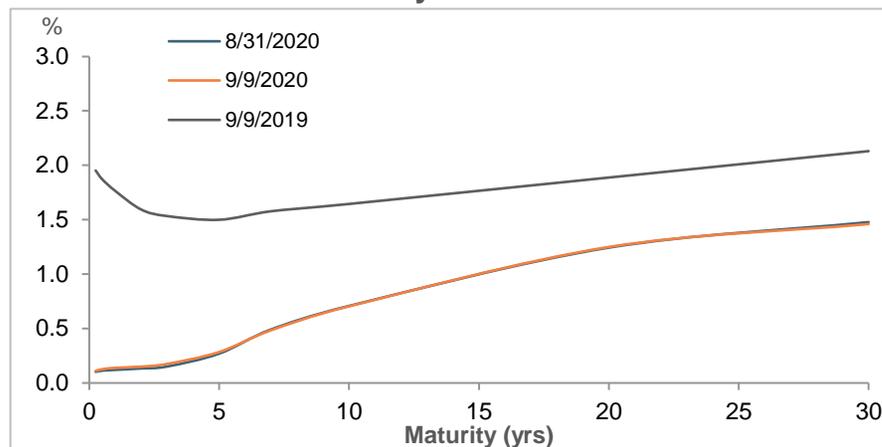




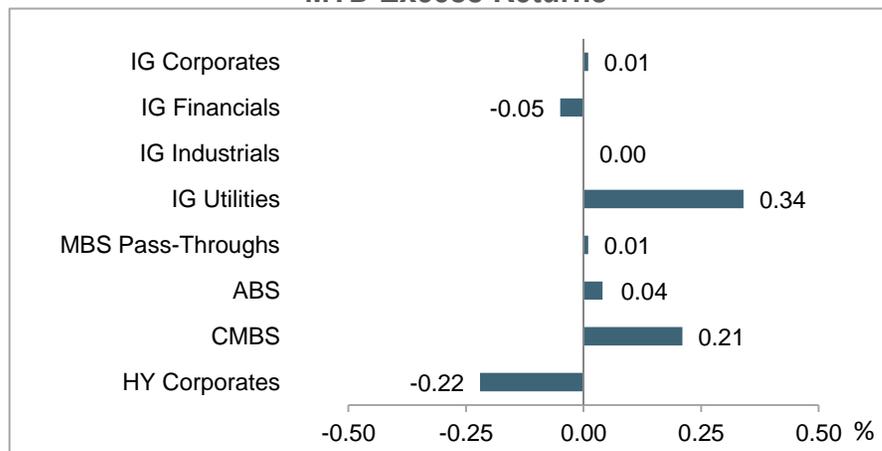
- Risk asset performance was mixed to start the month amid a sharp return of volatility in equity markets driven by the technology sector and varied US economic data releases
 - The US added 1.4 million jobs in August and the unemployment rate fell from 10.2% to 8.4%; however, initial jobless claims held steady at 884k and permanent job losses increased 534k to 3.4 million, underscoring the depths of the pandemic
 - The Congressional Budget Office projected US debt will exceed 100% of GDP in 2021, the highest level since World War II
- The Federal Reserve (Fed) Beige Book showed modest gains in economic activity among most districts, but noted that activity remained well below pre-pandemic levels
 - A rise in manufacturing, consumer spending on vehicles, and continued growth in residential real estate sales were bright spots
 - Treasury yields fell as the 10-year hovered at 0.68%
- Investment-grade corporate issuers priced over \$70 billion month-to-date, with most deals coming after Labor Day; September is expected to see \$150 billion of issuance
 - Despite equity market volatility and an uptick in supply, corporate spreads remained range-bound and closed 1bp wider at 130bps
 - High yield spreads widened 17bps to 494bps as supply returned, with more than \$11 billion priced so far this month
- Commercial mortgage-backed securities (CMBS) continued to outperform other securitized sectors amid a lack of supply
- Municipals underperformed Treasuries as heavy new issuance, a seasonal slowdown in debt payments, and potential credit-rating downgrades gave investors pause; the 10-year muni/Treasury ratio rose from 114% to 117%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/9/2020	0.15	0.28	0.70	1.25	1.46
MTD Change	0.02	0.01	-0.01	0.00	-0.02

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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