

UPDATE: Additional Gains After Weaker ISM Data, But They're Not Sticking

- ISM Services
 - 50.8 vs 53.0 f'cast, 53.5 prev
- ISM Employment
 - 46.2 vs 53.9 prev
- ISM Prices
 - 60.9 vs 62.6 prev

Bonds were already sharply stronger overnight, but briefly moved to even lower yields following the ISM Services data. The report was bond-friendly across the board and would likely be resulting in a more concerted rally if we hadn't already rallied so much since yesterday afternoon.

10yr yields are now actually a bit higher than pre-data levels. One way to reconcile that paradoxical outcome is to note the outperformance of shorter-dated Treasuries. In other words, traders are preoccupied with adjusting for a faster Fed rate cut timeline (something that spills over to shorter term Treasuries first and foremost).



Steven Fishman

President, Buckeye Lending Solutions, Inc.

Buckeyelends.com

P: (239) 980-7588

M: (440) 773-9941

9990 Coconut Rd # 257
Bonita Springs Ohio / Florida
34135

Company NMLS#1838265 LO
NMLS#9362 OH LO.012547.001

