The number of Americans filing for unemployment benefits rose 9,000 to 217,000 last week, up slightly from the lowest level since 1969; the relatively low number of claims continues to signal a solid labor market¹.

New home sales fell over 5% in June, despite a decrease in the median home price, revealing potential weakness in the housing market¹.

Longer-maturity Treasury yields rose more than shorter-dated yields week-over-week, and the curve modestly steepened¹.
- The 2-year yield increased 6bps while the 10- and 30-year yield rose 11bps and 12bps, respectively.

Issuers brought roughly $12 billion in issuance this week, slightly below the low-end of estimates, and 5% behind last year’s year-to-date pace².
- Deals were well diversified across borrowers, with only one issuer bringing more than $1.5 billion to market.

Lighter supply and strong demand helped investment-grade corporate spreads tighten 4bps to 113bps¹.
- Investors were eager to participate in the new issue market with dealer books 4.3 times oversubscribed versus a year-to-date average of 2.8 times oversubscribed.

High-yield corporates followed a rising equity market, and spreads fell 7bps to close at 343bps¹.

Commercial mortgage-backed securities (CMBS) outperformed Treasuries, benefiting from strong demand¹.

Municipals have priced roughly $174 billion year-to-date, over $30 billion less than this time last year, and the low supply helped Municipals outperform Treasuries this week¹.
- Moody’s revised the outlook for California’s General Obligation debt from stable to positive, citing a strong performing economy.

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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