



Corporate Volatility Remains Elevated

- While spreads as of Friday's close narrowed only 1 basis point, volatility in the corporate credit market remained elevated following comments by Fed Chair Powell and Friday's jobs report.
- An improved macro tone following what were perceived as dovish comments by Powell on Tuesday provided more favorable conditions for the Investment Grade primary market and caused modest spread tightening.
- The knee-jerk reaction to Friday's weak jobs report was a move wider in spreads. However, as the day progressed, there was capitulation back to unchanged to a few basis points better in spots.
- Investment Grade supply surprised to the upside this week as market conditions improved and a number of issuers brought deals, presumably many that had been sidelined by volatility over the last week or two. Over half of this week's \$25 billion was printed on Wednesday when nine borrowers crowded into the market.

Corporate Spreads



Source: Bloomberg

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