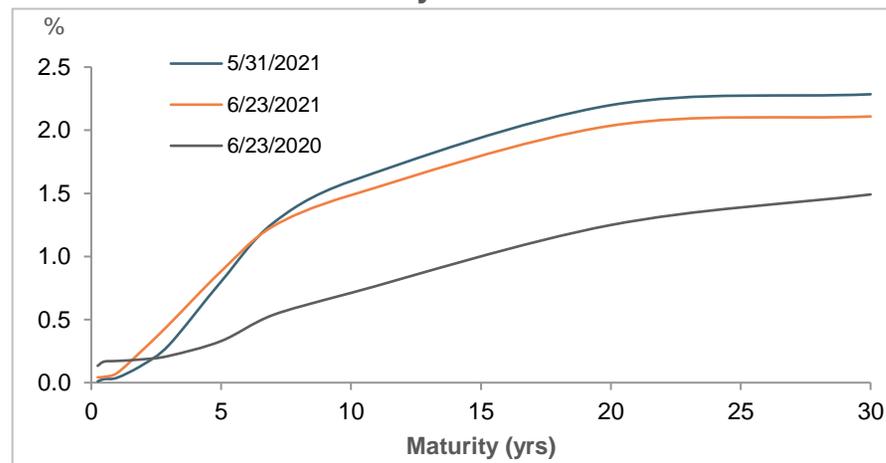




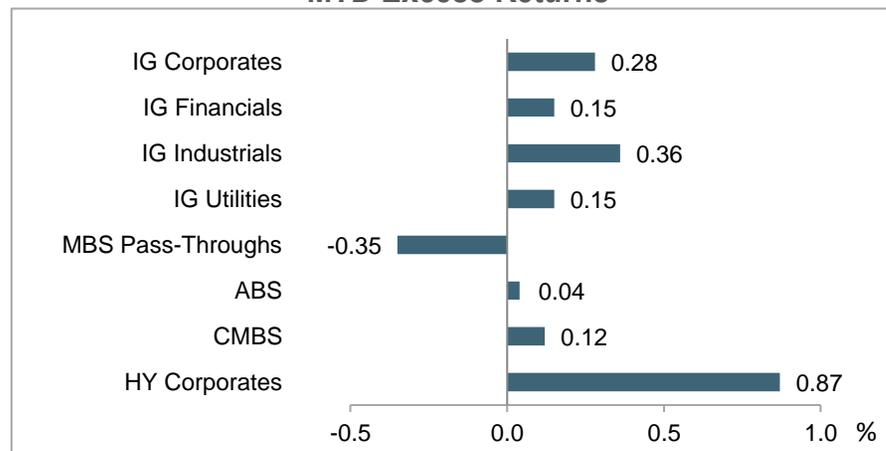
- Risk assets were mixed, with equities outperforming and spread product underperforming, as sentiment followed messaging from Fed officials
  - Although many Fed officials reiterated rate hikes were not expected until 2023, others voiced their support for hikes in 2022
- The Treasury curve flattened, with yields of shorter-maturity Treasuries increasing and yields of intermediate- and longer-maturities falling
  - The difference between the 30- and 5-year Treasury yield briefly reached 1.13%, the flattest level in 2021
- Investment-grade corporate borrowers issued over \$21 billion of debt – surpassing the high-end of dealer estimates – as issuers looked to price bonds before the typical summer doldrums after Independence Day
  - Corporate spreads widened 1bp week-over-week to 82bps, but remained constant for five consecutive trading days
- High-yield corporate spreads closed at 280bps, unchanged week-over-week, and the Bloomberg Barclays High Yield Index yield rose to 3.9%
  - Historically tight spreads and low yields continued to entice high-yield issuers to access the primary market, with another \$6 billion issued this week
  - However, one issuer was forced to withdraw a \$250 million debut bond given low demand, despite increasing the yield by 150bps, in part, due to the company’s exposure to the gun industry
- The Supreme Court ruled that the Biden Administration could remove the current Federal Housing Finance Authority (FHFA) Director, and rejected claims the FHFA exceeded its authority regarding profit sweeps to GSEs
  - The ruling could impact the conservatorship of the GSEs and future lending standards on new home loans
- Muni/Treasury ratios bounced off recent lows, as munis underperformed Treasuries, with the 10-year muni/Treasury ratio rising 11% to 68%

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
6/23/2021	0.26	0.88	1.49	2.04	2.11
MTD Change	0.12	0.08	-0.11	-0.16	-0.17

### 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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