

UPDATE: Bonds Rallying Modestly After Mixed Data

- Jobless Claims
 - 233k vs 236k f'cast, 239k prev
- Continued Claims
 - 1839k vs 1820k f'cast, 1821k prev
- Durable Goods
 - 0.1 vs -0.1 f'cast
 - last month revised down to 0.2 from 0.7
- Core Durables
 - -0.6 vs 0.1 f'cast, 0.3 prev
- Final Core PCE Prices Q1 (ancient history)
 - 3.7 vs 3.6 f'cast
- Final GDP
 - 1.4 vs 1.4 f'cast/prev
- Corp Profits
 - -2.7 vs -1.7 f'cast

This is more data than most of us can shake a stick at, but most of it is fairly benign in terms of its expected impact on bonds. Indeed, trading levels are not far from pre data levels, but if there's a bias, it's toward better buying.

10s are now down 2bps at 4.309 and MBS are up 3 ticks (.09).

Picking a winner among this data is tough. First off, we can throw out GDP and PCE as it is from Q1 (i.e. stale). That leaves claims and durable goods. Claims was a mixed bag with weekly initial claims falling and continued claims rising. Durable goods was also mixed with a modestly stronger headline, but a much weaker core. The latter is arguably the biggest outlier among this morning's relevant line items and the easiest argument for the key driver of these modest gains.



Michael Addison

Mortgage Loan Officer,
First United Bank
Mortgage

www.MichaelAddison.com

M: (214) 500-1358

maddison@firstunitedbank.com

8411 Preston Road, Ste. 112
Dallas TX 75225

NMLS# 603214

Company NMLS# 400025

