

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## UPDATE: CPI Drops Sharply. Bonds Adding to Overnight Rally

- Core MM CPI
  - 0.1 vs 0.3 f'cast, 0.2 prev
  - unrounded 0.057
- Core YY CPI
  - 2.7 vs 3.0 f'cast, 3.1 prev
- MM Headline CPI
  - -0.1 vs 0.1 f'cast, 0.2 prev

A typical beat/miss in monthly CPI consists of a 0.1 deviation from expectations. 0.2 is less common and is a bittersweet victory for bonds in light of inflation that may be yet to come due to tariffs. That's the concept that explains why bonds aren't experiencing a tremendous rally on this news.

Yields were already lower overnight and have added only modestly to those gains following the data. MBS are up 5 ticks (.16) and 10yr yields are down 5.3bps at 4.300.



**Dale R. Packer, MBA**

Owner/Broker, Great American Lending LLC

[GreatAmericanLending.us](http://GreatAmericanLending.us)

M: (801) 391-6566

[dale@greatamericanlending.us](mailto:dale@greatamericanlending.us)

875 S 600 W

Heber City Utah 84032

MLO-4493

Company-201546

