

UPDATE: Bonds Rallying After Weaker PPI

- Core Producer Prices MM (Aug)
 - -0.1% vs 0.3% f'cast, 0.9% prev
- Core Producer Prices YY (Aug)
 - 2.8% vs 3.5% f'cast, 3.7% prev
- Producer Prices (Aug)
 - -0.1% vs 0.3% f'cast, 0.9% prev

In addition, most of the components that flow through to PCE also came in lower--especially portfolio management which dropped from 5.8 to 2.0 m/m.

Bonds were slightly weaker ahead of the data, but 10s are now down 1.6bps and MBS are up a quick eighth of a point.



Brian Borchard

Managing Director
National Sales & Recruiting,
1st 2nd Mortgage Company
of NJ, Inc.

P: (201) 681-9785

M: (201) 681-9785

50 Spring St.
Cresskill NEW JERSEY 07626
91047