

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## The Day Ahead: Decent Start After PCE Comes in On-Target

The PCE price index may be a less timely report than CPI/PPI when it comes to measuring inflation in the U.S., but it's more thorough and has stronger implications for Fed policy. Traders were apparently braced for today's number to be a bit hotter. Bonds rallied moderately after core monthly PCE came in as-expected at 0.3%. Annual inflation is running at 4.1% at the headline level, and 3.4% at the core level (both in line with expectations. Bonds were a few bps higher in yield before the data and are now a few bps lower heading into the 9am hour.



### Justin Grable

President of Mortgage Lending, ABLE Mortgage

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

P: (951) 899-0009

M: (951) 899-0010

[justin@ablemortgage.com](mailto:justin@ablemortgage.com)

41923 Second St.  
Temecula CA 92592

NMLS246763

CADRE01411989

ABLE  
MORTGAGE