



## ALERT: PPI MUCH Higher Than Expected. Limited Selling

### So Far

- Core Producer Prices MM (Dec)
  - 0.7% vs 0.2% f'cast, 0% prev
- PPI YoY (Dec)
  - 3.0% vs 2.7% f'cast, 3% prev
- Producer Prices (Dec)
  - 0.5% vs 0.2% f'cast, 0.2% prev

This is an uncommonly large miss for inflation data, and we only see this kind of volatility in PPI (not in CPI or PCE). Bonds are definitely selling, but not nearly as much as one might expect. There's been less than 1bp of upward movement in 10yr yields, which were already slightly higher to start the day.

10s are currently up 1.7bps at 4.252 and MBS are down just over an eighth of a point.



Grace Modern Mortgage

[www.gracemodernmortgage.com](http://www.gracemodernmortgage.com)

P: (954) 945-8694

11820 Miramar Parkway  
Miramar Florida 33025  
NMLS 2347296



**Selma Zollman**

Loan Officer, Grace Modern Mortgage

[www.gracemodernmortgage.com/szollman](http://www.gracemodernmortgage.com/szollman)

P: (301) 806-0934

M: (301) 806-0934

Szollman@gracemodernmortgage.com

11820 Miramar Parkway  
Miramar FL 33025