

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

The Day Ahead: Stock Gains Creating Bond Pain After Flat Response to CPI

Heading into the session, we knew there was a high bar for CPI to have a positive influence on bonds with the future tariff landscape reducing the relevance of current price data, but the results were close enough to consensus that we might not have seen a big reaction anyway. Core CPI rose to 0.237 month over month, versus a 0.3 forecast. Annually, it was 2.8 vs 2.8 and unchanged from last month. Volume spiked modestly and bonds rallied for a few seconds before returning to flat levels. The meaningful movement has taken place after the 9:30am NYSE open with a classic *risk-on* trade. Friendly tariff headlines from China added to the case just after 10am.



Justin Stearns

Mortgage Broker, Assist
Home Loans

www.assisthomeloans.com

P: (805) 475-4900

M: (805) 757-0544

justin@assisthomeloans.com

NMLS 258870

