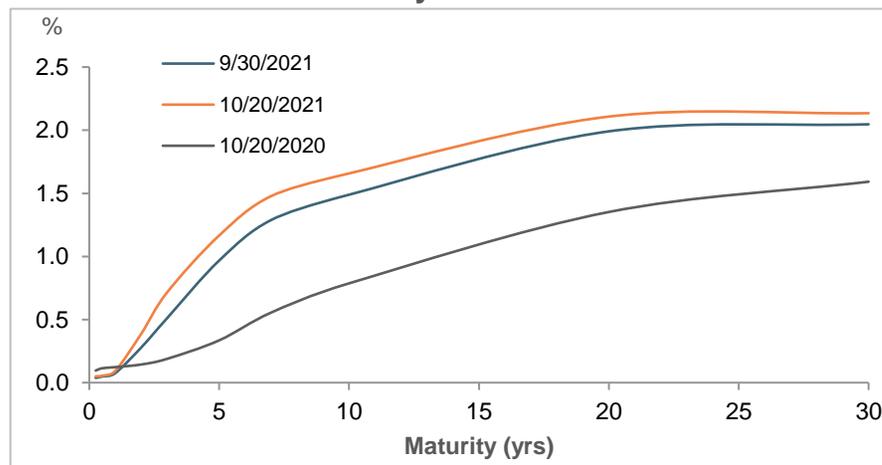




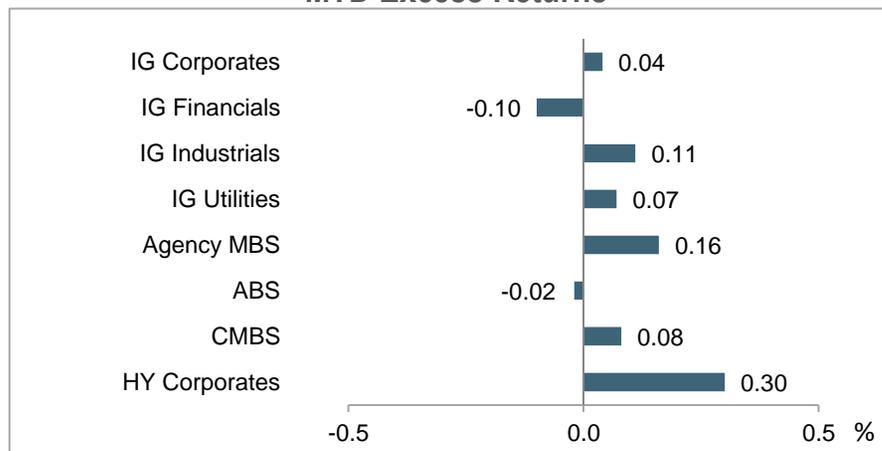
- Third quarter earnings kick-off did not disappoint, and equities rose as most companies reported earnings beats; however, economic data was mixed as supply chain concerns weighed on growth expectations
 - Retail sales rose 0.7% in September, ahead of a projected -0.2%, as consumer spending remained unexpectedly strong despite the end of enhanced unemployment benefits
 - Advance estimates for third quarter real GDP continued to fall; the Atlanta Fed GDPNow Forecast is at 0.5%, well-below median market projections of 3.5%
- Growing inflation anxiety drove Treasury yields higher across the curve, and the 10-year Treasury rose 15bps to close at 1.66%, the highest level since June
 - The 10-year inflation breakeven set an 8-year high of 2.62%
- Despite rising yields, investment-grade corporate issuers took advantage of the attractive spread environment to price \$51 billion of a projected \$20 billion; issuance was dominated by a \$21 billion jumbo deal from Aercap Holdings, which was the second-largest deal of 2021
 - Investors welcomed the heavy supply; new issue concessions remained low and corporate spreads tightened 1bp to 85bps
- The high-yield primary market saw almost \$7 billion of supply; year-to-date supply of \$414 billion is approaching last year's total of \$431 billion
 - Yields rebounded on strong demand, closing at 4.16%, and spreads tightened 16bps, from 301bps to 285bps
- Agency residential mortgage-backed securities (RMBS) outperformed other securitized sectors on reduced prepayment fears, as the MBA Refinance Index fell 7% from the prior week
- Year-to-date taxable municipal bond issuance reached \$106 billion, down 28% from this time last year; municipals outperformed Treasuries on the reduced supply, and the 10-year muni/Treasury fell from 76% to 71%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/20/2021	0.39	1.17	1.66	2.11	2.14
MTD Change	0.11	0.20	0.17	0.12	0.09

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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