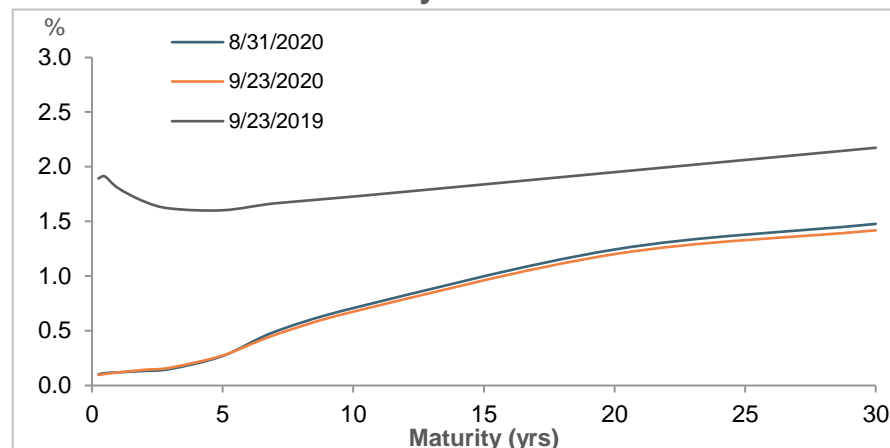




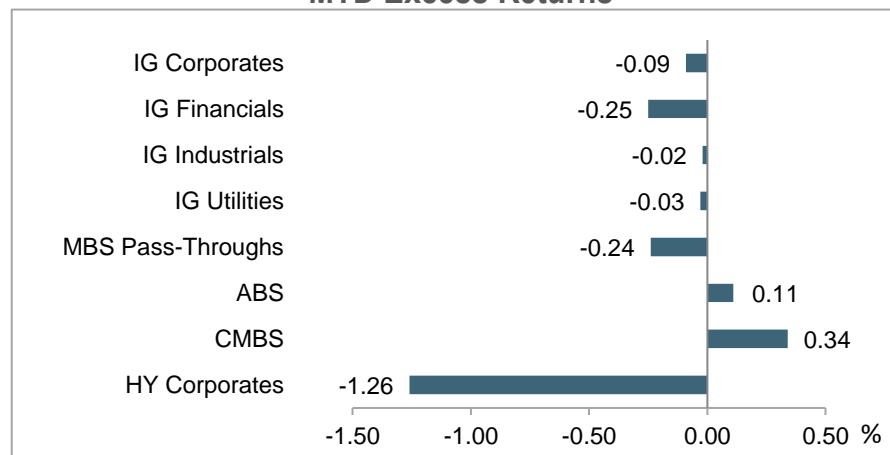
- Risk sentiment soured during the week on a global uptick in coronavirus infections, fading hopes of additional fiscal stimulus, and rising uncertainty around the upcoming US elections
 - Several European countries imposed restrictions on bars, public gatherings, and travel over fears of a second wave of infections
 - The Congressional Budget Office (CBO) revised its long-term US GDP growth forecast to 1.6% per year over the next 30 years, down from its initial projection of 1.9% last year, largely due to an increased public debt burden from the recent recession
- Federal Reserve chairman Jerome Powell and Treasury Secretary Steven Mnuchin testified before the House Financial Services Committee, reiterating the need for additional relief to sustain the economic rebound
- Investment grade issuers priced \$36 billion this week, bringing the monthly total to over \$150 billion, on track to surpass last September's record of \$158 billion
 - Almost 52% of this week's supply was rated in the BBB category
 - Amid the heavy supply, corporate spreads widened 4bps, from 128bps to 132bps; financials underperformed other corporate sectors on news that US banks potentially processed trillions of dollars in possible suspicious activity
- High-yield spreads rose 34bps, from 485bps to 519bps on equity market weakness and record supply; year-to-date issuance surpassed the highest annual total on record of roughly \$330 billion set in 2012
- Mortgage-backed securities (MBS) underperformed other securitized sectors amid continued robust issuance; the US Mortgage Refinance index increased 9% last week
- Year-to-date taxable municipal issuance totaled \$96 billion, over 215% higher than this time last year, as states and municipalities issued taxable debt to refinance tax-exempt issues

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/23/2020	0.14	0.27	0.67	1.20	1.42
MTD Change	0.01	0.00	-0.03	-0.04	-0.06

MTD Excess Returns



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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