

ALERT: Losing Some Ground After PMI Data

- S&P Services PMI
 - 55.1 v s 53.7 f'cast, 54.8 prev
- S&P Manufacturing PMI
 - 51.7 vs 51.0 f'cast, 51.3 prev

Bonds had been moderately stronger overnight, following EU bonds on weaker EU PMI data. But obviously, US PMIs didn't follow suit. The services PMI is problematic for rates as it came in at the highest level in more than 2 years.

MBS have erased all their gains and are now unchanged. 10yr yields are still modestly lower on the day but well off their best levels, currently down 2bps at 4.241



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