US Treasury yields climbed slightly higher week-over-week as the 2- and 30-year rates both moved up 3bps, and the 10-year rose by 2bps¹.

Federal Reserve Chair Jerome Powell’s testimony to the Senate Banking Committee expressed confidence in the job market and that an inflation rate around 2% for the next several years is likely¹:

- Comments were generally well received by investors and reassured the market of gradual rate hikes “for now”

Housing market data took an unexpected downturn, as housing starts fell 12.3% in June and mortgage applications declined 5% week-over-week, which could signal slowing momentum¹:

Investment-grade corporate spreads tightened 1bp to 117bps; strong earnings momentum offset heavy issuance and criticism over President Trump and Russian President Putin’s press conference¹:

- Second-quarter earnings season kicked off with a number of US banks reporting – overall, results were better-than-expected, with strong investment-banking revenue

Corporate issuance surpassed the total of the last three weeks combined, with over $29 billion issued this week²:

- The majority of deals were focused in banking, as Bank of America, Citigroup, JPMorgan Chase, and Wells Fargo brought over $19 billion to market

Asset-backed securities (ABS) priced roughly $149 billion year-to-date, over $15 billion more than this time last year¹:

Short-maturity municipals outperformed longer-maturity municipals and the 2-year muni/Treasury ratio fell to a year-to-date low of 61%¹.