# The Day Ahead: Slow Start Leaves Focus on The Next 2 Days

After rallying fairly well last Wednesday and Thursday, bonds pulled back on Friday, but not enough to erase more than half of the week's gains. The new week is starting out in uneventful fashion with trading levels reasonably close to Friday's latest levels after a bit of overnight weakness. The day's only econ data (NY Fed Manufacturing) isn't a big market mover to begin with and has already passed without a trace. With that, the focus remains square on Wednesday's Fed dot plot as a key informant for near-term bond market volatility. Tuesday's AM data also has some chance to cause a response--largely due to Retail Sales. Geopolitical headlines haven't been a big issue for better or worse as far as bonds are concerned although that could change depending on the nature of any additional escalation.

The bigger picture trend arguably remains rangebound with Friday's weakness acting as a rejection of another breakout attempt (of the 4.40% range floor).  But someone more inclined to bullish interpretations could also argue that a general downtrend (green lines in the chart below) is in place with this morning's friendly bounce adding the latest piece of evidence.


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