

## 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.



**Kevin Burrus**

Senior Home Loan  
Originator, Barrett  
Financial Group, L.L.C.  
NMLS#181106

P: (480) 330-7252  
kevinb@barrettfinancial.com  
NMLS#745375

