
MUNICIPAL FIXED INCOME

TRADER COMMENTARY

04/12/2012 **Core producer prices rose more than expected in March, but the headline number, which includes food and energy, was unchanged from February. Tomorrow's release of the consumer price index should give us a better idea of how much of the costs are being passed through to consumers.**

Initial jobless claims rose more than anticipated, and the previous release was revised slightly higher. On the flipside, continuing claims came in lower than expected. This might indicate that more people have given up looking for work, which goes along with the lower workforce participation rate we've seen.

Bond prices sold off yesterday as equities improved, but after the numbers this morning, bonds are slightly higher. Municipal supply has been manageable and it appears that retail demand has been improving over the last couple days.

-Doug Harsham

Economic Indicator	Expected	Actual	Previous
Producer Price Index (MAR)	+0.3%	0.0%	+0.4%
PPI ex food & energy (MAR)	+0.2%	+0.3%	+0.2%
PPI (yr/yr)	+3.1%	+2.8%	+3.3%
PPI ex food & energy (yr/yr)	+2.8%	+2.9%	+3.0%
Initial Jobless Claims	335k	380k	367k
Continuing Claims	3335k	3251k	3349k

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