

MBS & TREASURY MARKETS

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UPDATE: Stronger Retail Sales; Not Much of a Reaction

- Retail Sales
 - 0.6 vs 0.1 f'cast, -0.9 prev
- Core Retail Sales
 - 0.5 vs 0.3 f'cast, 0.2 prev
 - last month revised from 0.4
- Import prices
 - 0.1 vs 0.3
 - last month revised to -0.4 from 0.0
- Jobless Claims
 - 221k vs 235k f'cast, 228k prev
- Continued Claims
 - 1956k vs 1970k f'cast, 1954k prev
- Philly Fed
 - 15.9 vs -1 f'cast, -4.0 prev

There are obviously quite a few reports to digest this morning, but retail sales is the headliner--specifically core retail sales (aka "the control group," aka retail sales excluding autos/gas/building materials).

While this beat the forecast, last month was revised down by the same amount--sort of a wash. No help for bonds from still-strong jobless claims or the very strong Philly Fed. And import prices never move markets.

10yr yields are right where they were before the data, up 2.2bps at 4.481. MBS are down 3 ticks (.09).



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