• Treasury rates were relatively flat on the week, but rose month-to-date, most notably in the short and intermediate parts of the curve¹
  - The yield on the 2-year rose 11bps to 0.76%, and the yield on the 10-year rose 11bps to 1.56%
• On Friday, Janet Yellen will speak at the annual Jackson Hole Symposium, the biggest monetary policy conference of the year
  - Previous Federal Reserve (Fed) chairpersons have communicated policy moves at the conference; however, many investors expect Yellen to avoid giving any signals
• The slowdown in new supply continued in the investment-grade corporate market with about $5 billion pricing²
  - Supply reached over $90 billion over the month, marking the heaviest August in over 10 years
• Limited primary issuance supported the corporate market as spreads tightened modestly week-over-week, reaching a year-to-date low of 136bps³
  - Financials were the best performer, particularly the REIT and banking sectors, which tightened about 4bps
• Historically low rates, increased household formation, and a firming labor market supported the mortgage market, which outpaced Treasuries on the week
• Activity in the municipal market remained muted, and the 10-year municipal/Treasury ratio hovered around 91%¹
  - August was a busy month for new issuance with nearly $40 billion pricing, and September is expected to be even heavier, with estimates around $43 billion³


*Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.
The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research & Management.