U.S. Credit Update – July 7, 2026

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

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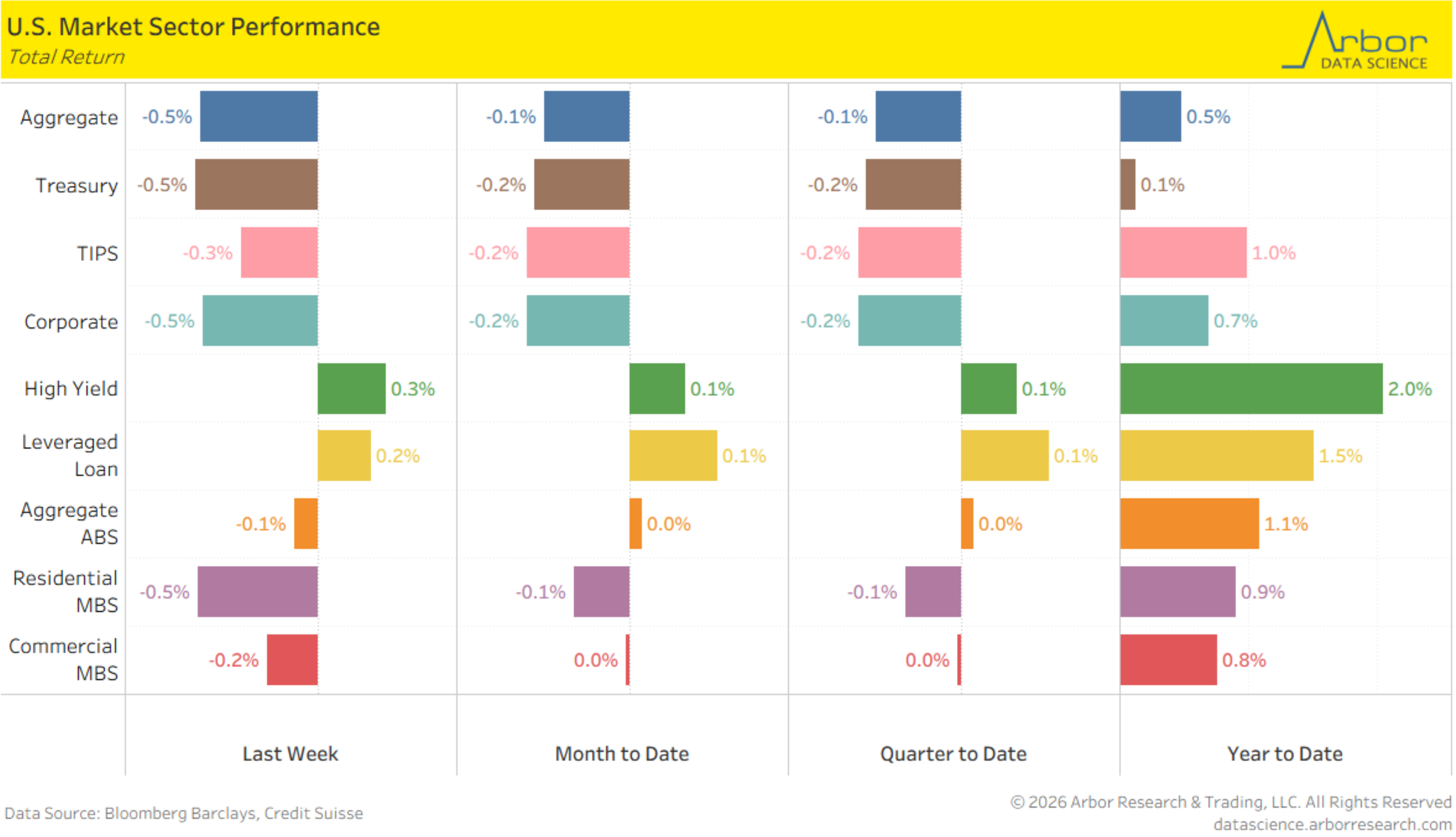
Fixed Income Sector Unhedged Total Returns

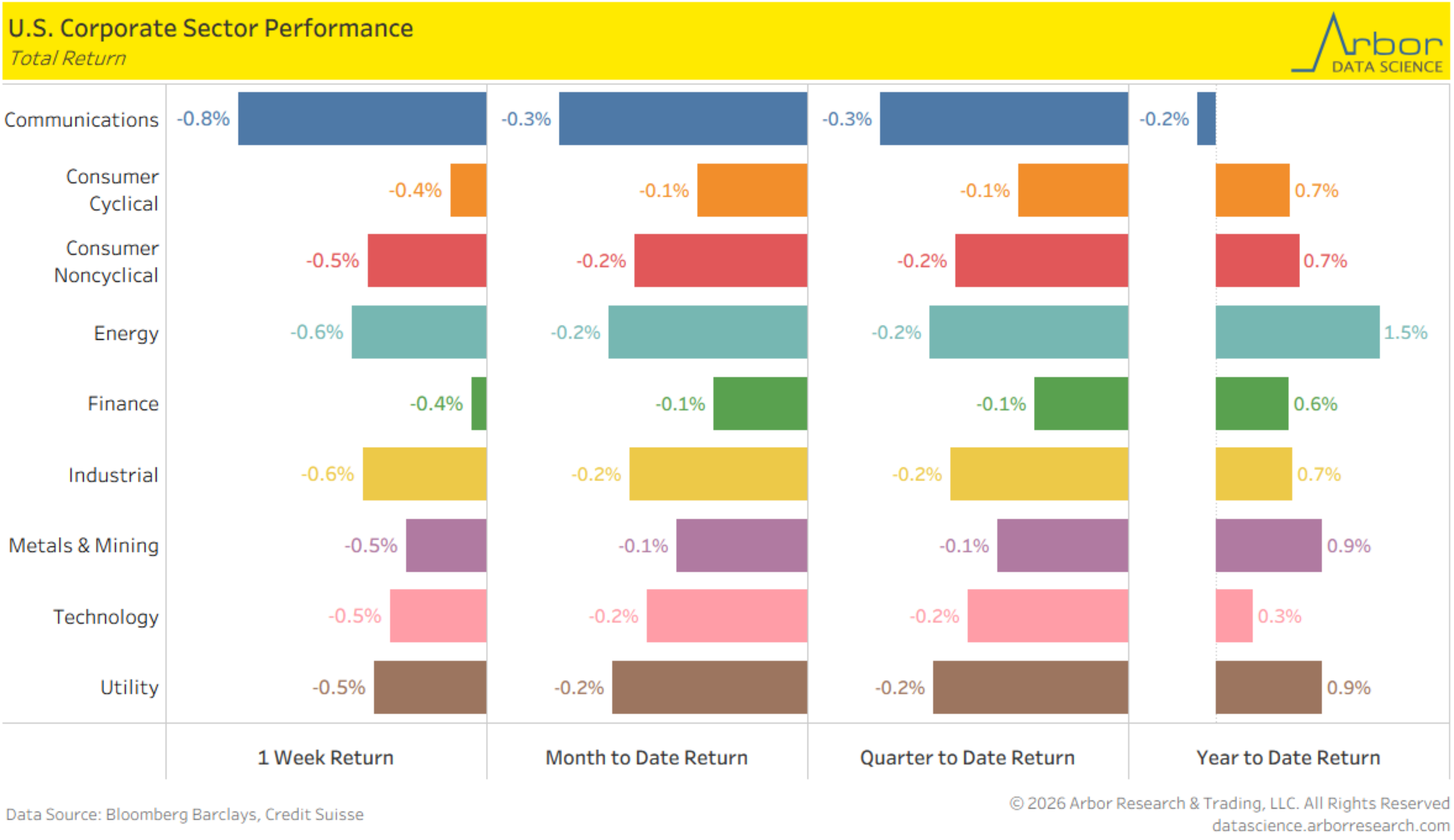
Treasury yields higher on Fed comments. Treasury yields rose last week on the heels of hawkish Fed comments. The curve bear steepened with the 2s/10s curve jumping +7 bps. Intermediate to long rates rose 10-12 bps.



Corporate Sector Unhedged Total Returns

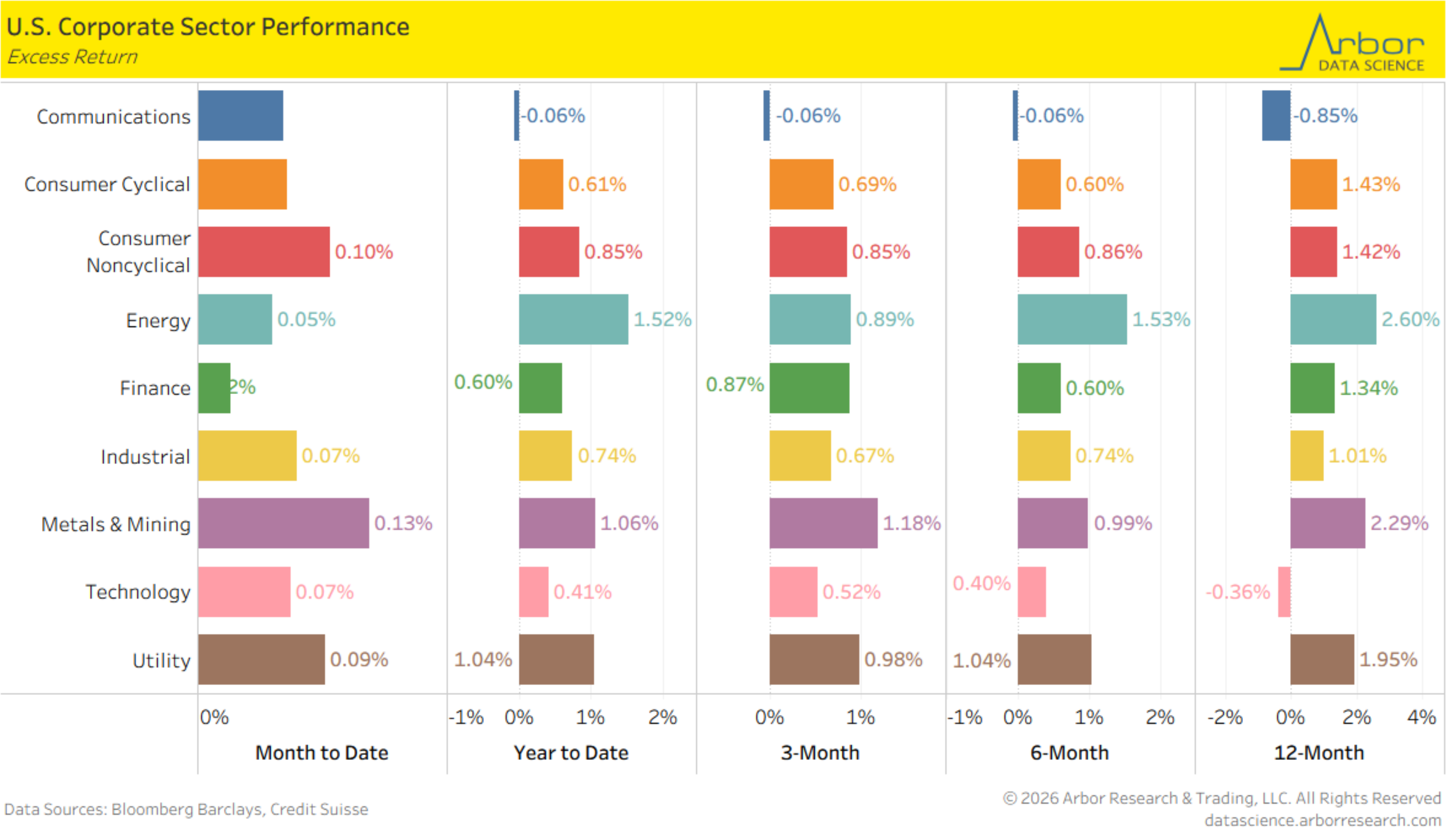
IG credit slightly underperforms Treasurys in June.

IG credit returned +0.19% in June vs. +0.31% for Treasurys. Large outflows from equity ETFs led to a -0.95% return for stocks during the month.

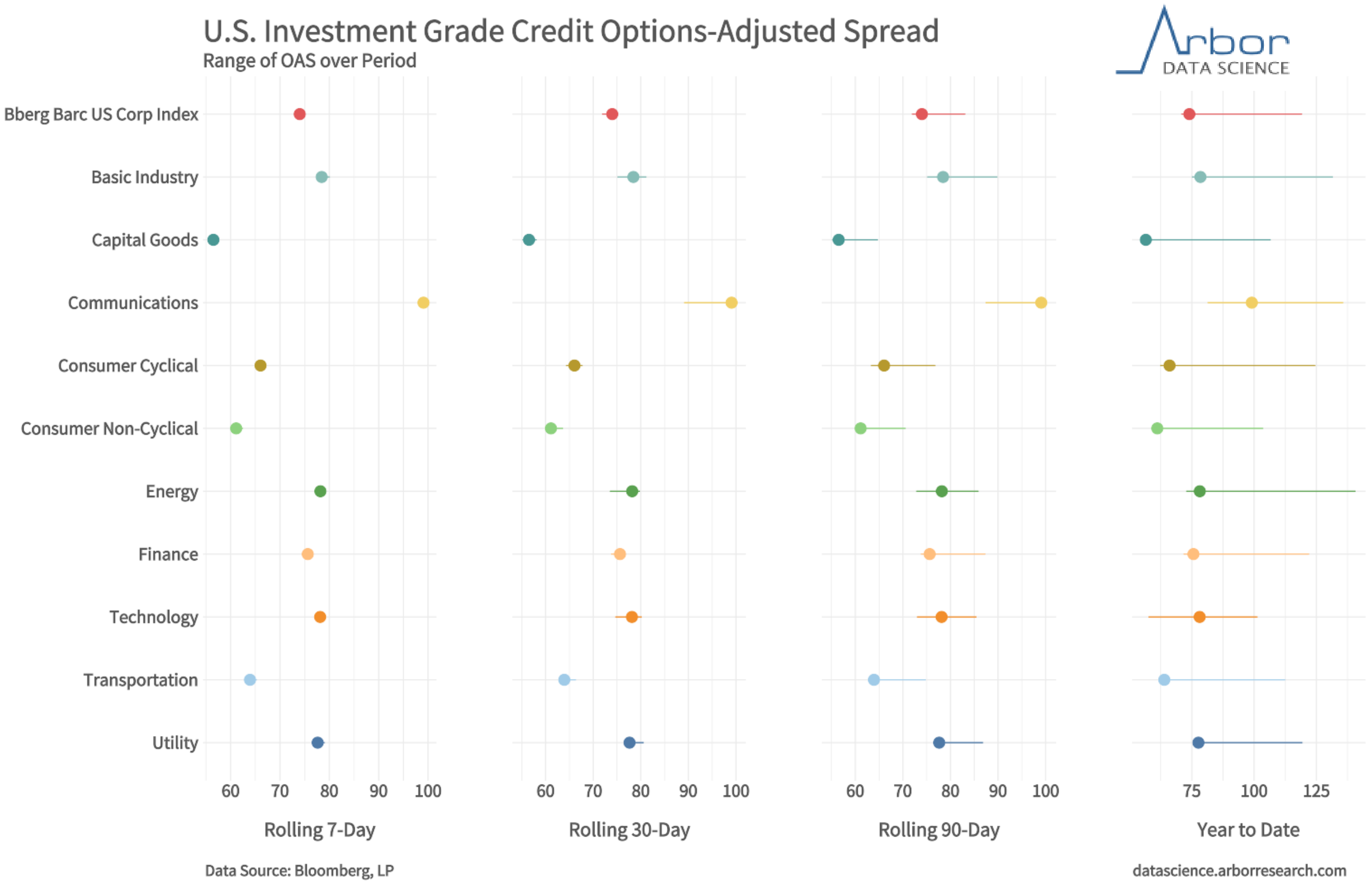


Corporate Sector Excess Returns

IG credit closed the week 3-4 bps tighter. Cash spreads tightened 3-4 bps and the index improved 2 bps last week. Better demand was seen in shorter maturities, while real money was generally a better seller of duration despite higher rates.



Corporate Sector OAS



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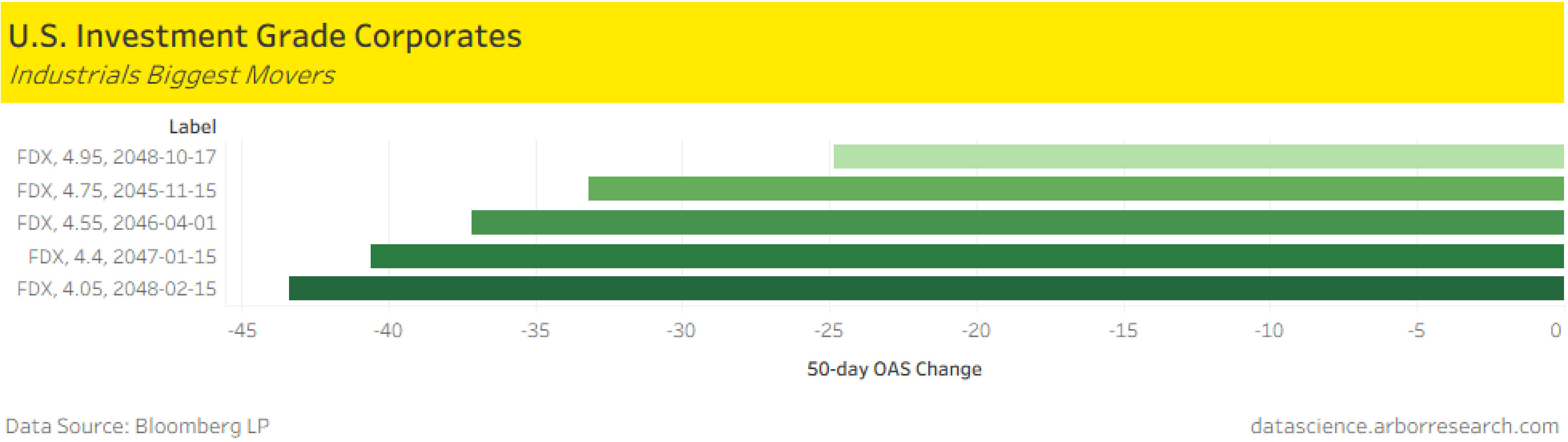


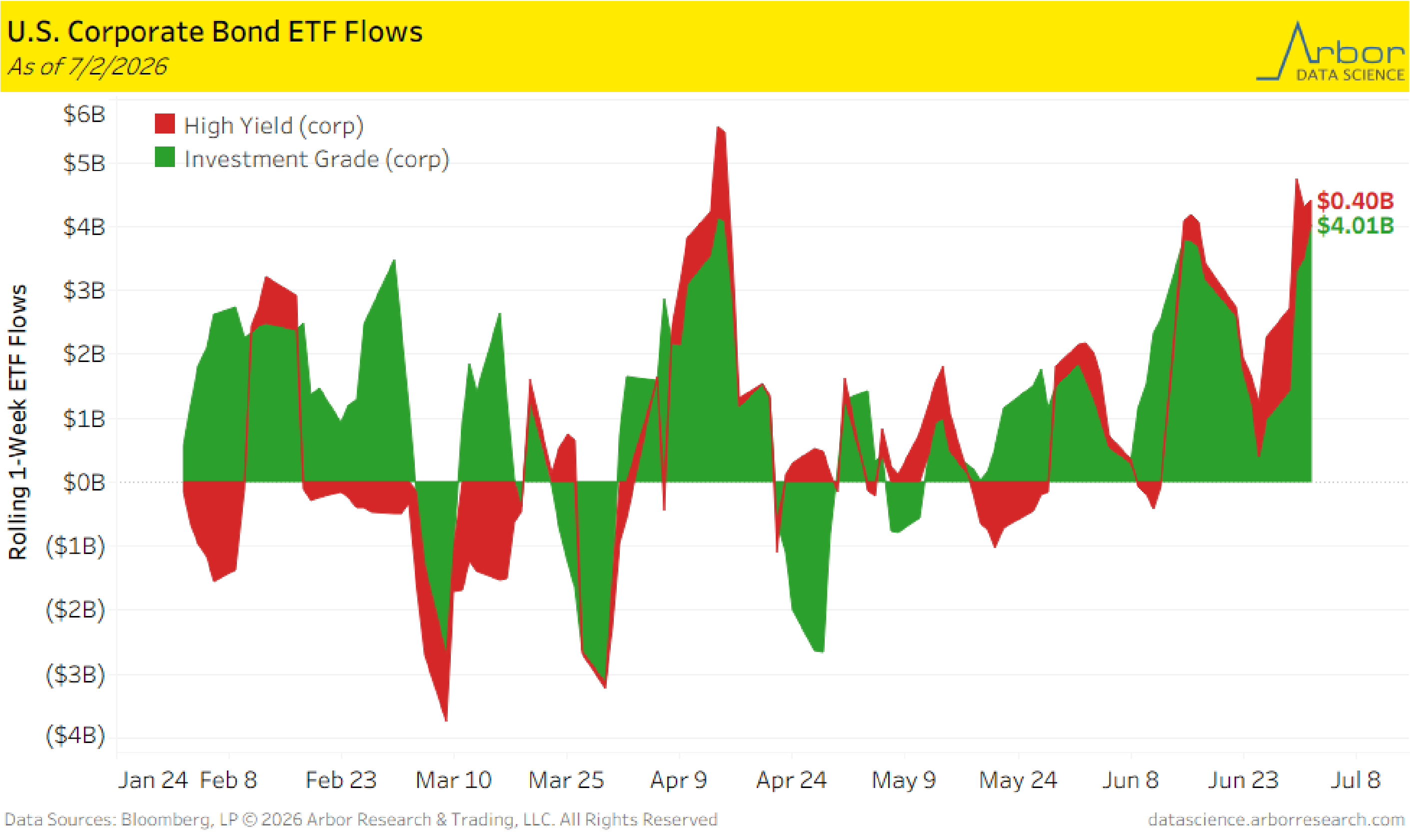
High grade credit fund flows remained steady last week, taking on +$7.82 billion of new money vs. +$7.67 billion during the previous week. ETFs accounted for +$7.25 billion vs. +$5.74 billion during the prior survey period. Mutual funds only saw +$0.57 billion vs. +$1.93 billion last week.

Equities saw another week of large outflows, losing -$34.19 billion vs. -$4.51 billion previously. This marked the largest outflow from stocks since 12/2024.

Corporate Bond ETF Flows

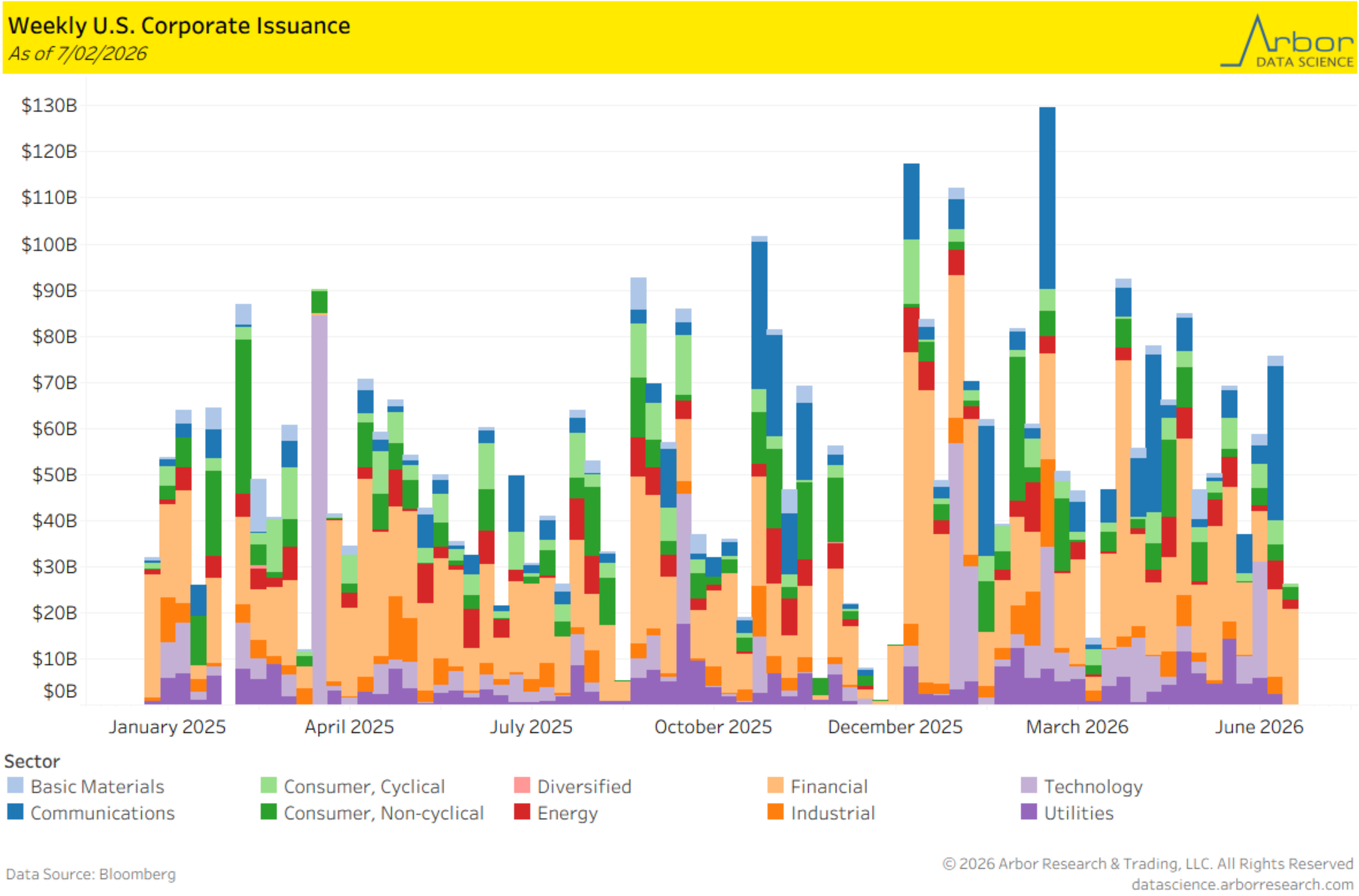
Corporate bond ETF flows were positive for the week ended 7/2/2026, with High-Yield ETFs gaining $0.40 billion and Investment-Grade ETFs gaining $4.01 billion.

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



Issuance Recap

Primary issuance came in ahead of expectations last week at $18 billion vs. $10 billion estimates. Total issuance in June registered $206 billion vs. a consensus of $135 billion. This marked the busiest June on record. YoY issuance is +31% v. 1H25 and +45% vs. the 3-year average.



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