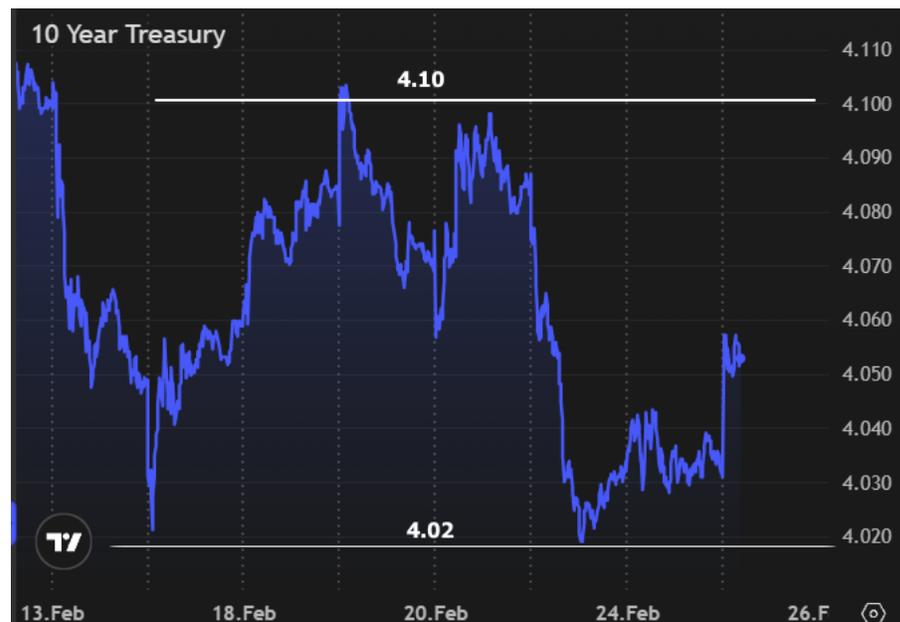


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The Day Ahead: Re-Settling Into Same Narrow Range Amid Lack of Data

Some days, there's a lot to say about what's going on in the bond market. Other days are like today. Analysts have to lean on themes like trading ranges, technicals, and the asset allocation trade (buy stocks / sell bonds, and vice versa). Incidentally, those default explanations continue to hold some water with 10yr yields once again hesitant to push below 4.0% this week and a slow recover in stocks possibly pulling yields a bit higher. We can also consider a bit of concessionary trading ahead of the 5yr Treasury auction (accounts abstaining from buying now because they have to buy later).



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