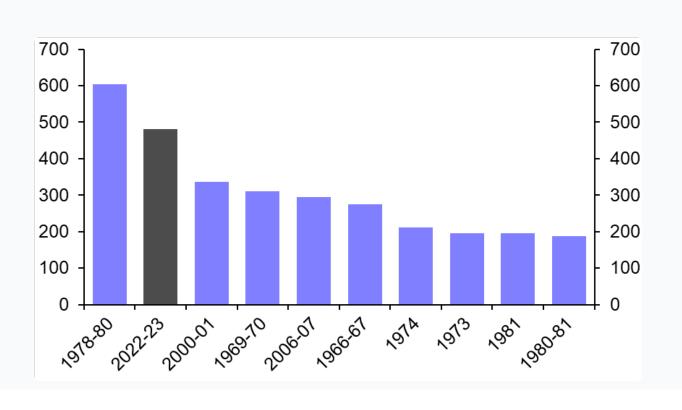




The bond market sell-off

Key analysis of 2023's historic rout and the outlook for yields in higher rate world

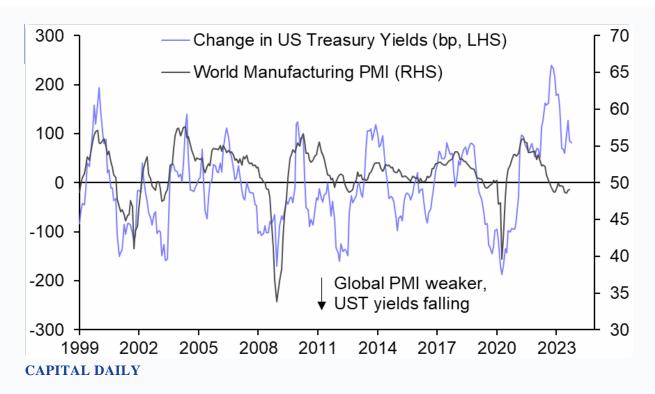


CAPITAL DAILY

Is the US Treasury yield curve about to "disinvert"?

We expect the US Treasury 10-year/2-year yield spread to turn positive before long, and subsequently rise further over the next year or so.

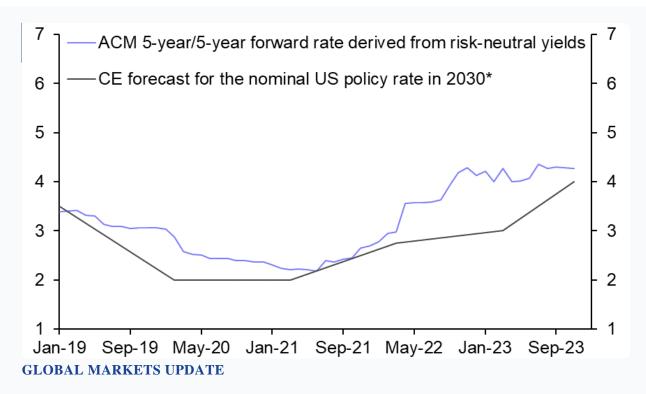
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More signs that UST yields may reverse course soon

Long-term Treasury yields have risen to new cyclical highs despite a generally weak global economic backdrop. Short-term "technical" indicators also suggest to us the surge in yields may have run its...

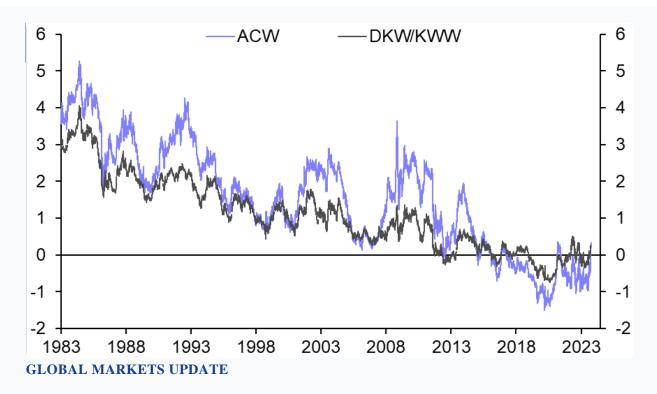
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Raising our forecasts for the 10-year Treasury yield

We still expect the 10-year Treasury yield to fall in the coming quarters. But we've revised up our projections for that yield from now to end of 2025, and now think it will reach its cyclical low in...

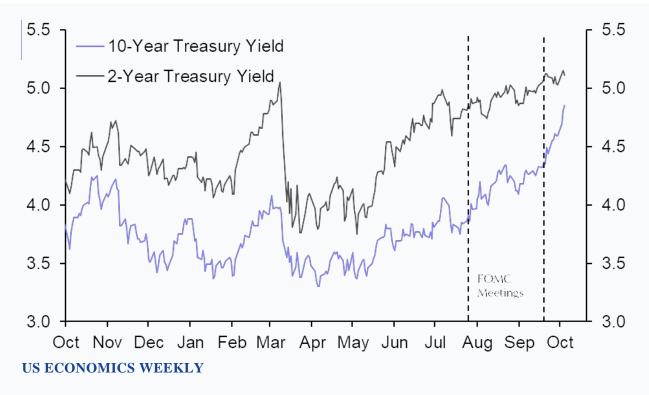
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How demand and supply affect Treasury term premia

Estimates suggest that the term premium of US 10-year Treasuries has bounced back to positive territory. We think that this can be at least partly explained by demand and supply factors. And we...

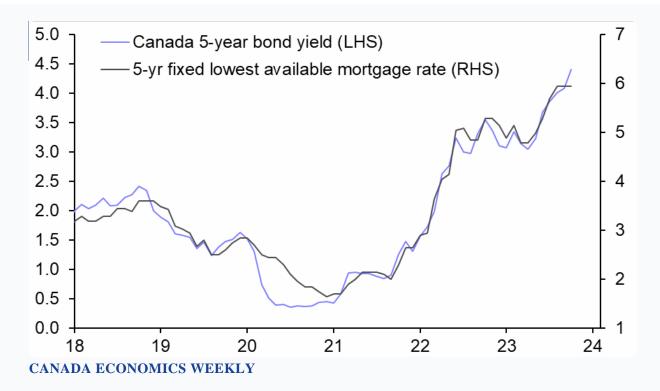
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Rising long rates a fiscal rather than monetary problem

The conventional wisdom is that the recent surge in Treasury yields is a reaction to the Fed's "higher for longer" message. But that surge has been focused solely on the long end of the curve...

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Higher bond yields mean more pain for housing

The further rise in home listings in September and likelihood that mortgage rates will increase amid the global bond market sell-off suggests that house prices will soon fall again. While employment...

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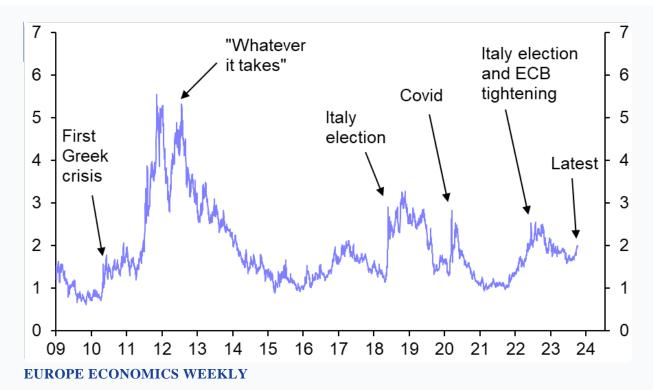


UK ECONOMICS WEEKLY

Bond market sell-off already hurting the economy

The rapid rise in the 30-year gilt yield has lifted it to a 20-year high but, while striking, so far the speed of the increase is slower than in the run-up to the liability-driven investment crisis...

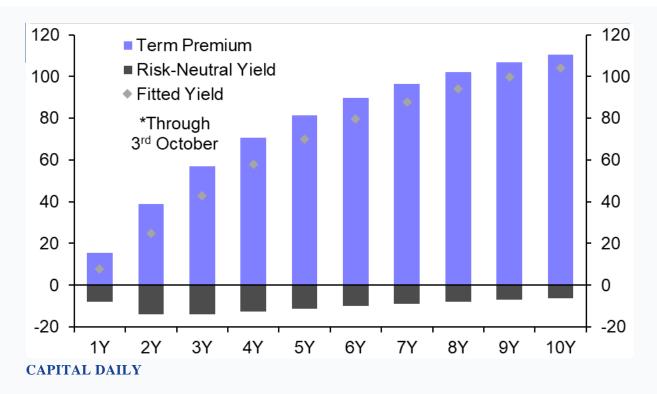
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What the bond market sell-off means for the euro-zone

The bond market sell-off, and associated tightening of financial conditions, reinforces our view that the ECB has finished hiking. The market moves have been nowhere near big enough to prompt the ECB...

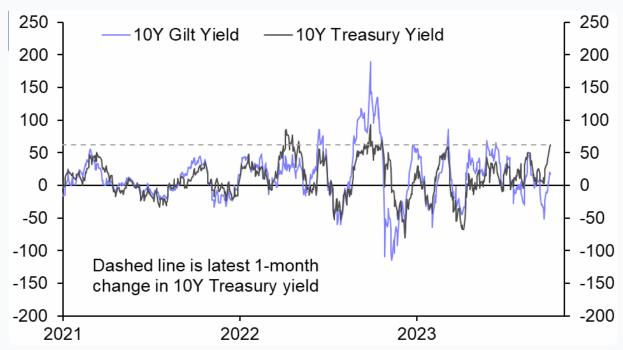
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Are surging bond yields responsible for surging bond yields?

A laundry list of explanations has been provided for the surge in the term premia of Treasuries since mid-year, which has accounted for more than ~100bp rise in the 10-year yield based on the ACM...

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GLOBAL ECONOMICS UPDATE

The bond market sell-off and the global economy

The sell-off in bond markets has taken a breather today, helped in part by softer data on the US labour market. However, the scale of the moves over the past week has invoked comparisons to previous...

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