ALERT: More Selling After CPI Comes in Slightly Hot

- m/m CORE CPI (Aug)
  - 0.3% vs 0.2% f'cast, 0.2% prev
- m/m Headline CPI (Aug)
  - 0.4% vs 0.4% f'cast, 0.1% prev
- y/y CORE CPI (Aug)
  - 2.4% vs 2.4% f'cast, 2.5% prev
- y/y Headline CPI (Aug)
  - 3.4% vs 3.4% f'cast, 3.4% prev

The 0.3% core reading is enough to convince the market that the Fed will hike rates next week. Fed funds futures are trading accordingly, instantly adding 6bps to the implied rate.

MBS are down 3 ticks (.09) and 10yr is up more than half a bp at 4.971

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