

Blind Hope Rallies Markets

Both stocks and bonds are rallying today while crude oil prices are lower after American and Israeli news outlets reported the Trump Administration has delivered a 15-point plan to end the war on Iran. Details of the proposal are unclear, but according to sources familiar with the plan, the U.S. will consider a 30-day ceasefire allowing time to negotiate specifics.

The U.S. plan reportedly calls for Iran to end strikes on regional energy facilities, complete dismantling of Iranian nuclear capabilities, and a permanent commitment from Iran that it will surrender its enriched uranium and never develop nuclear weapons. In addition, the Strait of Hormuz would be declared a free maritime zone and Iran would stop arming and supporting proxies in the region.

While apparent efforts to reach an agreement are positive for the financial markets, there's little indication that military pressure in the region has eased. Iran continues to bomb neighboring countries while the U.S. plans to deploy thousands of additional troops to the Middle East.

Although Iran has yet to indicate willingness to negotiate with the U.S., it has laid out its terms for ending the conflict. These terms include the lifting of all sanctions, recognition of Iran's legitimate rights, payment of war reparations and guarantees against future attacks. In addition, Iran seeks the closure of all U.S. military bases in the region and formalization of its informal dominance over the Strait of Hormuz.

In other words, there's currently very little common ground except for the hope that fighting will end. . . .and *hope is never a strategy.*

Market Indications as of 12:09 P.M. Central Time

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| DOW | Up 321 to 46,445 (HIGH: 50,188) |
| NASDAQ | Up 186 to 21,948 (HIGH: 23,958) |
| S&P 500 | Up 50 to 6,606 (HIGH: 6,979) |
| 1-Yr T-bill | current yield 3.76%; opening yield 3.74% |
| 2-Yr T-note | current yield 3.88%; opening yield 3.88% |
| 3-Yr T-note | current yield 3.88%; opening yield 3.88% |
| 5-Yr T-note | current yield 3.97%; opening yield 3.98% |
| 10-Yr T-note | current yield 4.33%; opening yield 4.35% |
| 30-Yr T-bond | current yield 4.90%; opening yield 4.91% |

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