

UPDATE: Modestly Weaker After AM Econ Data

- Jobless Claims
 - 222k vs 220k f'cast, 232k prev
- Philly Fed Index
 - 4.5 vs 8.0 f'cast, 15.5 prev
- Import Prices
 - 0.9 vs 0.3 f'cast, 0.6 prev

Bonds were slightly stronger in the overnight session with the best levels seen right at midnight. Yields rose ahead of the AM data, but remained in positive territory. After the data, bonds are back into negative territory with MBS down 2 ticks (.06) and 10yr yields up 0.1bps at 4.341.

If we had to blame one report for the reaction, it would surprisingly be Import Prices. Why surprising? This report almost never has a discernible impact, but in today's case, the 0.9 vs 0.3 gap is uncommonly huge.



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