• The Dow Jones Industrial Average broke 20,000, driving a risk-on trade and selloff in Treasury rates¹
  - The 10-year Treasury yield increased 8bps to 2.51%, and the 30-year Treasury yield increased 8bps to 3.10%
• Initial jobless claims jumped to 259,000, which was slightly above expectations¹
  - Despite the higher number, claims continue to trend well below healthy levels, indicating an improving labor market
• Companies took advantage of the strong market tone and minimal new issue concessions, pricing roughly $22 billion in the investment-grade corporate market²
  - Month-to-date supply totaled over $135 billion – 30% ahead of last year’s pace
• The backup in Treasury yields drove increased demand for corporate bonds, which benefitted the sector¹
  - Corporate spreads rallied 2bps to 120bps – the tightest level since November 2014
• Despite slow new issue activity, commercial mortgage-backed securities (CMBS) weakened modestly amid the Treasury selloff and heightened uncertainty around retail sector fundamentals³
• Treasury volatility coupled with resurfacing concerns around the Trump administration’s tax policies weighed on the municipal market¹
  - The 10-year municipal/Treasury ratio rose 3% to 93%


¹Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.

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