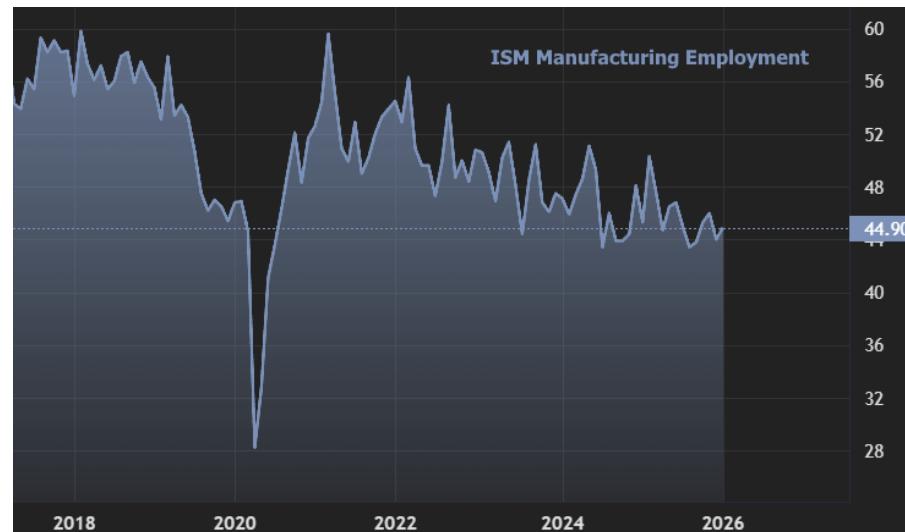
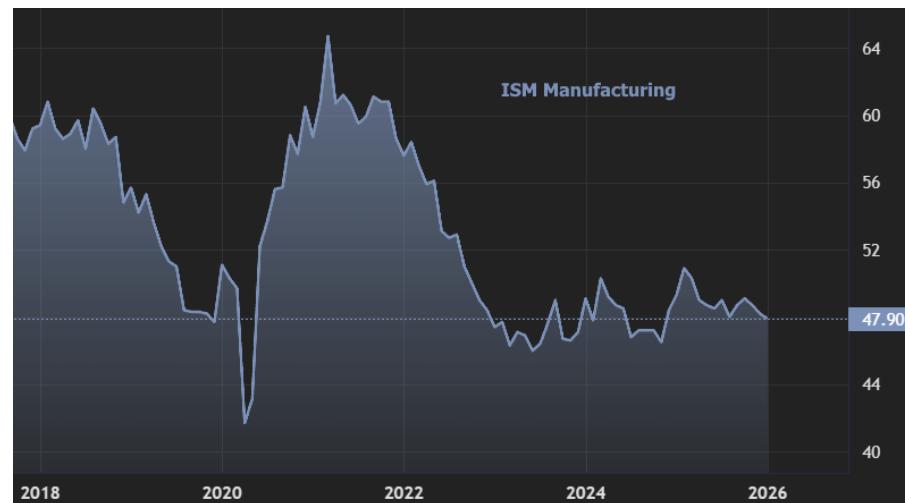




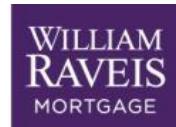
The Day Ahead: Bonds Are Back in The Office

By 10am ET, today's trading volume has already surpassed that seen on December 23rd and 26th (both full trading days)--proof positive that the market is shifting out of holiday mode. Over the past 3 weeks, bonds did a perfect job of holding inside the forgettable sideways range marked by 4.10-4.20 in 10yr yields. A breakout on either side of that range becomes a stronger possibility this week thanks not only to increased participation, but most importantly due to Friday's jobs report. There are other relevant reports between now and then with Wednesday morning's JOLTS/ISM combo being the most notable. Today's ISM Manufacturing was slightly weaker but hasn't had a big impact so far. Lastly, for those curious, both stocks and bonds have completely shrugged off the weekend's news on Venezuela.



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