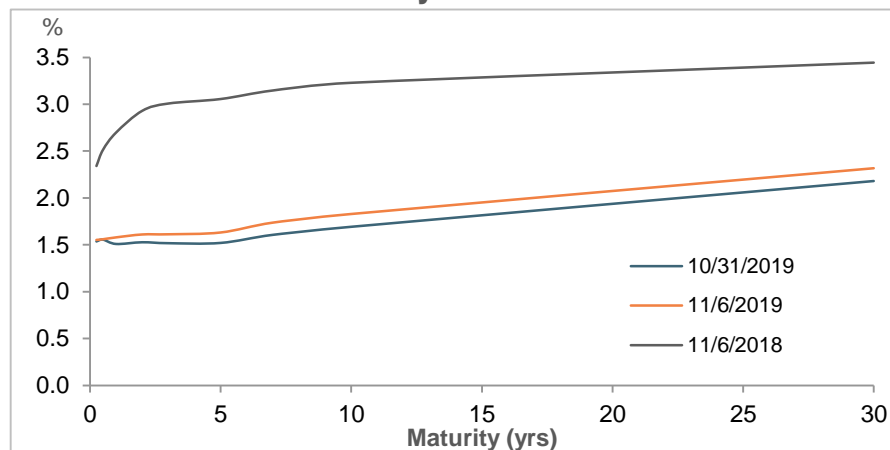




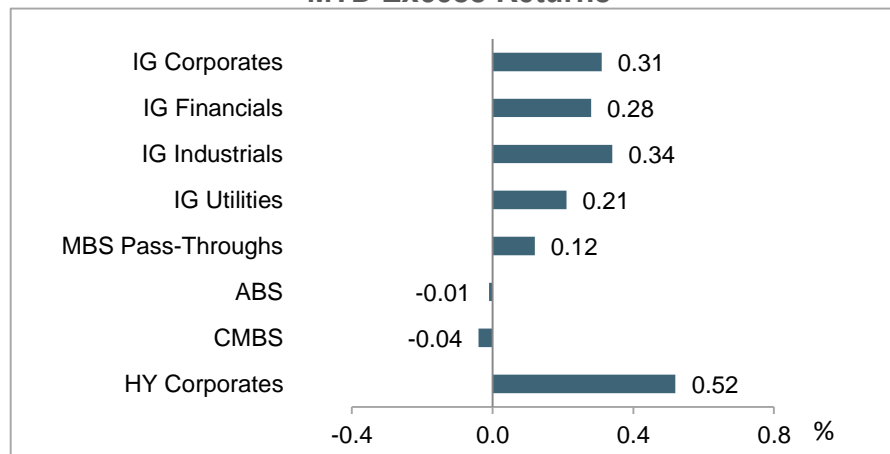
- Treasury yields rose across the curve week-over-week, as positive US economic data was released and trade talks with China appeared to gain momentum
  - The yield on the 10-year Treasury increased by 14bps, as investors preferred risk assets, to close at 1.83%
  - October's nonfarm payrolls employment report of 128,000 exceeded expectations of 75,000; the figures for August and September were revised upward, reflecting an additional gain of 95,000 jobs
  - As reported, the first phase of a long-term trade deal between the US and China could roll back a portion of tariffs placed on both countries' products
- Investment-grade corporate issuers priced over \$22 billion in the first four trading sessions of November – a reversal from the quiet end to October which saw typical black-out periods during the release of third quarter earnings
  - Despite the heavy supply, demand for corporate bonds remained solid, and spreads narrowed by 3bps to close at 107bps – the tightest level of the year
- High-yield corporates rallied with equities, and have bested higher-quality bonds so far this month, with excess returns of 0.52%
- Mortgage-backed securities (MBS) outperformed other securitized sectors, as the upward shift in Treasury rates allayed investors' fears of higher prepayment speeds
- Municipals outperformed Treasuries, as increased issuance of taxable municipals replaced much of the tax-exempt supply; the 10-year muni/Treasury ratio decreased by 4% to close at 84%

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
11/6/2019	1.61	1.63	1.83	2.32
MTD Change	0.08	0.11	0.14	0.14

### 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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