

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

UPDATE: Huge Drop in PPI; Don't Expect Fireworks

- Core MM PPI
 - -0.1 vs +0.3 f'cast, 0.1 prev
- Core YY PPI
 - 3.3 vs 3.6 f'cast, 3.4 prev
- Headline MM PPI
 - -0.4 vs 0.2 f'cast, 0.1 prev

Much like yesterday's big beat in CPI, today's PPI is also a relic of a bygone era, unimpacted by incoming tariffs. It's really worth very little to the bond market in this environment, not to mention that PPI is much more volatile than CPI. Last but not least, the PPI components that flow through to PCE were mostly higher, which further renders today's report powerless to help bonds.

In fact, yields are now a hair higher than before the data with 10yr yields up just over a bp at 4.442. MBS are down 2 ticks (0.06).



Dennis Tulpa

Mortgage Advisor,
Broadway Mortgage Group

www.broadwaymortgagegroup.com

P: (615) 290-4858

M: (615) 290-4858

dennis@broadwaymortgagegroup.com

132 N Water Ave
Gallatin TN 37066
1146435

Broadway
MORTGAGE GROUP