

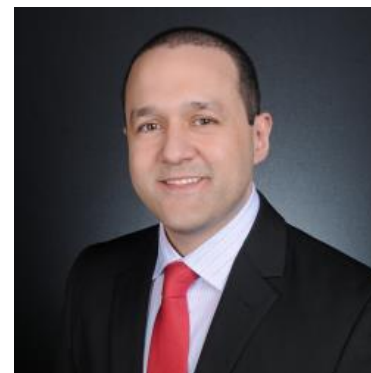
UPDATE: Mixed Data, But Decent Reaction So Far

- Core Producer Prices MM
 - 0.2 vs 0.2 f'cast, 0.3 prev
- Core Producer Prices YY
 - 3.4 vs 3.2 f'cast, 3.1 prev
- Jobless Claims
 - 242k vs 220k f'cast, 224k prev

Bonds could choose to focus on the inflation implications in the year over year producer price data, but the absence of change in the monthly number suggests the annual change is due to revisions in the past 2 months. Still, if this were the morning's only data, it would probably be worth some weakness.

But it's not the only data. Jobless claims surged in such a big way that it merits further investigation. At first glance, state to state losses were fairly evenly distributed.

Bonds are focusing more on the jobless claims data and have thus reversed modest overnight gains to turn positive on the day. MBS are up 3 ticks (.09) and 10yr yields are down 1.1bps at 4.272.



Dagoberto Castillo

Broker Owner, Obtain A Mortgage, LLC

ObtainAmortgage.com

M: (954) 271-2995

3750 NW 87th Ave, Suite 700
Doral FL 33178

Dagoberto Castillo - NMLS#
385009

Obtain A Mortgage, LLC - NMLS#
2636344


OBTAIN A MORTGAGE.COM