MBS & TREASURY MARKETS
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UPDATE: Core CPI Slightly Hotter, But Claims May Be Helping

- Continued Claims (Aug)/30
    - 1,939K vs 1950K f'cast, 1940K prev

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- Jobless Claims (Sep)/06
    - 263K vs 235K f'cast, 237K prev

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- m/m CORE CPI (Aug)
    - 0.3% vs 0.3% f'cast, 0.3% prev
- **m/m UNROUNDED CORE CPI (Aug)**
    - **0.346% vs 0.3% f'cast, 0.3% prev**
- **m/m SUPER CORE**
    - **0.330 vs 0.481 prev**
- m/m Headline CPI (Aug)
    - 0.4% vs 0.3% f'cast, 0.2% prev

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    - 0.4% vs 0.3% f'cast, 0.2% prev

- y/y CORE CPI (Aug)
    - 3.1% vs 3.1% f'cast, 3.1% prev

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    - 3.1% vs 3.1% f'cast, 3.1% prev

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.346 is just about as high as Core CPI could be without printing at 0.4 vs the 0.3 expectation. Headline CPI was 0.382 vs a 0.3 expectation. If that's all we knew this morning, bonds would likely be losing ground. As it stands, a big jump in jobless claims is adding to labor market concerns and those are front and center when it comes to the Fed justifying a rate cut next week.

MBS are up a quick eighth in 5.5 coupons and a quarter point in 5.0 coupons. 10yr yields are down 5bps at 4.00%.

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