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NewLeaf Commentary

Treasury yields rose overnight as European stock markets rallied for the first time in eight trading sessions. This morning is jam-packed with market news, including jobless claims, Philly Fed, Industrial Production, and NAHB housing index, while Federal Reserve Presidents Mester, Kaplan, and Brainard all are scheduled to speak today. Speaking of jobless claims, initial claims rose by 14,000 in the latest week to 249,000, ahead of the 235,000 expected by economists. The November Philadelphia Fed survey fell 5.2 points to 22.7, missing consensus estimates of 24.6, but continuing a string of strong monthly prints. On the inflation front, October import prices rose by only 0.2%, softer than the +0.4% forecast, while export prices were unchanged, missing the expected 0.4% rise. Bank of Montreal (one of Skyline's trading partners) is calling the 2.27-2.30% 10-year yield as a key support range. A break through that range could take the 10-year yield to 2.05-2.17% (see chart below). The U.S. 10-year currently is yielding 2.35%, three bps above yesterday's close.

Additional Resources:

