



## The Day Ahead: Stronger Start For Bonds After Cooler Jobs Report

On most months in modern economic memory, a gain of 175k payrolls would be welcome news for the labor market. Depending on the context, it still is. But in today's case, it's much lower than the market expected and not a high enough number to justify the 4.6+ 10yr yields seen yesterday. Bonds rallied instantly when the news printed, but one rate-friendly jobs report is only a fine tuning adjustment to a rate environment dominated by inflation concerns.

Evidence of inflation concerns was available in real time today following the ISM Services data. The headline was weaker, which would normally be good for bonds. But the price component was quite a bit higher, which was enough for the bond market to react negatively.



Despite the push-back, bonds remain in much stronger territory and have now made solid gains 3 days in a row. Yields are back in line with the afternoon of the last CPI day on April 10th.



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# 10 Year Treasury ▼ 4.509 (-0.071)

PREV: 4.580 | OPEN: 4.557 | LOW: 4.445 | HIGH: 4.594

[Adv Charts](#)

Zoom Chart 1d 2d 5d **1m** 3m 6m TV 5y All 

