• Treasury rates increased across the curve week-over-week as investors turned away from safe haven assets in favor of riskier assets
  • Short- and intermediate-term yields rose meaningfully, as 2- and 10-year yields jumped 0.07% and 0.05%, respectively¹
  • The S&P 500 Index returned 1.3% over the same period¹
• Jobless claims for the prior week came in at 259,000, in-line with expectations, suggesting continued strength in the US labor market³
• September existing home sales increased by 4.7% month-over-month, driven by higher single-family home purchases³
• Corporate spreads tightened by 3bps, as month-to-date primary market activity remained well below the monthly average for 2015³
  • $52 billion in corporate new issue has come to market so far in October, compared with a monthly average of $101 billion²
  • Corporates outperformed Treasuries meaningfully across all sectors, as secondary market volume was driven higher as a result of the drop in issuance
• Agency-mortgage backed securities outperformed Treasuries as the expectations for a Federal Reserve (Fed) rate rise in December declined
• On Thursday, Moody’s downgraded the State of Illinois’ GO bonds from A3 to Baa1 and maintained their negative outlook¹
  • The downgrade was largely driven by a budget stalemate that has been ongoing since July 1st of this year

Sources: 1. Bloomberg  2. JPMorgan  3. Barclays

*Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.

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