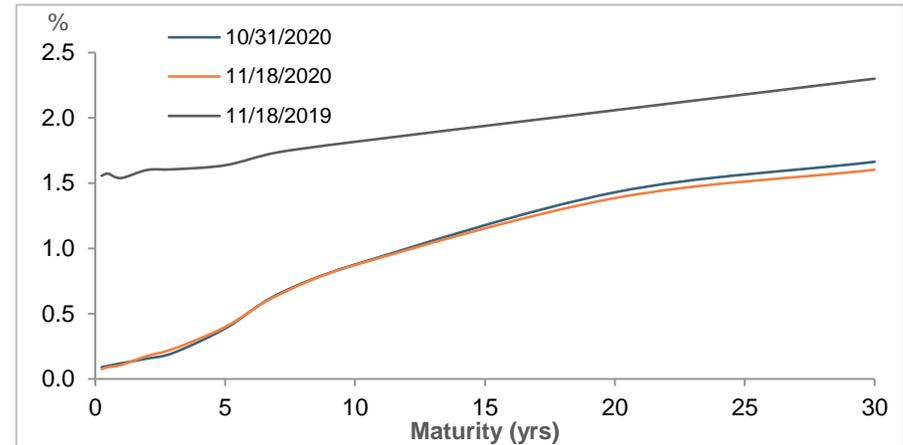




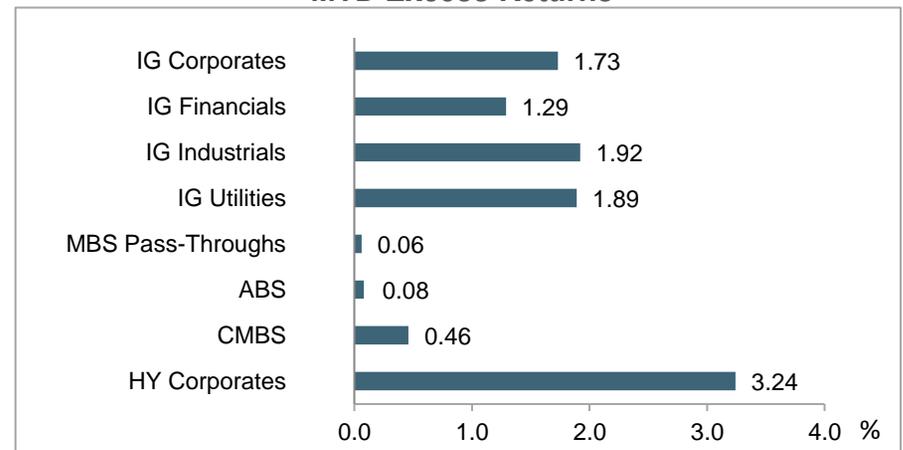
- Despite positive vaccine headlines, a continued global spike in coronavirus infections, renewed lockdowns, and weaker US economic data weighed on sentiment
 - US jobless claims increased for the first time in five weeks, rising by 31,000, from 711,000 to 742,000; while continuing claims fell from 6.8 million to 6.4 million, claims from the federal pandemic assistance program increased from 4.1 million to 4.4 million
- US Treasury yields fell across the curve, with the 10-year yield closing at 0.87%, down 11bps from last week
 - The US Treasury sold \$27 billion of 20-year debt on Wednesday, with the auction seeing soft demand as encouraging news on a coronavirus vaccine drove risk-on sentiment that day; the 20-year priced at a yield of 1.42%, the highest clearing yield since auctions resumed in May
- Investment-grade corporate issuers priced over \$39.9 billion, surpassing projections of \$25-30 billion
 - The heavy supply was met by renewed overseas demand, and spreads tightened 1bp, from 111bps to 110bps
- High-yield issuers priced approximately \$10 billion, despite weak equity market performance, bringing month-to-date supply to \$20 billion
 - High-yield spreads widened in sympathy with the general risk-off tone, rising 5bps, from 412bps to 417bps
- Mortgage-backed securities (MBS) underperformed other securitized sectors, as the MBA Mortgage Applications Index rose to 4% week-over-week; October housing starts were stronger than expected – 1.530 million versus 1.460 million – which was led by strong demand for single-family homes
- Hitting its lowest level since the start of the pandemic, the 10-year AAA muni closed at 0.78% as investors poured \$1.3 billion into muni bond mutual funds for the week ended November 11th, a reversal from the previous week's \$254 million outflow

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/18/2020	0.18	0.40	0.87	1.38	1.60
MTD Change	0.02	0.01	-0.01	-0.05	-0.06

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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