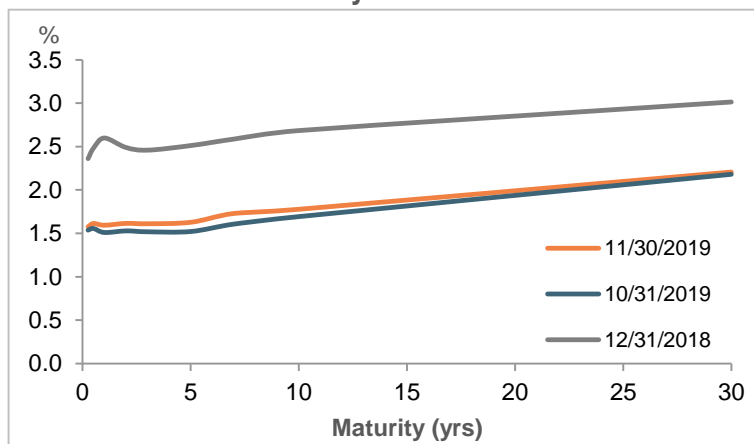


MARKET NEWS

- Treasury yields climbed across the curve, as investors favored risk assets over Treasuries, and long-term inflation expectations rose, with the 10-year breakeven inflation rate rising by 8bps from 1.55% to 1.63%
 - Rhetoric surrounding trade negotiations with China was mixed, as no definitive announcement was made and speculation of both progress and impasses made headlines
 - US economic reports were mostly positive; third quarter GDP rose to 2.1% and consumer sentiment improved, but initial jobless claims rose to the highest level in five months
 - Core Personal Consumption Expenditures (Core PCE) came in at 1.6%, below the Fed's 2% target
- November investment-grade supply surpassed expectations of \$95 billion, totaling almost \$100 billion, and year-to-date supply exceeded \$1 trillion, 3% behind last year's pace
 - Supply was highlighted by Abbvie's \$30 billion deal across 10 tranches, with the proceeds being used to help fund the acquisition of Allergan; the deal, which was well received, was the fourth largest of all-time and biggest of 2019
 - December supply is expected to slow to \$25 billion, with the majority pricing in the first week of the month
- Despite heavy issuance, investment-grade corporate sectors outperformed Treasuries, as the risk-on tone and demand for yield supported spreads
 - Corporate spreads closed 5bps tighter to 105bps, after reaching 104bps, the tightest level since October 2018
- High-yield issuers brought over \$36 billion of supply, the highest monthly total this year; however, solid equity performance spilled over and pushed high-yield corporate spreads 22bps tighter to 370bps
 - High-yield corporates rated CCC and below underperformed Treasuries, and spreads of CCC-rated corporates were as wide as 1,000bps in November
- Commercial mortgage-backed securities (CMBS) underperformed Treasuries, as the \$17 billion in supply – the highest monthly total of the year – weighed on performance; spreads remained unchanged at 70bps
- Municipals outperformed Treasuries, and the 10-year muni/Treasury ratio declined by 4% from 88% to 84%

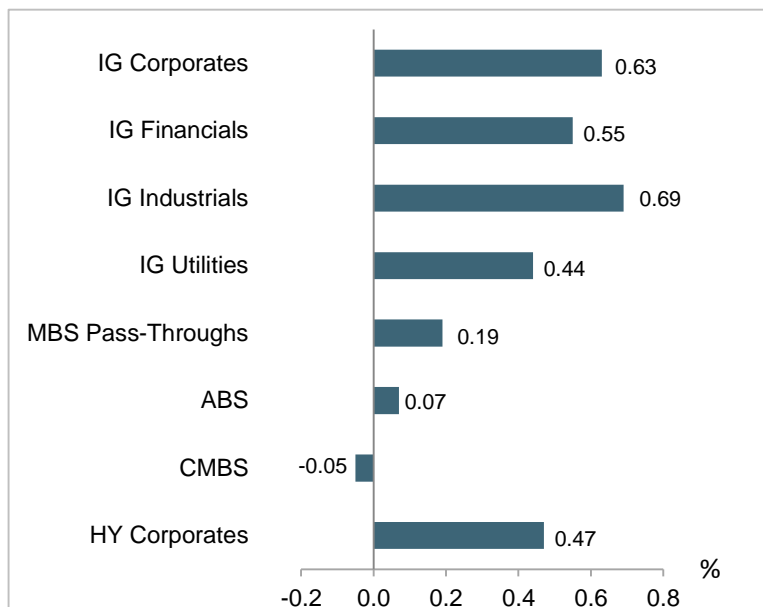
MARKET STATISTICS

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
11/30/2019	1.61	1.63	1.78	2.21
MTD Change	0.08	0.11	0.09	0.03

Excess Returns*



As of: 11/30/19. Sources: Bloomberg, Bloomberg Barclays, 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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