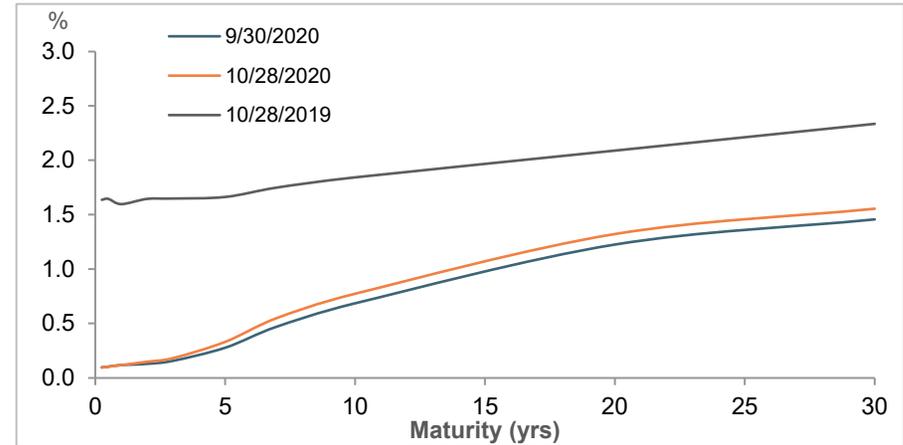




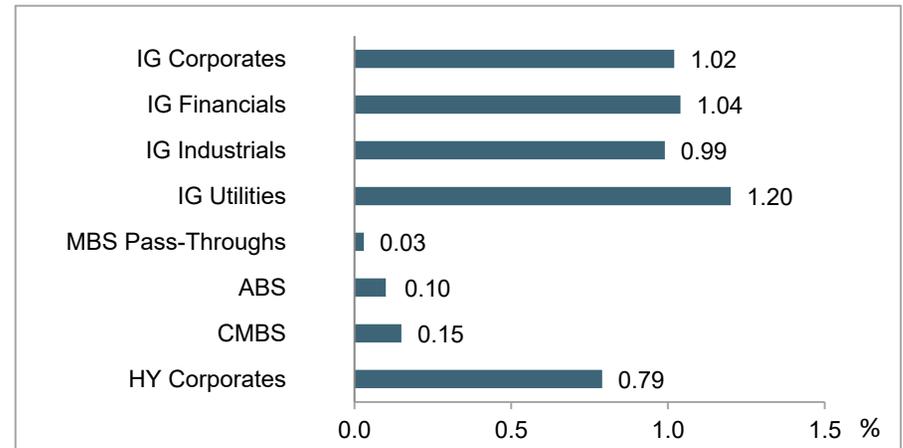
- US economic data was largely positive and suggested a continued recovery, although concerns remain over the pace of the rebound
 - US GDP increased 7.4% in the third quarter, stronger than expected and the fastest pace in post-war history; however, the economy is still 3.5% smaller than it was at the end of 2019
 - Initial jobless claims dropped from 791,000 to 751,000, beating expectations, although weekly claims were almost four times higher than the average in 2019
- Despite the positive economic releases, coronavirus concerns took a toll on market sentiment, and Treasury yields ended the week lower
 - US confirmed cases hit a new daily record of over 85,000 during the week, and France and Germany instituted new lockdown measures amidst a sharp rise in infections
 - The 10-year Treasury rate fell 5bps, week-over-week, to 0.77%
- Investment-grade issuers priced \$20 billion, exceeding the \$15 billion projected; month-to-date volume of \$80 billion is slightly ahead of the originally expected \$75 billion
 - Spreads widened 1bps, from 124bps to 125bps, on the heavier-than-expected issuance and broader risk-off tone
- High-yield issuers were active during the week, pricing over \$4 billion, although investors demanded higher premiums amid growing caution
 - High-yield retail funds saw outflows of \$2.5 billion, and spreads widened 43bps, from 467bps to 510bps
- Asset-backed securities (ABS) saw over \$27 billion of issuance so far in October, the second-busiest month of the year; however, year-to-date supply of \$185 billion is 16% behind last year's pace
- The municipal market saw strong demand, as municipal mutual funds saw inflows of over \$2 billion, the 25th consecutive week of inflows

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/28/2020	0.15	0.33	0.77	1.32	1.56
MTD Change	0.02	0.05	0.08	0.09	0.10

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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