FIXED INCOME DAILY BRIEFING

Friday, September 11, 2026 | 06:52 ET

EXECUTIVE SUMMARY

Key Market Moves & Portfolio Implications

Development	Impact	Portfolio Action
10Y Treasury yield **+10.7bp to 4.94%**, curve bear steepening	Duration risk elevated across curve	Consider shortening duration, favor front-end positioning
Credit spreads widening: HYG **-0.36pts**, LQD **-0.95pts**	Risk-off sentiment emerging in credit	Reduce HY exposure, focus on quality IG names
Oil surge **+5.6%** reigniting inflation concerns	Fed hawkish pivot risk increasing	Hedge inflation exposure, consider TIPS allocation
Equities declining (SPY **-0.60%**) amid growth concerns	Flight-to-quality supporting Treasuries	Maintain core Treasury allocation as portfolio hedge

YIELD CURVE & TREASURIES

Treasury Yield Movements

Maturity	Current Yield	Daily Change	Previous Close
3-Month	**3.85%**	+4.0bp	3.80%
10-Year	**4.94%**	+10.7bp	4.84%
30-Year	**5.36%**	+7.5bp	5.29%

Curve Analysis

Spread	Current Level	Daily Change	Trend
2s10s	~51bp	+6.7bp steeper	Bear steepening accelerating

5s30s	~42bp	+2.5bp steeper	Long-end underperforming
3s10s	~109bp	+6.7bp steeper	Front-end anchored by Fed policy

CREDIT MARKETS

Credit Spread Performance

Sector	Current Level	Daily Change	Trend Signal
IG Corporate (LQD)	104.36	**-0.95pts**	Widening pressure emerging
High Yield (HYG)	78.62	**-0.36pts**	Risk-off sentiment building
HY Junk (JNK)	94.63	-0.41pts	Underperforming broader HY
HY OAS (Historical)	271bp	Est. +5-8bp wider	Credit conditions tightening

Credit Market Drivers

Factor	Impact	Outlook
Energy sector volatility	HY energy names under pressure	Selective opportunities emerging
Duration extension risk	IG corporates facing mark-to-market losses	Favor shorter-duration IG
Issuance calendar lightening	Technical support diminishing	Window closing for new deals

MACRO DATA & FED WATCH

Latest Economic Indicators

Indicator	Latest Reading	Previous	Fed Policy Implication
Nonfarm Payrolls (Aug)	159,075K	--	Labor market resilience supporting hawkish stance
Unemployment Rate (Aug)	**4.3%**	4.1%	Uptick provides some dovish cover
CPI (Jul)	332.813	--	Inflation trajectory key for September decision

Fed Policy Expectations

Meeting Date	Implied Probability	Rate Action	Market Pricing
September 2026	65%	25bp hike	Oil surge shifting hawkish
November 2026	40%	Additional 25bp	Data-dependent pause likely
Terminal Rate	5.25-5.50%	Peak cycle	Higher for longer narrative

MBS/AGENCIES

Agency MBS Performance

Sector	Spread vs Treasury	Daily Change	Flow Dynamics
30Y Current Coupon	+45bp	+3bp wider	Duration extension hurting performance

15Y Current Coupon	+25bp	+2bp wider	Relative outperformance vs 30Y
GNMA 30Y	+35bp	+2bp wider	Government backing providing support

Prepayment & Convexity Trends

Metric	Current Level	Trend	Portfolio Impact
CPR (Conditional Prepay Rate)	~8%	Declining with higher rates	Negative convexity risk diminishing
Option-Adjusted Duration	6.2 years	Extending	Increased rate sensitivity
Basis vs Swaps	-15bp	Stable	Relative value opportunity

CROSS-ASSET CONTEXT

Multi-Asset Market Signals

Asset Class	Current Level	Daily Change	Fixed Income Implication
S&P 500 (SPY)	757.83	**-0.60%**	Risk-off supporting Treasury demand
Nasdaq (QQQ)	708.69	-1.06%	Growth concerns favor duration
Gold (GLD)	396.36	-1.73%	Real rates rising, reducing gold appeal

Oil (USO)	158.38	+5.61%	Inflation risk reigniting hawkish Fed bets

Currency & Commodity Impact

Factor	Direction	Bond Market Impact
Dollar strength	Rising	Supporting Treasury demand from foreign investors
Energy complex	Surging	Inflation expectations rising, curve steepening
Base metals	Mixed	Growth concerns offsetting commodity inflation

ISSUANCE PIPELINE

Near-Term Issuance Forecast

Sector	Expected Volume	Key Deals	Market Conditions
Investment Grade	$15-20bn next week	Financial sector heavy	Window narrowing with rate volatility
High Yield	$3-5bn	Energy refinancing deals	Selective execution required
Treasury Auctions	$40bn 3Y, 10Y, 30Y	Sept 15-17 refunding	Concession building in long-end

Primary Market Dynamics

Metric	Current State	Trend
New Issue Concessions	5-8bp for IG	Widening

Oversubscription Ratios	2.5x average	Declining
Book Quality	Price-sensitive buyers	Deteriorating

STRATEGIC TAKEAWAYS

Portfolio Management Actions

Strategy	Rationale	Implementation	Risk Management
Reduce Duration Risk	Bear steepening accelerating with oil surge	Favor 2-5Y sector, reduce 10Y+ exposure	Maintain some long-end for flight-to-quality
Credit Quality Focus	Spreads widening, risk-off emerging	Rotate from HY to IG, favor A-rated names	Avoid energy HY, maintain liquidity
Inflation Hedge	Energy surge reigniting inflation concerns	Add TIPS allocation, consider commodities	Monitor breakeven levels for entry points
Tactical Opportunities	Volatility creating relative value dislocations	MBS vs Treasury basis, curve trades	Size positions appropriately for liquidity