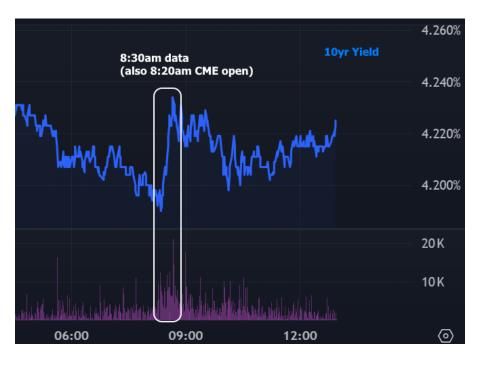
## MBS & TREASURY MARKETS

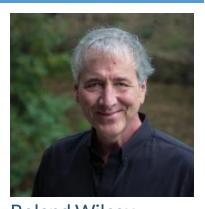
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## The Day Ahead: Tired Friday For The Bond Market--Especially MBS

The bond market has a lot on its mind after this past week of economic data and events. Inflation quickly and increasingly looks like it may (finally) be turning the long-hoped-for corner. Timely employment metrics raise questions about labor market softening and Fed speakers are so eager to avoid jumping the gun on rate cuts after the Q1 inflation surprise that traders may wonder if they've moved from one side of the center to the other.

Nothing about today will change or inform any of that, it seems. We might have hoped that Import Prices would add to the disinflationary vibes, but alas, bonds actually lost ground after that (though not necessarily because of it. After Consumer Sentiment data also failed to inspire, it's clear that bonds are checked out for the week and the trades coming in are occurring for reasons that are unrelated to today's events.





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