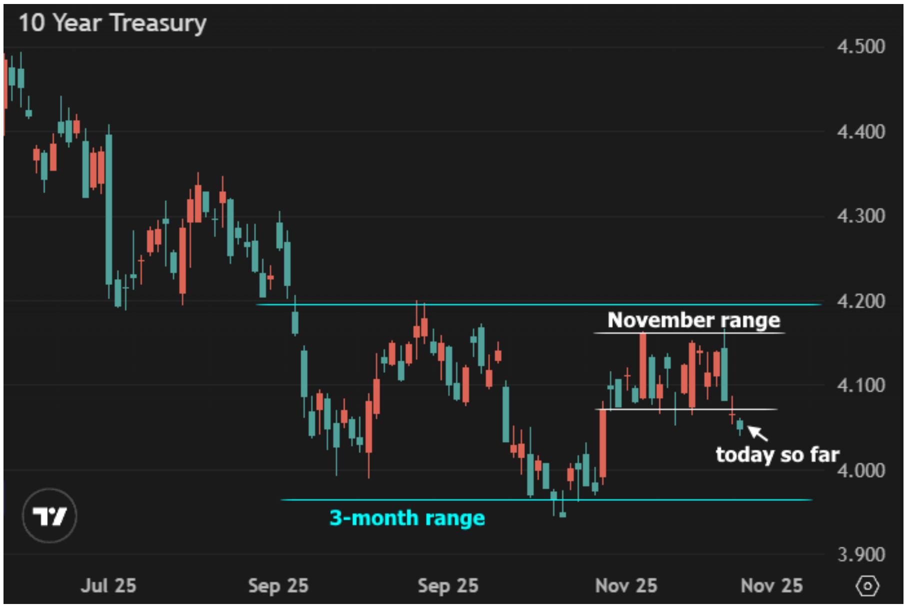
The Day Ahead: Bonds Inch to Best Levels in Over 3 Weeks

It's a data-free Monday on a holiday-shortened week and there aren't any high-impact headlines or massive stock swings to spark any serious bond market movement. Nonetheless, bonds have found a reason to rally ever-so-slightly this morning. Because yields were already at the low end of November's range on Friday afternoon, the result is that today's yields are the lowest we've seen since the late October Fed day. The next 2 days have quite a bit of data in addition to running a traditional risk of higher volatility due to holiday week trading conditions. In the bigger picture, we're likely still waiting for the mid-December econ data before bonds would have enough info to threaten the still-relatively-narrow 3 month trading range.



Sarah Maloney
Senior Vice President,
Guaranteed Rate Affinity
www.grarate.com/.../sarah-maloney-1036901
M: (973) 715-6446
Sarah.Maloney@grarate.com
209 Central Ave.
Westfield New Jersey 07090
1036901

guaranteedRate AFFINITY
Positively Different℠