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The Day Ahead: Overnight Adaptive Cruise, Following Oil

If rate movement were a car, it's been driving pretty recklessly recently, and definitely not keeping good pace with other motorists. But every now and then, we see a break in the craziness. The overnight trading session provided an example. The bond car set its adaptive cruise control to follow the car in front of it (oil prices, in today's case). That's left us just a bit stronger to start, but it's not an inspiring reversal so much as a coincidental mini-correction. 10yr yields unfortunately seem to be hitting resistance at 5.26%, but oil bounced at the same time, and we're not really in love with **technicals** these days. This afternoon's 3yr Treasury auction has a small chance of being mildly interesting (emphasis on small/mild).



Graham Forman

President, Sterling Financial

www.sfloans.com

P: (949) 261-0405

M: (714) 609-1084

gforman@sfloans.com

124 Tustin Avenue #200
Newport Beach CA 92663

Ca DRE #00859285

NMLS #354351

