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Key Data

- Trump enacted reciprocal tariffs this morning I quote "today is the big one" - additional 10% on chinese goods
- Auto sector is on the hot spot for this tariff situation
- 2 year yield ended at the highest level in almost a month off hot CPI selloff of treasuries
- Senators says Bessent misled them on DOGEs treasury access
- PPI & Jobless claims today - this will be very important coming off a hot CPI print

PPI Data

- PPI hotter than anticipated
- Final demand up 4 10ths on the month - 3.5% YoY; EST 3.3%
- Producer prices rise 0.4%, M/M est .3%

Jobless claims

- 213,000; est 216k (4- week average)

Downside surprise in PPI, upside surprise in Jobless claims

10 & 30 yield going higher off this, 2 year is going higher at a slower pace - expect to see a pop in the 2 year

- Fed is NOT in a hurry to reduce interest rates - I think PCE is next reading where feds can confirm inflation creeping back or not
- Need to see a slowdown in shelter readings; big news on the street
- Wallstreet is expecting to see volatility in CPI
- Wages & services strength would be good, growth would be bad
- Services price pressure too high
- If wage growth picks up again = fed gets concerned
- Hours worked going down was important



Bloomberg Television

INTRADAY

US 2-YEAR YIELD	
4.3319	▼ 0.0229
US 10-YEAR YIELD	
4.5915	▼ 0.0293
US 30-YEAR YIELD	
4.8042	▼ 0.0279

● **BREAKING NEWS**

US JAN. PRODUCER PRICES RISE 3.5% Y/Y; EST. +3.3%

