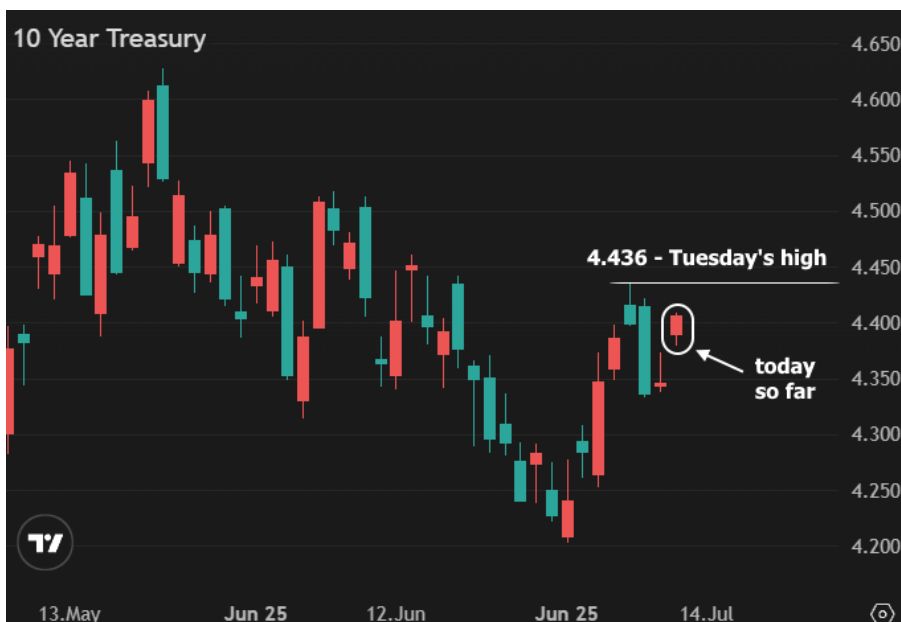


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The Day Ahead: Overnight Selling But Still in The Range

In terms of news that seems like it should be important, the biggest overnight development was the announcement of a 35% tariff on Canadian imports starting August 1st (up from the previously-slated 25%). Exemptions for USMCA goods and energy/fertilizer are probable, but TBD. And of course, it's also possible the deal will change again before August 1st. Nonetheless, when it comes to a top tier trading partner, any durable increase in tariffs is a concern for the bond market from an inflation standpoint. Both stocks and bonds lost ground overnight with 10yr yields pushing up toward (but not over) this week's highs.



Michael Addison

Mortgage Loan Officer,
First United Bank
Mortgage

www.MichaelAddison.com

M: (214) 500-1358

maddison@firstunitedbank.com

8411 Preston Road, Ste. 112
Dallas TX 75225

NMLS# 603214

Company NMLS# 400025

