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The Day Ahead: Mixed Data Making For Weaker Start

Today is the only day of the week with any economic reports that are relevant to bond market movement. The results are in, and bonds aren't thrilled. Jobless Claims and the Philly Fed headline helped initially. Yields moved back to unchanged levels after some overnight weakness, but the higher inflation component in Philly Fed was already making for second thoughts before the 9:45am S&P PMI data added fuel to the unfriendly reversal. In addition to Manufacturing PMI surging higher, the bigger story is the reported tariff-driven price increases: "Tariffs were reported as the key driver of further cost increases in August. Companies reported the steepest rise in input prices since May and the second-largest increase since January 2023. The manufacturing cost rise was especially large, being the second-steepest since August 2022, the service sector increase was the second-highest since June 2023." Bonds moved to their weakest levels of the morning after that data.

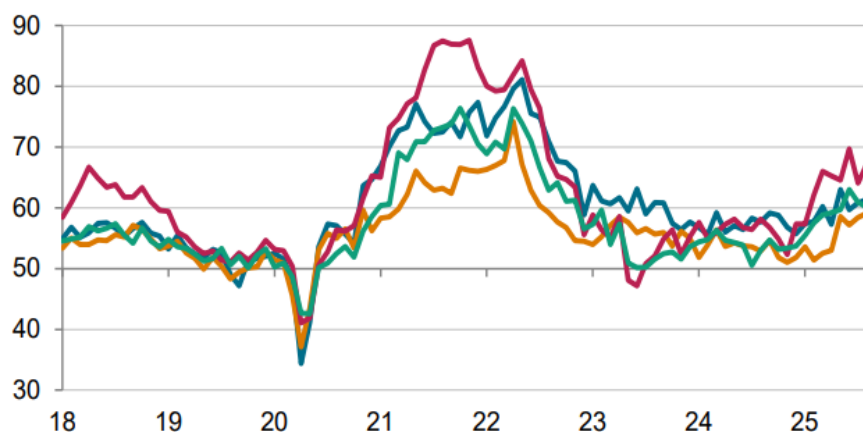


Gregory Richardson

EVP - Capital Markets,
Primis Mortgage Company

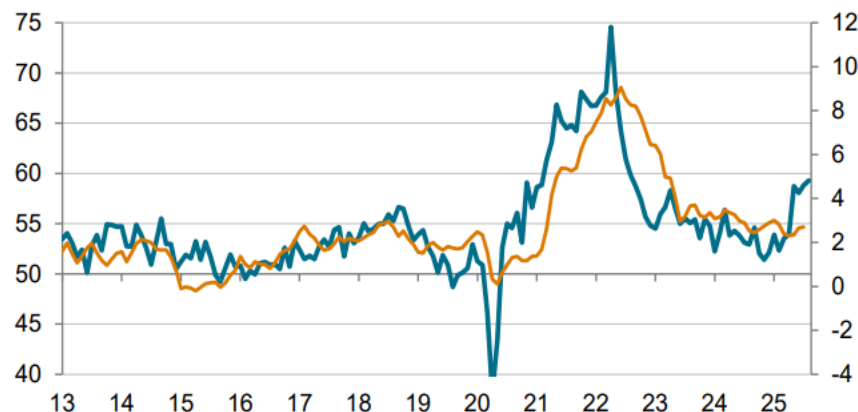
M: (704) 651-8419

■ Services PMI Input Prices ■ Manufacturing PMI Input Prices
■ Services PMI Prices Charged ■ Manufacturing PMI Output Prices
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2025 S&P Global.

■ US Composite PMI Output Prices ■ Consumer prices
Index, sa, >50 = inflation m/m % yr/yr



Sources: S&P Global PMI, Bureau of Labor Statistics via S&P Global Market Intelligence.
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