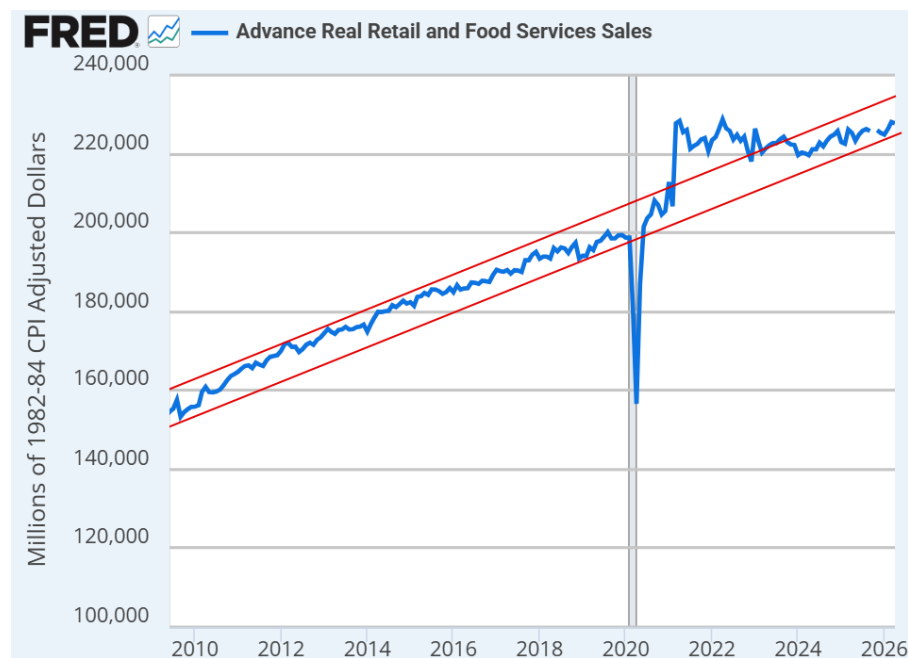


## The Day Ahead: Stronger Start. Ho Hum Data

A recovery toward lower oil prices paved the way for the bond market to recover yesterday morning's weakness and the same theme continued in the overnight session. 8:30am econ data represented a modest risk of volatility, but with Jobless Claims slightly higher and Retail Sales right on target, there was almost no detectable trading response. With that, we head into the rest of the session with markets on the lookout for any meaningful war-related headlines. More than a few hot takes are expecting the Trump/Xi meeting to yield some sort of breakthrough with respect to the war, but it's probably best to be pleasantly surprised if it happens (rather than actually planning on it happening).

Interesting bigger picture perspective: If we look past the covid-inspired volatility, Retail Sales have actually been in the same long-term trend that began after the 2008 financial crisis.



Good to know: You may see mention of surging import prices attributed to the Iran war, and while it's true that petroleum import prices have spiked over the past 2 months, the initial pop in the chart happened in February and was attributable to capital goods and industrial materials. Also interesting is that industrial goods accounted for more of this month's spike than petroleum, albeit just barely.



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