

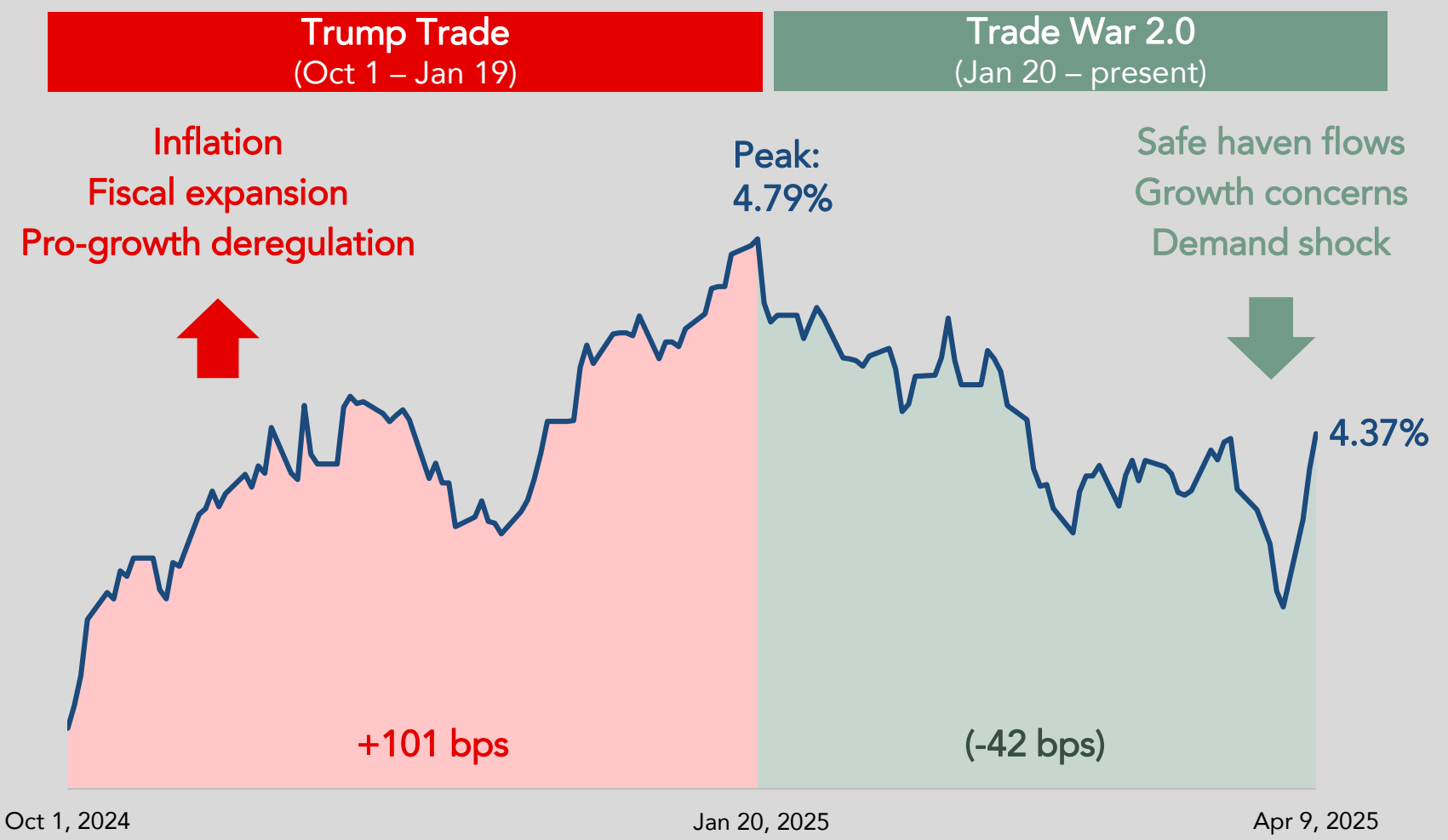
Chart of the Day



The Tail is Not Wagging the Dog

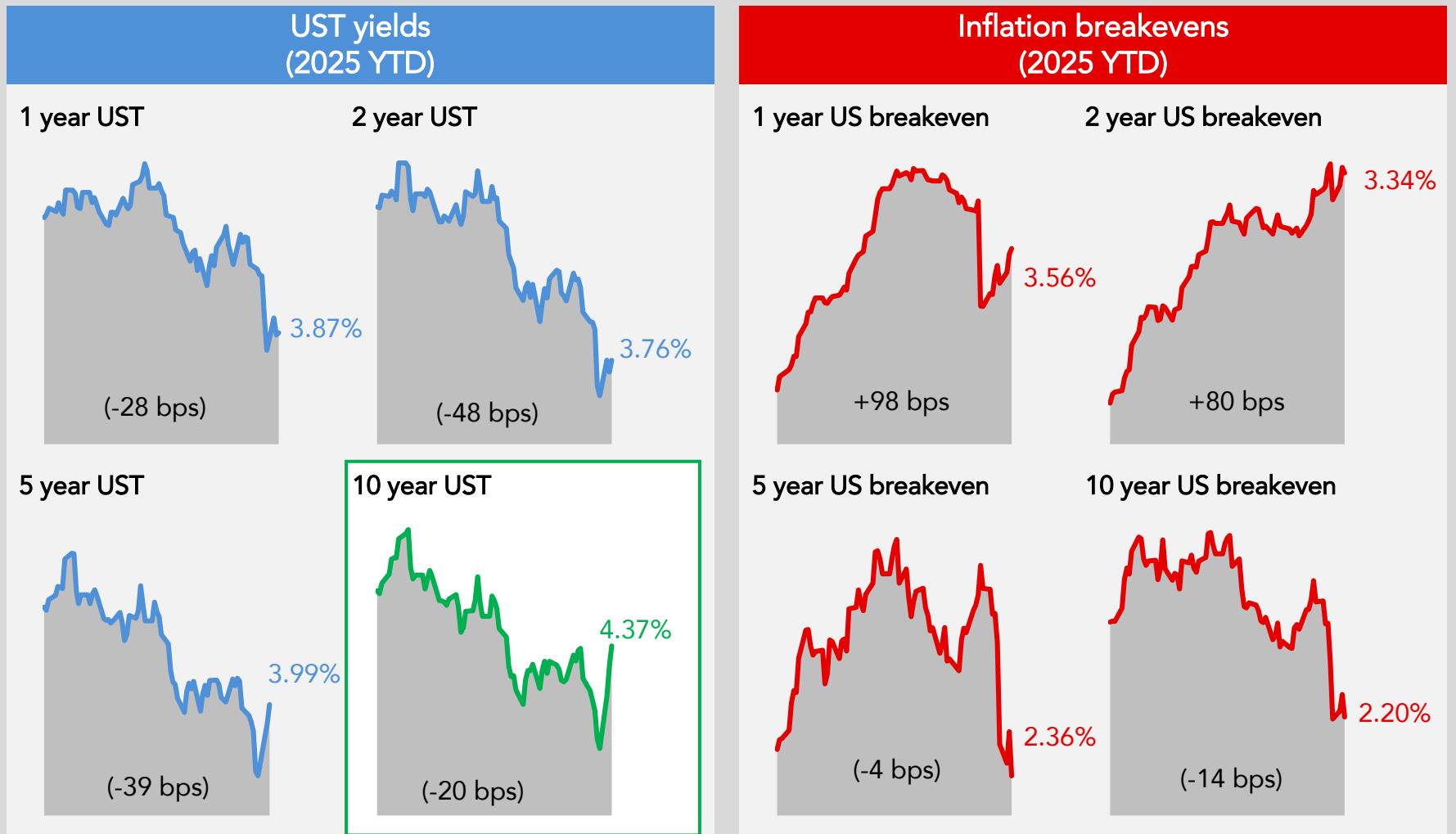
The tail is not wagging the dog on President Trump's tariff and trade policy escalation. Lower 10 yr UST yields are not a primary driver of US trade strategy as many have suggested, but rather, an ancillary side effect driven by safe haven flows and growth concerns. The rate selloff this week, from lows just days earlier, point to a market now concerned about growth and inflation.

10 year UST yields since Oct 1, 2024



Markets Pricing More Concerning Stagflation Scenario

With the effective date for higher universal and reciprocal tariffs now in place, the market has begun to price in more ominous stagflation scenarios.



Source: (1-9) Bloomberg. Data as of April 9, 2025.

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"Macro stability isn't everything, but without it, you have nothing."