U.S. Credit Update – September 9, 2025

- Fixed Income and Corporate Sector Returns
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- Biggest Movers
- Credit ETF Flows
- Issuance Recap

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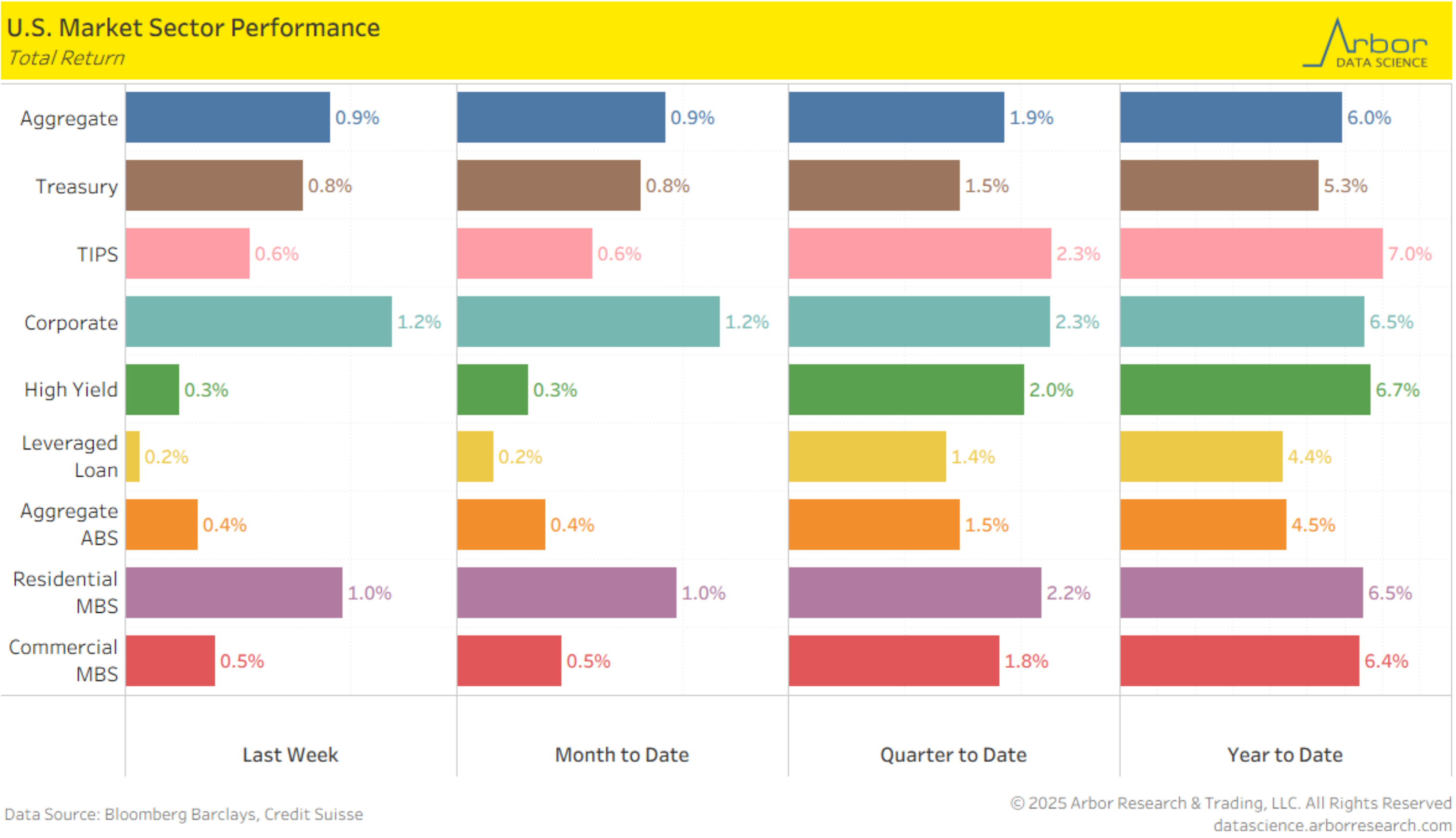
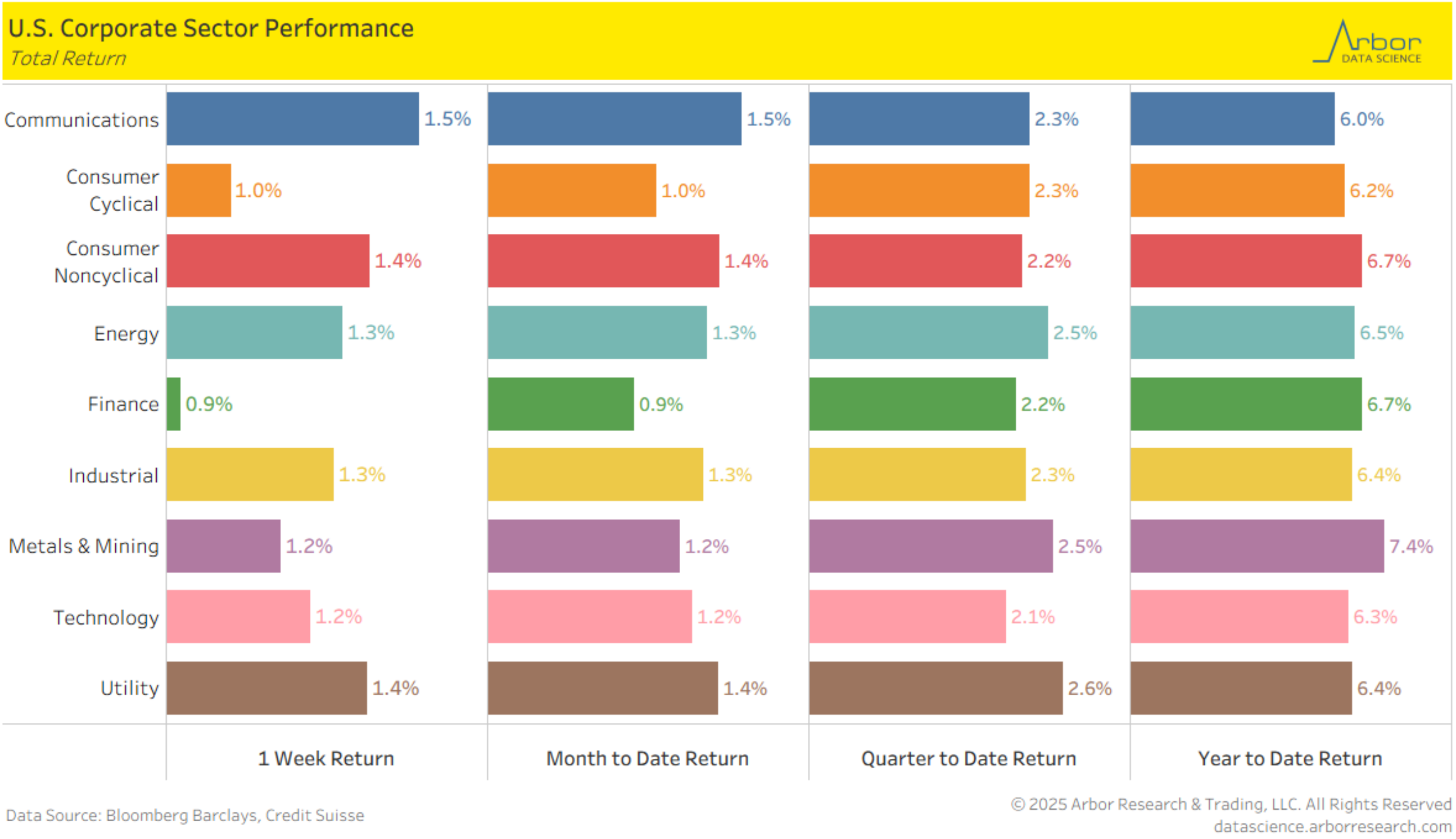
Fixed Income Sector Unhedged Total Returns

Treasurys rally on weak jobs report.
US Treasurys rallied 10-15 bps last week, with the largest move following Friday's weak August nonfarm payrolls report. This led to the market pricing in more than just a September rate cut. A number of dealers are now calling for 3 cuts by year end.



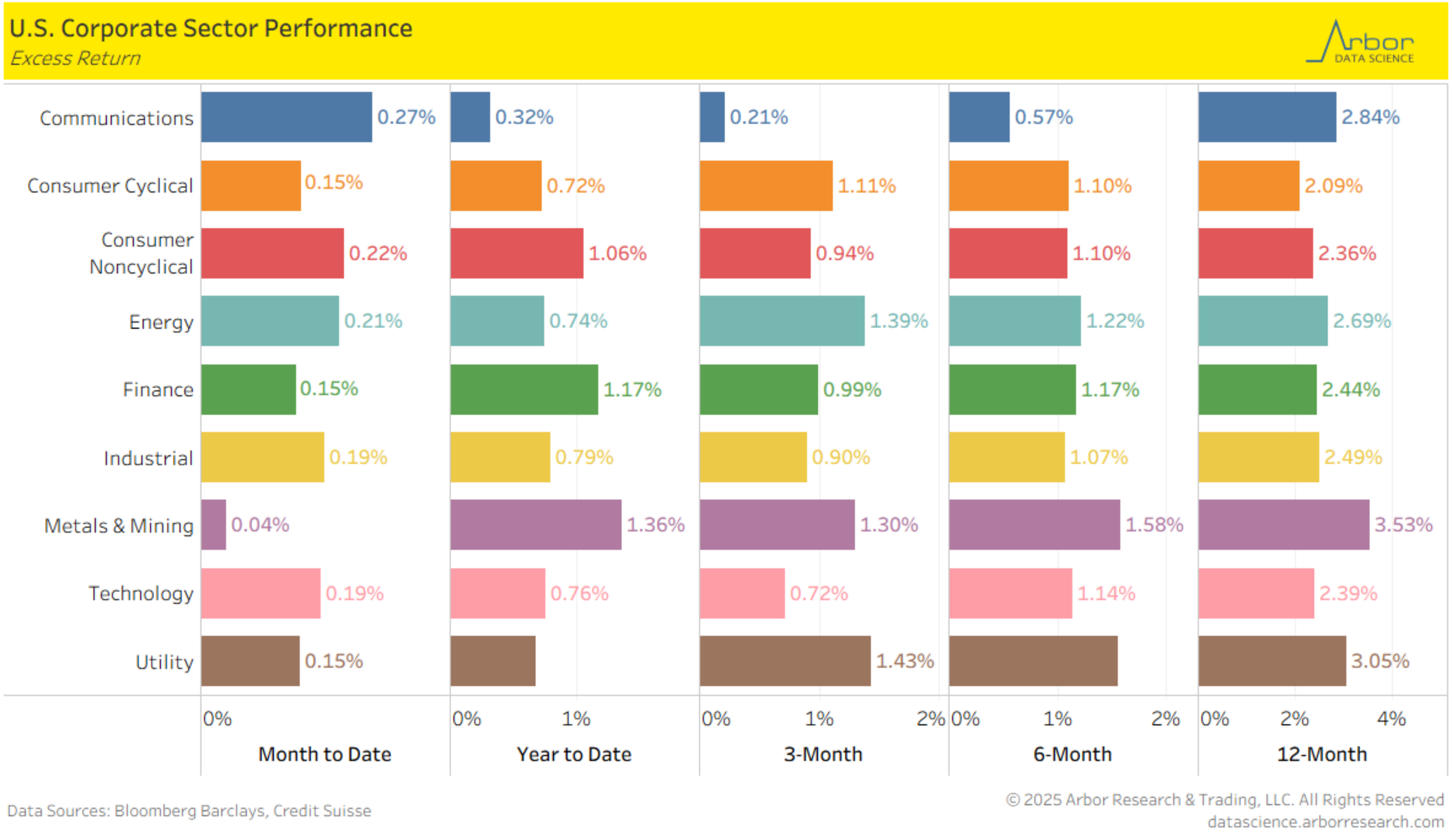
Corporate Sector Unhedged Total Returns

IG credit stable in the face of significant primary issuance.
The market had no problem digesting one of the heaviest weeks of new issuance in 2025. The new issue concession averaged 2 bps and most deals performed well on the break. The index finished unchanged, while cash spreads improved 2-5 bps.

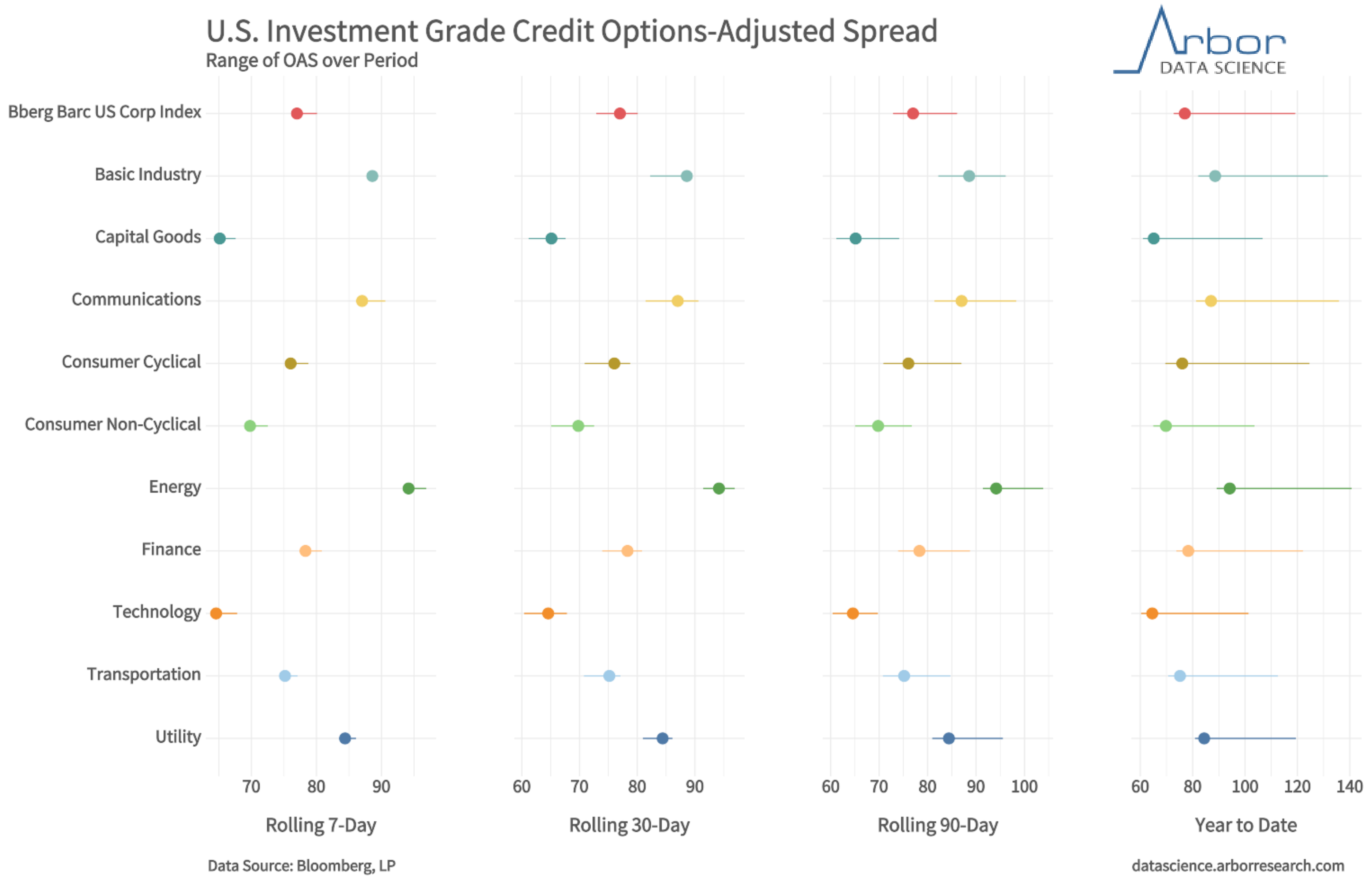


Corporate Sector Excess Returns

Credit curves flatten on demand for longer duration.
Dealers reported portfolio trades they saw last week amounted to net client buying of $1.8 billion. This was roughly broken down as net buying of $3 billion in 10-30 years, while clients net sold $1.2 billion in 0-7 year securities.



Corporate Sector OAS



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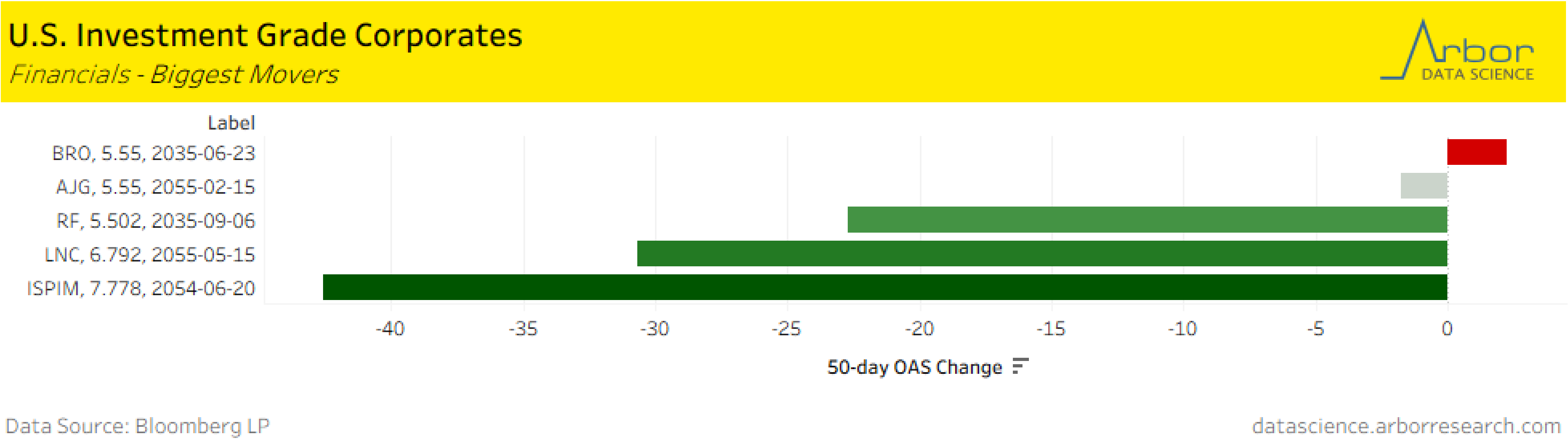
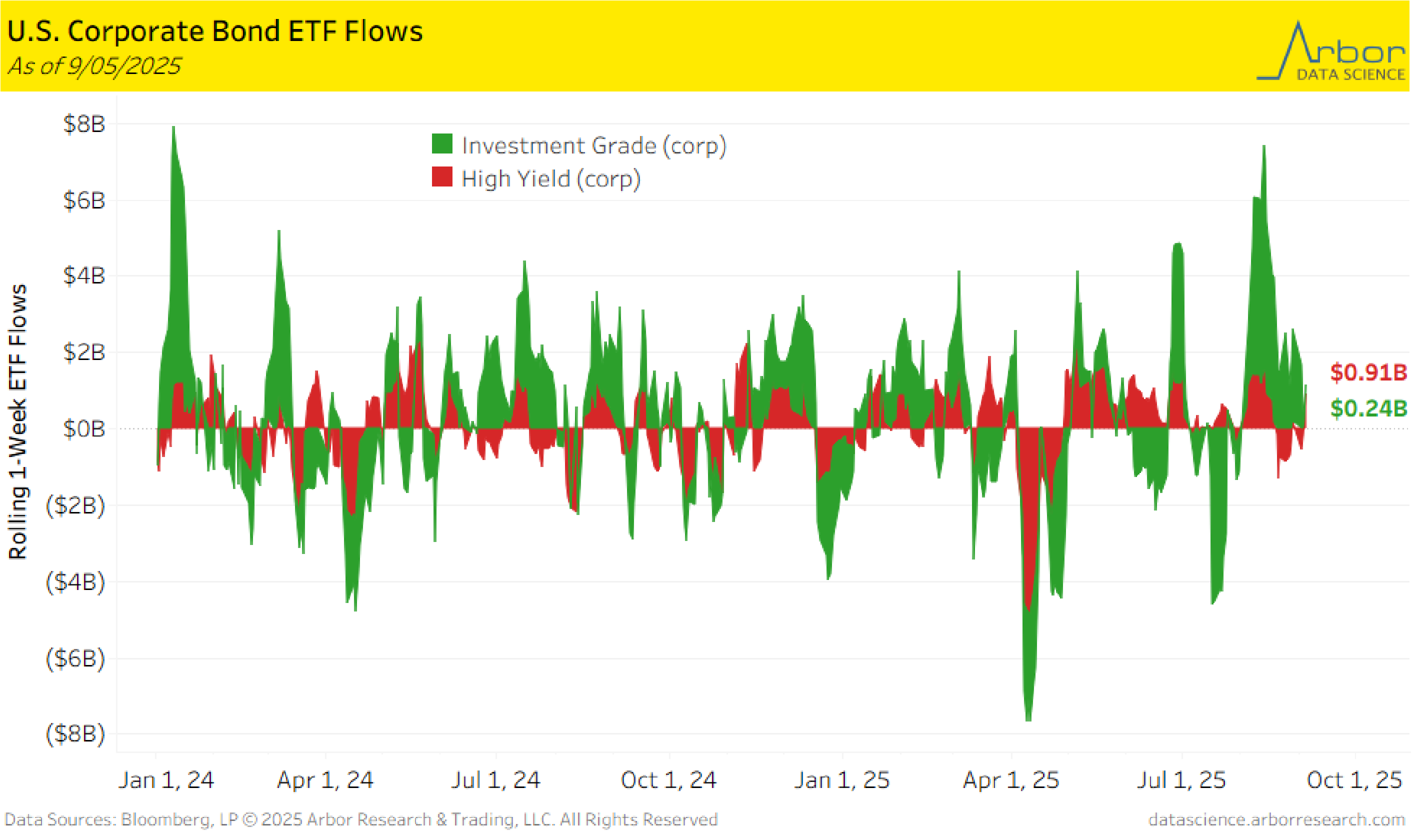


IG credit fund inflows were robust again last week. They took on $8.24 billion vs. +$7.29 billion during the prior survey week. High grade mutual fund flows were strong, increasing to +$4.6 billion vs. +$1.25 billion last week. IG ETFs saw inflows fall to +$3.63 billion from +$6.04 billion. High yield funds saw inflows of +$0.95 billion vs. -$0.69 billion previously.

Corporate Bond ETF Flows

Corporate bond ETFs were positive last week, with high-yield ETFs gaining $0.91 billion and investment-grade ETFs gaining $0.24 billion.

The chart shows stacked rolling one-week flows into corporate bond ETFs.



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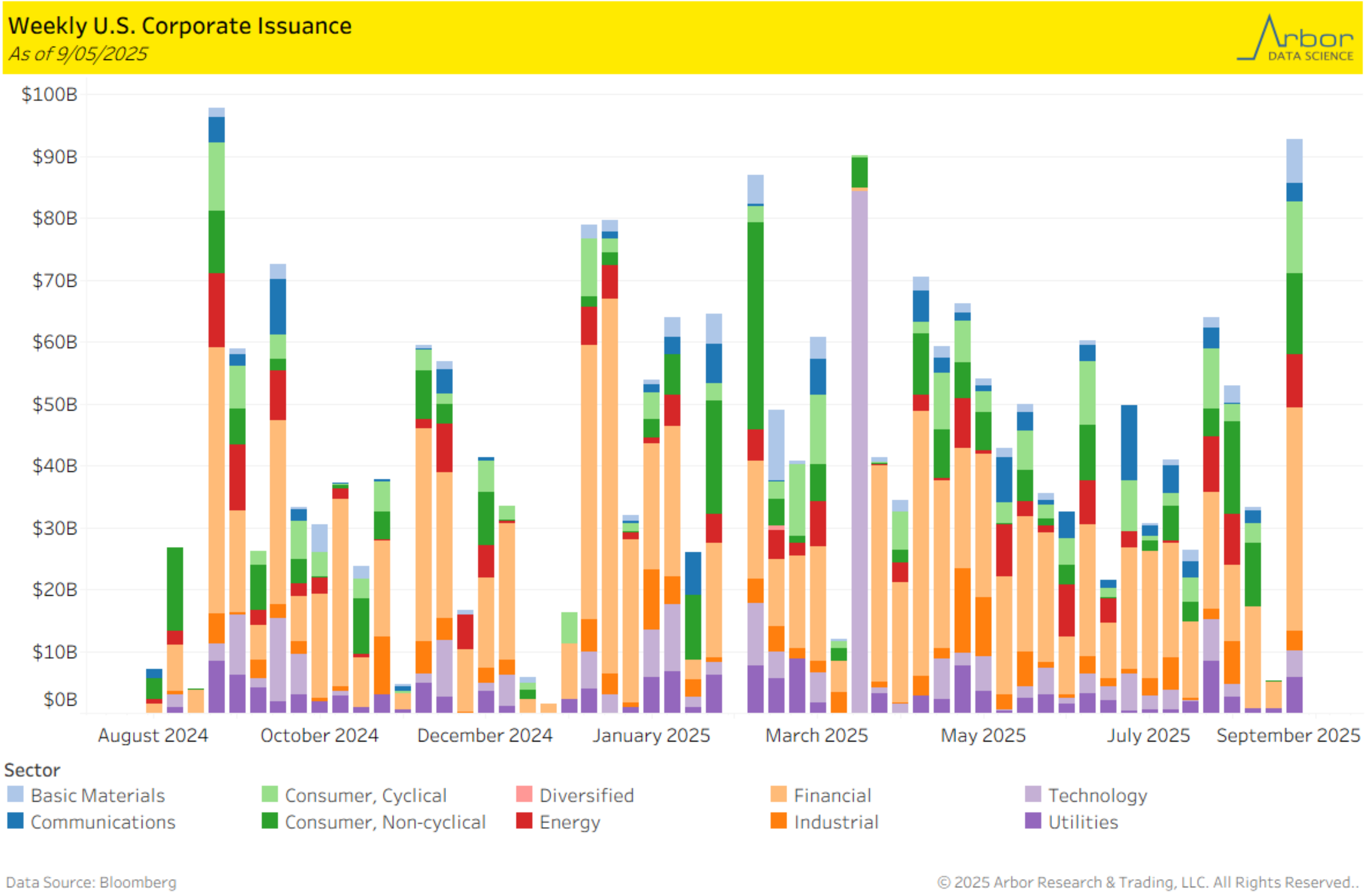
Issuance Recap

Primary issuance to start September was robust. $69 billion came to market during a 3-day stretch, vs. $60 billion estimates. 34% of the tranches were in 10-30+ year maturities, showing client interest in duration ahead of Fed rate cuts. $35 billion is expected to price this week.



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