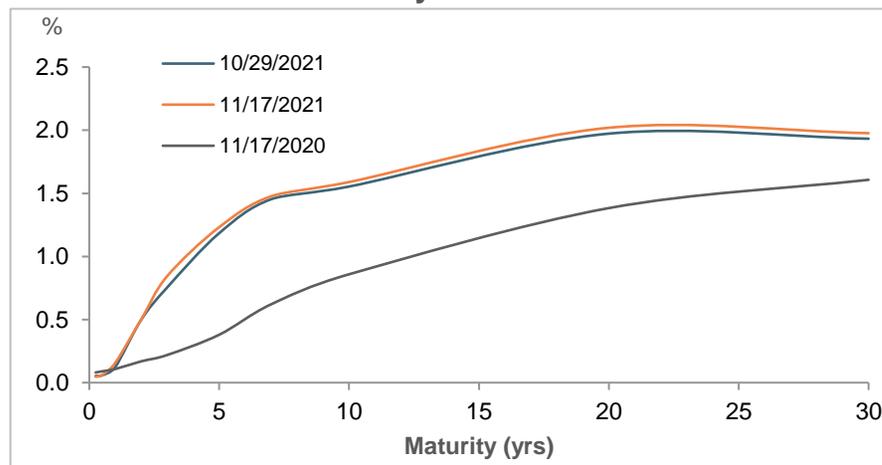




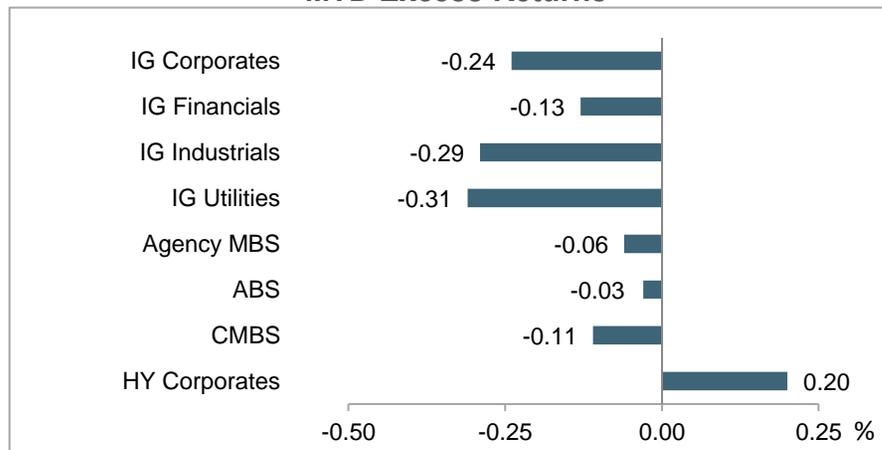
- While inflation concerns cast a shadow on fixed income markets, equities climbed on continued strong earnings and a cornucopia of positive economic data
 - Consumer spending remained hearty in October despite bloated prices; retail sales rose 1.7%, the third consecutive increase
 - The Philadelphia Federal Reserve Bank’s Business Outlook Survey, which measures manufacturing business activity, rose to 39.0 in November, up from 23.8 in October and ahead of an expected 24.0, as firms anticipate continued growth
- Treasury yields rose in the long-end as investors digested the impact of higher inflation; the 10- and 30-year Treasuries were up 4bps and 7bps over the week to close at 1.59% and 1.98%, respectively
 - The 5-year breakeven rose to a record high of 3.21%, while the 10-year breakeven set a 15-year high of 2.75%
- Investment-grade corporate issuers hurried to issue debt before the Thanksgiving holiday, pricing over \$56 billion of a projected \$35 billion
 - Investors gorged on the new issue earlier in the week, but showed signs of fatigue as new issue concessions rose amid heavy supply; spreads widened 3bps, from 88bps to 91bps
- With over \$7 billion in new supply, high-yield issuers also rushed in several deals despite rising yields
 - The yield on the Bloomberg High Yield Index hit an 8-month high of 4.36% on fading risk appetite, and spreads rose 16bps to 296bps
- Commercial mortgage-backed securities (CMBS) underperformed other securitized sectors on heavy issuance; year-to-date issuance of \$138 billion is over 150% ahead of last year’s pace
- Investors continue to gobble up municipal bonds, adding \$2.3 billion to municipal bond mutual funds and ETFs; year-to-date there has only been one week with net outflows

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/17/2021	0.50	1.23	1.59	2.02	1.98
MTD Change	0.00	0.04	0.03	0.05	0.05

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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