

U.S. Credit Update – April 07, 2026

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

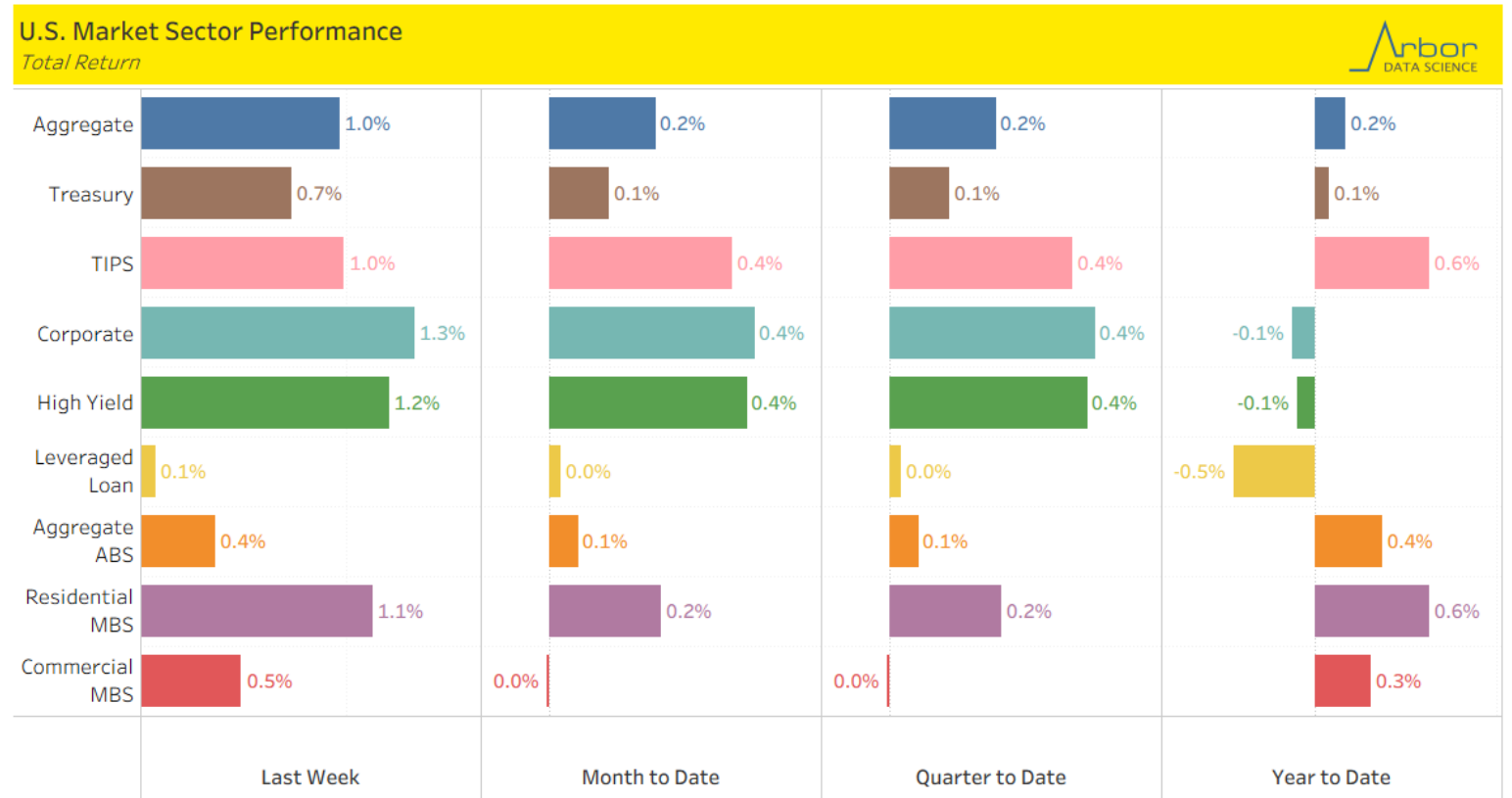
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Gus Handler and Scott Hirth
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Fixed Income Sector Unhedged Total Returns

Treasurys close higher

The market continues to be highly headline driven. Rates fell by 6-9 bps across the curve as optimism about the war concluding outweighed a robust March payrolls report.



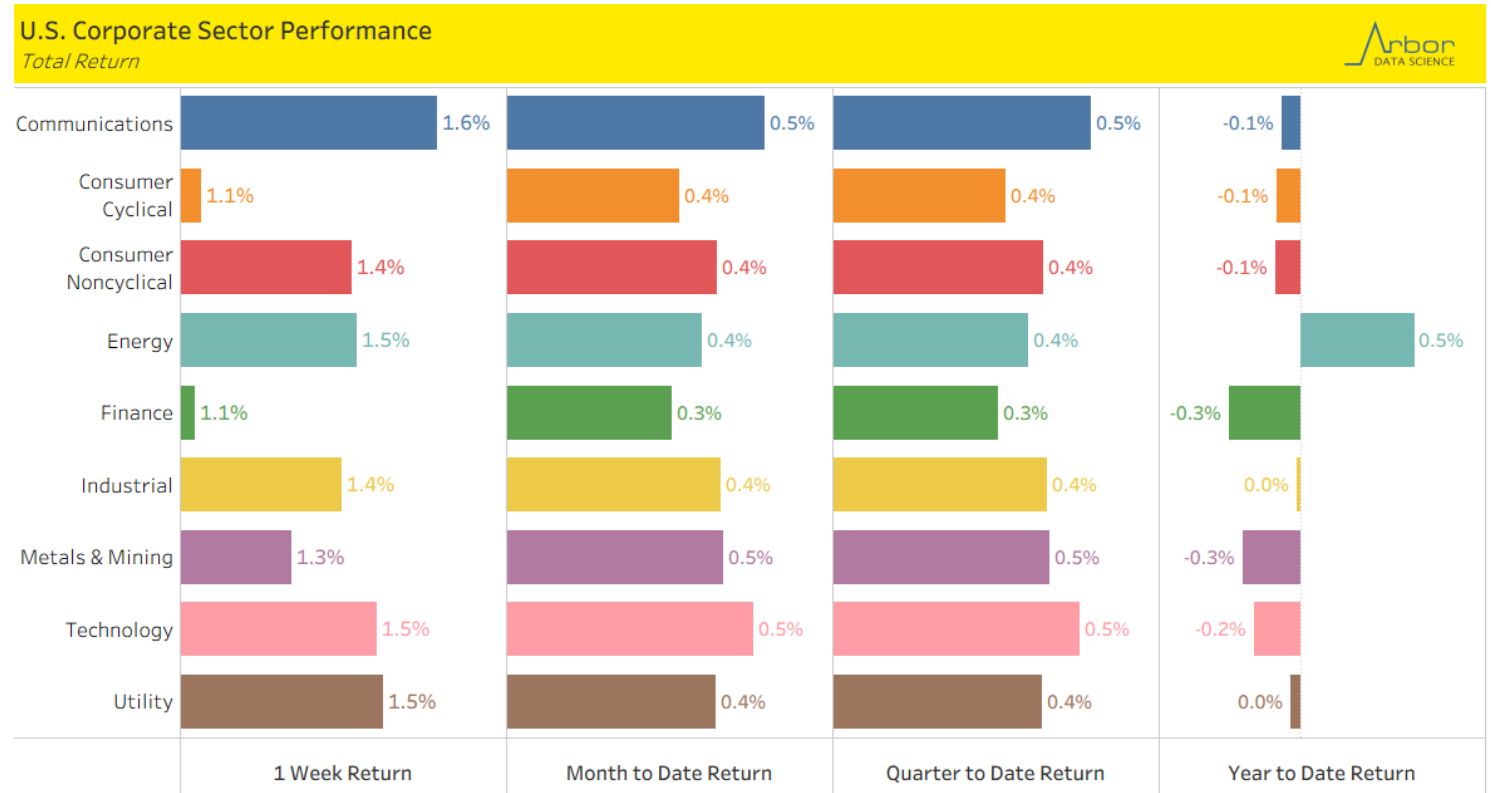
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Corporate Sector Unhedged Total Returns

Cash spreads tighter.

IG cash spreads closed the week 7-11 bps better on strong buying from portfolio trading accounts into month/quarter end. Tuesday's session was the most active on record for TRACE volume.



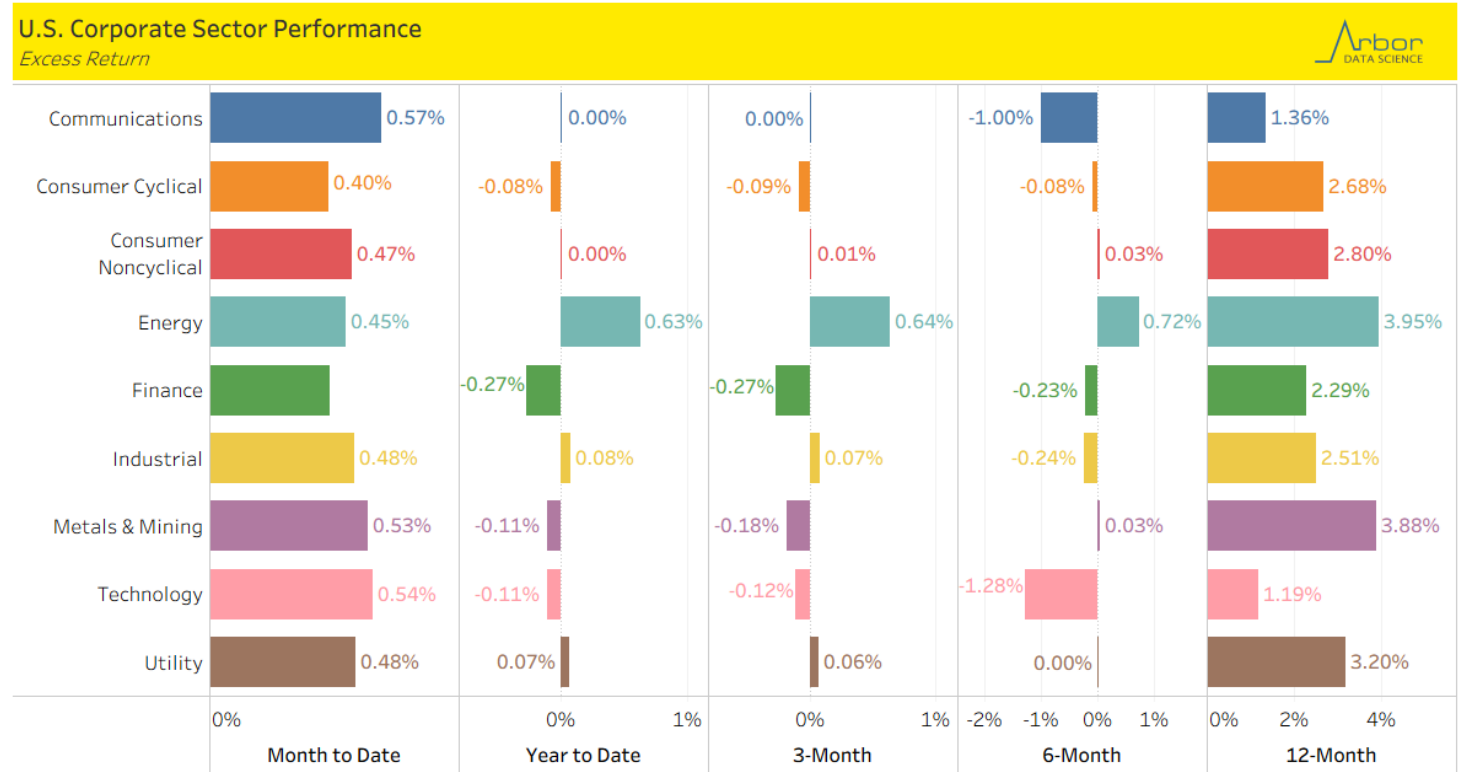
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Corporate Sector Excess Returns

IG credit index underperforms.

The Bank of America credit index tightened 4 bps last week, lagging what was seen in the cash markets. Limited issuance and stocks closing +1.6-2.2% were contributing factors. Clients were net buyers by \$2 billion, led by 3-12 year maturities.

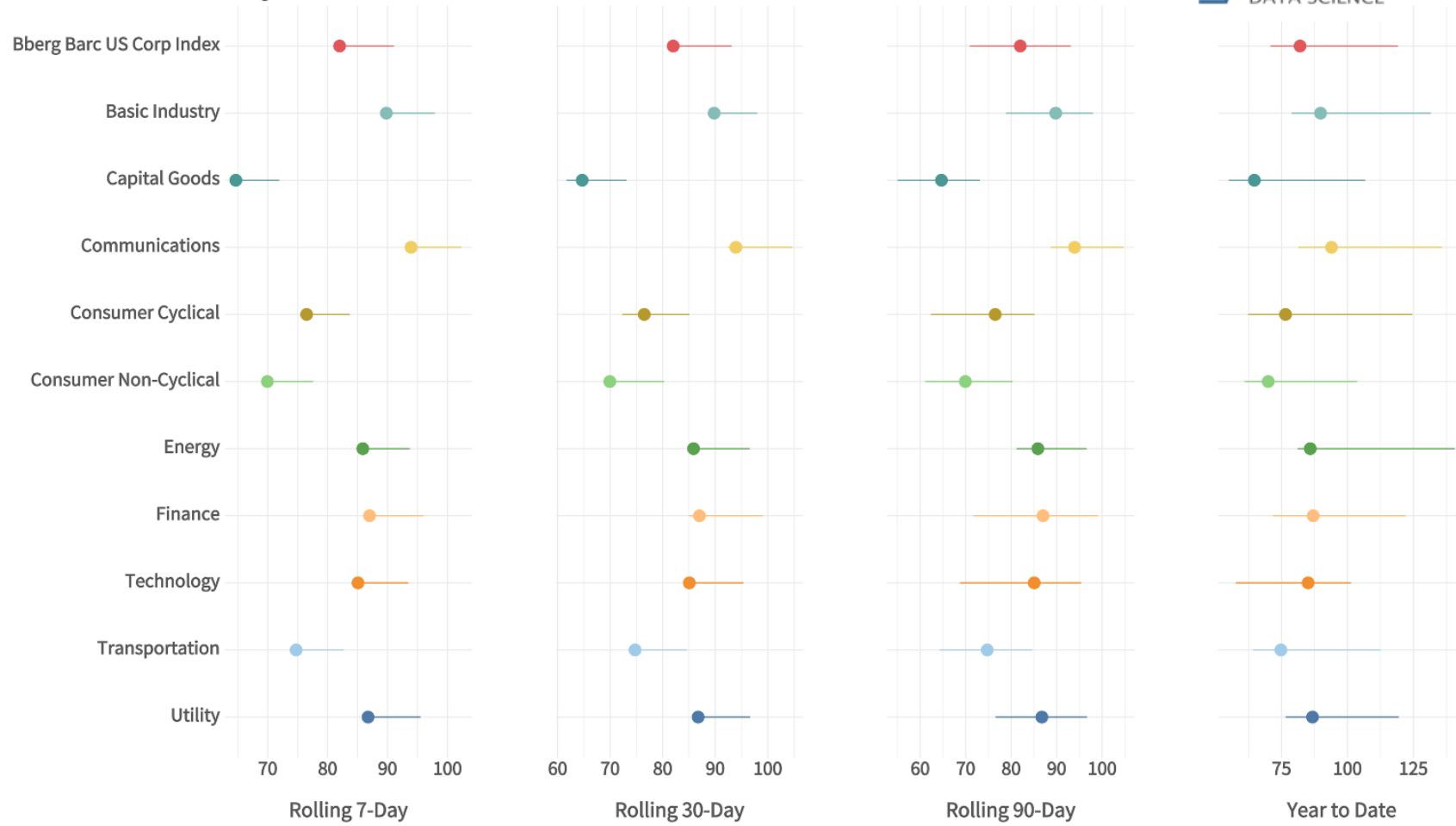


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Corporate Sector OAS

U.S. Investment Grade Credit Options-Adjusted Spread
Range of OAS over Period

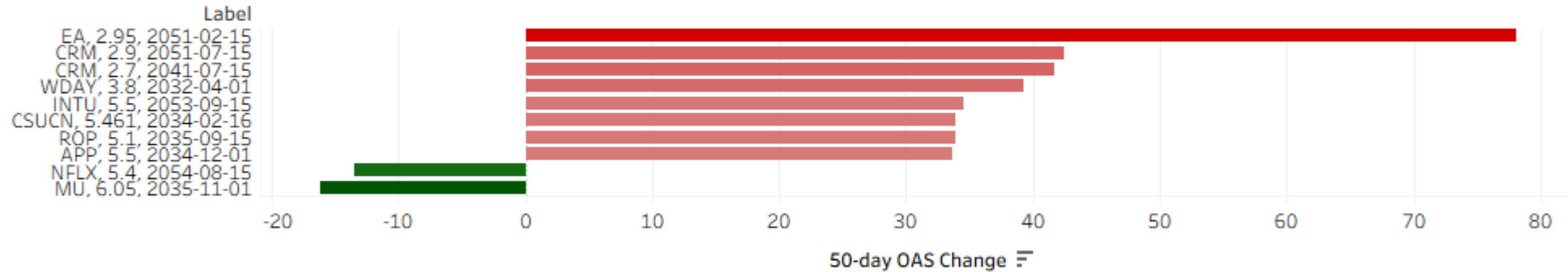


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U.S. Investment Grade Corporates

Communications & Technology - Biggest Movers



Data Source: Bloomberg LP

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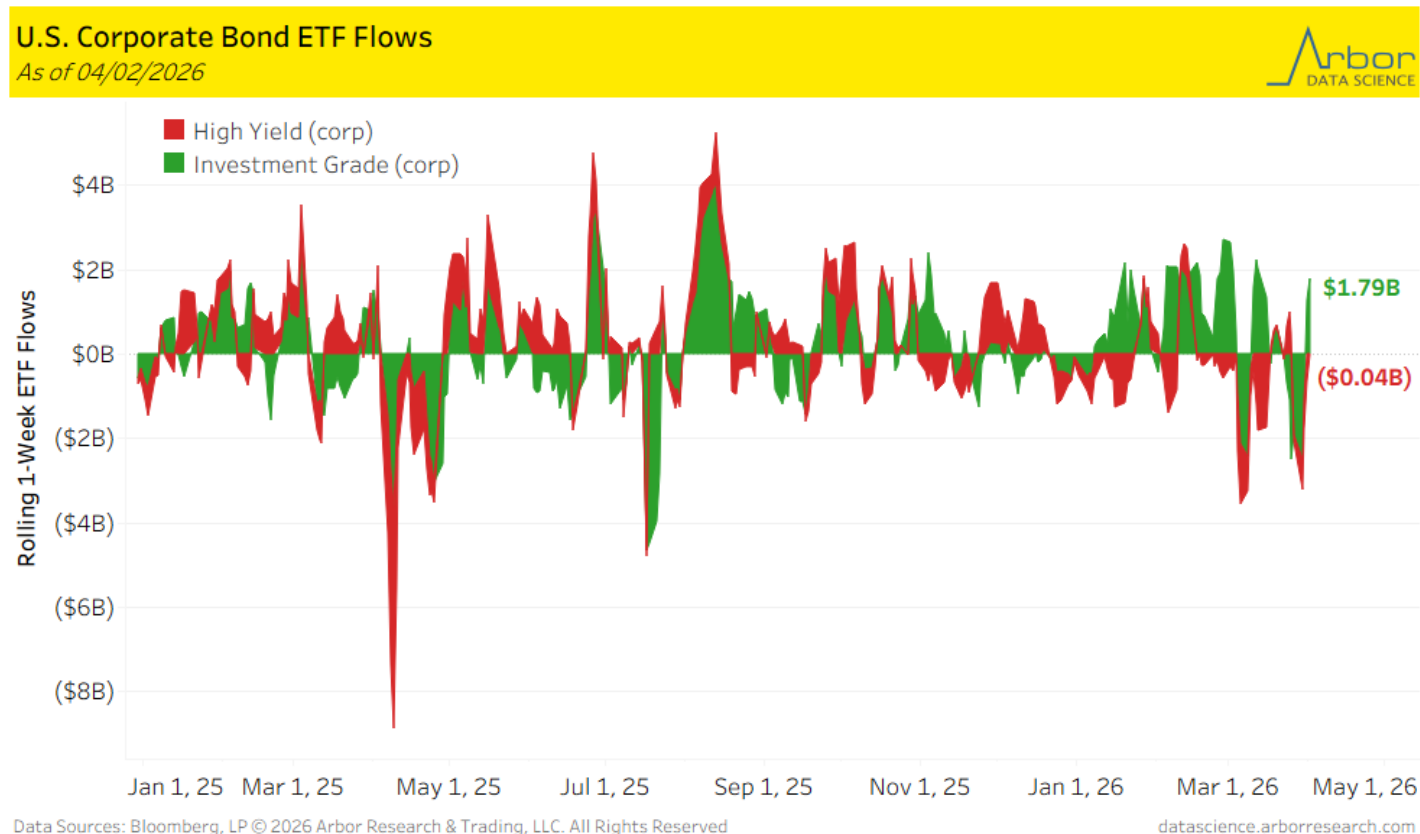
High grade credit fund flows turned net negative last week for the first time since 4/2025 at -\$0.33 billion. This was all led by -\$2.36 billion in outflows from high grade mutual funds, down from -\$0.29 billion last week. IG credit ETFs actually posted a gain of +\$2.02 billion from +\$1.67 billion.

Outflows accelerated for HY & EM, while remains flat for loans.

Corporate Bond ETF Flows

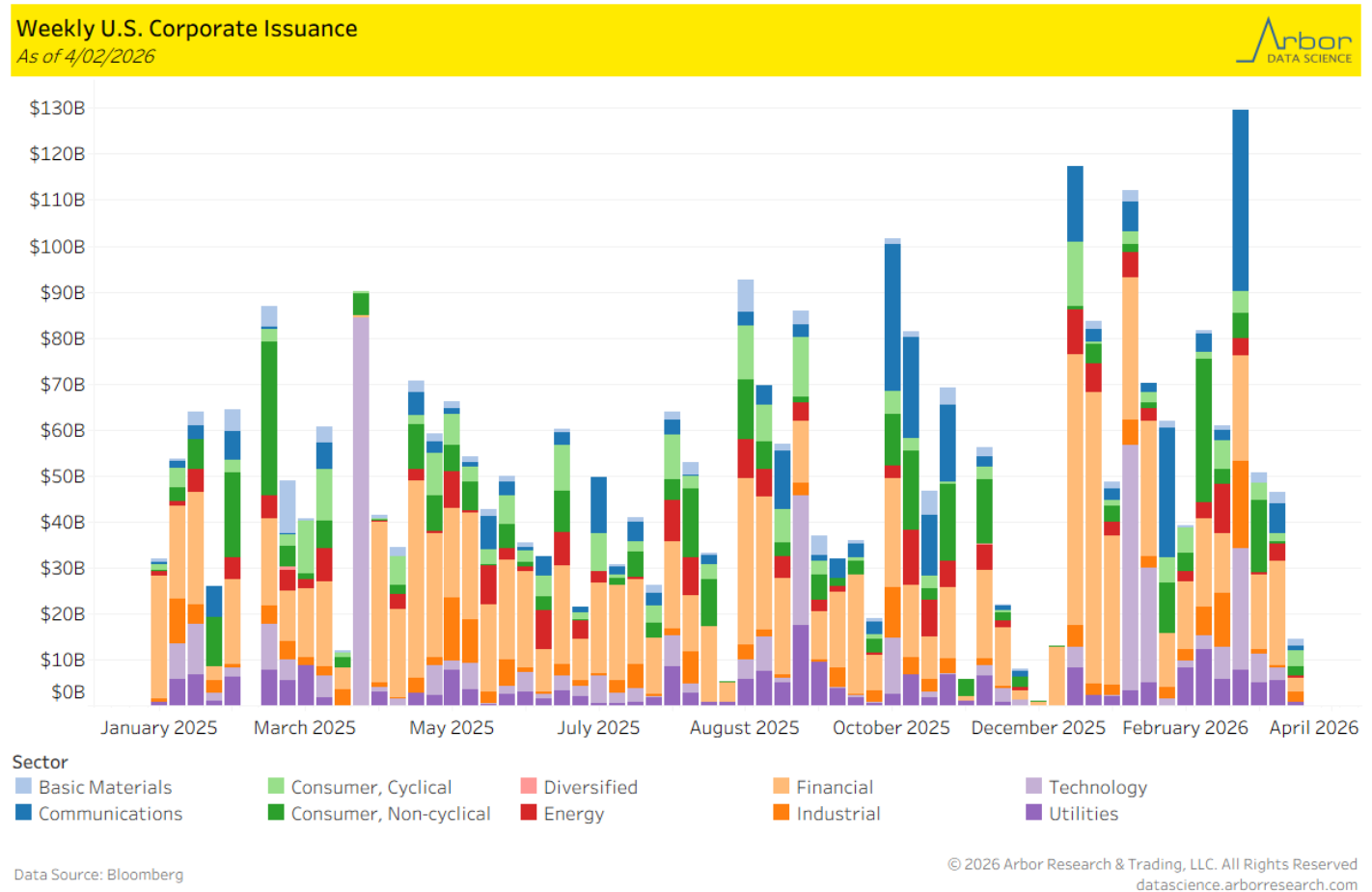
Corporate bond ETF flows were mixed for the week ended 04/02/2026, with High-Yield ETFs losing \$0.04 billion and Investment-Grade ETFs gaining \$1.79 billion.

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



Issuance Recap

Primary issuance came in slightly under expectations last week at \$8 billion vs. \$10 billion. Consensus is for \$20 billion this week.



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