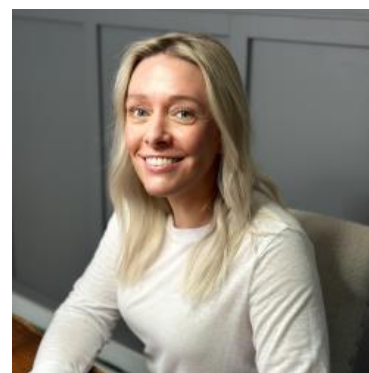


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The Day Ahead: Ho-Hum PCE Inflation Data Leaves Focus on Month-End Trading

Today's PCE Price Index is one of the two main consumer inflation reports put out by the US government. It's bigger and broader than CPI, but CPI comes out 2 weeks earlier than PCE. CPI and other data also enable traders to forecast PCE much more accurately. Due to the staleness and lower surprise potential, PCE tends to not garner as much of a reaction. Today's installment was even less likely than normal to move the needle as traders are more interested in the evolution of the inflation narrative over the next 6 months or so, with the idea being to allow enough time for tariff policy to stabilize and for any price pressures to be passed through. With the top tier data out of the way, bonds are free to get pushed around by the random, sometimes large trade flows associated with various forms of compulsory month-end trading. [We have a primer](#) for that.



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