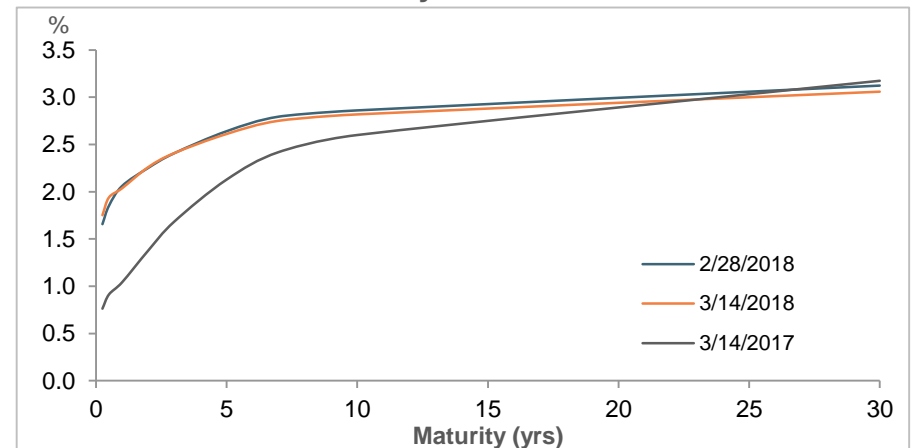




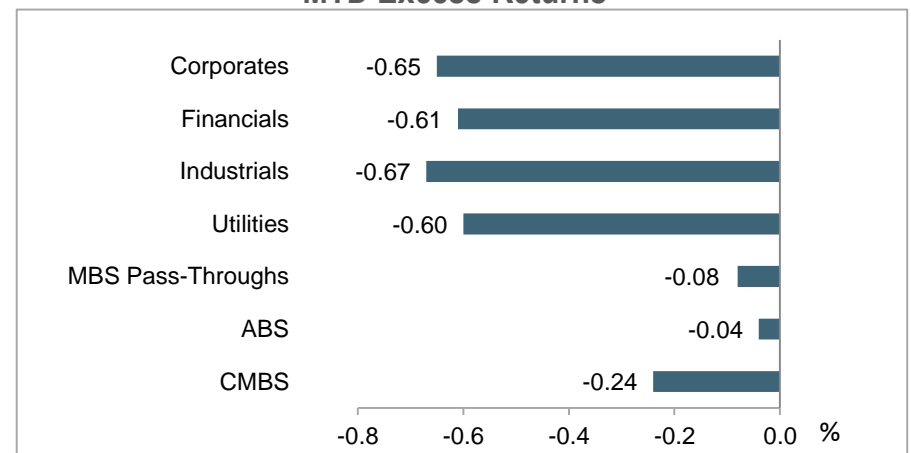
- The US Consumer Price Index (CPI) increased 0.2% and 2.2% on the month and year, respectively, meeting expectations¹
 - Core CPI, which excludes food and energy, grew by 1.8% year over year, also meeting expectations
- The Treasury curve flattened as long-term yields fell and front-end yields were steady in response to market expectations for another rate hike in March¹
 - The 30-year yield fell 9bps to 3.06% during the week, and the 2-year yield increased 1bp to 2.26%
 - The difference between 30-year yields and 2-year yields narrowed to 80bps, testing the post-crisis low set in January
- Supply was heavy this week, as investment-grade issuers priced approximately \$54 billion²
 - Over 25% of year-to-date issuance has been in bonds with maturities of 20 years or longer, and over 50% has come from issuers rated BBB+ or below
- Heavy supply weighed on the corporate market, and investment-grade spreads widened out 5bps to close at 105bps, the widest level since September 2017¹
 - Investment-grade corporate spreads have widened roughly 20bps from year-to-date tightness set in early February
- Securitized sectors were largely insulated from corporate weakness, and asset-backed securities (ABS) performed well relative to corporates, even as ABS supply has surged 40% year-over-year¹
- Municipals underperformed Treasuries during the week, and the 10-year muni/Treasury ratio increased 3% to 89%¹

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
3/14/2018	2.26	2.61	2.82	3.06
MTD Change	0.01	-0.03	-0.04	-0.07

MTD Excess Returns^{1*}



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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