• Markets reacted positively to additional Federal Reserve (Fed) action, an agreement to cut oil production, and signs of a potential peak in the US coronavirus outbreak; however, sentiment tempered as economic data shed further light on the impact of lockdowns on the US economy
  • US industrial production, a broad measure of output from factories, mines, and utilities, fell 5.4% in March, the worst monthly performance since 1946; retail sales were down 8.7% last month, the biggest decline on record
  • Initial jobless claims remained elevated at 5.2 million, raising the total to over 20 million in the last four weeks
  • The 10-year Treasury yield fell 14bps week-over-week; yields were generally down 5 to 15bps across the curve
• Heavy supply of corporate issuance continued during the week, as investment-grade issuers priced over $46 billion; JP Morgan priced $10 billion, the largest bank transaction on record
  • Demand remained strong as deals were generally heavy oversubscribed; corporate spreads tightened 44bps week-over-week from 253bps to 209bps
  • High yield issuers priced over $5 billion, buoyed by the Fed’s announcement that it would buy some speculative-grade bonds; spreads fell 131bps week-over-week, from 871bps to 740bps
• The securitized sector saw its first asset-backed security (ABS) issuance in over a month, as General Motors Financial priced an $800 million bond backed by prime auto loans
  • The deal was almost 10x over-subscribed, which indicated strong investor demand for select ABS
• Municipal funds again saw outflows, as investors withdrew $2.5 billion; outflows since the beginning of March total over $45 billion

Sources: Bloomberg Barclays, Bloomberg, and Bloomberg Index Services Limited
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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