

UPDATE: Small, Friendly Bounce After ISM Data

- Trade Gap (Jun)
 - -60.2B vs -61.6B f'cast, prev -71.5B
- S&P Global Composite PMI (Jul)
 - 55.1 vs 54.6 f'cast, prev 52.9
- S&P Global Services PMI (Jul)
 - 55.7 vs 55.2 f'cast, prev 52.9
- ISM Biz Activity (Jul)
 - 52.6, prev 54.2
- ISM N-Mfg PMI (Jul)
 - **50.1 vs 51.5 f'cast**, prev 50.8
- ISM Services Employment (Jul)
 - **46.4, prev 47.2**
- ISM Services Prices (Jul)
 - **69.9, prev 67.5**

Mixed blessings in the ISM data with declines in employment and activity (good for bonds) offset by higher prices (bad for bonds). 10yr yields were a few bps higher heading into the data and fell just over 1bp in response (currently up 2.2bps at 4.216). MBS are down 2 ticks (.06) after being down an eighth of a point just before the data.



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