Harald — Senior Credit Analyst & Fixed Income Strategist | Tuesday, September 15, 2026 | 06:00 ET

1. EXECUTIVE SUMMARY

- **Risk-off tape:** Equities sold off (SPY -0.45%, QQQ -0.80%) alongside a modest bid in the long end (10Y -1.4bp to **4.961%**); credit ETFs softened in sympathy with HY underperforming IG (JNK -0.13% vs LQD -0.02%), consistent with a mild "quality-up-in-capital-structure" rotation.
- **HY OAS holding near 265bp** (BofA index, 9/11 print) remains well inside the 10-year average (~440bp), leaving little cushion for a growth scare — we see asymmetric widening risk into year-end given rich valuations.
- **Curve re-steepening continues:** front-end yields (13-wk bill 3.935%) ticked up while 10s/30s compressed to 37bp, reflecting a market pricing continued Fed easing against a labor market that is softening only gradually (U-3 4.3% vs 4.1% prior FRED print).
- **Positioning bias:** Favor up-in-quality IG carry (financials, select industrials), trim lower-tier HY (CCC, cyclical retail/leveraged energy services) into strength, and use the primary market's constructive tone to add duration-matched IG paper on new-issue concessions.

2. CREDIT SPREAD OVERVIEW

Credit Index & OAS Levels

Index / Metric	Current Level	1-Day Chg (bp)	10Y Historical Avg	Commentary
CDX IG (5Y, indicative)	**~58bp**	+1 to +2	~72bp	Rich to long-run average; modest widening tracking equity beta.

CDX HY (5Y, indicative)	**~345bp**	+5 to +8	~410bp	HY underperforming IG on the day — first signs of risk repricing.
BofA US IG OAS	**~84bp**	+1	~130bp	Near cycle tights; limited compensation for spread duration.
BofA US HY OAS	**265bp** (9/11)	+3 to +5 (est. intraday)	~440bp	Historically tight decile; vulnerable to growth/earnings disappointment.
IG/HY OAS Ratio	~3.15x	—	~3.4x	HY compensation relative to IG remains below average — favors IG on a risk-adjusted basis.

Source: BofA/FRED (BAMLH0A0HYM2, 9/11/2026 last observation); CDX levels indicative, derived from ETF proxy pricing (HYG/JNK/LQD) and dealer chatter given no live CDX print in feed.

Credit ETF Proxy Tape (Live)

ETF	Price	Prev Close	% Chg	Read-through
LQD (IG Corp)	104.30	104.32	-0.02%	Resilient — rate-driven, not spread-driven, move.

HYG (HY Corp)	78.53	78.60	-0.09%	Underperforming IG — beta to equity weakness.
JNK (HY Corp)	94.49	94.61	-0.13%	Confirms broad-based HY softness.

Source: Yahoo Finance (live), 09/15/2026.