MacroVoices

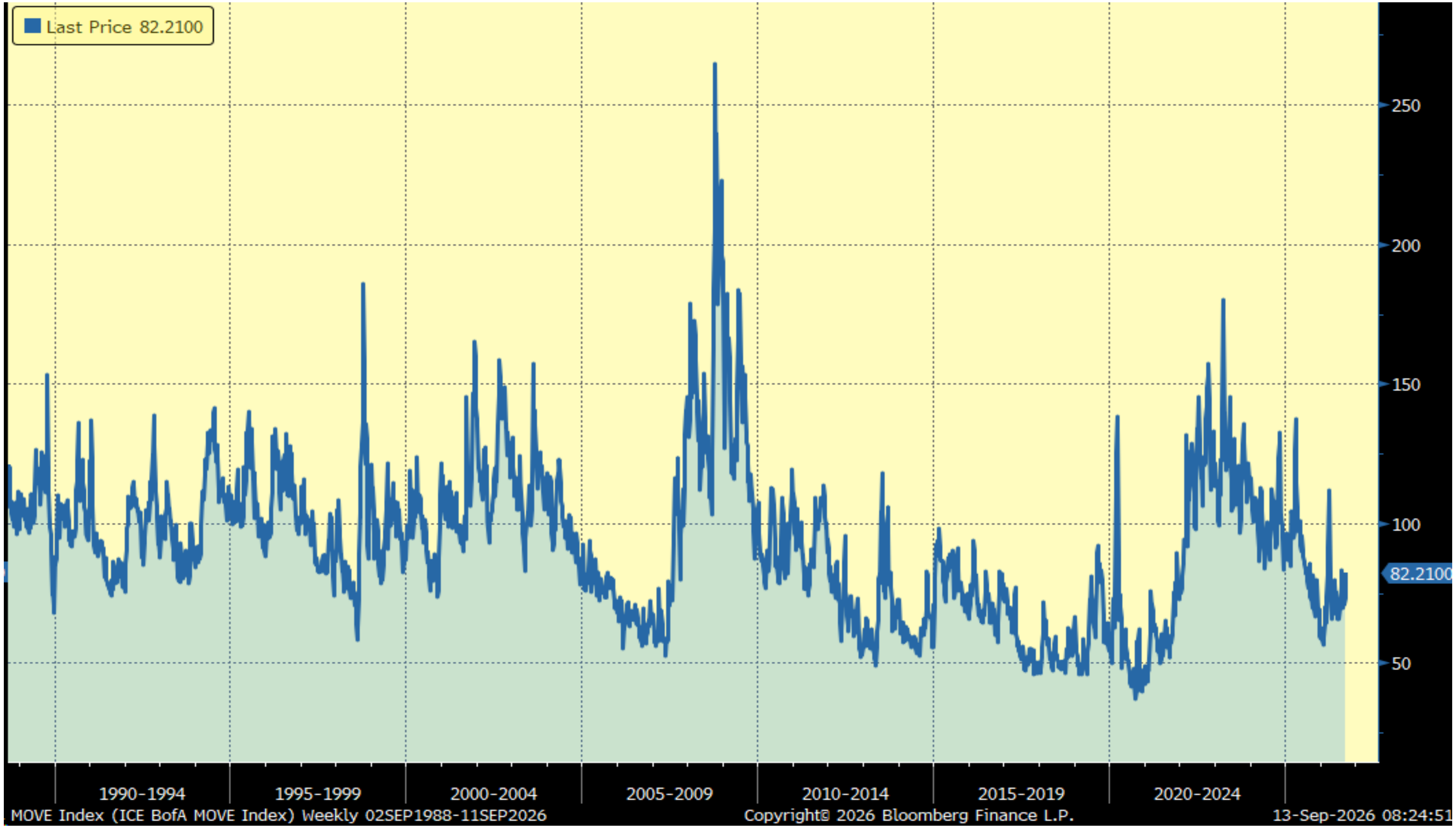
Special Guest:
Harley Bassman – The Convexity Maven

“In Fed We Trust”

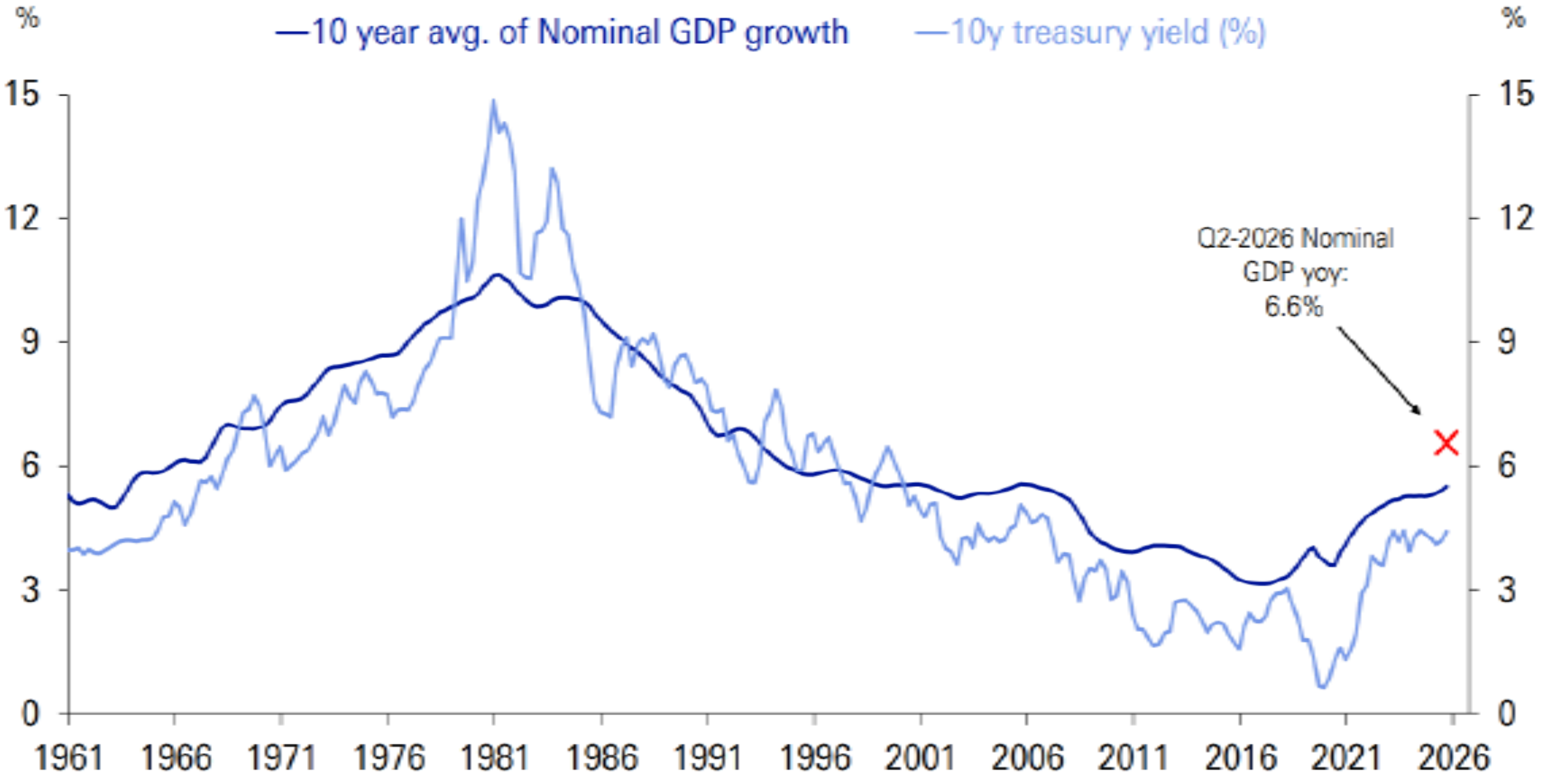
Hosts
Erik Townsend and Patrick Ceresna

September 17th, 2026

MOVE Index (The VIX of Bonds)



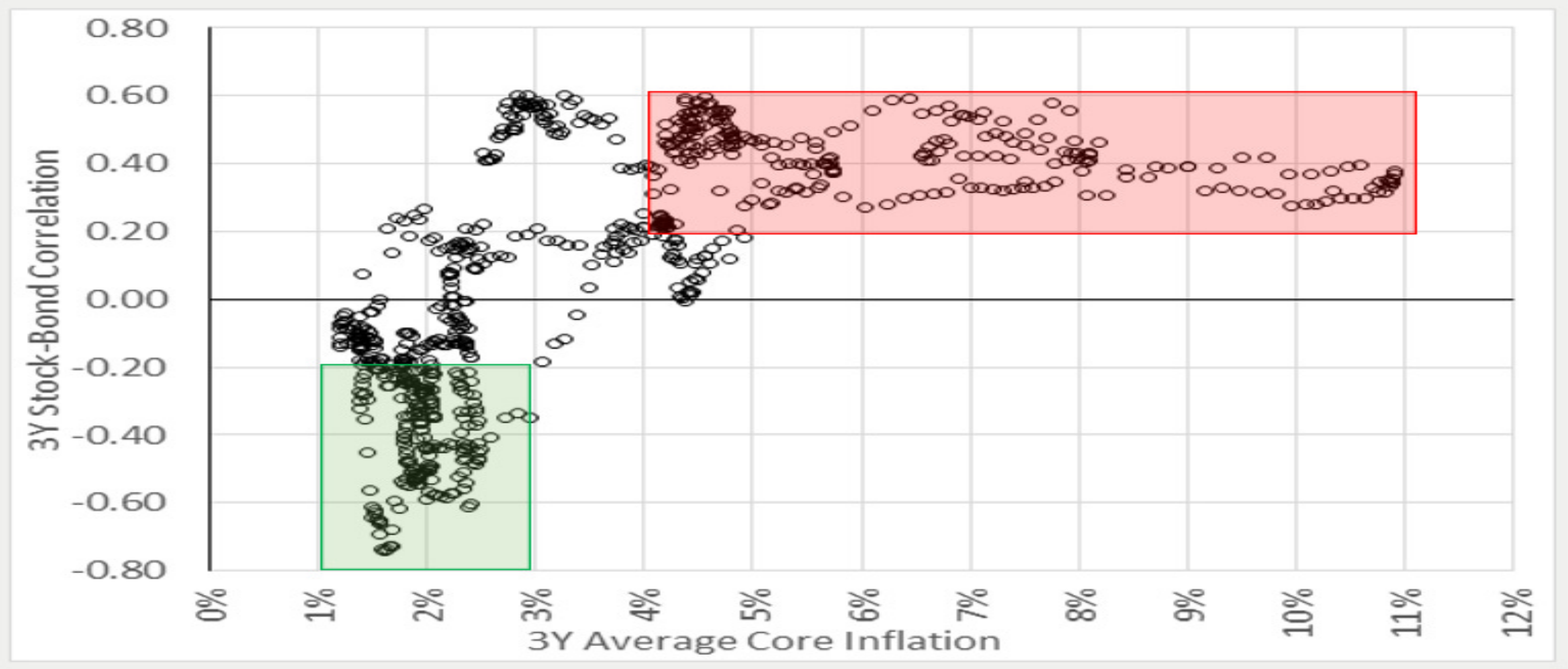
Nominal GDP vs Tsy 10yr



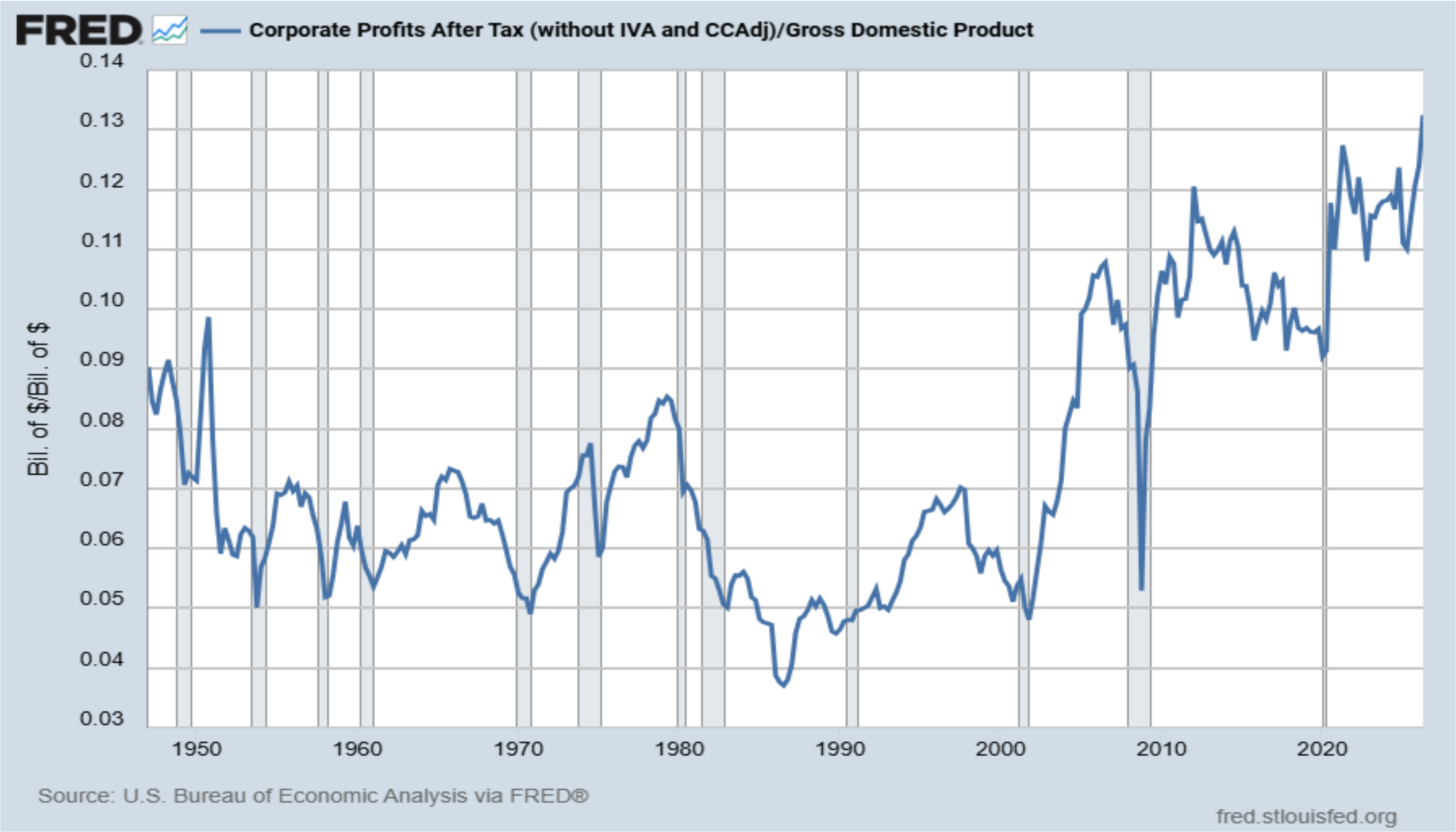
Source: BEA, FRB, Haver, Deutsche Bank

Correlation of Stocks to Bonds

Bonds retain their magic negative correlation to stocks once core inflation sustainably falls below 3%

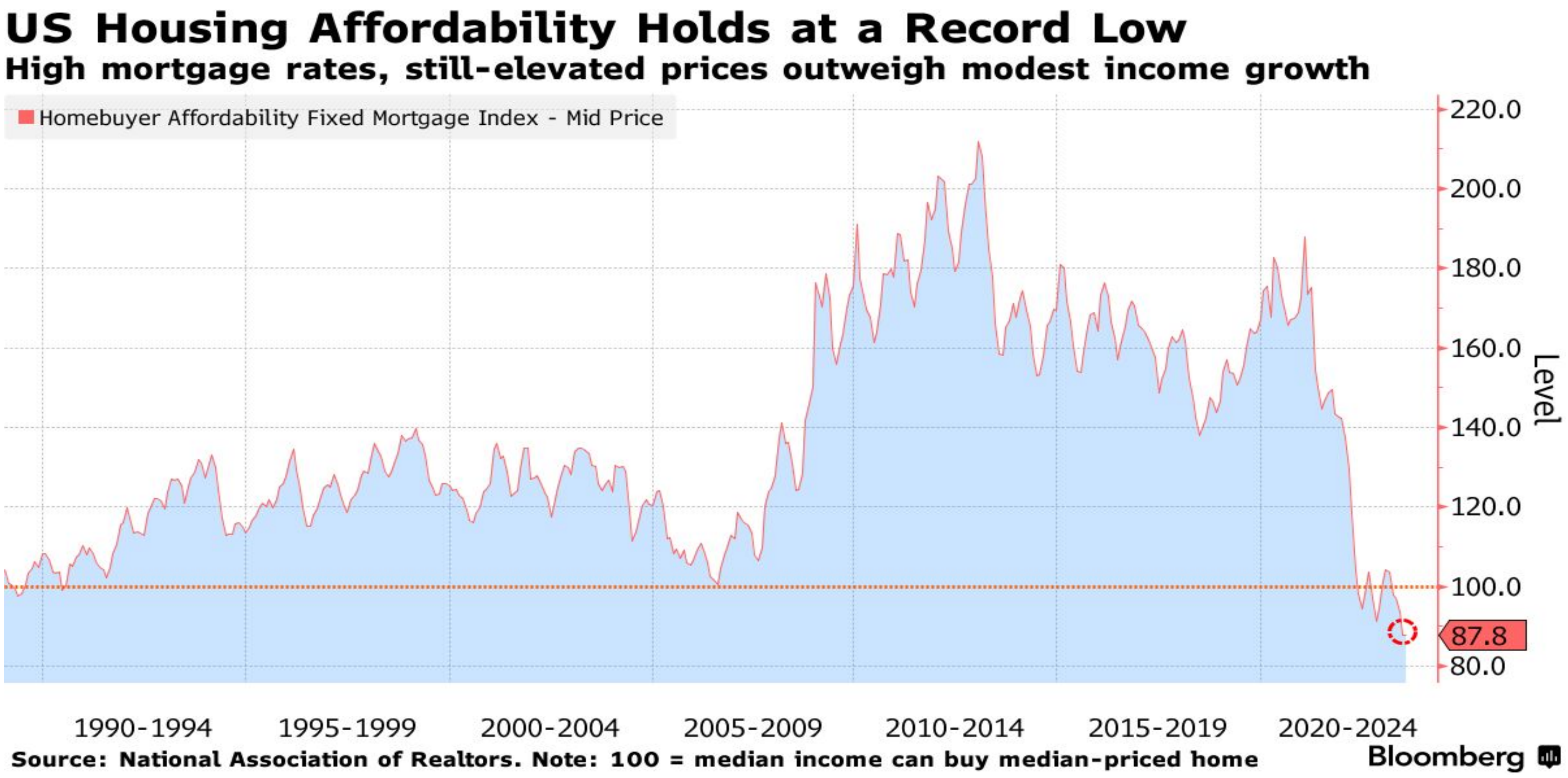


Corporate Profits as % of GDP

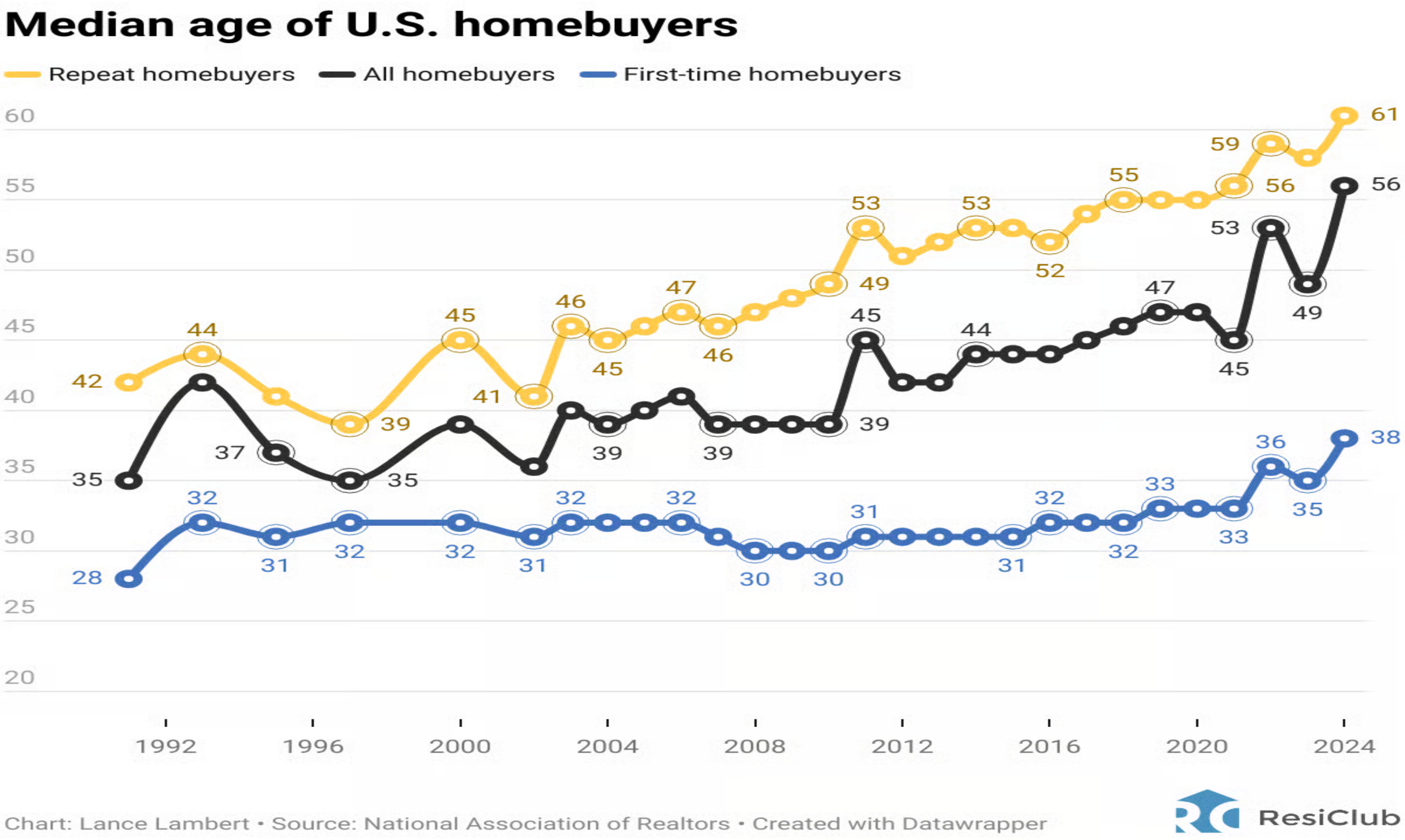


SPX vs Michigan Sentiment

Housing Affordability



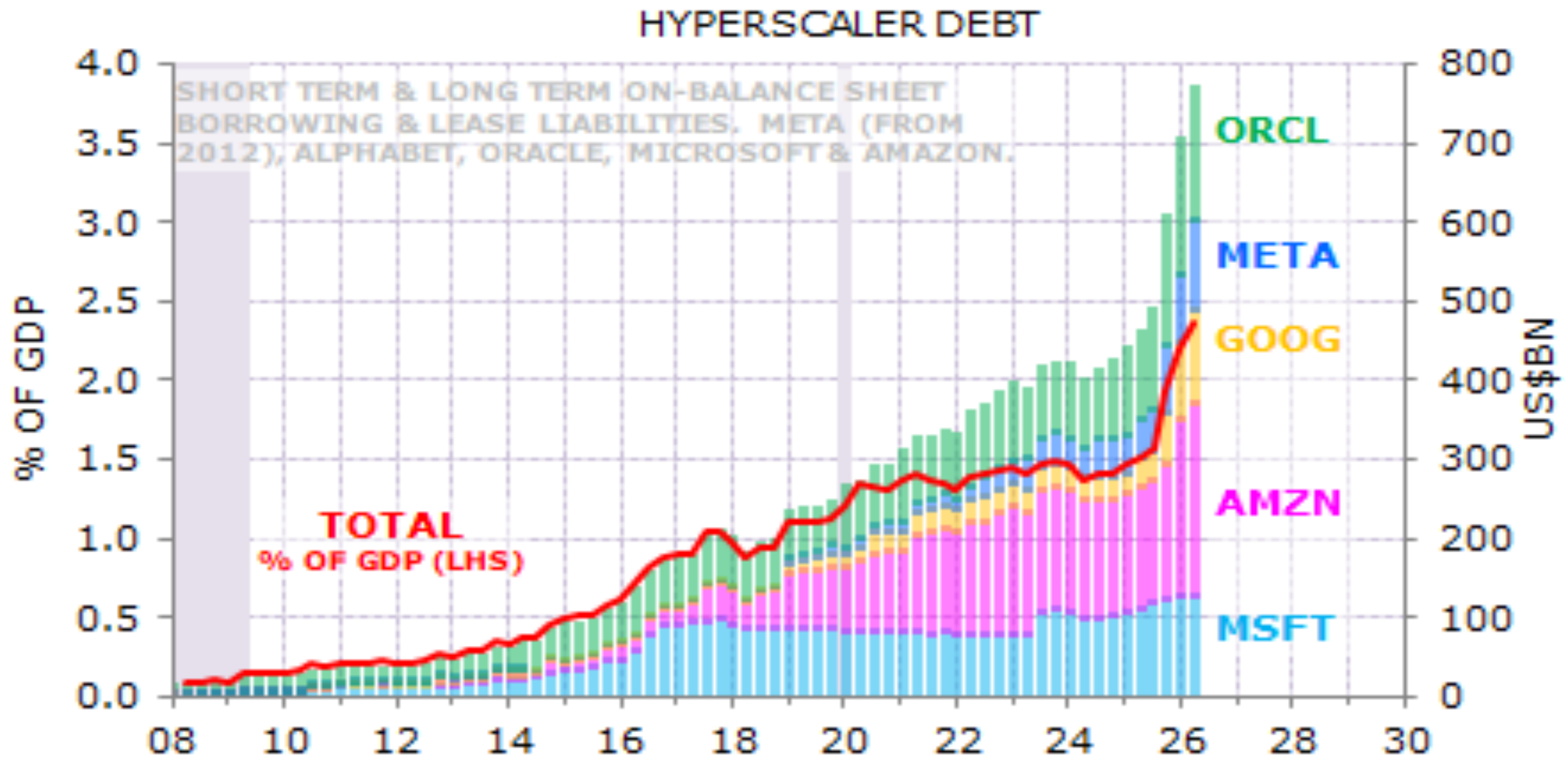
Median Age of Home Buyers



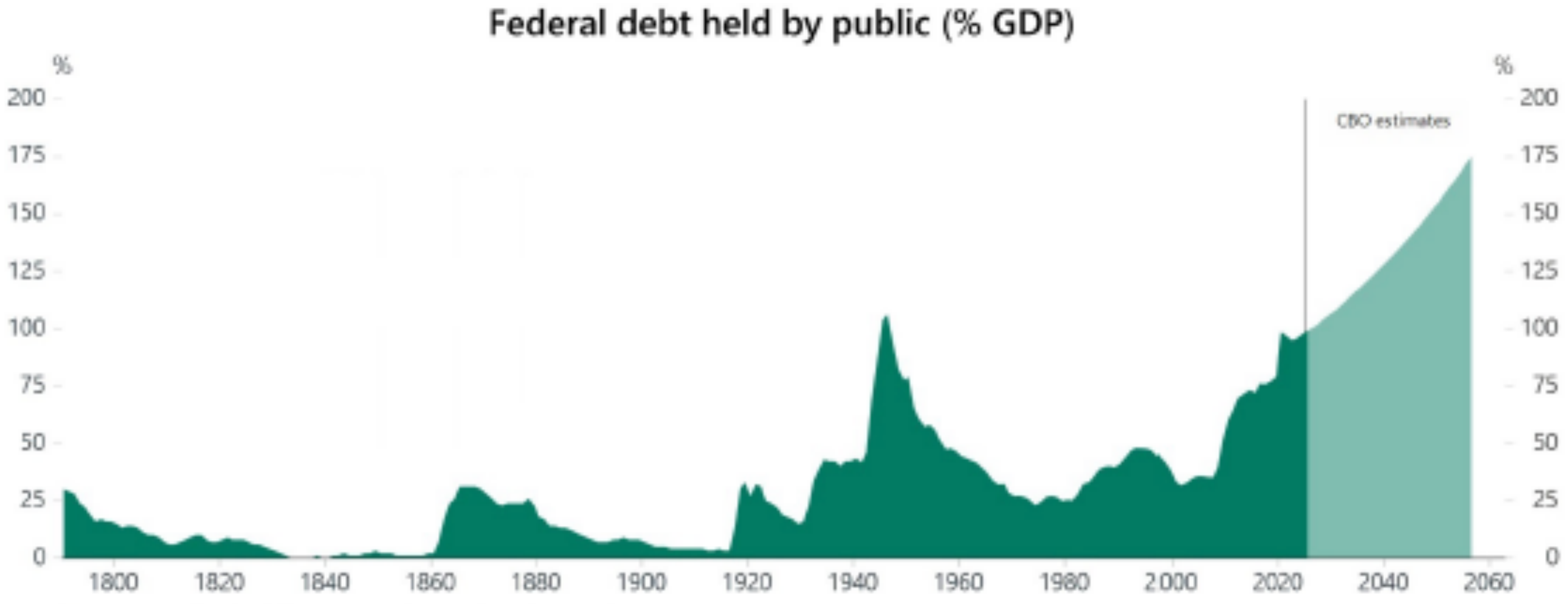
Bank vs Non-Bank Lending

EXHIBIT FOUR: NONBANK FINANCIAL INSTITUTIONS HAVE CROWDED OUT TRADITIONAL LENDING

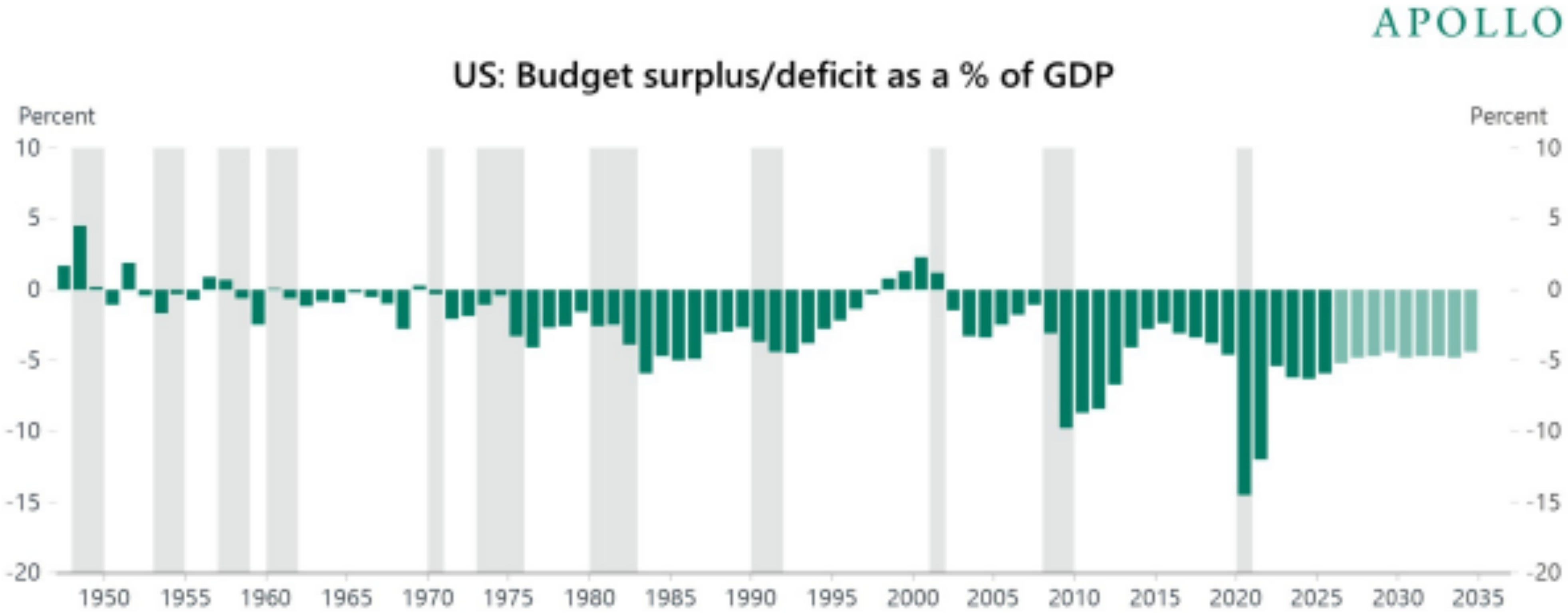
Hyperscaler Debt



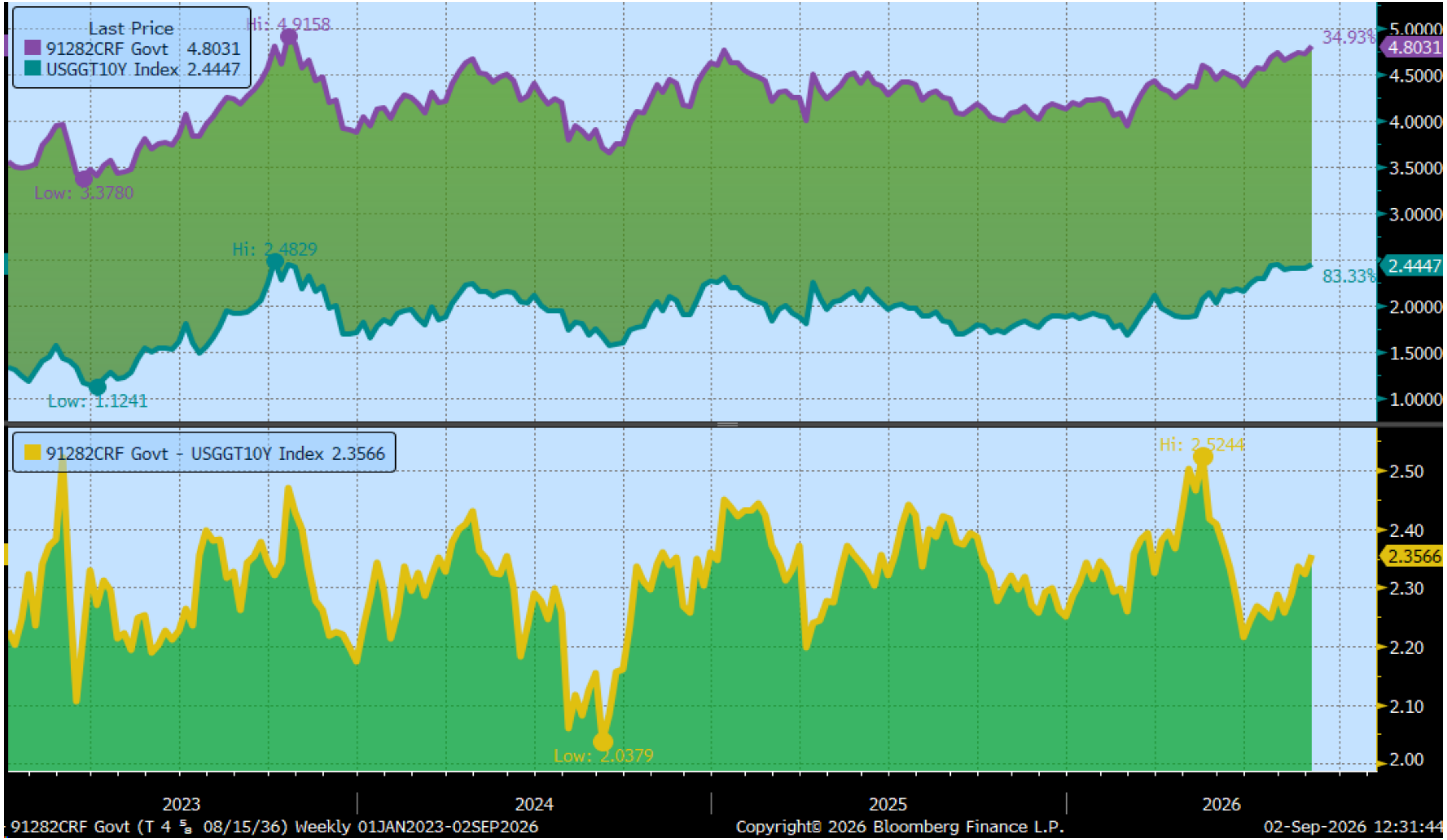
US Debt as % of GDP



US Budget Fiscal as % of GDP



TIPs Implied Inflation



Outstanding MBS Balances

October 20, 2023

CPR	30yr MBS Coupon	Current Balance	$ Price	Duration	Distributon Yield	Yield to Maturity		
4cpr	2.00%	$1,866	73.27	9.68	2.73%	5.68%	26.2%	
4cpr	2.50%	$1,576	76.48	8.45	3.27%	5.71%	22.1%	
4cpr	3.00%	$951	79.73	8.03	3.76%	5.74%	13.3%	
4cpr	3.50%	$674	82.88	7.47	4.22%	5.80%	9.5%	71.1%
4cpr	4.00%	$504	85.92	6.87	4.66%	5.88%	7.1%	
5cpr	4.50%	$374	88.78	6.38	5.07%	6.08%	5.2%	
5cpr	5.00%	$356	91.58	5.95	5.46%	6.19%	5.0%	13.5%
6cpr	5.50%	$309	94.23	5.43	5.84%	6.38%	4.3%	
8cpr	6.00%	$205	96.70	4.85	6.20%	6.57%	2.9%	
10cpr	6.50%	$95	98.92	4.15	6.57%	6.71%	1.3%	

MBS Index Coupon	$MM Outstanding	MBS Index Price	MBS Index Duration	MBS Index Distribution	MBS Index YTM
3.13%	$7,124	78.94	7.84	3.97%	5.80%

September 14, 2026

CPR	30yr MBS Coupon	Current Balance	$ Price	Duration	Distributon Yield	Yield to Maturity		
4cpr	2.00%	$1,509	76.52	8.65	2.61%	5.35%	19.4%	
5cpr	2.50%	$1,241	80.06	9.11	3.12%	5.52%	15.9%	
6cpr	3.00%	$733	83.81	8.56	3.58%	5.58%	9.4%	
6cpr	3.50%	$538	87.23	6.78	4.01%	5.51%	6.9%	51.7%
6cpr	4.00%	$424	89.72	5.56	4.46%	5.50%	5.4%	
6cpr	4.50%	$443	92.22	5.55	4.88%	5.63%	5.7%	
6cpr	5.00%	$870	94.84	5.48	5.27%	5.76%	11.2%	37.2%
10cpr	5.50%	$1,039	97.42	5.17	5.65%	5.97%	13.4%	
12cpr	6.00%	$711	99.88	4.72	6.01%	6.02%	9.1%	
25cpr	6.50%	$273	102.13	4.01	6.36%	5.67%	3.5%	

MBS Index Coupon	$MM Outstanding	MBS Index Price	ИBS Index DuratioIBS Index Distributi		MBS Index YTM	
3.94%	$7,781	88.00	6.63	4.48%	5.65%	100.0%

MBS spread to Tsy 10yr

Most likely forward path….

- Uncap the Social Security tax limit from $184,500
- Raise the “retirement” age
- Means test Social Security and Medicare
- Eliminate the “step up basis” from the Estate (death) Tax
- Revive some version of Simpson-Bowles
- Pass a middle path Immigration process (and other 70/30 issues)

ETFs have resolved many problems with pooled investments; but not all ETFs are well-designed with pitfalls that demand consideration:

- Leverage: Linear versus Daily Percentage Return
- Return of Capital
- Underlying Asset Liquidity

https://www.convexitymaven.com/wp-content/uploads/2026/06/Convexity-Maven-Looking-Under-the-ETF-Hood-x.pdf

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