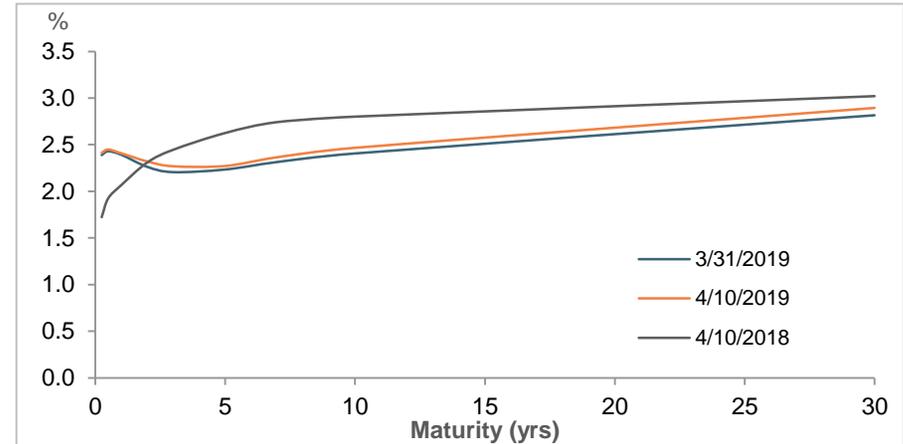




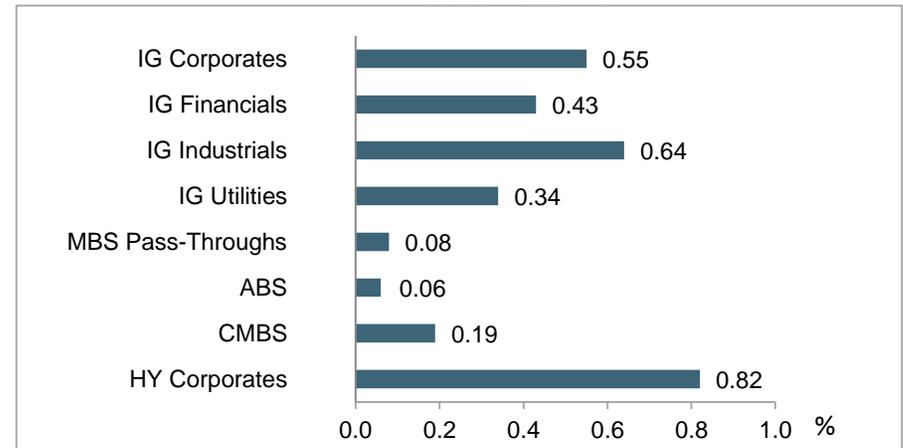
- The Federal Reserve released minutes indicating they will keep rates steady given the global macro environment and contained inflation
 - Consumer prices increased by 0.4% in March, ahead of expectations, but core price growth lagged estimates
 - President Trump announced the potential for \$11 billion of additional European tariffs – potentially escalating trade tensions with the Eurozone
- Treasury yields fell across the curve week-over-week, as benign inflation and tariff news put downward pressure on yields
- Investment-grade supply totaled nearly \$22 billion, behind expectations of over \$30 billion
 - Saudi Aramco, the Saudi Arabian state-owned oil company, dominated this week’s total supply, with a \$12 billion transaction that reportedly received over \$100 billion in orders
 - The outsized demand allowed the issuer to price the deal with lower yields than Saudi Arabian sovereign debt – typically, state-owned entities trade with yields that are higher than the nation’s sovereign debt
- Solid demand for risk met light supply, and investment-grade corporate spreads tightened 4bps to 114bps, the tightest level year-to-date
- Asset-backed securities (ABS) underperformed corporates month-to-date, as heavy issuance weighed on the sector; year-to-date supply of \$73 billion surpassed last year’s pace of \$67 billion
- Municipals underperformed Treasuries, despite a light new issue calendar providing a tailwind for the sector

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
4/10/2019	2.32	2.27	2.47	2.93
MTD Change	0.06	0.04	0.06	0.07

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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