# ALERT: Losing Ground After PPI Data

- Core PPI m/m (Apr)
  - 1.0% vs 0.3% f'cast, 0.1% prev
- Core PPI y/y (Apr)
  - 5.2% vs 4.3% f'cast, 3.8% prev
- PPI m/m (Apr)
  - 1.4% vs 0.5% f'cast, 0.5% prev
- PPI y/y (Apr)
  - 6.0% vs 4.9% f'cast, 4% prev

How about a little early morning alert? It's been a while since bonds reacted this sharply to an 8:30am report, and also since PPI upstaged CPI (even in terms of volume).

The results above speak for themselves. 10yr yields are up a quick 3bps at 4.483 but MBS are only down 2 ticks (.06). The selling is finding some support from the fact that the PPI components that correlate with PCE inflation were a bit softer than last month.

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