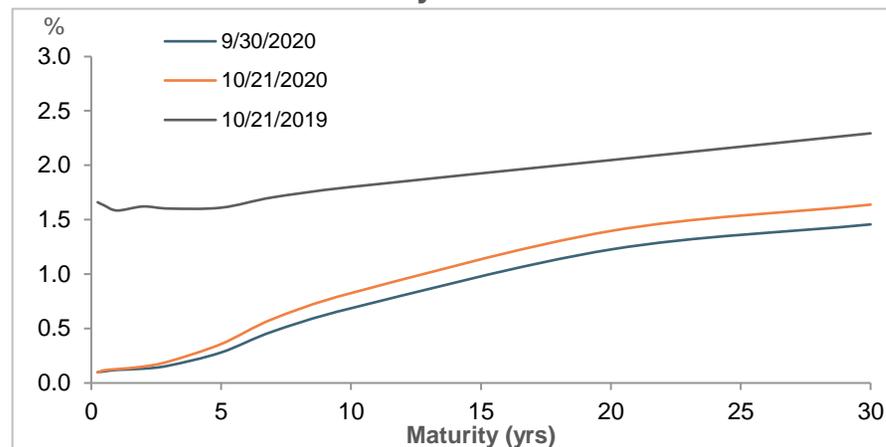




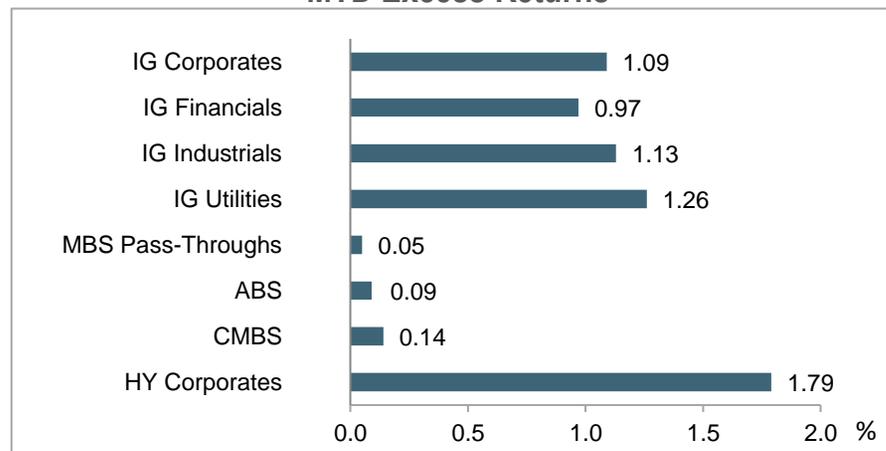
- Treasury yields rose, hitting their highest levels since early June, following positive signs that Congress and the Trump administration could finally reach an agreement on a fourth stimulus package
 - The 10-year Treasury rate settled at 0.82%, a 13bps increase week-over-week based on Wednesday's close
- Varied economic data, an increase in coronavirus infections, and a looming election contributed to mixed performance in risk assets
 - September retail sales rose 1.9%, higher than expectations of 0.8%, driven by vehicle, home improvement, and clothing sales
 - US Industrial Production fell 0.6% in September, driven by a fall in manufacturing, the biggest component in production
- The Federal Reserve's latest Beige Book reported that, while economic activity continued to increase across all districts, the pace of growth was "slight to modest," suggesting the economic recovery could be slowing
- Investment-grade issuers priced about \$16 billion, slightly above the weekly projection of \$15 billion; activity is expected to wane ahead of the November elections
 - Despite the higher-than-expected supply, demand remained robust, and spreads tightened 2bps, from 126bps to 124bps
- High-yield issuers continued to tap the primary market, pricing approximately \$4 billion; with equity market volatility, inflows tapered to \$151 million and spreads widened 2bps, from 465bps to 467bps
- Commercial mortgage-backed securities (CMBS) outperformed other securitized sectors amid limited supply; year-to-date private-label issuance reached \$49 billion, about 40% lower than this time last year
- With another \$10 billion in issuance, taxable municipals are on track to set a new annual supply record, with \$147 billion priced so far in 2020 versus 2010's record of \$151 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/21/2020	0.15	0.36	0.82	1.40	1.64
MTD Change	0.02	0.08	0.13	0.17	0.18

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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