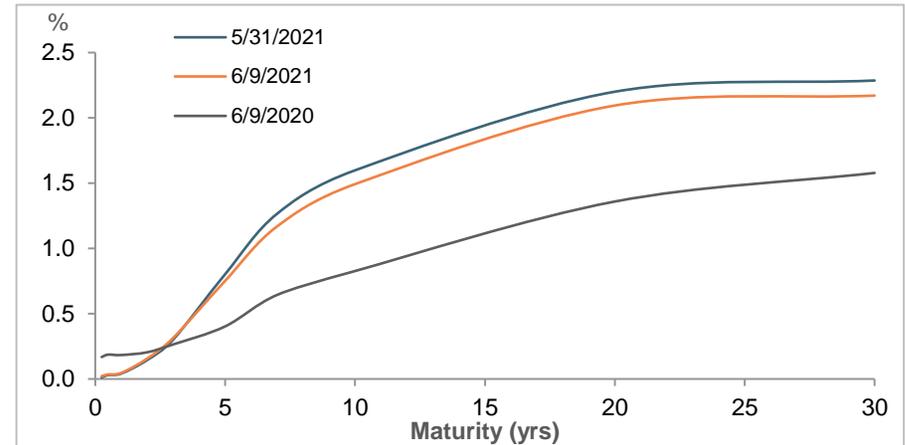




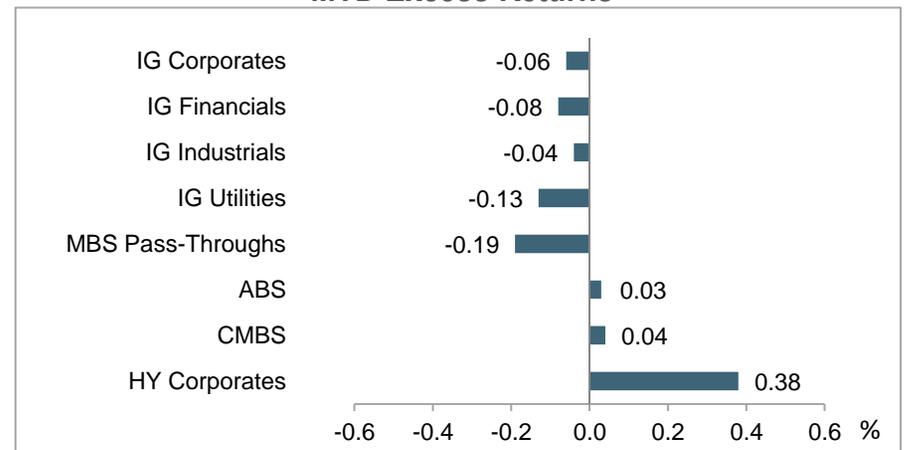
- Mixed economic data and continued talks about inflation caused risk assets to vary, while the 10-year Treasury fell below 1.50%
  - May's CPI index increased 0.6% from 0.8% in April, beating expectations; year-over-year, the index was up 5.0%, the largest 12-month increase since August 2008
  - Initial jobless claims fell to 376,000 from 385,000, as claims steadily decline amid rising vaccination rates and easing business restrictions
- The G-7 nations announced an agreement to a broad framework of changing the global corporate tax system, including imposing a global minimum tax of 15%
- Investment-grade issuance totaled over \$33 billion for the week, with \$23 billion pricing on Monday alone, the busiest day in more than three months; supply was in line with expectations of \$30-35 billion
  - Despite the continued flow of supply, investor demand was strong and investment-grade spreads were flat for the week, remaining at 85bps
- High-yield spreads tightened 4bps from 295bps to 291bps as oil prices closed above \$70, the highest level since October 2018
  - Buoyed by strong demand and a rejuvenated energy sector, high-yield issuers priced \$7 billion, taking the month's supply to \$13 billion
- Mortgaged-backed securities (MBS) underperformed other securitized sectors, as the MBA Mortgage Applications Index increased to -3.1% from -4.0% the week prior, led by an increase in the Purchase Index
- Amid continued debate in Washington on higher taxes on the wealthy, demand for municipal bonds showed no signs of waning, with investors adding over \$1 billion to mutual funds in the week ending June 2<sup>nd</sup>

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
6/9/2021	0.16	0.75	1.49	2.09	2.17
MTD Change	0.02	-0.05	-0.11	-0.11	-0.11

### 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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