

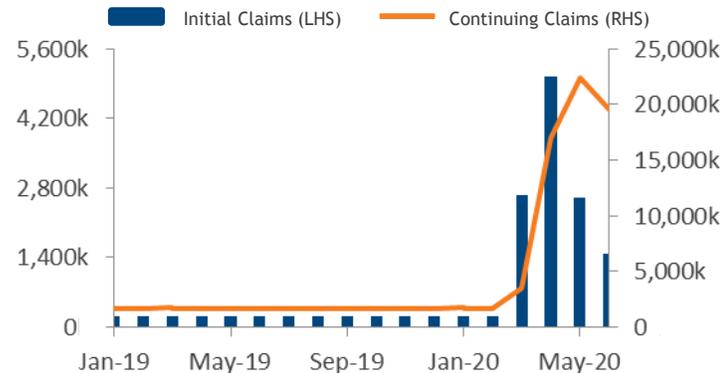
Moves Across the Curve

Long term yields traded within a -10 bp range last week as mixed economic data coincided with negative trade headlines. Rates ended the week lower as markets digested growing U.S. infection rates and stalling reopening plans.

Interest Rates	2- year	5- year	10- year	30- year	2s10s	Current 1mL	Current 3mL	SOFR
This Week Open	0.16%	0.30%	0.65%	1.38%	49 bps	0.17100%	0.29613%	0.09%
Weekly Change	-2 bps	-2 bps	-4 bps	-8 bps	-2 bps	-1 bps	-	-
YoY Change	-161 bps	-148 bps	-136 bps	-116 bps	+24 bps	-221 bps	-202 bps	-242 bps

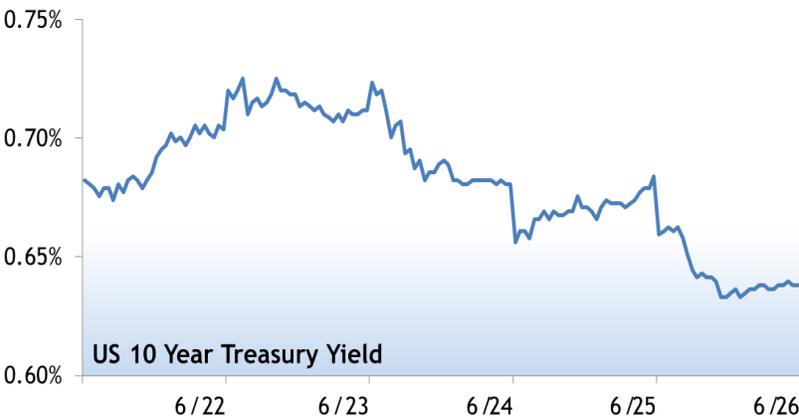
Key Economic Data

Economic Calendar	Actual	Survey	Prior / Revised
Existing Home Sales	3.91m	4.09m	4.33m
New Home Sales	676k	640k	580k
Initial Jobless Claims	1,480k	1,320k	1,540k
Continuing Claims	19,522k	20,000k	20,289k
Personal Income	-4.2%	-6.0%	10.8%
Personal Spending	8.2%	9.3%	-12.6%



Last week's data was largely mixed. May personal income declined 4.2% while spending jumped 8.2%. Initial jobless claims totaled 1.48 million, slightly exceeding expectations of 1.32 million. Pandemic unemployment levels remain stubbornly elevated, although the total number of individuals receiving benefits fell below 20 million for the first time in two months.

Important Trade Headlines

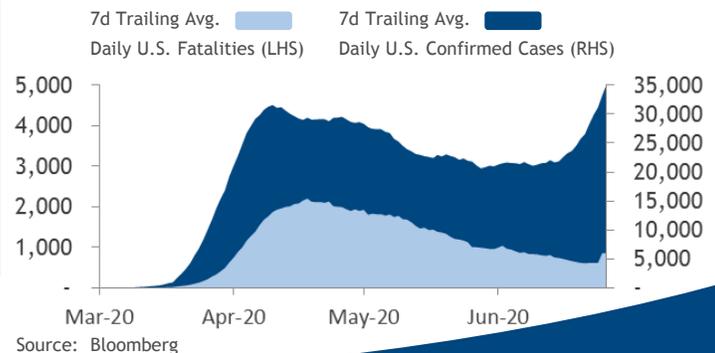


- Chinese officials have expressed a “strong dissatisfaction” with U.S. pressure over matters in Hong Kong, warning that crossing “red lines” in what China considers its own internal affairs could jeopardize the Phase One trade deal.
- The Trump administration is considering new tariffs on \$3.1 billion of European goods as part of the most recent response to an ongoing dispute over aircraft subsidies.
- Driven by decreases in global consumption, the International Monetary Fund downgraded expectations for the global economy in 2020 and 2021, projecting a 4.9% economic contraction in 2020.

Coronavirus: Second Wave

As coronavirus infections accelerate, state and local officials are faced with tough decisions in a tug-of-war between medical and economic risks. Credit markets remain focused on evolving reopening plans and their economic implications.

- New U.S. cases are being reported in excess of 40,000 per day with only two U.S. states currently reporting a decline in new cases. In response, a total of twelve states have abandoned reopening plans.
- After months of travel restrictions, Europe is planning to reopen borders to visitors on July 1. However, Europe is likely to prohibit inbound American travel as the U.S. struggles to contain the pandemic.



Source: Bloomberg

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