The Day Ahead: Nearly Unchanged After As-Expected PPI

This morning's Producer Price Index (PPI) came out as expected. The components that impact core PCE were also uneventful. Stocks and bonds initially rallied but the gains were erased in less than 20 minutes. Higher oil prices coincided with the bounce toward higher yields, but the longer-term correlation remains weak enough that we wouldn't read too much into that. After 9:30am, stocks are selling off enough to bring bond yields just a hair lower from intraday highs. All-in-all, we suspect the modest weakness in 10yr Treasuries is best viewed through the lens of traders squaring yesterday's curve trading positions amid lighter mid-November liquidity. 5yr yields just hit 'unchanged' levels and MBS are close to doing the same.





Lance Morgan
Mortgage Broker & Lender | NMLS #742281 WA, OR, AZ, CO, FL, Seattle Wholesale Mortgage
www.seattlewholesalemortgage.com
M: (425) 541-7190
lance@mortgageinsiderllc.com
12934 22nd PL NE
Lake Stevens WA 98258
Licensed: WA, OR, AZ, CO, & FL
Seattle Wholesale Mortgage DBA OC Home Loans Inc

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.



© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.