Rates Rise in February - Fixed Income Overview

Rates rose across all bond maturities, also known as the yield curve, which has remained inverted in recent months due to the Fed's monetary policy. The 4-month, 6-month, and 1-year Treasuries all surpassed 5% yields in late February and early March. The 10-year and 30-year Treasury bonds are producing the lowest yields concurrently as short-term Treasuries produce higher yields than long-term Treasuries, representing the inverted nature of the yield curve.

Interest rates moved up abruptly in February as markets assessed the Fed's rate increase policy as more vigorous than anticipated. The bond sell-off this past month has translated into mortgage rates reverting to the 7% level, the highest since November 10th. Mortgage rates were still at 4% at this same time last year.

Sources: U.S. Department of the Treasury, Freddie Mac