



The Day Ahead: Strong Overnight Gains. Bonds Like Bessent?

Of all of Trump's political appointees, Treasury Secretary is the most consequential for the bond market ("Treasury" is right in the title, after all!). Bessent got the nod on Friday night after the close, so there was no opportunity to witness a market reaction. When Treasuries opened in Tokyo last night, the reaction was clear: bonds like Bessent. This is logical considering several of his comments regarding the need for fiscal restraint as well as the gradual layering of tariffs. Bottom line: this isn't a big picture game changer but it's solid contribution to a fiscal policy backdrop that can coexist with lower rates in the future, assuming economic growth and inflation allow for lower rates.



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