

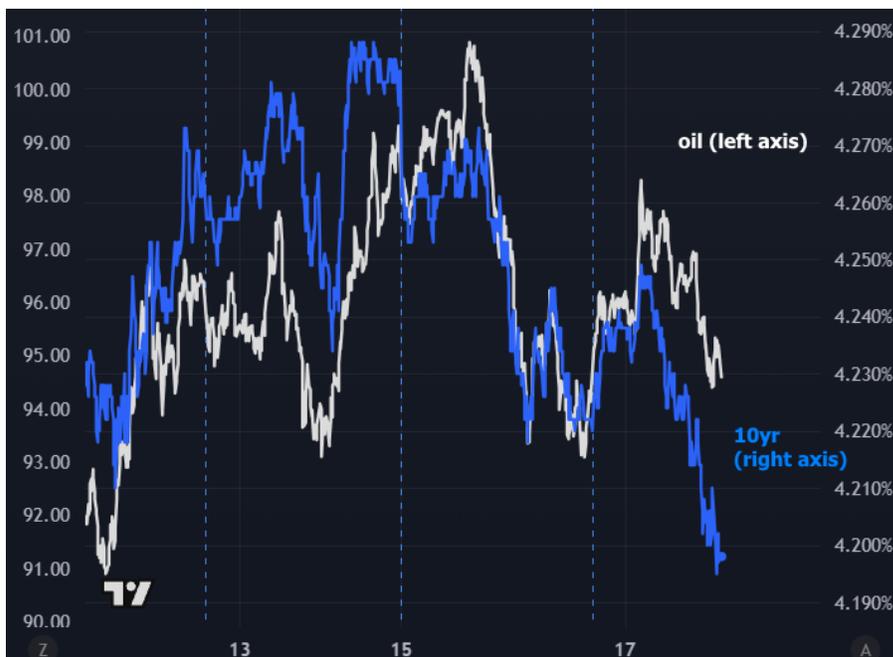


## The Day Ahead: Another Solid Start, But Without as Much Help From Oil

Until the end of the Iran war, bond traders are keeping oil prices on their screens and comparing oil price movement against bond market movement as the first task on the daily checklist. In so doing, we see a bit of outperformance on the part of bonds this morning. While there is solid directional correlation (i.e. yields and oil were moving in the same directions at the same times), bond yields are lower today while oil is still a bit higher. Surprisingly, today's highest minute of volume happened with the 8:15am ADP data which showed its biggest drop in months. That said, there was not a big reaction in yields. The easiest conclusion for now is that bonds are taking some solace in an absence of big, new surges in oil prices as well as some supportive cues from the 4.30% bounce seen last Friday.



**Nick Hunter**  
President, Owner, River City Mortgage, LLC  
[www.rchomeloans.com](http://www.rchomeloans.com)



# 10 Year Treasury

4.30

