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NewLeaf Commentary

Treasury yields fell overnight on comments from the Bank of Japan. As expected, the BOJ made no change to its monetary policy, but also signaled that it is in no hurry to move away from its accommodative rate stance. Citing continued weak inflation rates, BOJ governor Kuroda said that “we’re in no condition yet to debate the timing and method of an exit from ultra-easy monetary policy”. Meanwhile, stock market rallies in Asia and Europe may be getting long in the tooth (see chart below). We have another light news calendar again today, with investors looking ahead to December existing home sales and Q4 GDP later in the week. The U.S. 10-year currently is yielding 2.62%, three basis points lower than yesterday’s close.

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