

UPDATE: No Reaction to Durable Goods Data

- Durable Goods
 - -0.8 vs -1.0 f'cast, 0.0 prev
- Nondefense, excluding aircraft
 - 0.5 vs 0.1 f'cast, 0.2 prev

Despite the stronger headline and even stronger "nondefense, ex-air" reading (think of that like "core durable goods"), the durable goods data is having absolutely no discernible impact on bonds. According to our star ranking system on the MBS Live econ calendar, it's probably time to demote this report from the "hollow star" to "no stars."

In today's case, we don't object. If there had been a reaction, the stronger results suggest it would have pushed yields higher. As it stands, we're holding modest overnight gains with 10yr yields down almost 1bp at 4.205 and MBS up 3 ticks (.09).



Oliver Orlicki

Founder, The Orlicki Group

www.orlickigroup.com

P: (813) 302-1616

401 E Jackson Street Suite 2340
Tampa FL 33602

205123
2127427

