



UPDATE: Overnight Gains and Uneventful Data

- Jobless Claims
 - 222k vs 222k f'cast, 216k prev
- Continued Claims
 - 1841k vs 1880k f'cast, 1878k prev
- Durable Goods
 - 9.2 vs 2.0 f'cast, 0.9 prev
- Core Durable Goods
 - 0.1 vs 0.2 f'cast, -0.3 prev

Alan Holom

SVP, Stockman Bank

www.stockmanbank.com

P: (406) 234-8438

2700 King Ave

Billings MT 59102

Bonds were modestly stronger at the start of the overnight session and gained a bit more ground after trading opened in Europe. 10yr yields came into the U.S. session roughly 4bps lower, which is close enough to "sideways" these days.

One might expect the AM econ data to have a bigger impact given the huge beat in Durable Goods. But when aircraft and defense spending are excluded, we're left with 0.1 vs 0.2 forecast. In other words, the surge was not driven by the real economy. As such, it's no surprise to see a complete absence of any negative reaction.

Slow steady gains continue with MBS up a quarter point and 10yr yields down 7bps at 4.318.