

The Day Ahead: Some Volatility and Resilience After Trump Comments and Data

Bonds were reasonably stronger in the overnight session with 10yr yields down roughly 4bps from 4.56 to 4.52. About 8 minutes before the PPI data came out, a series of Trump comments on the Iran war sent oil prices and bond yields higher (new strikes and intent to take Kharg Island). PPI added to the pressure with the monthly headline hitting 1.1% vs 0.7% forecast. The fact that core PPI came in at 0.4% vs 0.7% last month tells us that energy prices are the main driver (as does the text of the report itself, oddly enough). In fact, both energy and goods inflation are running higher than post-pandemic.

PPI for final demand, 1-month percent change, seasonally adjusted



But the market assumes these can still be relatively short-lived spikes if the war ends. Reason being, even though goods inflation is the highest in decades (month over month), that includes energy-related goods.



Jennifer Yoingco
Realtor, Walzel Properties

www.houstonsuburb.com

M: (832) 286-8636

Jenyoingco7@gmail.com

15420 Ridge Park Dr

Houston TX 77095

648293



Heather Woods

Branch Manager- Broker-
Loan Originator, TruLuxe
Capital- Powered By My
Community Mortgage

www.TruLuxeCapital.com

M: (210) 392-8299

heather@truluxecapital.com

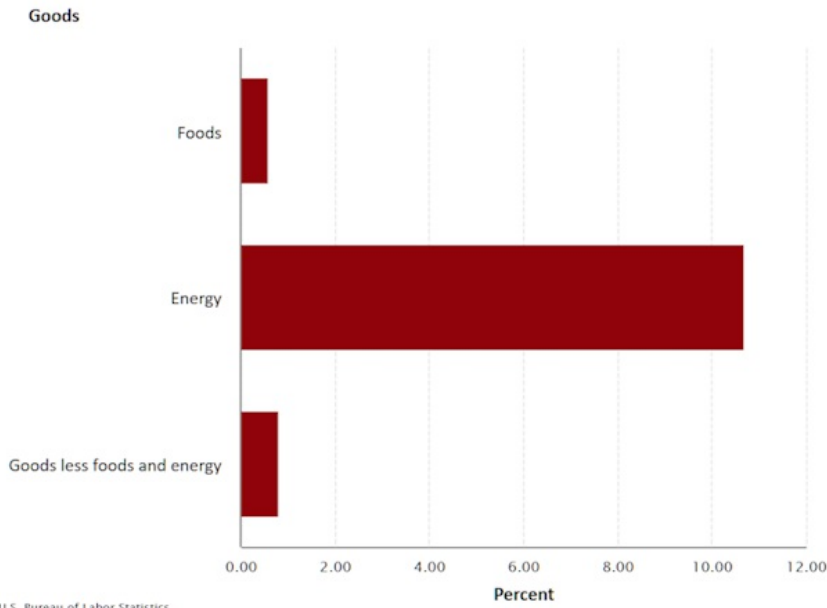
Humble TX 77346

833399



PPI for final demand components, 1-month percent change, May 2026

Click on bars to drill down



Source: U.S. Bureau of Labor Statistics.



Bonds had already gone through this mental math and found their footing about 6 minutes after the data. A few minutes later, Trump made additional comments that helped push back in the other direction. With that, bonds have regained most of the ground lost earlier this morning.

