

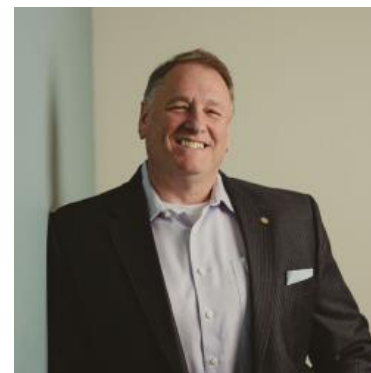
## UPDATE: Bonds Losing Ground After 8:30am Data

- Jobless Claims
  - 231k vs 232k f'cast, 233k prev
- Continued Claims
  - 1868k vs 1870k f'cast
- GDP
  - 3.0 vs 2.8 f'cast,
- GDP Deflator
  - 2.5 vs 2.3 f'cast, 3.1 prev
- Core PCE Prices (q/q annualized)
  - 2.8 vs 2.9 f'cast

The key number on Thursday morning's continues to be Jobless Claims as the Fed has turned squarely toward the labor market (inflation is on the watch list, but generally assumed to be going where they want).

While claims were basically in line with the consensus, the bond bulls are at odds with economists. A flat result is one that does not argue in favor of a 50bp rate cut.

10yr yields are up 2bps at 3.855 and MBS are down 2 ticks on the day (.06) after starting the day day up about an eighth.



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