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The Day Ahead: Big Overnight Recovery on Peace Deal Reports

There was one, big, obvious market mover overnight. At 4:50am ET, Axios reported that the U.S. and Iran are close to signing a one page memo of understanding to end the war. Oil and bond yields were already in recovery mode, but this kicked things into higher gear. Most of the gains remain even after both sides offered refutations (which the market now perceives as merely a negotiation tactic). Subsequent reports from other sources also speak to specific details in the peace deal that seem to specific to be made up. In early trading, ADP employment data had no impact and Treasury's confirmation of unchanged auction sizes helped bonds hold the overnight gains.



Padraic Robertson

President, Coastal Custom Mortgage, Inc

www.coastalcustommortgage.com

P: (912) 777-7050

M: (912) 659-9401

340 Eisenhower Dr Suite 220
Savannah GA 31406

NMLS: 904786

Mortgage Licensee Georgia, South Carolina, North C

