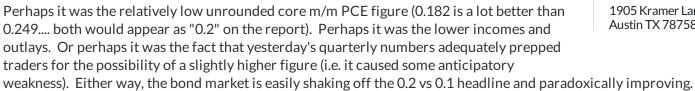
## MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## **UPDATE: PCE Slightly Higher, But Bonds Are OK With It**

- Core M/M PCE
  - o 0.2 vs 0.1 f'cast, 0.1 prev
  - (unrounded = 0.182%)
- Core Y/Y PCE
  - o 2.6 vs 2.5 f'cast, 2.6 prev
- Incomes
  - o 0.2 vs 0.4 f'cast, 0.4 prev
- Outlays
  - o 0.3 vs 0.3 f'cast, 0.4 prev





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The move isn't massive and it isn't likely to become so, but simply avoiding losses after a higher-than-expected core PCE reading is a victory.

10s are down 2.6bps at 4.218 and MBS are up 2 ticks (.06).