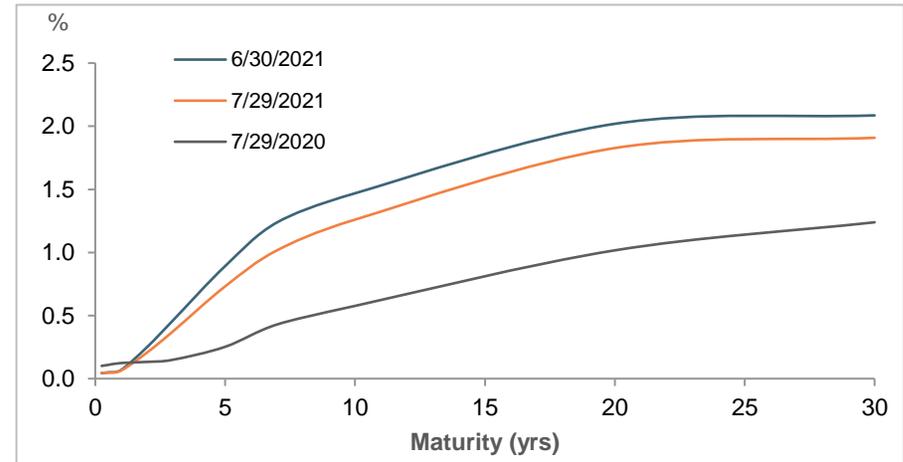




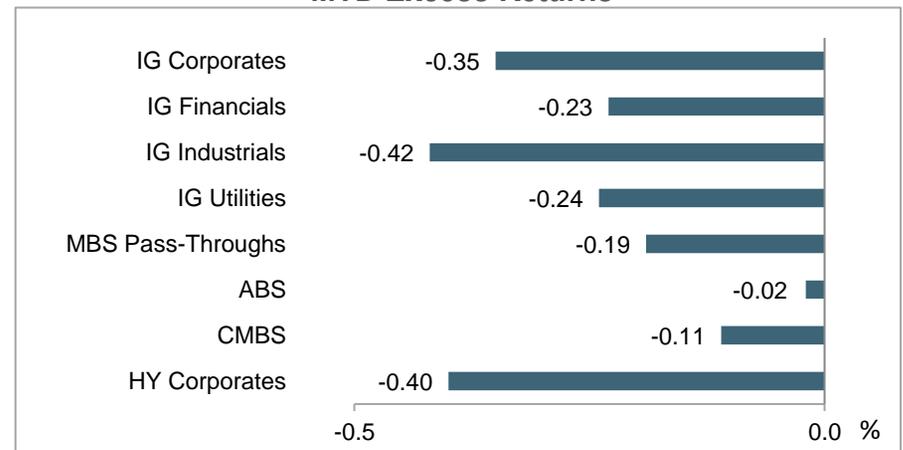
- Risk assets continued their upward ascent amid strong economic data, continued positive earnings, a possible infrastructure deal, and the Federal Reserve (Fed) maintaining its accommodative monetary policies
 - GDP grew 6.5% year-over-year in the second quarter, below expectations but above pre-pandemic levels; the gain was supported by strong consumer spending
- July FOMC meeting minutes acknowledged the economy has made progress towards the central bank's dual inflation and employment mandate, signaling a measured taper process could start later this year
 - Fed Chair Powell stated in his press conference the purchases of Treasuries and mortgage-backed securities (MBS) would be pared back simultaneously
 - 10-year TIPS real yield closed Wednesday at -1.11%, up slightly after reaching -1.13%, the lowest level ever recorded since data collection began in February 2003
- Investment-grade corporate issuers priced over \$13 billion, within estimates of \$12-17 billion
 - Spreads tightened 2bps, from 87bps to 85bps, as new issues were largely oversubscribed
- High-yield corporate supply was approximately \$5 billion for the week, setting the pace for the lightest month of issuance since last July
 - High-yield spreads widened 1bp, from 293bps to 294bps
- Commercial mortgage-backed securities (CMBS) underperformed other securitized sectors for the week amid a surge in new issue activity; year-to-date supply is over \$75 billion, up 105% year-over-year
- Despite the Biden administration striking a deal with the Senate on a \$1 trillion infrastructure package, it does not mention subsidizing Build America Bonds (BABs), last utilized during the Obama administration when nearly \$190 billion of taxable bonds were issued from 2009-2010

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
7/29/2021	0.21	0.73	1.26	1.83	1.91
MTD Change	-0.04	-0.16	-0.21	-0.19	-0.18

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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