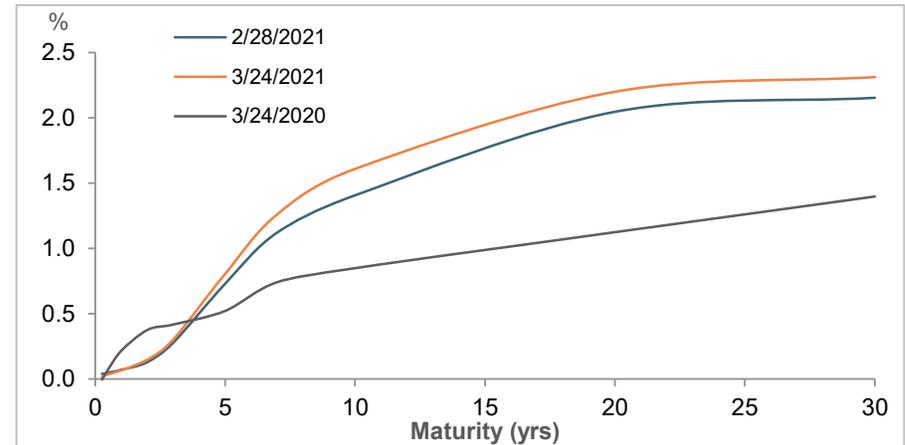




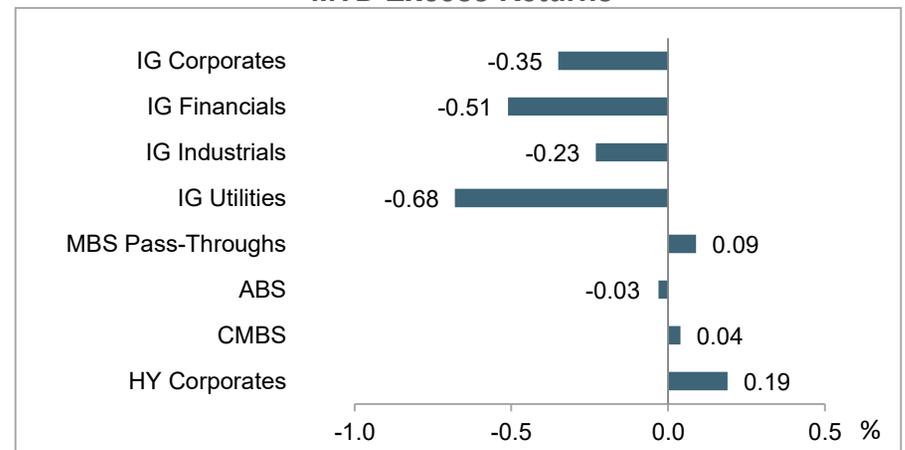
- A bevy of economic releases indicated the US economic recovery continued to gain steam, supported by stimulus-driven spending and the vaccine rollout, which surpassed 100 million doses administered
 - The Markit US Manufacturing Flash PMI for March registered at 59.0, up from 58.6 in February; the Services PMI rose from 59.8 to 60.0, the highest level since 2014
 - The Johnson Redbook Index, which measures year-over-year same store sales, increased to 9.4%, up from 8.5% the prior week, and the highest level on record
- In testimony to Congress, Federal Reserve (Fed) Chairman Powell reiterated an upbeat assessment of the US economy, downplaying concerns of rising borrowing costs from an overheating economy and increasing debt levels
 - The 10-year Treasury yield, which closed as high as 1.72% - its highest level in over a year, pulled back on the soothing comments and closed the week at 1.61%
 - The US Treasury continued its borrowing spree, auctioning over \$180 billion across 2-, 5-, and 7-year notes
- Investment-grade corporate issuers priced \$42 billion of a projected \$40 billion; month-to-date issuance of \$192 billion is well-ahead of initial estimates of \$135 billion
 - Strong demand kept corporate spreads unchanged at 97bps
- High-yield issuance totaled over \$6 billion, pushing March to the fourth busiest month by volume with almost \$48 billion
 - Robust appetite for yield pushed spreads 6bps tighter, from 332bps to 326bps
- Asset-backed securities (ABS) underperformed other securitized sectors on heavy issuance; the sector has seen roughly \$66 billion in supply year-to-date, 30% higher than last year's pace
- S&P Global Ratings moved its sector view to stable from negative on several types of municipal debt sectors, including states and local governments, citing new aid from the American Rescue Plan

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
3/24/2021	0.15	0.81	1.61	2.20	2.31
MTD Change	0.02	0.08	0.20	0.15	0.16

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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