



US Treasury Yields Continue to Rise

August 3, 2023

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MARKET MOVING HEADLINES

- Natural gas rebounds from a 7-week low.
- Germany electricity spot prices surge by 117.11%.
- Colombian exports plunge for 7th straight month.
- Oil rises after Saudia Arabia and Russia cut production.
- The ISM Services PMI fell in July after reaching a 4-month high in June.
- The yield on the US 10-year Treasury note continued to rise in August to 4.19%.
- US initial jobless claims edge higher than expected.
- US labor costs rise less than expected.
- The Bank of England raised its policy interest rate by 25 basis points to 5.25%.
- Wheat declines to a 3-week low.
- Gasoline retreats from a 1-year high.

INTEREST RATES

Interest Rates

US TREASURY MARKET

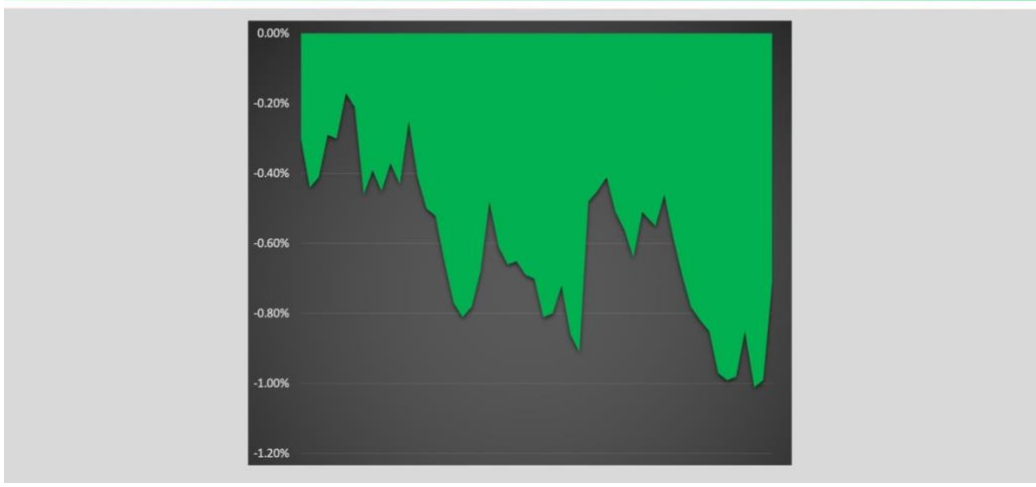
MATURITY	YIELD	7-DAY CHANGE
3M	5.42%	-0.37%
2Y	4.90%	0.41%
5Y	4.31%	4.11%
10Y	4.19%	7.71%
30Y	4.31%	9.67%

Interest Rates

2Y - 10Y SPREAD

DATE	SPREAD
6/15/23	-0.85%
6/22/23	-0.97%
6/29/23	-0.99%
7/6/23	-0.98%
7/13/23	-0.85%
7/20/23	-1.01%
7/27/23	-0.99%
8/3/23	-0.71%

2Y-10Y SPREAD - PAST 12 MONTHS



CURRENCIES

Currencies

CURRENCY PAIR	PRICE	7-DAY CHANGE
EUR/USD	1.094	-1.17%
USD/JPY	142.687	1.59%
GBP/USD	1.270	-1.63%
AUD/USD	0.655	-2.96%
USD/CAD	1.336	0.98%
USD/CNY	7.183	0.36%
USD/CHF	0.875	1.39%
USD/HKD	7.808	0.08%
USD/MXN	17.274	2.39%
USD/KRW	1299.660	1.97%

COMMODITIES



Commodities

COMMODITY	PRICE	7-DAY CHANGE
Brent Crude Oil	85.177	2.80%
WTI Crude Oil	81.829	3.52%
Natural Gas	2.553	-3.77%
Gold	1933.070	-1.87%
Silver	23.552	-5.12%
Copper	3.873	-0.13%
Steel	3687.000	-1.94%
Coffee	164.750	0.98%
Sugar	24.020	-3.65%
Cocoa	3491.000	-1.72%
Cotton	85.250	-4.67%

CONCEPT OF THE WEEK: EXPLAINING HEDGING TO LEADERSHIP

When implementing a hedging program, it is critical to educate and inform your leadership on what hedging is and is not. Some point to emphasize with leadership include:

- Hedging is for preventing an existing risk from materially impacting earnings.
- Hedging is not speculation.
- Hedging is an exercise to manage volatility in the market.
- Hedging offers protection against undesired market fluctuations.
- Hedging is taken on by institutions that are risk adverse.
- Not hedging is speculating.

Responsible and forward-thinking organizations will develop and implement a hedging program that aligns with their financial objectives and risk tolerance.

QUOTE OF THE WEEK

“The best way to predict the future is to have a strategy to protect against it.” – Paul Tudor Jones



Author: John Trefethen, Director and Co-Founder

Mobile: [612-868-6013](tel:612-868-6013)

Office: [952-746-6040](tel:952-746-6040)

Email: jtrefethen@hedgestar.com

HedgeStar Media Contact:

Megan Roth, Marketing Manager

Office: 952-746-6056

Email: mroth@hedgestar.com

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