

## Bond Yields Surge on Indications of Persistent Economic Strength

First quarter GDP was revised sharply higher this morning, adding to a flurry of surprisingly strong economic releases and driving U.S. bond yields higher. The +2.0% quarterly/annualized economic growth rate was well above the previously reported +1.3% as well as the +1.4% median forecast. On a year-over-year basis, Q1 GDP was revised higher from +1.6% to +1.8%, *now double the +0.9% growth pace from the previous quarter.*

Within the Q1 headline, household spending was revised upward from +3.8% to +4.2%, *the strongest pace of personal consumption in almost two years* and well above the +1.0% rise in the final quarter of 2022. Considering how hard Fed officials have worked to stifle consumer demand, this persistent strength is a head-scratcher.

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