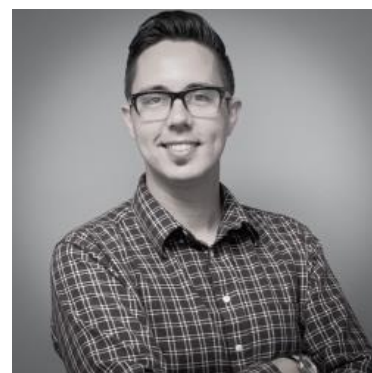


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The Day Ahead: Oil And Yields Move Back Up

Bonds yields stayed lower than oil prices suggested yesterday afternoon. The same is true this morning, but oil prices have risen enough to lead bonds into weaker territory. Said differently, Iran war de-escalation sentiment is increasingly drying up, thus causing higher oil prices, higher bond yields, and lower stock prices. Additionally, the closer we get to the weekend without good news on negotiations, the more escalation risk will be priced-in by the market due to the Saturday deadline on Trump's ultimatum to reopen shipping channels lest they be taken by force.



Mike Hardy

Broker | Owner, True North Lending

www.TrueNorthLender.com

M: (562) 370-0544

mike@truenorthlender.com

6621 E. Pacific Coast Highway
Suite 155

Long Beach CA 90803

NMLS #1175689

DRE #01326046

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