Treasury yields rose this week as the curve steepened, and the 10-year yield surpassed 3% for the first time since January 2014¹
  • The 2-year yield increased 6bps during the week, and the 30-year yield jumped 15bps
  • US initial jobless claims were well below expectations, falling to their lowest level since December 1969¹
    • The decline was largely in response to a drop in New York initial claims
  • Consumer confidence marched higher, despite equity market volatility and an exchange of tariffs between the US and China¹
  • Sales of new and existing US homes increased 4% and 1%, respectively, for the month of March¹
  • Supply was steady this week, as investment-grade corporate issuers priced approximately $18 billion²
  • Investment-grade corporate spreads widened 2bps during the week to 107bps¹
  • High yield spreads, which have recently approached both year-to-date and post-crisis tights, widened 22bps to close at 336bps¹
    • Fundamentals remain strong as earnings season accelerates
  • Strong demand in the commercial mortgage-backed securities (CMBS) sector caused spreads to narrow 1bp to 65bps¹
  • Municipals performed in-line with Treasuries during the week, with yields on top-rated municipal bonds rising across the curve¹
    • The 10-year municipal/Treasury ratio declined 1% week over week, and closed at 84%

Sources: 1. Bloomberg Barclays  2. Citigroup

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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