

## UPDATE: Overnight Losses Increasing After PPI Data

- M/M Core PPI
  - 0.2 vs 0.2 f'cast, 0.3 prev
- Y/Y Core PPI
  - 2.8 vs 2.7 f'cast, 2.4 prev

Bonds were already slightly weaker after a slow burn in the overnight session. The Producer Price Index didn't offer any huge insights to the inflation narrative, but the modestly higher annual core reading is perhaps worth a small amount of negativity. In addition, Canada's jobs report came in much higher than expected. This isn't something that normally makes a dent in U.S. trading, but it may be having a small impact this morning as the rest of the world's central banks tend to pay some level of attention to each other.

Yields were up just under 4bps before the data and are now up just over 4bps at 4.103. MBS are down another tick or two for a total of 6 ticks (.19) on the day in 5.0 coupons.



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