list of trading days where overnight bond market movement cannot be cleanly connected to news headlines or econ data. With yields having recently pushed up to multi-decade highs, and Fed policy expectations constantly shifting, this will be an ongoing phenomenon. Over the past several sessions, there's definitely been some organic buying in longer-term bonds (i.e. investors concluding 10yr yields around 5.3% represent a good entry point). The overnight rally followed a shift in Fed rate expectations. Oil prices correlated but the timing was off when it comes to the earlier rally. Over the last 2 hours, however, a spike in oil prices is indeed leading a bounce back toward higher yields.



John Downs
SVP - Certified Mortgage Advisor, Vellum Mortgage
www.downsmortgagegroup.com
P: (202) 899-2603
jdowns@vellummortgage.com
115 West St
Annapolis MD 21401
476406

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.