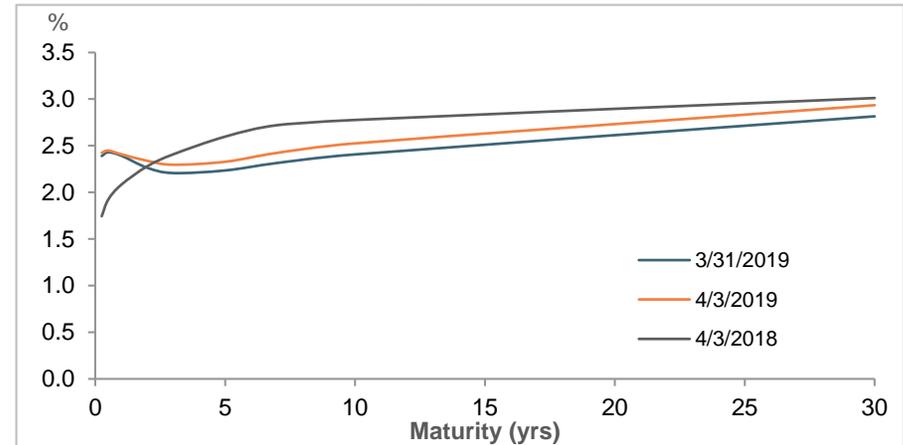




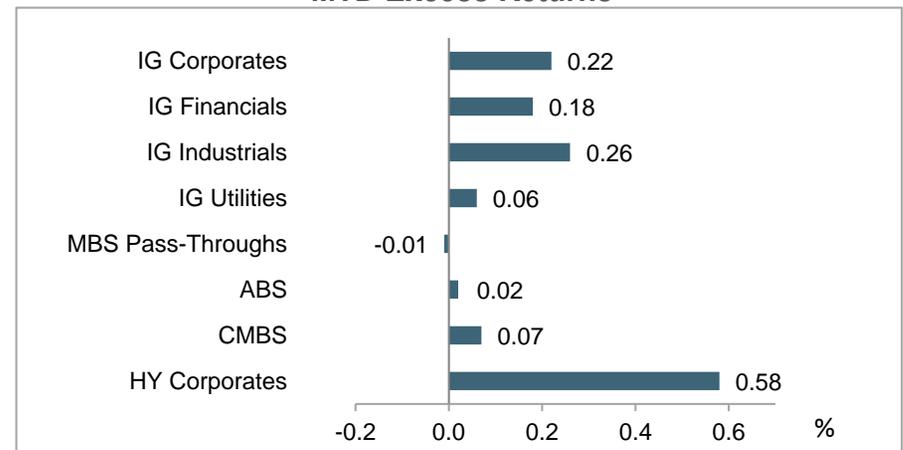
- Yields rose as US-China trade talks gained momentum and positive economic data, China's PMI rising above 50, indicated economic expansion in the World's second largest economy
 - Coming off a 15-month low of 2.37% last week, the 10-year Treasury yield has increased 15 basis points, ending Wednesday's session at 2.52%
 - Long-term rate increases reverted the yield curve as the spread between 3-month and 10-year Treasury yields moved positive, relieving yield-curve inversion uncertainties
- The \$16 billion in supply of investment-grade bonds met expectations of \$15 to \$20 billion; new issues were highlighted by the \$6 billion deal from the A+ rated Chinese social media giant Tencent
- Corporate spreads were virtually unchanged week-to-date, at 118 basis points, and remained at the tights of the year, as investors bought into improved global economic data
 - Industrials outperformed other sub-sectors as oil prices held above \$60 per barrel, driving energy spreads tighter
- High-yield spreads tightened 19 basis points week-to-date to 373 basis points, which extended year-to-date returns for the index to 7.62%
- The asset-backed market came back to life after a slow week of issuance in which the market priced just \$731 million in new securities
 - Two deals over \$1 billion have priced, which brought total supply to \$4.5 billion so far this week
- Municipal bond spreads remained low this week as issuers provided little supply amid solid investor demand and high reinvestments

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
4/3/2019	2.34	2.33	2.53	2.93
MTD Change	0.08	0.10	0.12	0.11

MTD Excess Returns



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