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The Day Ahead: Opening Salvo of Data Fails to Inspire

At the time of this writing, there are still a few econ reports left on deck, but the big ones are out. GDP missed big (1.4 vs 3.0), but largely for non-economic reasons. For instance, the BEA noted an entire 1% of the decline from the 4.4% reading in Q3 was due to the way it counts federal worker labor during the shutdown. Most of the rest is due to late-breaking changes in the trade gap reported yesterday. The more economically indicative metrics (like real sales to domestic purchasers) suggest an uneventful sideways drift. Meanwhile, monthly PCE inflation came in a bit hotter than expected in December. Bonds had no immediate reaction and are currently roughly unchanged.



Anthony Pallone

Owner, Navesink Home Loans

<https://www.navesinkloans.com/>

P: (732) 241-3555

apallone@navesinkloans.com

140 Broad St Suite 140
Red Bank NJ 07701

