It’s Getting Congested: The World’s “Three Handle” Ten Year Bonds

A convergence of US/EU bond spreads sends an ominous message about the comparison between the false US recovery/QE program and the EU crisis.

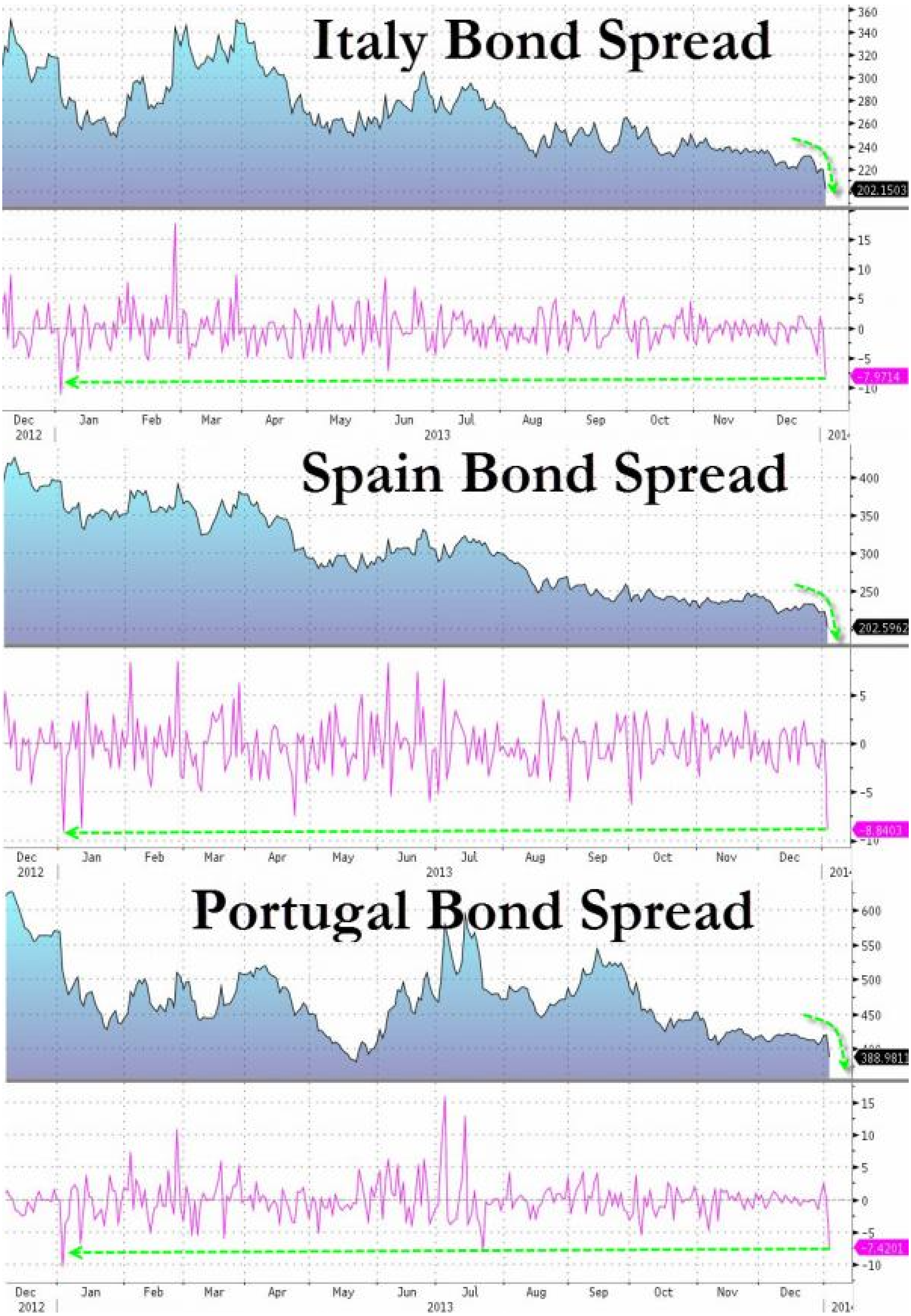
From Zero Hedge:

Forget “the 1%-ers”, meet the 3%-ers. As US Treasuries sell-off and European bonds continues to surge, the 3% handle on government debt is becoming a crowded trade with the following six nations now yielding between 3 and 4%… **US, UK, Ireland, Israel**, and drum roll please… **Italy and Spain**!

- US 3.008%
- UK 3.044%
- Ireland 3.389%
- Israel 3.70%
- Italy 3.98%
- Spain 3.99%

Bear in mind that **a year ago the spread between Spain and US was 350bps and is now less than 100bps**…in some wierd world that all makes sense, we are sure.

Note today saw European stocks selling off (apart from Greece which roared 4% higher) but **European bonds screamed lower in yield** with Portuguese spreads 30bps tighter today alone and Spain and Italy 18bps tighter!! This is a perfect echo of 2013’s first day ramp (and the **biggest spread compression since 1/2/13!!**)



Everyone front-running ECB QE?

Chart: Bloomberg