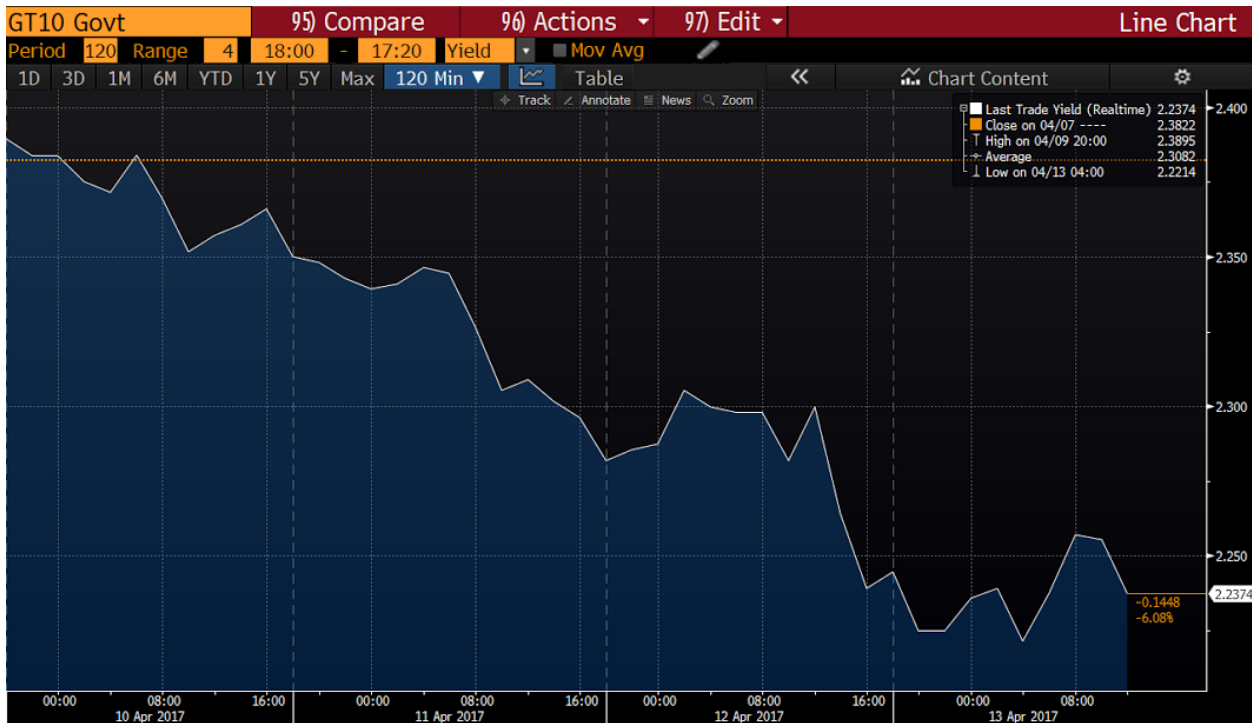
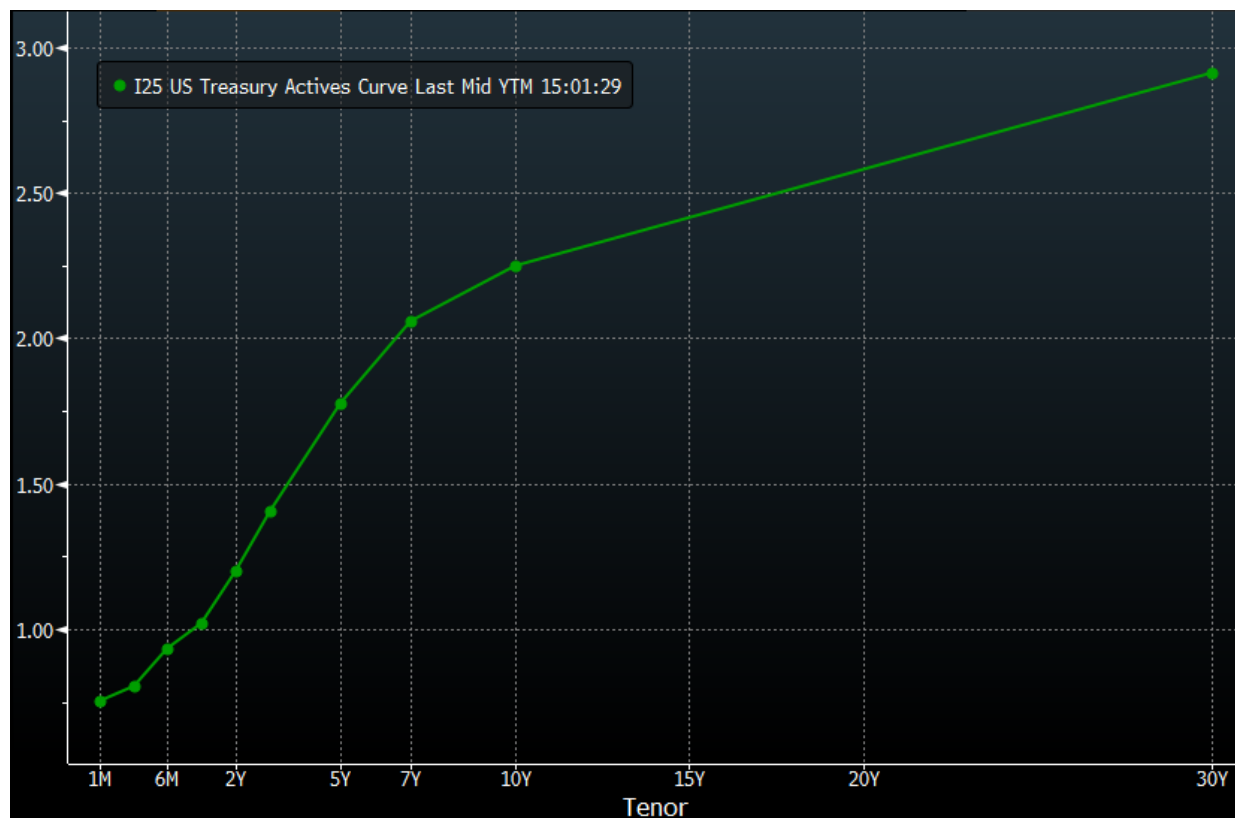


Bond Report

Over the week, the main concern of the market was geopolitical tensions and the confidence in the Trump administration. High demand in the market led to higher prices consistently throughout the week. On Monday, investors' confidence in Trump and his policies fell and with it went the Treasury yields. Trump's delay for tax reform and trade reformation are moving slow, against campaigned promises, and that is effecting the market. The yields on the 2, 10 and 30 year notes all fell around a basis point during trading hours. Tuesday was riddled with further yield slides, as geopolitical tensions rose, leading investors to scramble for safety in the bond market. Problems with Syria and North Korea led Trump to retaliate, and the inflow of demand affected yields sharply. The 10-year Treasury note most notably dropped 6.3 basis points. Wednesday's trading had residual impact from geopolitical tensions as investors still pooled to "safer" investments. News of Russian-US relationship at a low also helped drive yields lower during market hours. On Thursday, the last trading day of this holiday week, yields continued to fall to the near low of pre-election levels. The US Air Force dropped the biggest non-nuclear bomb ever dropped on an ISIS tunnel system mid trading day, leaving investors to fear of greater conflict to come. On top of that, confidence in President Trump is at an all-time low for America and global tensions are forcing investors to worry and invest into safer alternatives. Over the week, the 2-year Treasury note closed down 7.6 basis points for the week. The 10-year note fell 13.8 basis points by the end of the short trading week. Lastly, the 30 year note also finished in the red, down 10.4 basis points by Thursday's closing bell.





What's next and key events

This coming week, expect consistent volatility, as we have seen in the past few weeks. As tensions flair, investors must react on that information, which may lead to further demand in the Treasury notes market. For certainty, there are a few important events to look out for this week. On Tuesday, new housing starts data will be released for March. The trend has been going up, showing confidence in the market and income growth, both signs of an expanding market, so we hope to see that continuing pattern. As always, the Petroleum status is a key for oil prices to be released and what to expect for the effects of that data. Thursday is filled with key events like the leading indicators release, which has shown strong support of a growing economy and a confident one. Bloomberg's Consumer Confidence index and Jobless claims should be watched as well. Overall, there is events every week to track the economy, although mostly lagging, they are beneficial and need to be closely accounted for. However, this upcoming week and weeks to come, investors need to track outside factors like geopolitical tension and the Trump administration, because those are key momentum movers for the bond market lately. Uncertainty is to come and the bond market may liven up as investors seek safety.