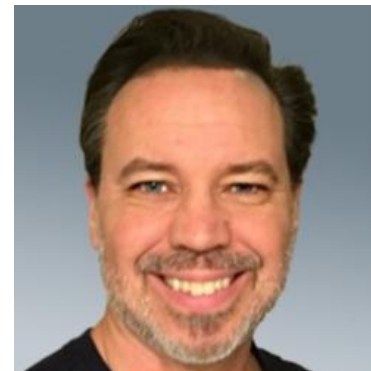


## The Day Ahead: Threat of Global Nuclear War Barely Worth a Bond Rally

Tuesday brings a classic example of a seemingly significant geopolitical headline resulting in a completely underwhelming bond market reaction. When it comes to such matters, we must ask "who thought it seemed significant?" Quite a few people, most likely, but not as many bond traders. One big issue is that global nuclear posturing is all posturing until it's not. The bond market can't afford to freak out in response to every apparent escalation, and so it's not. Overnight gains were driven by a classic flight to safety "sell stocks, buy bonds" both in Europe and the US. Volume has been quite strong, but the gains have been lackluster at best.

Despite the air of resignation in this qualitative assessment, bond bulls can't help but notice the early stages of a potential breakout in the prevailing uptrend in Treasury yields.



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Could this be a thing? Sure, but it's far too soon to conclude that it will be a thing right now. We'd need several more days moving sideways or lower outside this trend to confirm any kind of supportive ceiling.