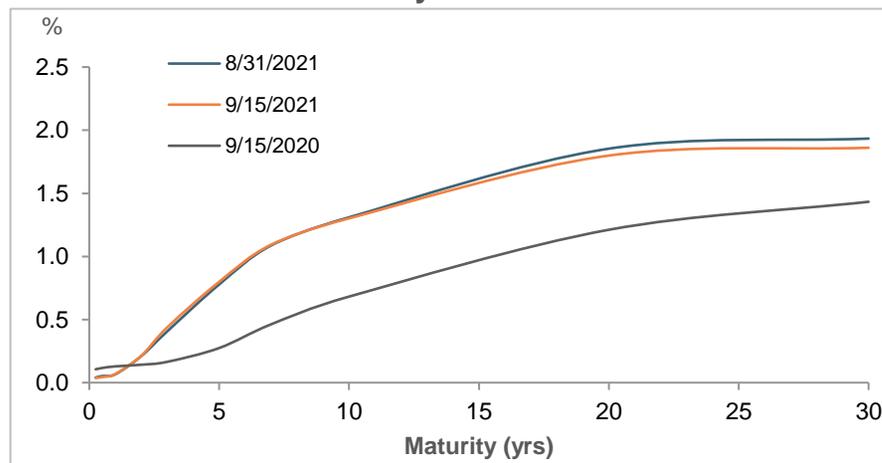




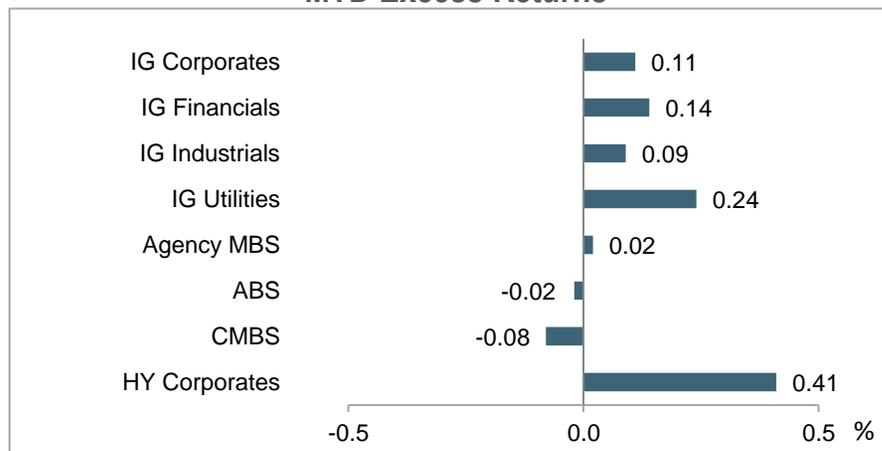
- Varied economic data, continued spread of the Delta variant, and a proposal to raise corporate and individual tax rates for the highest earners caused equity markets to fall and the Treasury curve to flatten
  - The Conference Board revised its forecast of US real GDP growth to 5.5% in the third quarter, down from 6.6% in the second quarter, amid a recent decline in consumer confidence
  - Retail sales in August rose 0.7% from July's revised decline of 1.8%, as consumers shifted away from auto sales, and boosted spending on furniture, hardware, and online goods; excluding cars, sales climbed 2%, beating expectations
- The 10-year Treasury rate closed unchanged, at 1.30% while the 20- and 30-year Treasuries fell 8bps and 10 bps, respectively
  - August CPI rose 5.3% year-over-year, cooling slightly from 5.4% in July and driven by a decline in travel-related services, such as airfare and rental cars
- Investment-grade supply remained heavy, with corporate issuers pricing \$38 billion, exceeding projections of \$35 billion and mostly dominated by financials
  - Corporate spreads tightened 2bps, from 88bps to 86bps, due to a continued demand for yield
- High-yield issuance totaled about \$8 billion, bringing month-to-date supply to \$13 billion
  - Investors welcomed the return of new issue in the sector, with high-yield spreads tightening 5bps, from 282bps to 277bps
- Supply in asset-backed securities (ABS) topped \$13 billion for the week, the highest since \$15 billion priced in July 2018
- A bill introduced by the House Ways and Means Committee included a proposal to reinstate tax-exempt advance refundings and Build America Bonds (BABs) in the Biden administration's \$3.5 trillion economic agenda

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/15/2021	0.21	0.80	1.30	1.80	1.86
MTD Change	0.00	0.02	-0.01	-0.05	-0.07

### MTD Excess Returns



Sources: 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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