• The ADP employment report indicated positive but slowing job growth, as the labor market approaches full employment¹
• Oil prices hit 6-month lows, as increased US production renewed market fears of a glut in supply¹
• The Federal Reserve (Fed) voted unanimously to leave rates unchanged, as expected¹
  • The statement expressed the Committee’s lack of concern over recent weak GDP data, and an expectation for improvement going forward
  • Implied probability of a rate hike at the Fed’s next meeting in June jumped from 70% to 98%
• Treasury yields modestly rose across the curve, amidst a generally positive market tone¹
  • The 2-year Treasury yield rose 4bps to 1.30%, while the 10-year Treasury rose 4bps on the week to 2.32%
• Investment-grade corporate issuers priced close to $35 billion this week, an increase of $20 billion over last week, which was in-line with expectations as most companies have exited earnings blackout periods²
• Strong earnings releases supported corporate spreads, which traded flat at 116bps¹
• Commercial mortgage-backed securities (CMBS) strengthened relative to Treasuries, providing 8bps in excess returns month-to-date¹
• Puerto Rico entered bankruptcy yesterday with $73 billion outstanding to creditors, making it the largest municipal bankruptcy in US history¹
  • Detroit previously held the record for largest bankruptcy filing at $18 billion

Sources: 1. Bloomberg Barclays  2. Citigroup
*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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