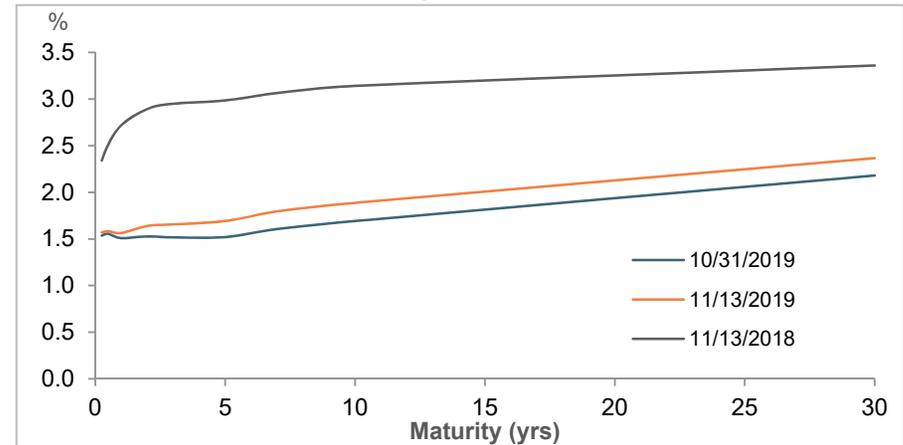




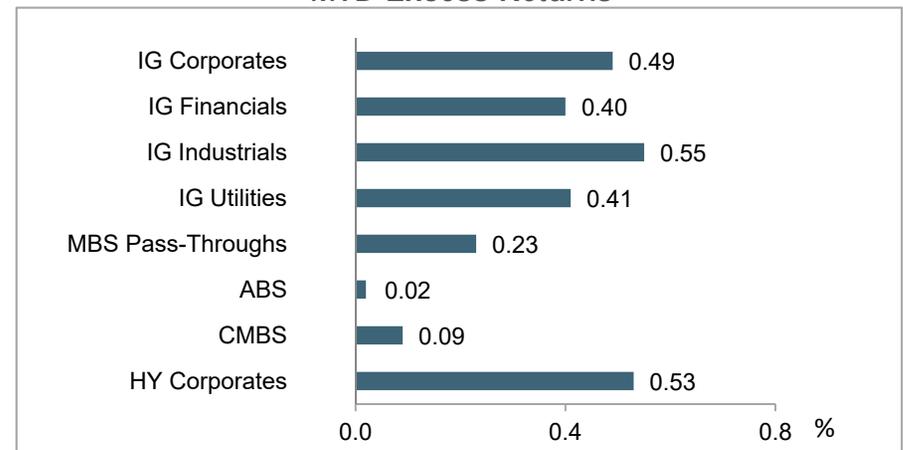
- Investors reacted favorably to the release of US economic data and continued hope of a resolution to the US and China trade dispute; equity markets edged higher, despite comments by the White House that there had been no agreement to roll back tariffs
  - Treasury rates increased across the curve, with the 10-year and 30-year closing up 6bps and 5bps, respectively; the S&P 500 set another record high, closing at 3,094
  - US consumer sentiment was strong at a preliminary 95.7 for November; jobless claims, while higher than expected, remained low at 225k and continued to reflect a healthy labor market
- Federal Reserve (Fed) Chairman Powell testified before Congress that the Fed foresees a sustained expansion of economic activity
  - Powell reiterated that current monetary policy is appropriate and there is little reason for an additional rate cut; the market-implied probability of a rate cut at the December Fed meeting is 6%
- Investment-grade corporate supply was over \$40 billion for the week, one of the largest weeks of the year
  - Supply was highlighted by the \$30 billion Abbvie deal, which was the fourth largest on record; proceeds will be used to fund its acquisition of Allergan
  - Investment-grade corporate spreads were resilient and closed 2bps tighter at 105bps; spreads hit a 20-month tight of 104bps during the week
- Despite a 12.9% increase in refinance activity for the week, mortgage-backed securities (MBS) continued to outperform other securitized sectors, and the average 30-year mortgage rate rose above 4%
- In the municipal market, demand for new issue remained strong, with net inflows reaching \$1.8 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
11/13/2019	1.64	1.69	1.89	2.37
MTD Change	0.11	0.17	0.20	0.19

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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