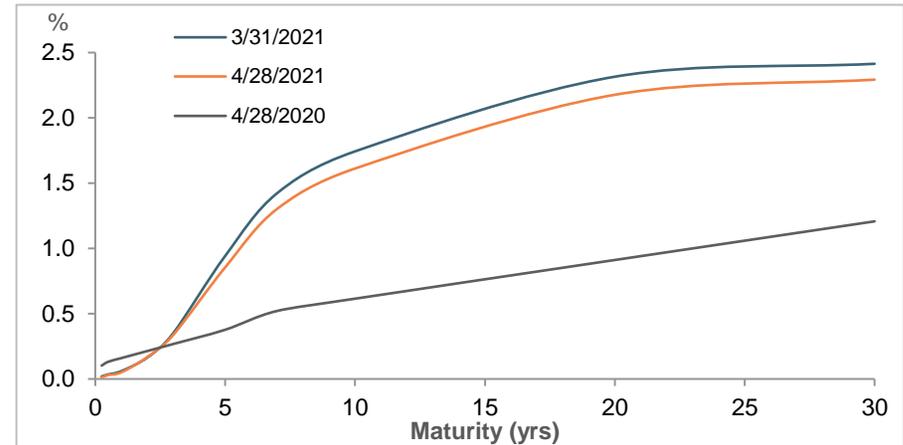




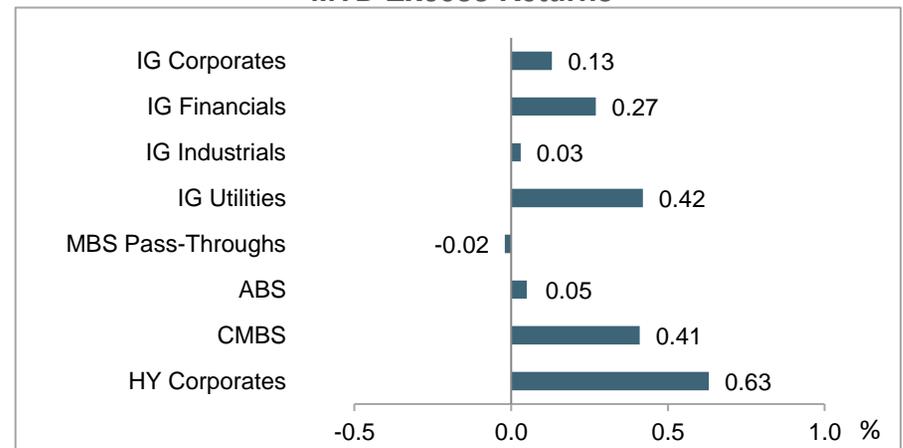
- Risk assets continued their ascent, bolstered by strong economic data, positive earnings, and easing restrictions on businesses; investors, however, were still digesting sweeping proposals from President Biden during his first address to Congress
  - Boosted by consumer spending, first quarter GDP grew at an annual rate of 6.4%, approaching pre-pandemic levels
  - Consumer confidence increased from a revised reading of 109 in March to 121.7 in April, which hit a one-year high, and also neared the pre-pandemic mark of 132.6 in February 2020
- Federal Open Market Committee meeting minutes reaffirmed the Federal Reserve’s commitment to supporting the economic recovery, while acknowledging progress in growth and employment
  - Chairman Jerome Powell stated in his press conference that inflation rose largely due to transitory factors, and that “it’s not time yet” for the central bank to taper its asset purchases
  - The 10-year Treasury yield closed up 5bps at 1.61%
- Investment-grade issuers brought about \$13 billion in new issue, below projections of \$20 - \$25 billion, as earnings blackouts muted issuance for the week
  - Corporate spreads tightened 3bps, from 91bps to 88bps on the limited supply
- After weeks of heavy supply, high-yield issuers priced \$2 billion this week, bringing month-to-date issuance to almost \$43 billion; year-to-date supply totaled over \$192 billion
  - The light supply for the week aided high yield spreads, which tightened 4bps from 298bp to 294bps
- Asset-backed securities (ABS) underperformed other securitized sectors during the week due to increased supply; year-to-date issuance is over \$88 billion, approximately 45% higher than this time last year
- On the prospects of higher capital gains and income taxes, investors added \$2.5 billion to municipal bond funds for the week ended April 21<sup>st</sup>; the 10-year muni/Treasury ratio hovered around 59% despite heavy flows

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/28/2021	0.17	0.85	1.61	2.18	2.29
MTD Change	0.01	-0.09	-0.13	-0.13	-0.12

### 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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