

## UPDATE: Core PCE in Line With Expectations. Minimal Reaction

- M/M Core PCE
  - 0.2 vs 0.2 f'cast, 0.2 prev
- Y/Y Core PCE
  - 2.6 vs 2.7 f'cast

Don't look now, but inflation is getting to be "boring" with the past 4 reports calmly playing ball at levels consistent with hitting the 2 percent annual target (today's annual number is only higher due to "base effects" --i.e. higher inflation months in the 12 month calculation).

MBS and Treasuries were flat heading into the data and they're flat on the other side now. 5.0 UMBS are down 1 tick (.03) at 99.5 and 10yr yields are up .6bps at 3.867



**Dan Williams**

Executive Vice President

[emmloans.com](http://emmloans.com)

**P:** (800) 793-9633 x198

**M:** (609) 923-9752

1950 Route 70 East, Suite 300  
Cherry Hill NJ 08003

