

Market Briefing: Bond Yield Drivers

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thinking outside the box

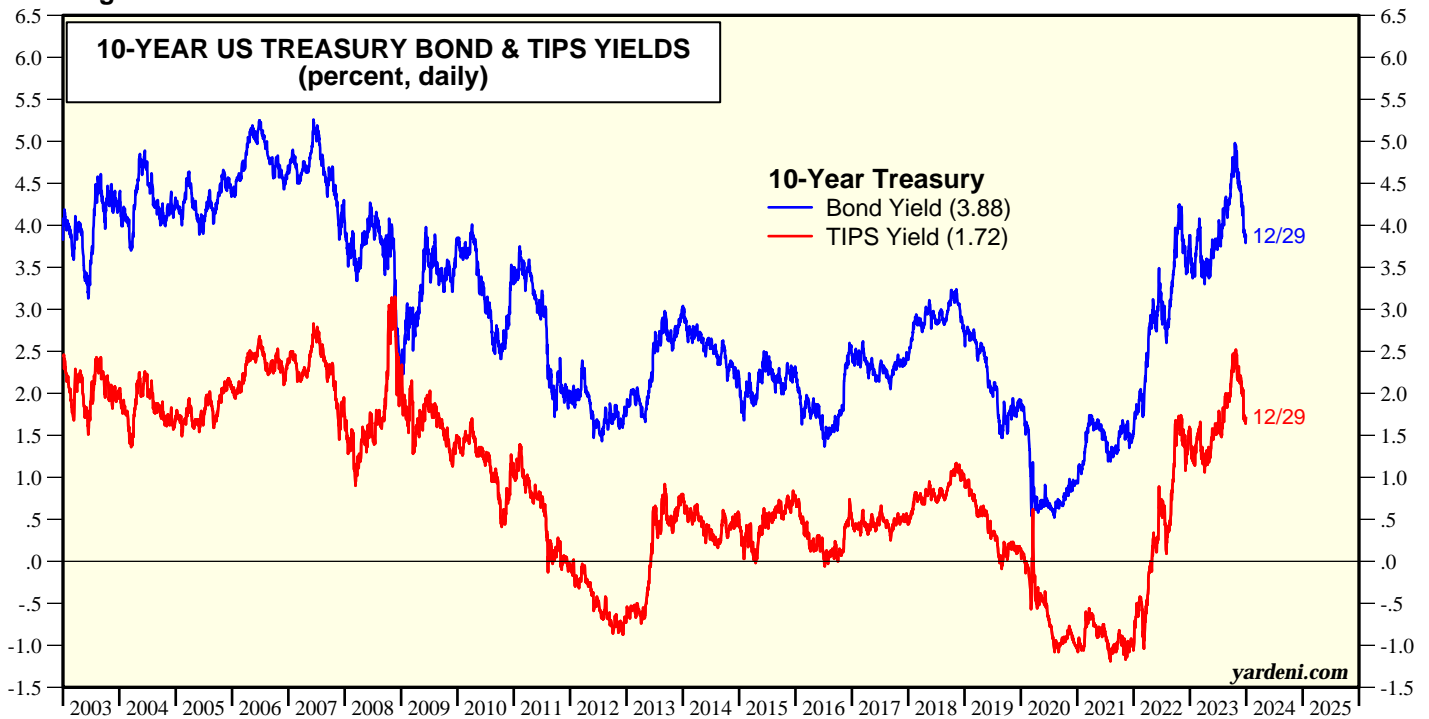
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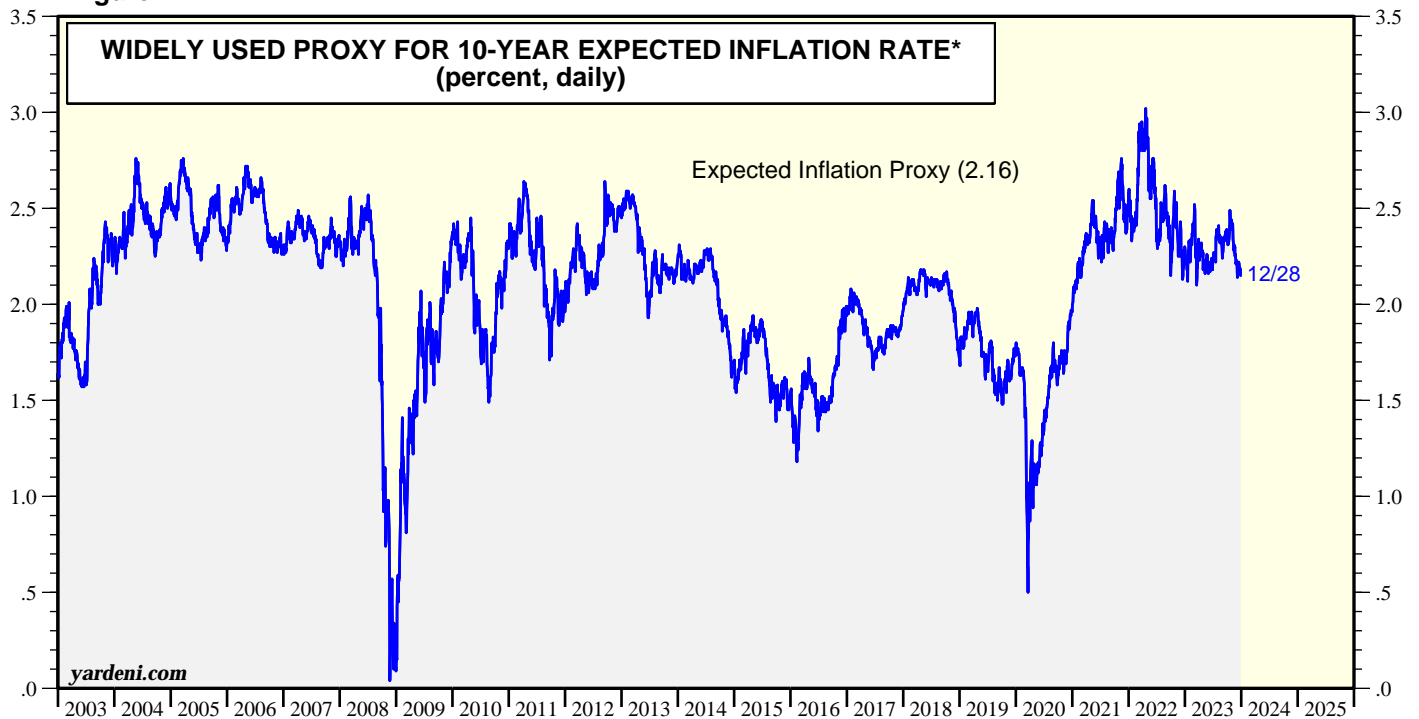
Bond Yield Drivers

Figure 1.



Source: Federal Reserve Board.

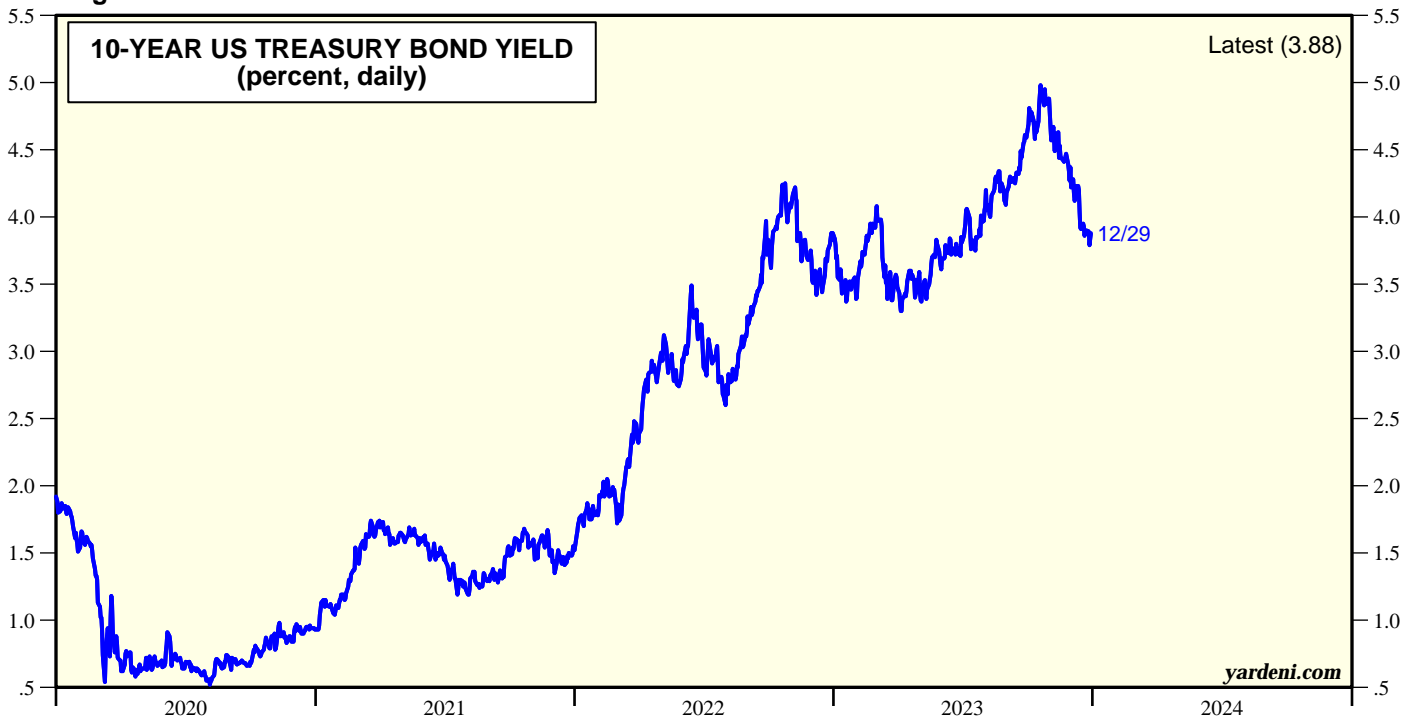
Figure 2.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
 Source: Federal Reserve Board.

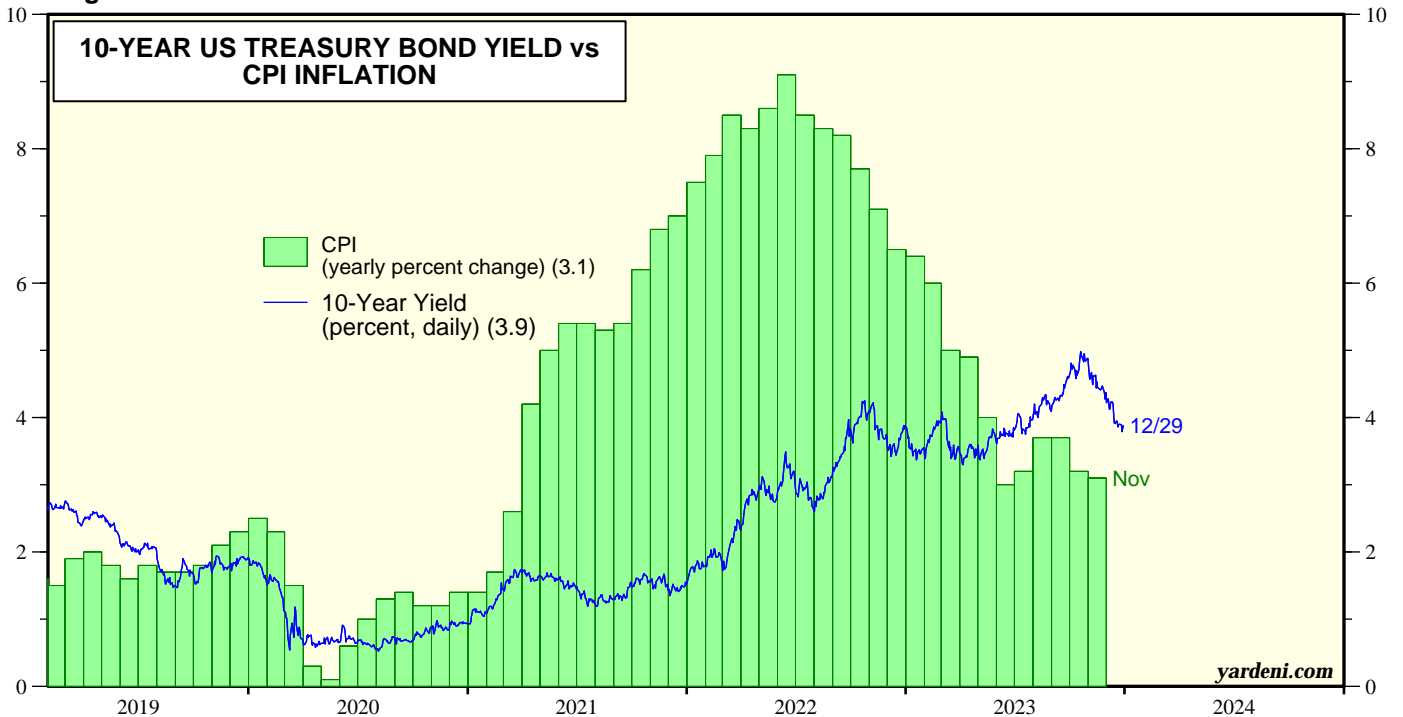
Bond Yield Drivers

Figure 3.



Source: Federal Reserve Board.

Figure 4.



Source: Federal Reserve Board and Bureau of Labor Statistics.

Bond Yield Drivers

Figure 5.

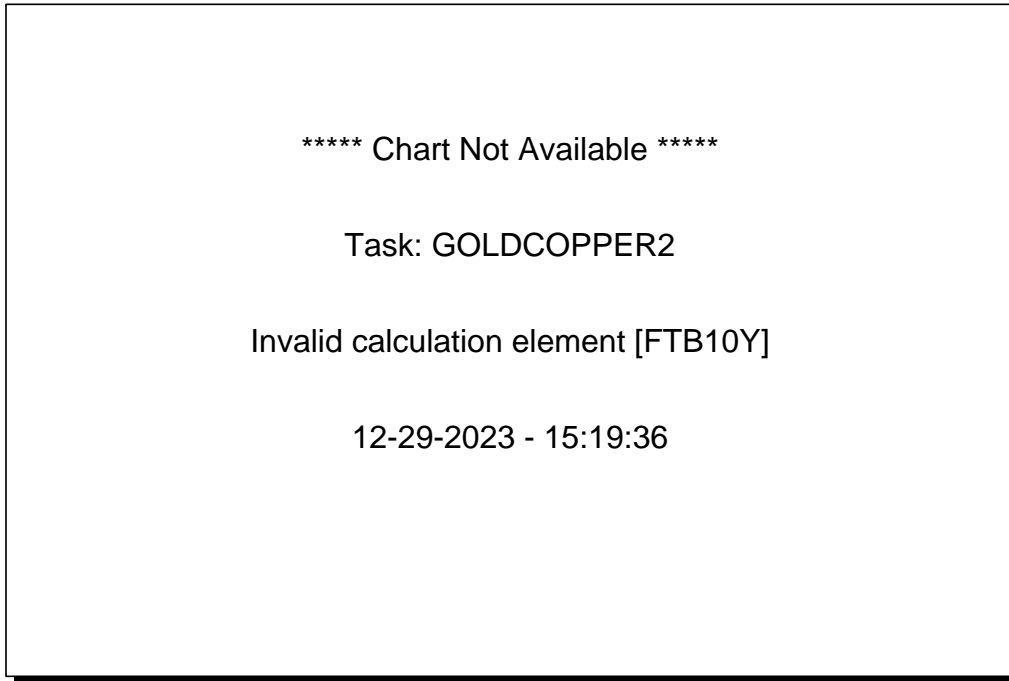
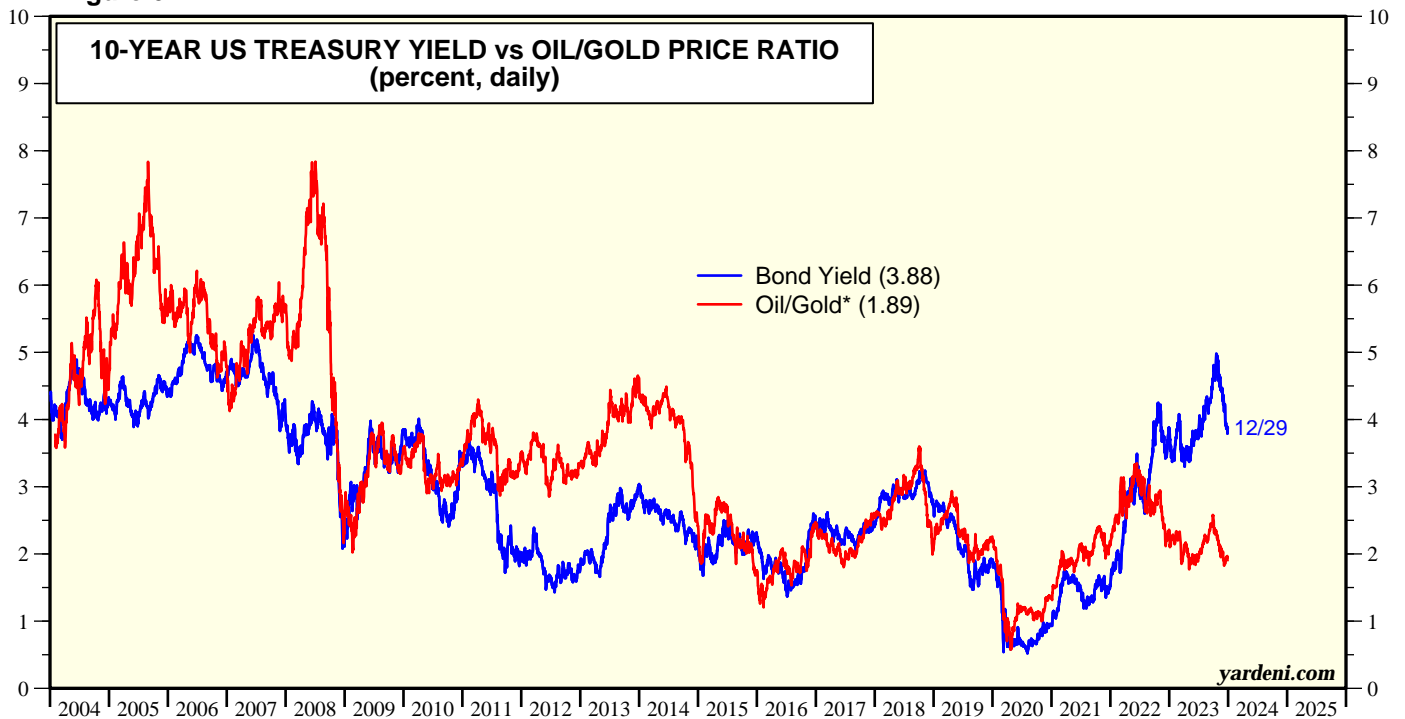


Figure 6.



* Nearby futures prices of Brent crude oil divided by gold multiplied by 50.
Source: Federal Reserve Board and Haver Analytics.

Bond Yield Drivers

Figure 7.

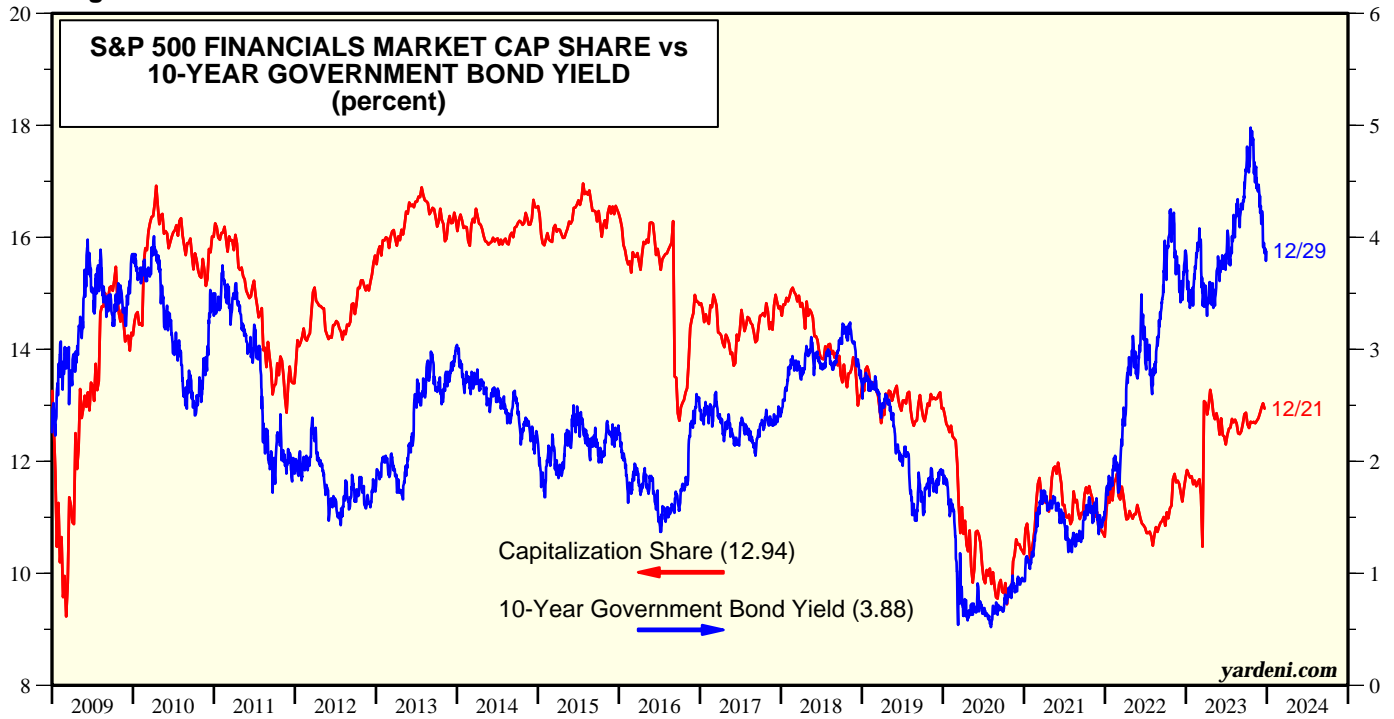
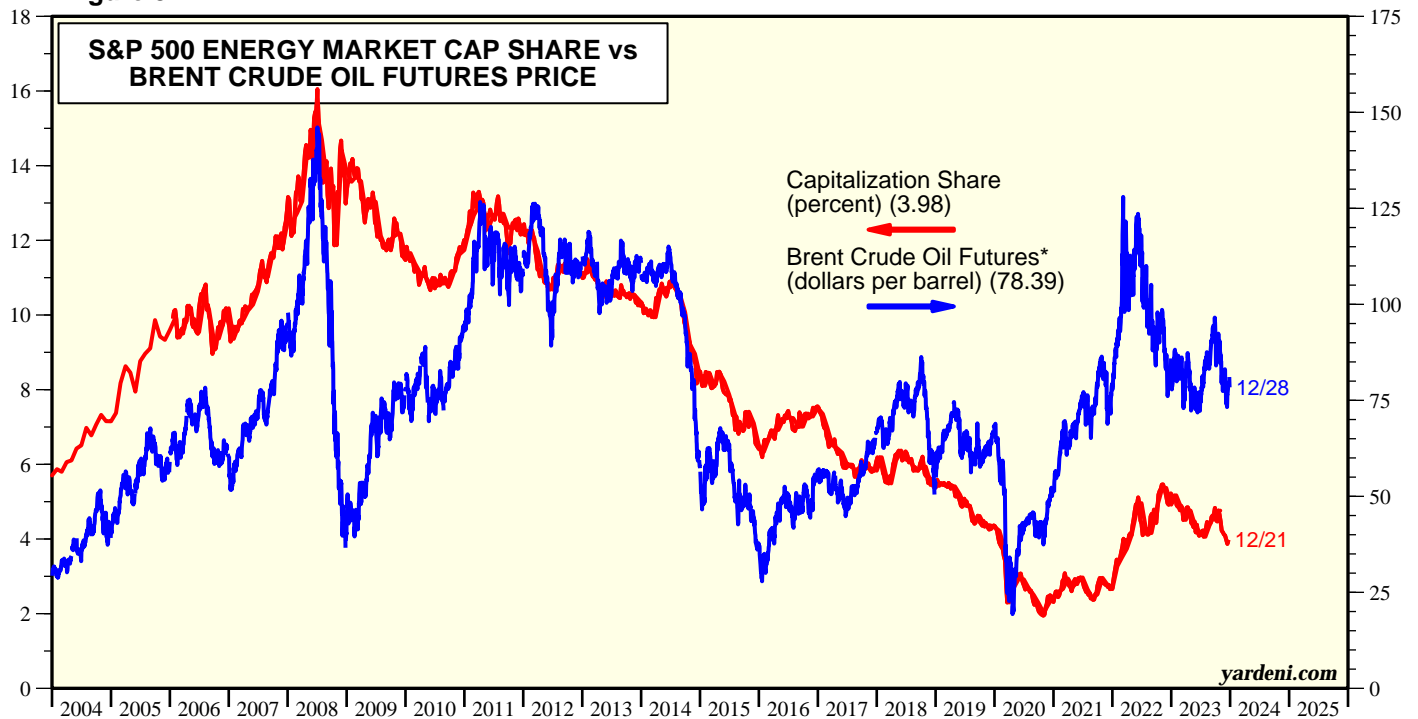
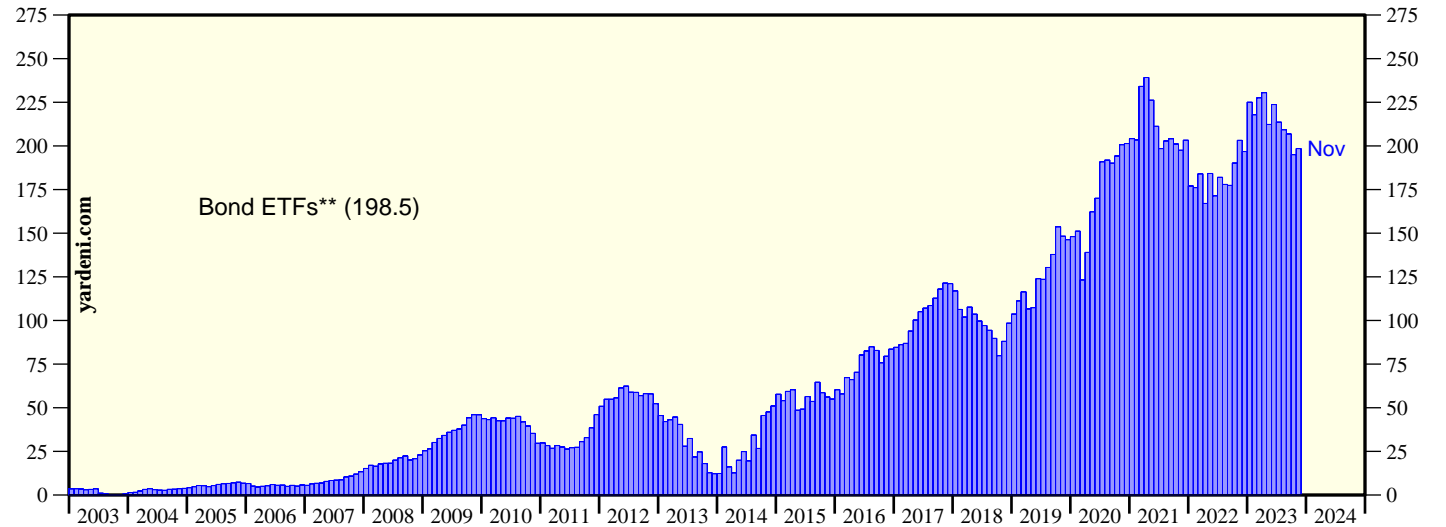
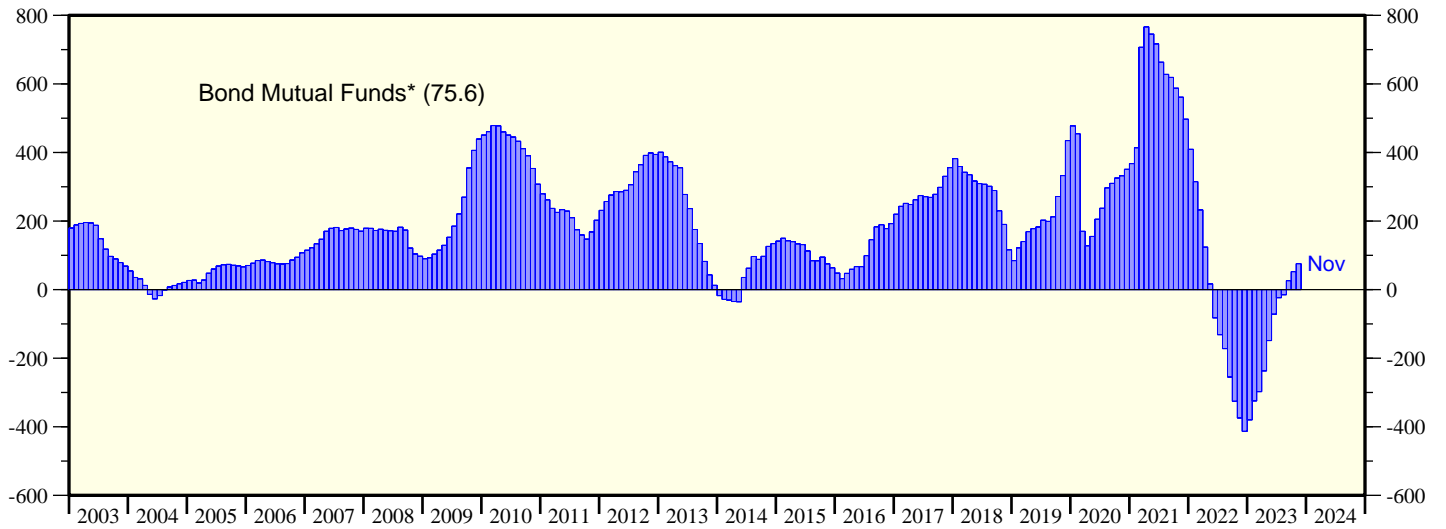
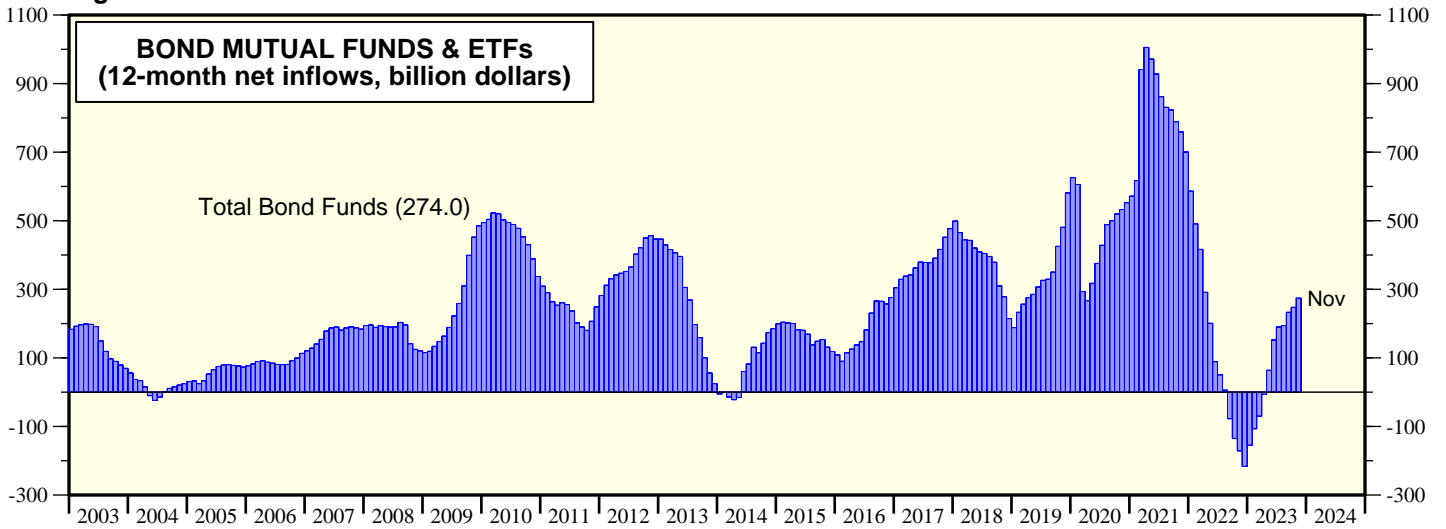


Figure 8.



Bond Yield Drivers

Figure 9.



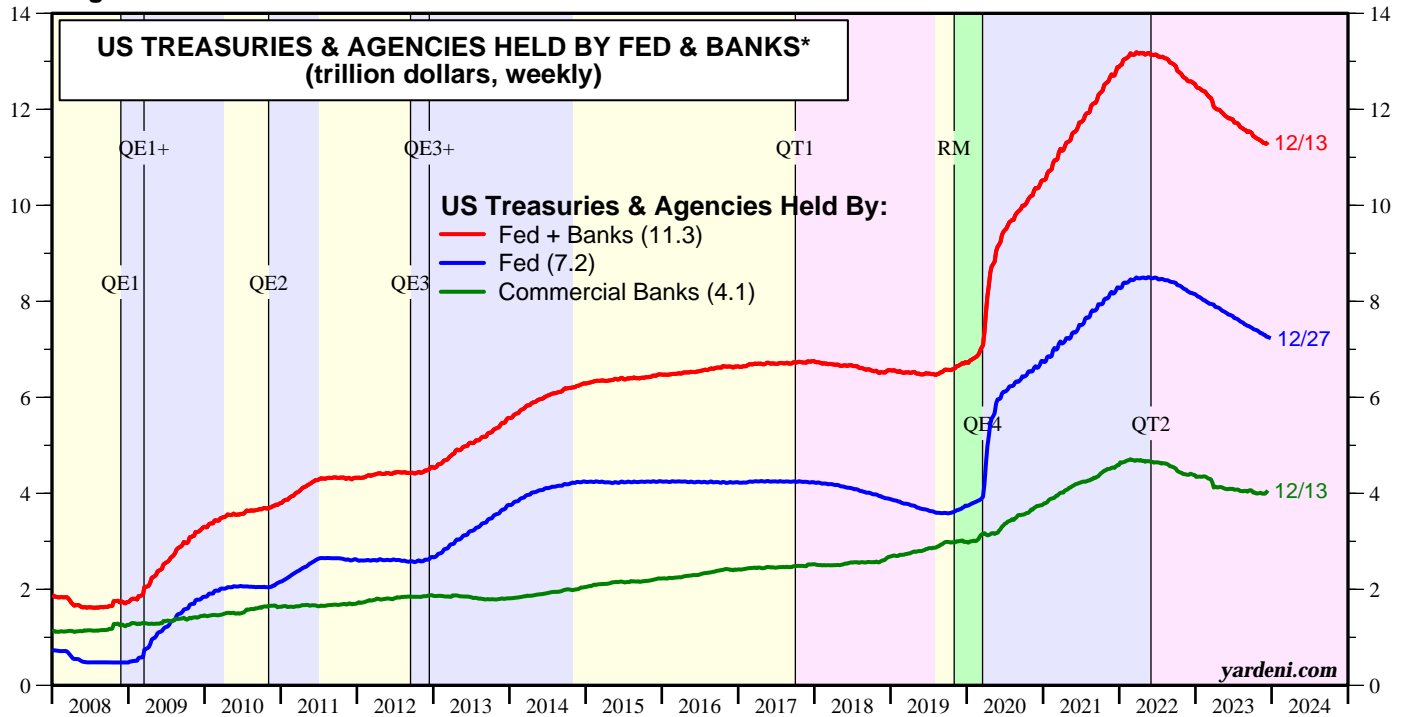
* Net sales (including reinvested dividends) less redemptions plus the net results of fund switches.

** Net share issuance by bond ETFs.

Source: Investment Company Institute.

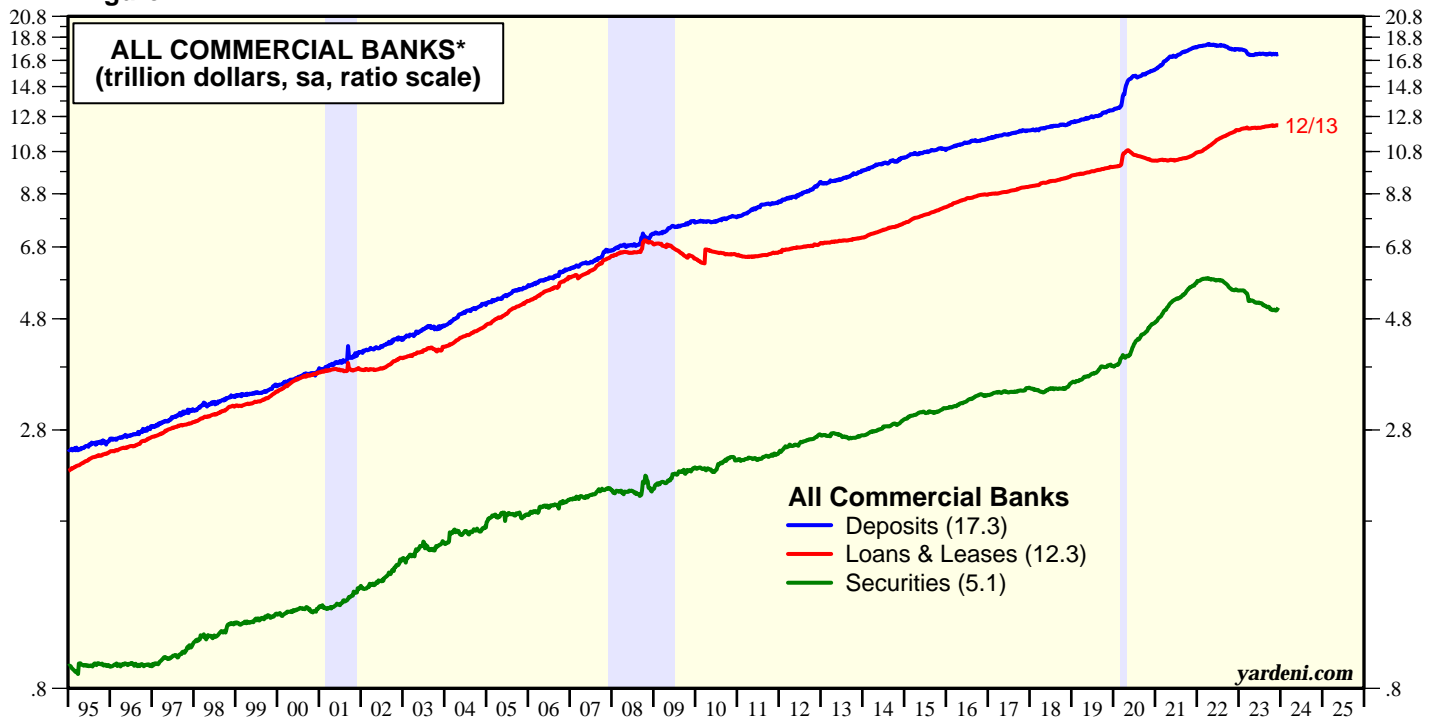
Bond Yield Drivers

Figure 10.



* Averages of daily figures for weeks ending Wednesday. Securities held by Fed include US Treasuries, Agency debt, and mortgage-backed securities. Note: QE1 (11/25/08-3/31/10) = \$1.24tn in mortgage securities; expanded (3/16/09-3/31/10) = \$300bn in Treasuries. QE2 (11/3/10-6/30/11) = \$600bn in Treasuries. QE3 (9/13/12-10/29/14) = \$40bn/month in mortgage securities (open ended); expanded (12/12/12-10/1/14) = \$45bn/month in Treasuries. QT1 (10/1/17-7/31/19) = balance sheet pared by \$675bn. RM (11/1/19-3/15/20) = reserve management, \$60bn/month in Treasury bills. QE4 (3/16/20-infinity). QT2 = balance sheet pared by \$95 billion per month. Source: Federal Reserve Board.

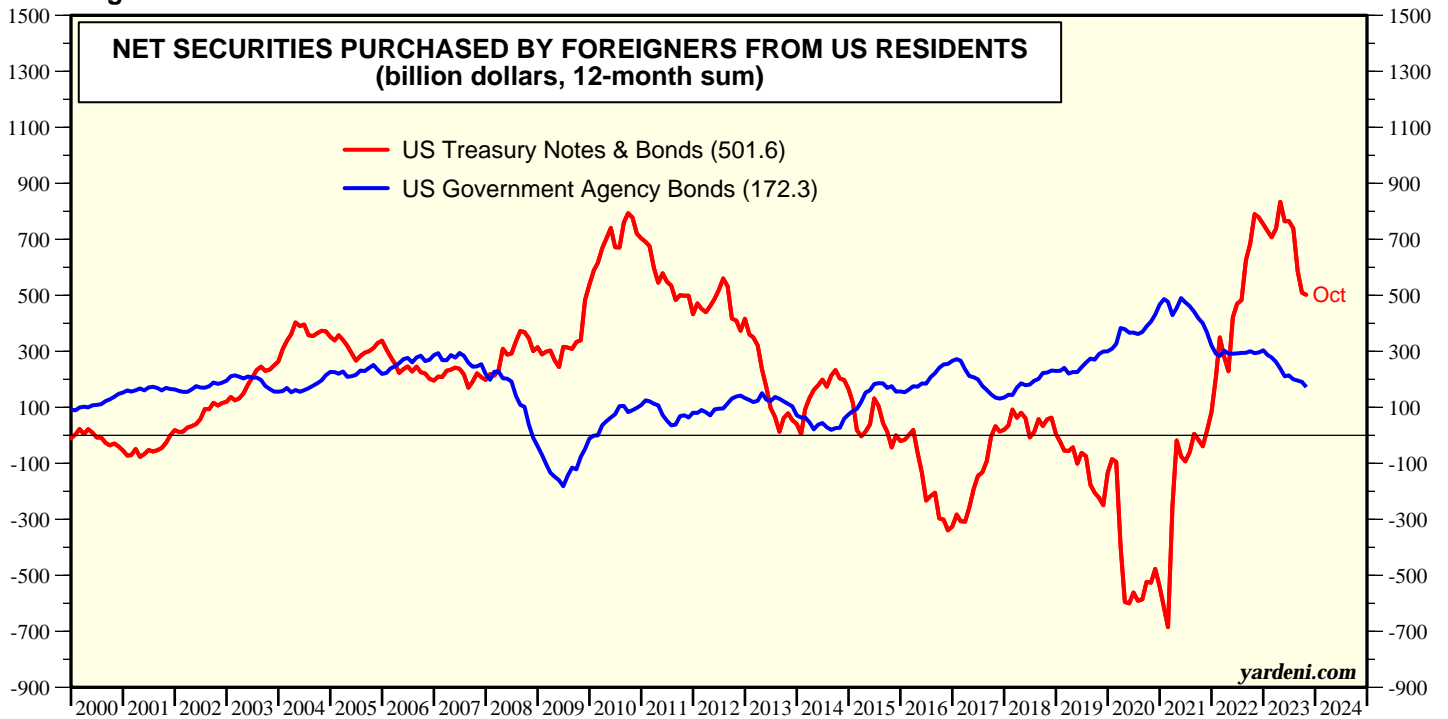
Figure 11.



* Includes domestically chartered commercial banks and foreign-related ones. Note: Shaded areas are recessions according to the National Bureau of Economic Research. Source: Federal Reserve Board.

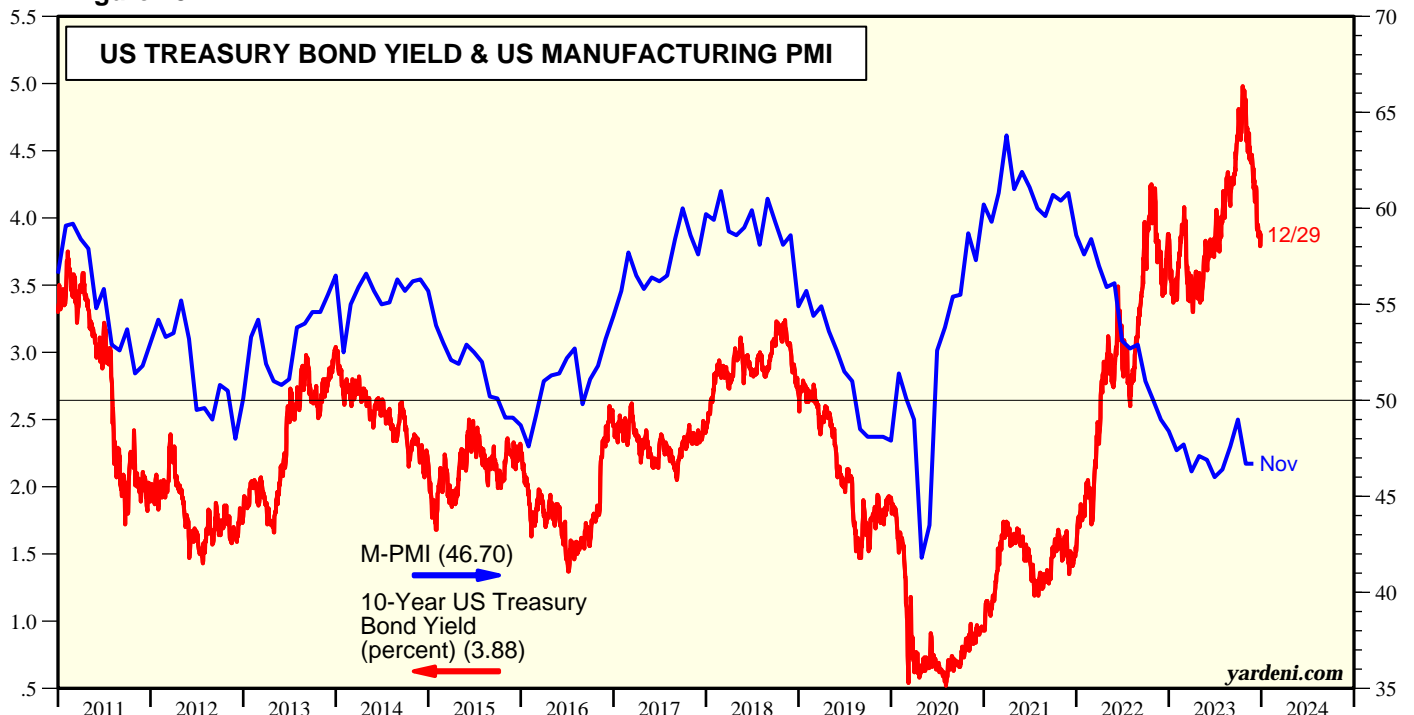
Bond Yield Drivers

Figure 12.



Source: US Treasury International Capital System.

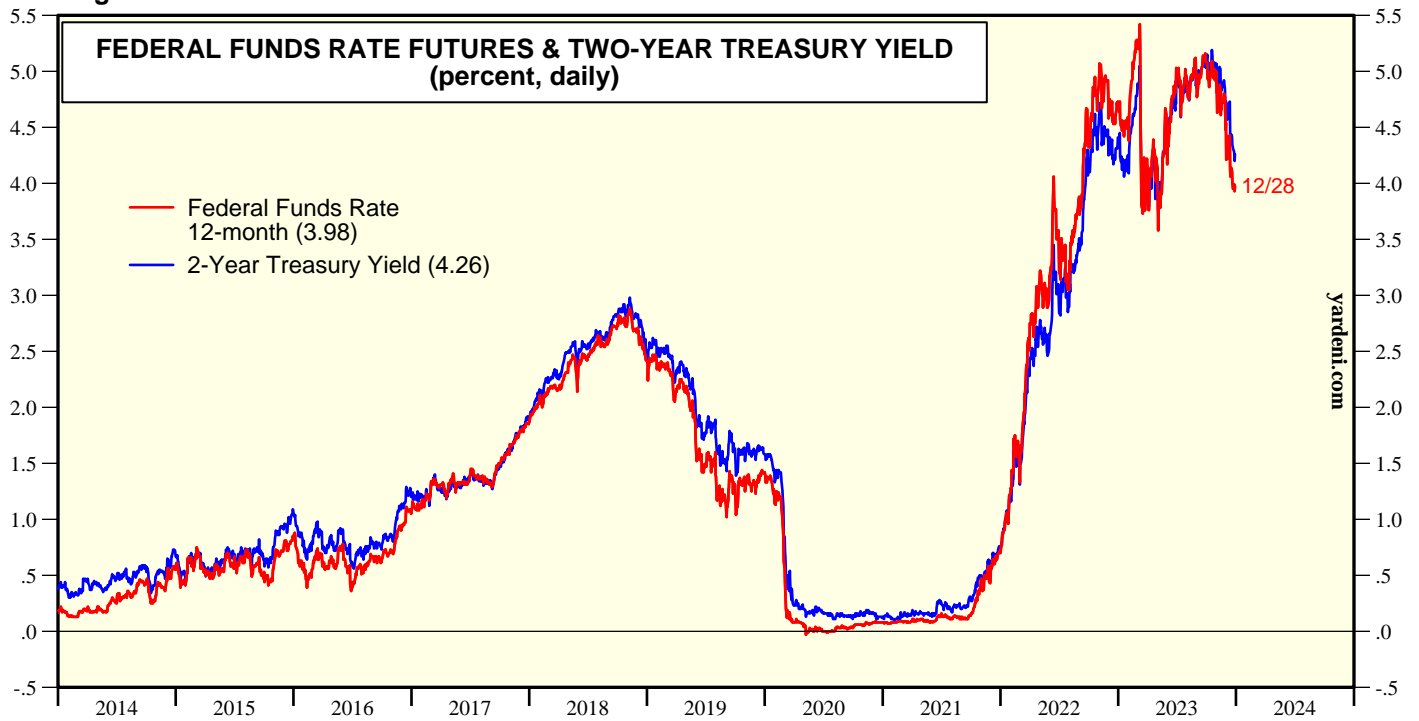
Figure 13.



Source: Federal Reserve Board and Institute for Supply Management.

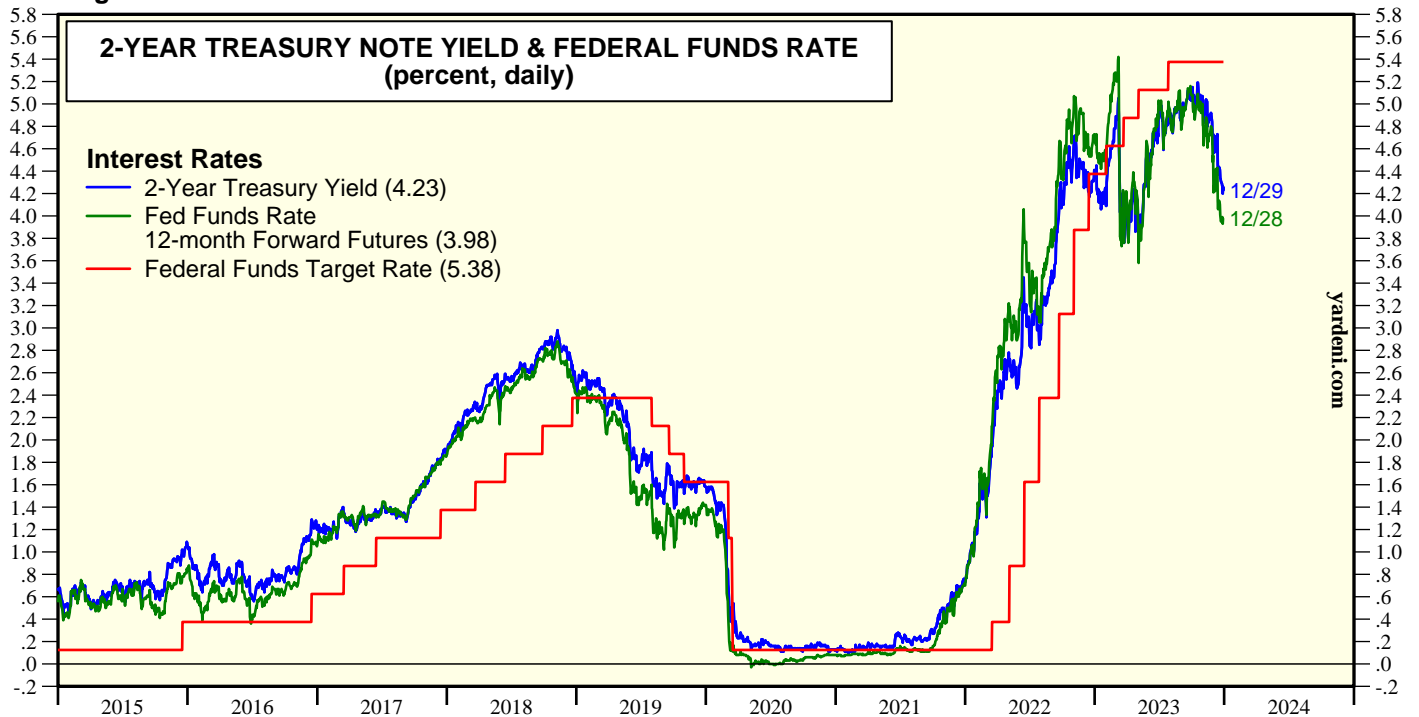
Bond Yield Drivers

Figure 14.



Source: Chicago Mercantile Exchange and Federal Reserve Board.

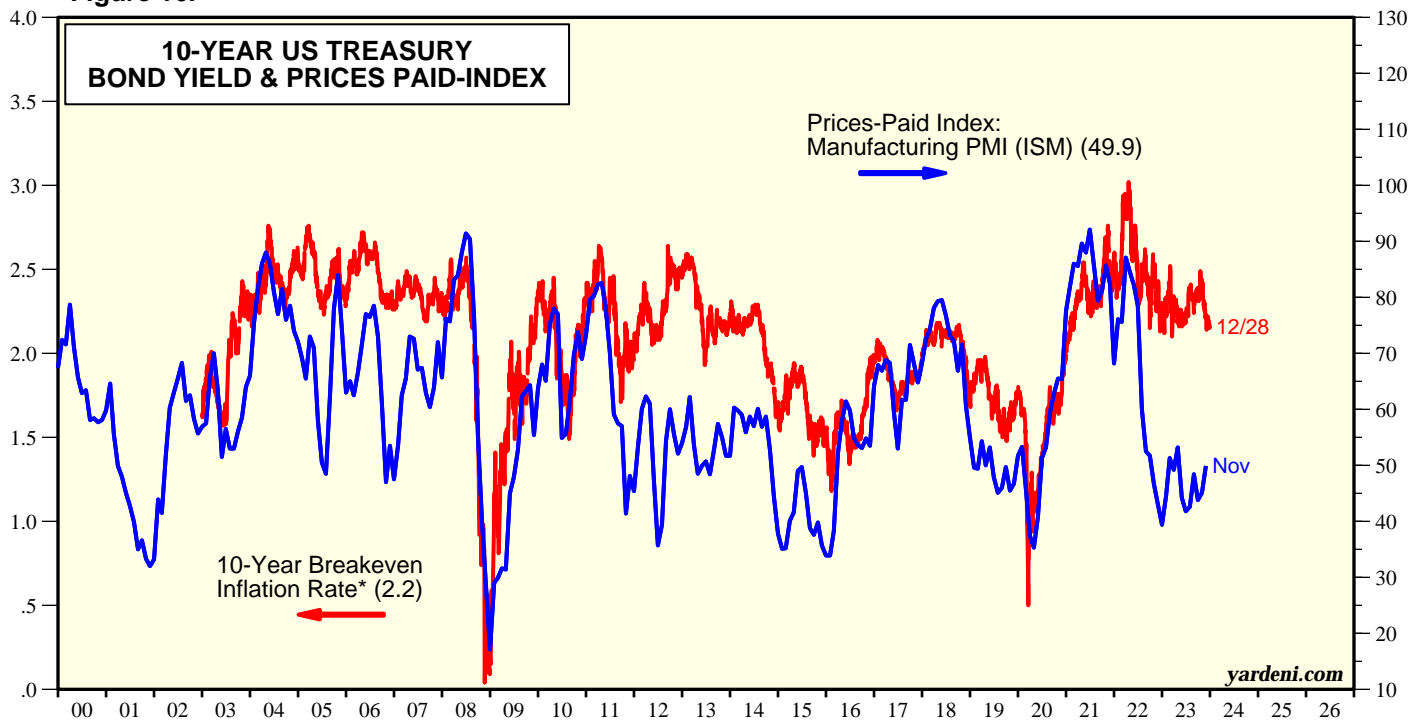
Figure 15.



Source: US Treasury & Chicago Mercantile Exchange.

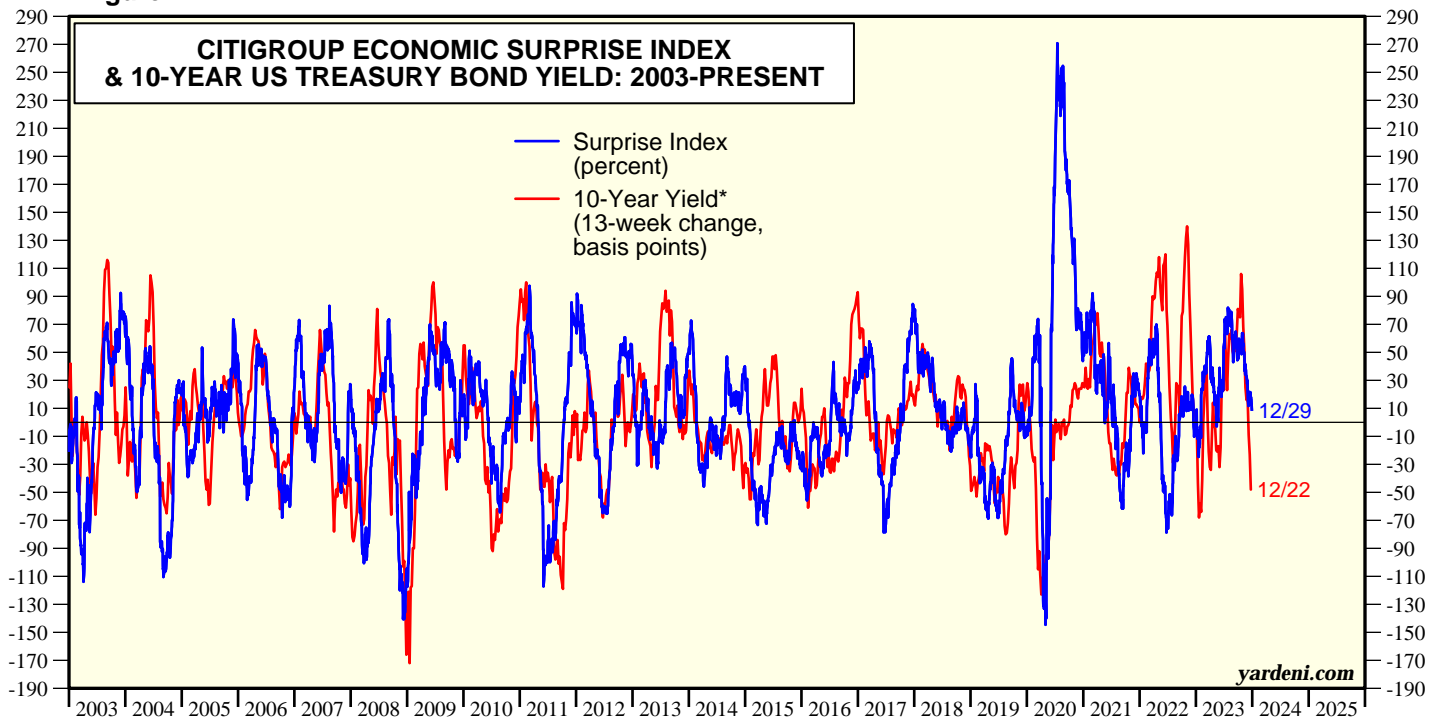
Bond Yield Drivers

Figure 16.



* Ten-year nominal minus Ten-Year TIPs Rate.
Source: Federal Reserve Board and Institute of Supply Management.

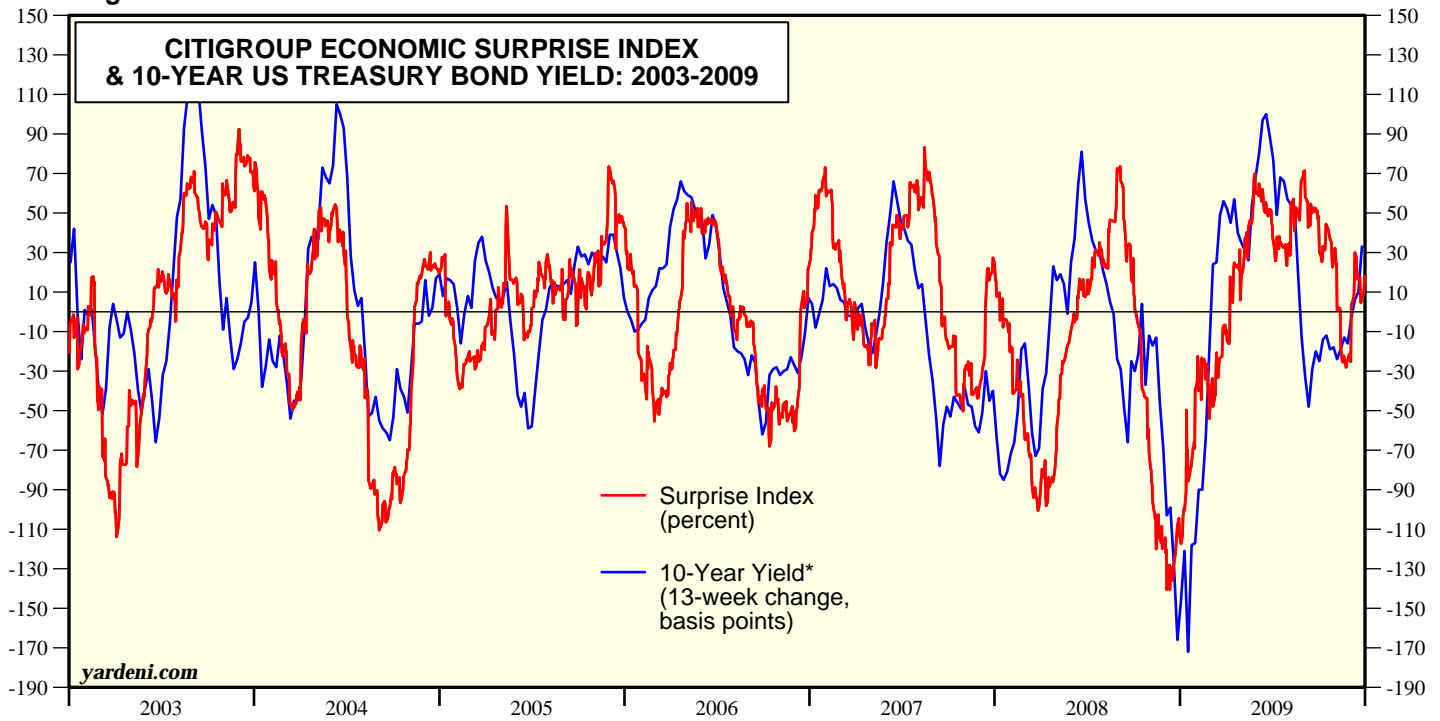
Figure 17.



* Average for the week ending Friday.
Source: Federal Reserve Board and Citigroup.

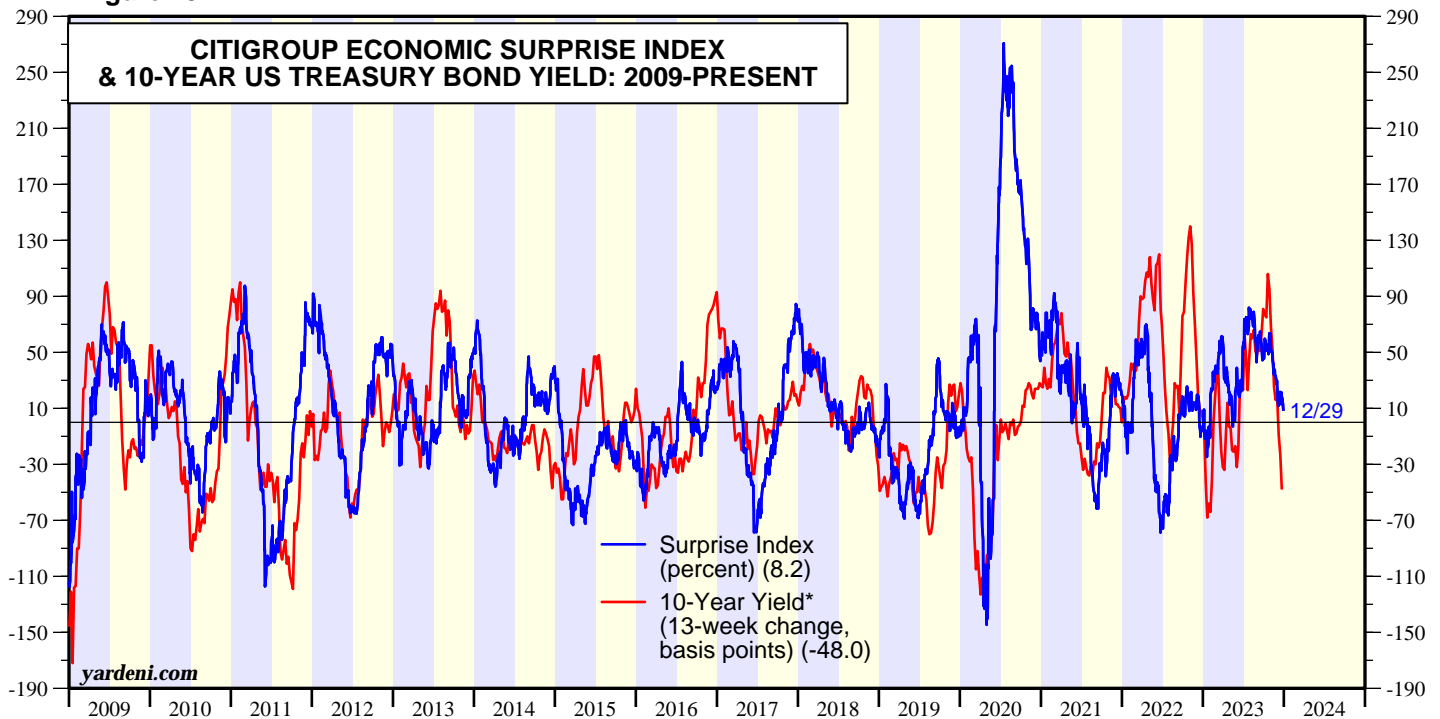
Bond Yield Drivers

Figure 18.



* Average for the week ending Friday.
Source: Federal Reserve Board and Citigroup.

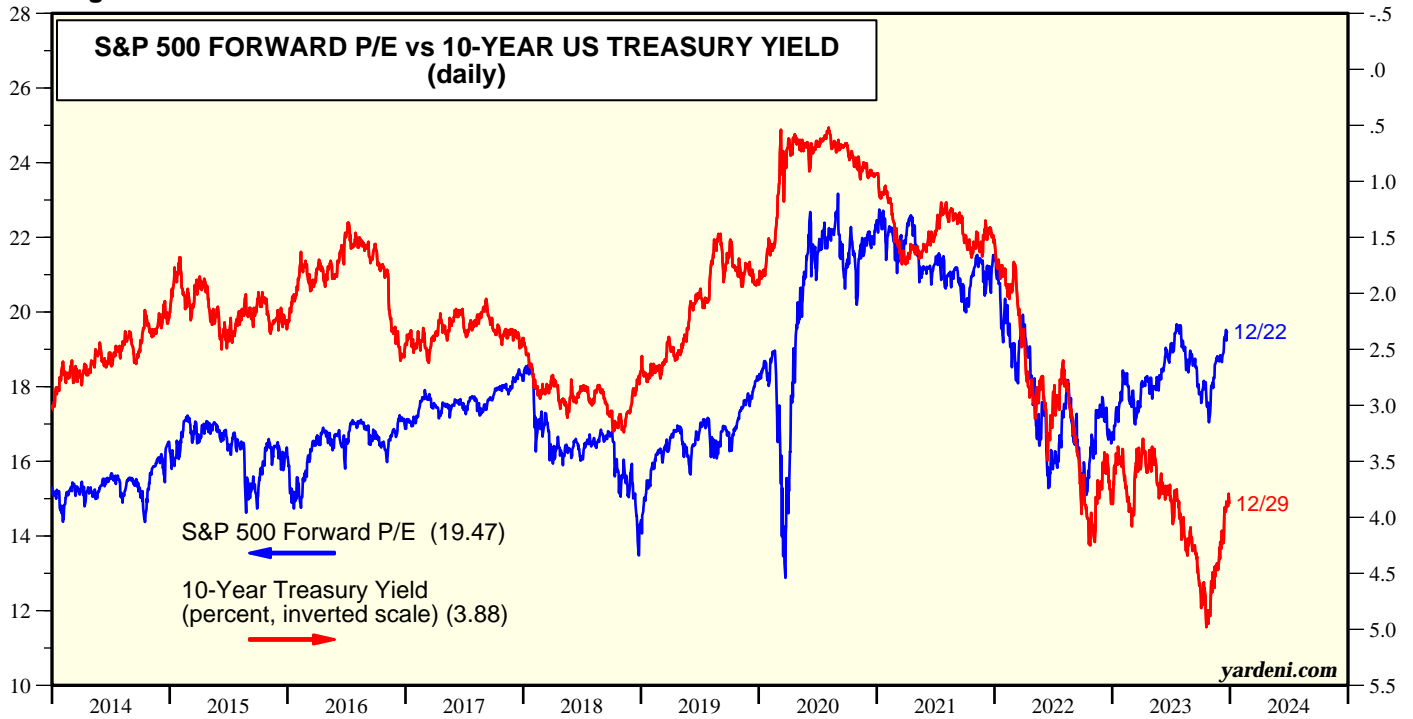
Figure 19.



* Average for the week ending Friday.
Note: Blue shaded areas are first half of each year.
Source: Federal Reserve Board and Citigroup.

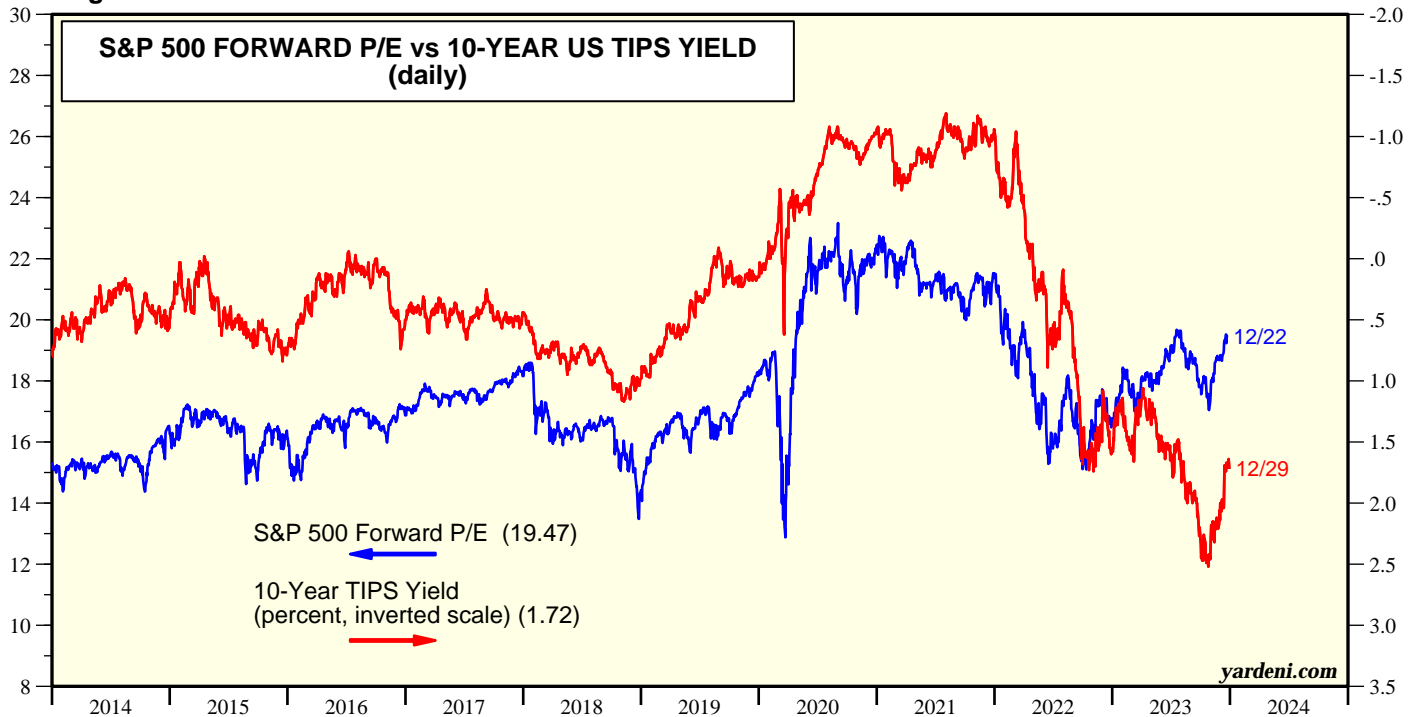
Bond Yield Drivers

Figure 20.



Source: Federal Reserve Board, I/B/E/S data by Refinitiv and Standard & Poor's.

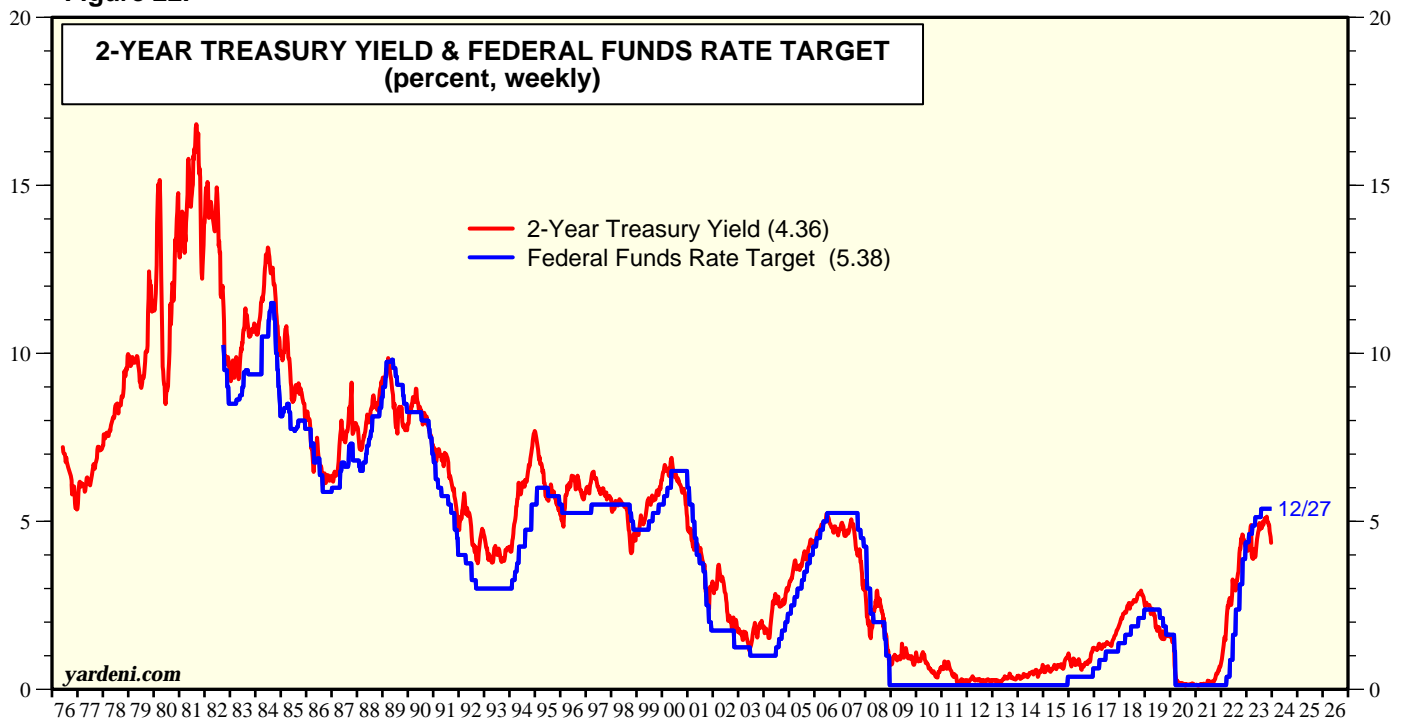
Figure 21.



Source: Federal Reserve Board, I/B/E/S data by Refinitiv and Standard & Poor's.

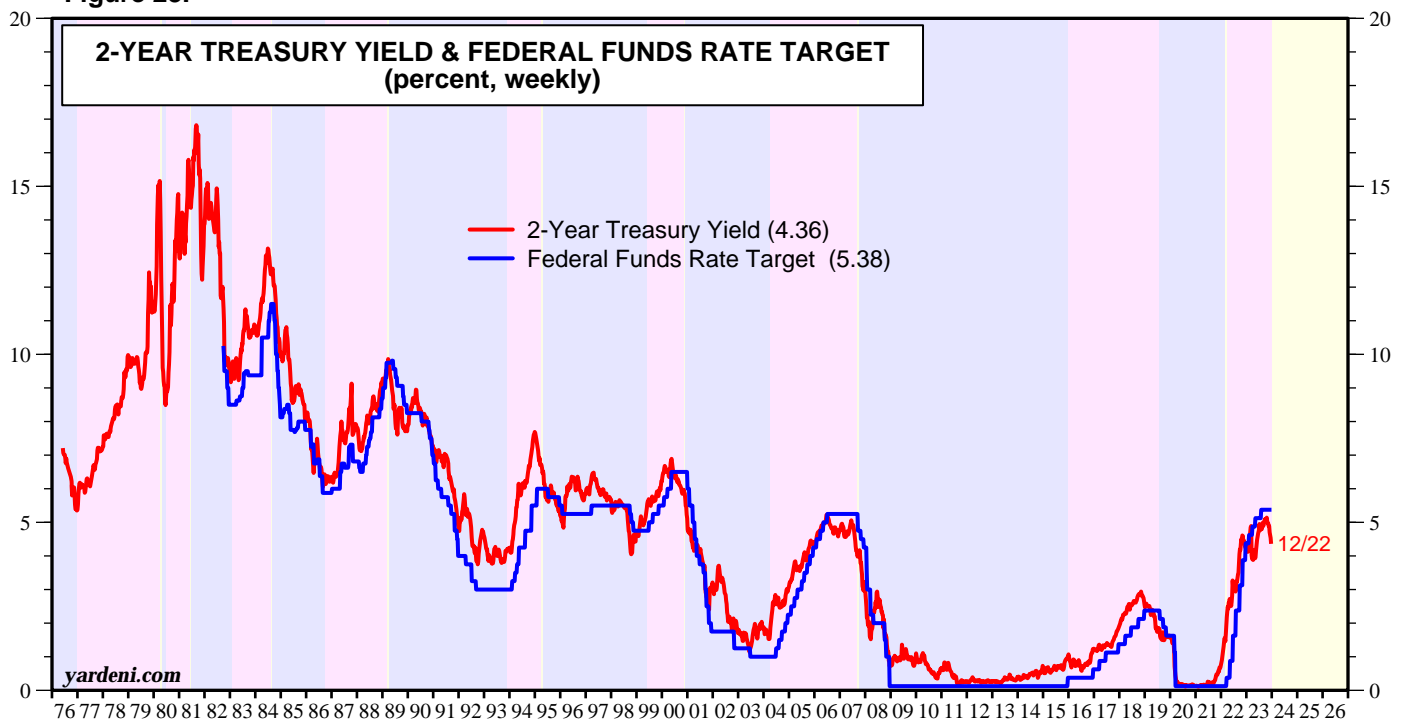
Bond Yield Drivers

Figure 22.



Source: Federal Reserve Board.

Figure 23.

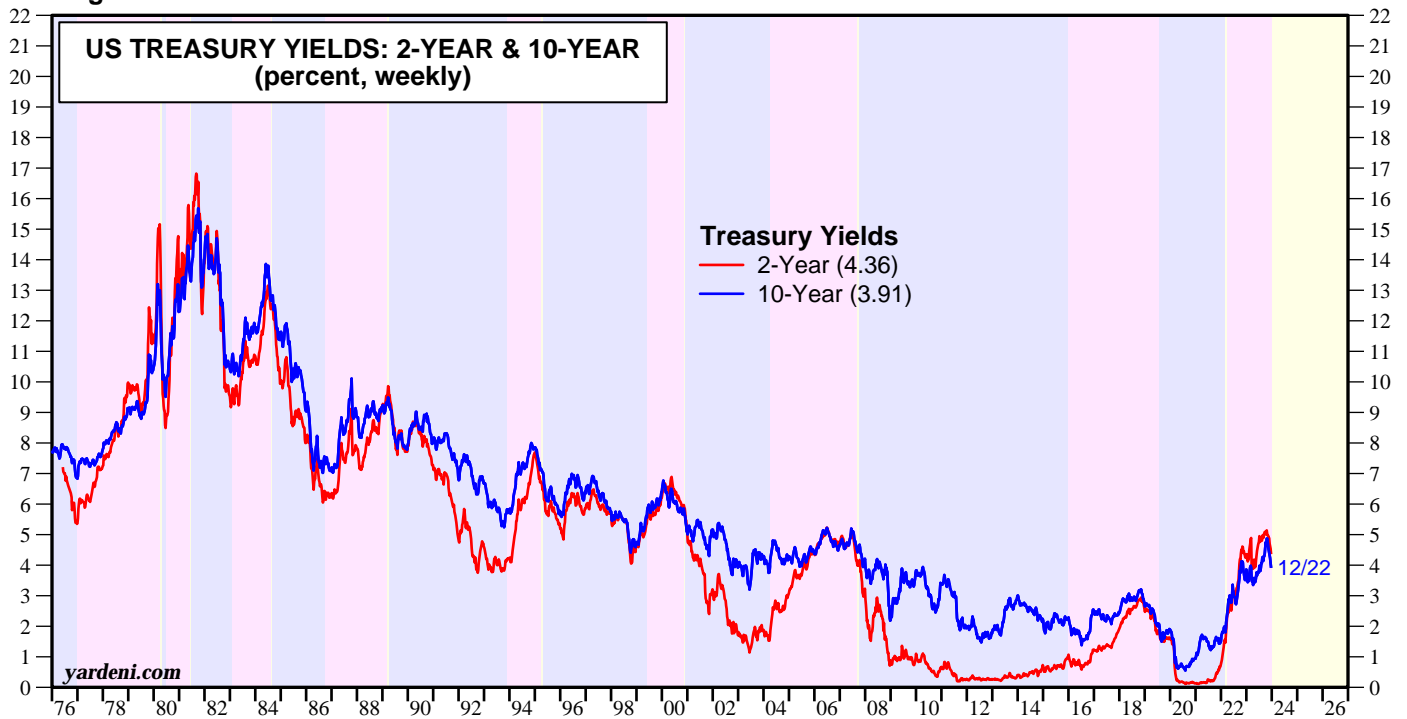


Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.

Source: Federal Reserve Board.

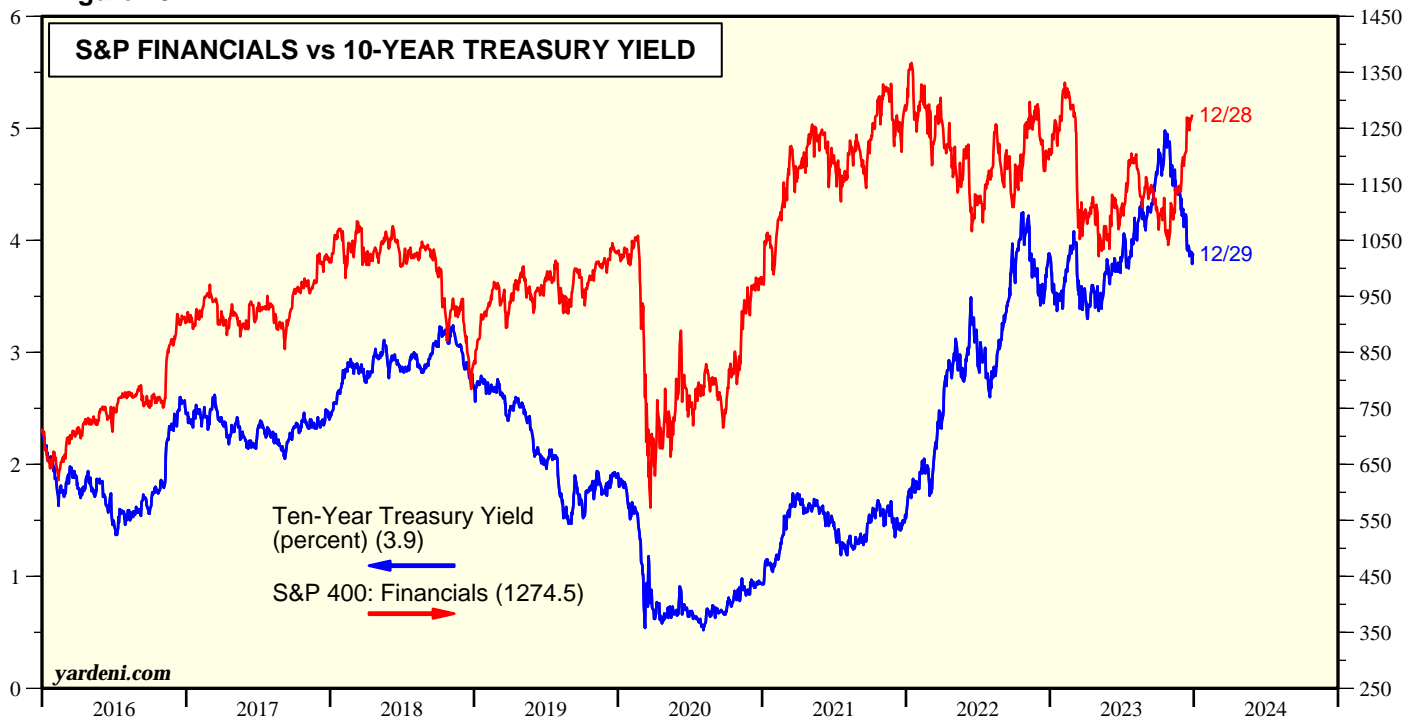
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Figure 24.



Note: Blue shaded areas are periods of monetary easing between cyclical peaks and troughs in the federal funds rate. Red shaded areas are monetary tightening periods.
 Source: Federal Reserve Board.

Figure 25.



Source: Standard & Poor's and Federal Reserve Board.

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