

## UPDATE: Retail Sales Comes in Hotter; Bonds Losing Some Ground

- Retail Sales
  - 0.4 vs 0.3 f'cast
  - last month revised to 0.8 from 0.4
- NY Fed Manufacturing
  - 31.2 vs -0.7 f'cast, -11.9 prev
- Import Prices
  - 0.3 vs -0.1 f'cast, -0.4 prev
- Export Prices
  - 0.8 vs -0.1 f'cast, -0.6 prev

Of this morning's 8:30am econ reports, Retail Sales is the most consequential. Despite "whisper numbers" calling for below-consensus results, the most recently headline is higher in addition to last month being revised significantly higher. Bonds have reacted logically, and arguably not as much as one might expect given the implications.

10yr yields have traded a 2bp gain for a 2bp loss, and are currently 4.455. MBS are now down 2 ticks (.06) after being up an eighth of a point in early trading.

Alan Holom

SVP, Stockman Bank

[www.stockmanbank.com](http://www.stockmanbank.com)

P: (406) 234-8438

2700 King Ave

Billings MT 59102