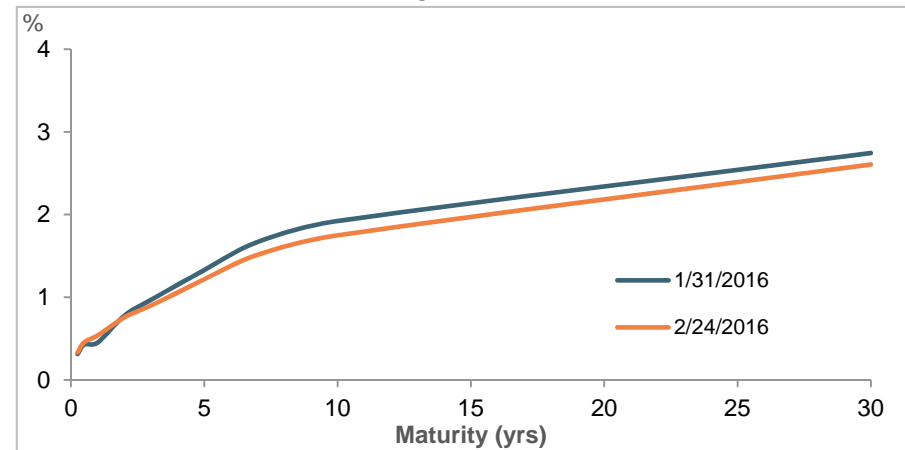




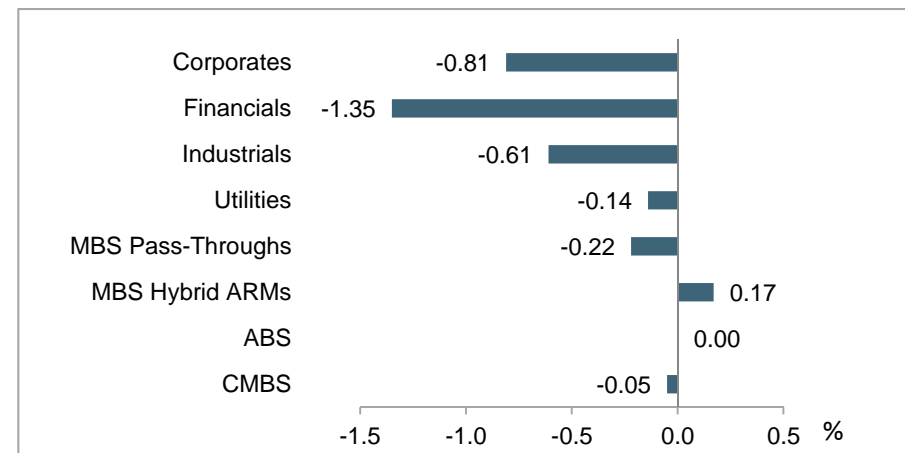
- The Consumer Confidence Index came in well below economists' expectations for February, with the weakest print since July, as households expressed doubts about the US economy¹
- Year-to-date, long Treasury yields moved lower, driven by weakening conditions in the global financial markets¹
 - The 30-year started the year at 3.02%, rallied to 2.74% by the end of January, and has since rallied another 14 basis points to 2.61%
- Investment-grade corporate issuance remained steady this week with more than \$30 billion in issuance, comparable to last week's volume of \$32 billion³
 - A few notable issuers in the investment-grade space included Cisco Systems, Inc., United Healthcare, and General Motors
- More than 90% of companies in the S&P 500 have reported fourth quarter earnings; average sales and earnings declined by 4.08% and 6.36%, respectively¹
 - Energy companies lagged the market with earnings declining more than 70% year-over-year
- Year-to-date excess returns on investment-grade commercial mortgage-backed securities (CMBS) performed in-line with similar duration corporates²
 - Lower-quality deals struggled to keep up with high-yield corporates
- The Illinois State Board of Education is investigating Chicago's public school system with the hope that the Board will be able to help improve the financial condition of the school system

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
2/24/2016	0.76	1.22	1.75	2.61
MTD Change	-0.02	-0.11	-0.17	-0.14

MTD Excess Returns^{2*}



Sources: 1. Bloomberg 2. Barclays 3. Citigroup

*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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