

## Markets Rally When Trump Declares Victory is Near

The DOW swung more than 1,200 points from its morning low to finish up 239 points on a wild market day that saw WTI crude soar above \$118 overnight and reach \$104 during the trading day, before tumbling more than 20% to \$82. A bond market selloff morphed into an afternoon rally, pushing Treasury yields lower for the first time in a week.

The impetus seems to be a CBS News phone interview with President Trump in which the president declared the war *could be ending soon* and that the U.S. would consider “taking over” the Strait of Hormuz. This is an abrupt reversal from Trump’s comments on Sunday that \$100 oil was “a small price to pay.” The president seems to be reacting to mounting inflation concerns that would likely keep the Fed on hold for longer, *not his desired outcome*.

Words alone rarely result in a market turn this dramatic. It’s a stretch to believe the U.S. can simply walk away from the destruction and expect the region to patch itself up and move in the desired direction, but that’s what the financial markets are signaling this afternoon.

Trump will speak at a press conference later today. Although there were no details announced, he is expected to reiterate points made earlier.

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### Market Indications as of 3:43 P.M. Central Time

DOW	Up 239 to 47,741 (HIGH: 50,188)
NASDAQ	Up 308 to 22,696 (HIGH: 23,958)
S&P 500	Up 56 to 6,796 (HIGH: 6,979)
1-Yr T-bill	current yield 3.54%; opening yield 3.52%
2-Yr T-note	current yield 3.55%; opening yield 3.61%
3-Yr T-note	current yield 3.57%; opening yield 3.64%
5-Yr T-note	current yield 3.70%; opening yield 3.78%
10-Yr T-note	current yield 4.10%; opening yield 4.19%
30-Yr T-bond	current yield 4.72%; opening yield 4.80%

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