U.S. Credit Update – August 4, 2026

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

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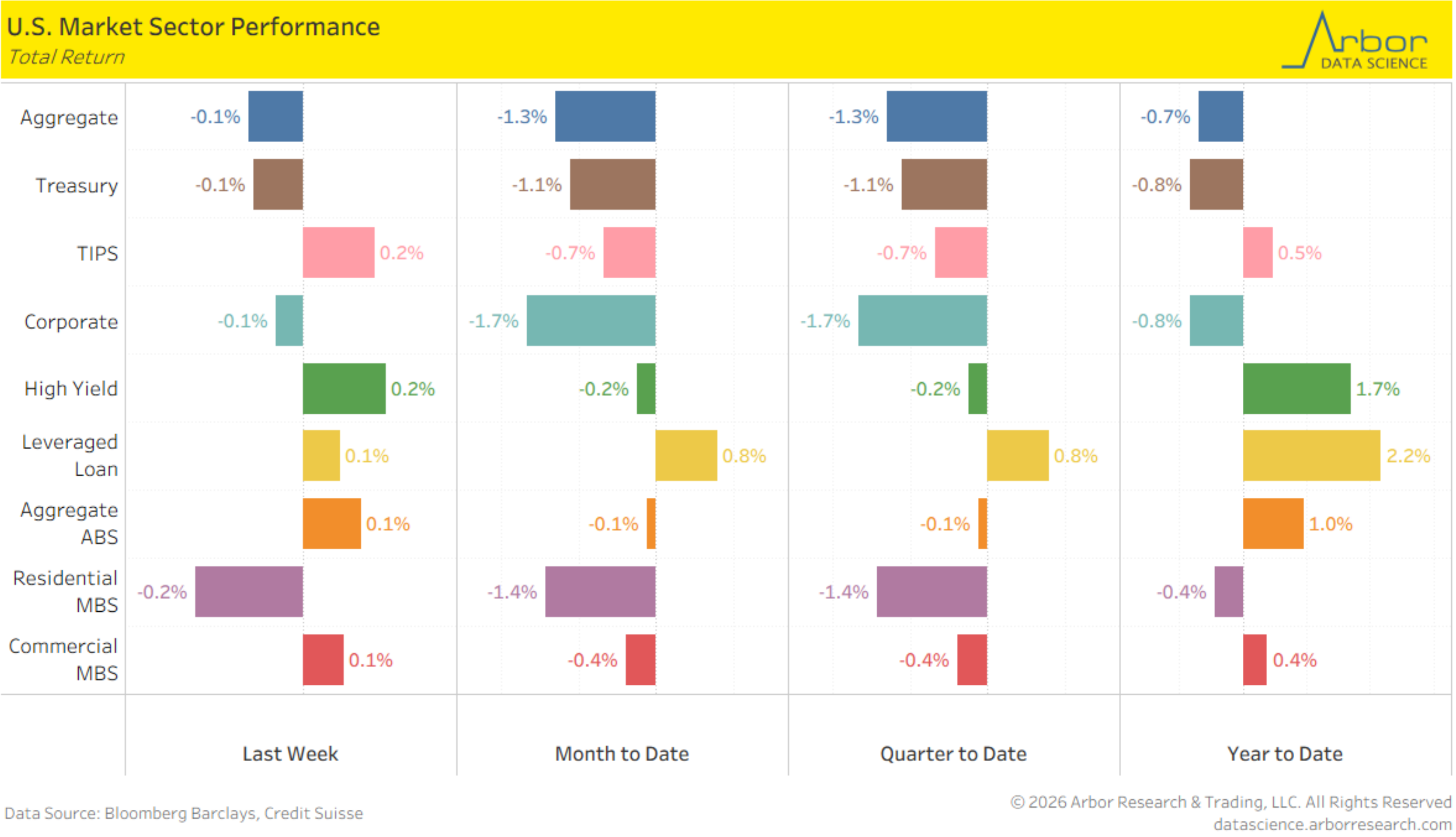
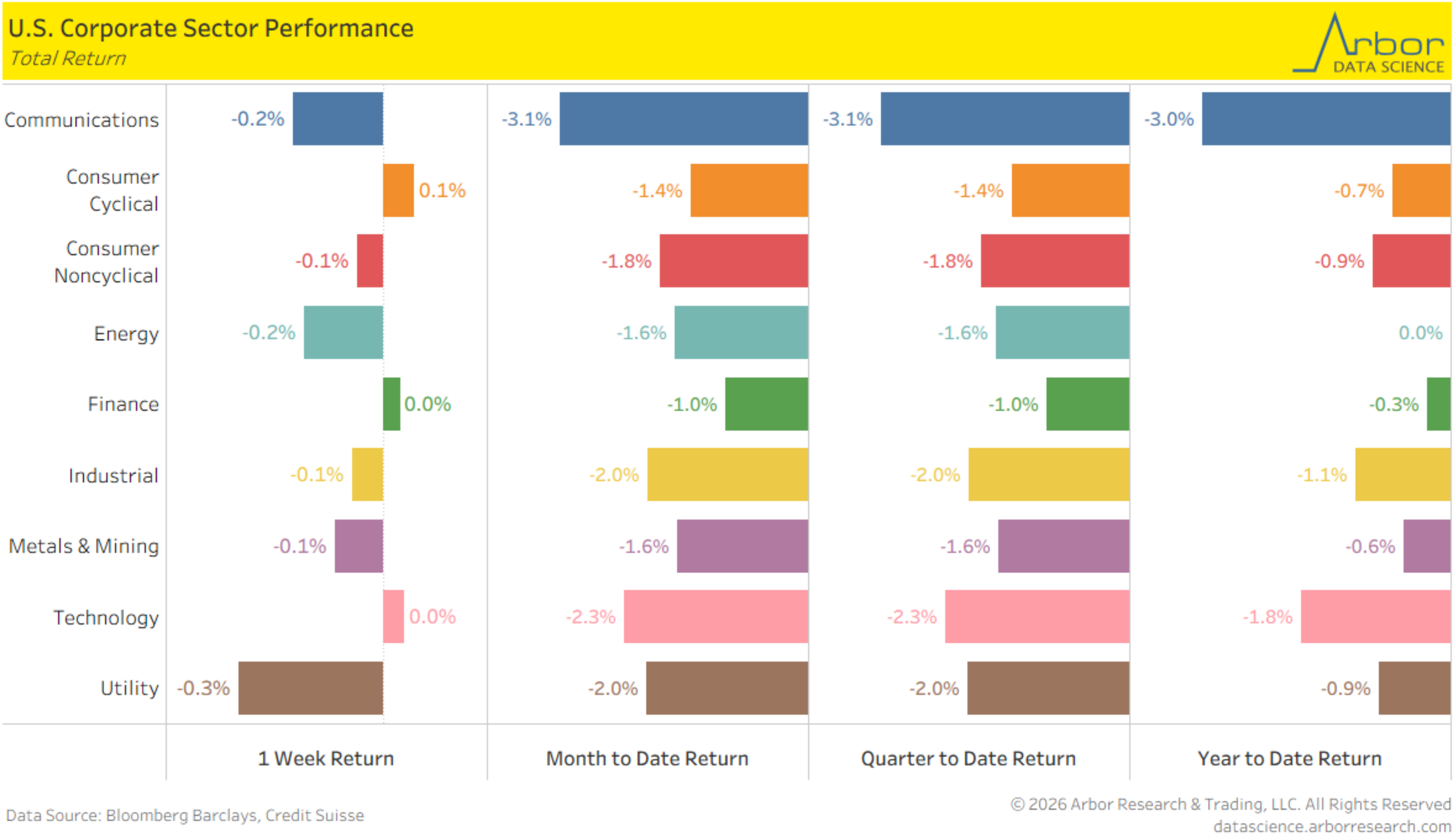
Fixed Income Sector Unhedged Total Returns

Treasury yields were mixed along the curve last week.
The yield curve steepened as 2yrs fell 4bps while 5yrs and 10yrs moved 4bps higher. Fears of lessor demand and higher inflation risk premiums out the curve dictated momentum.



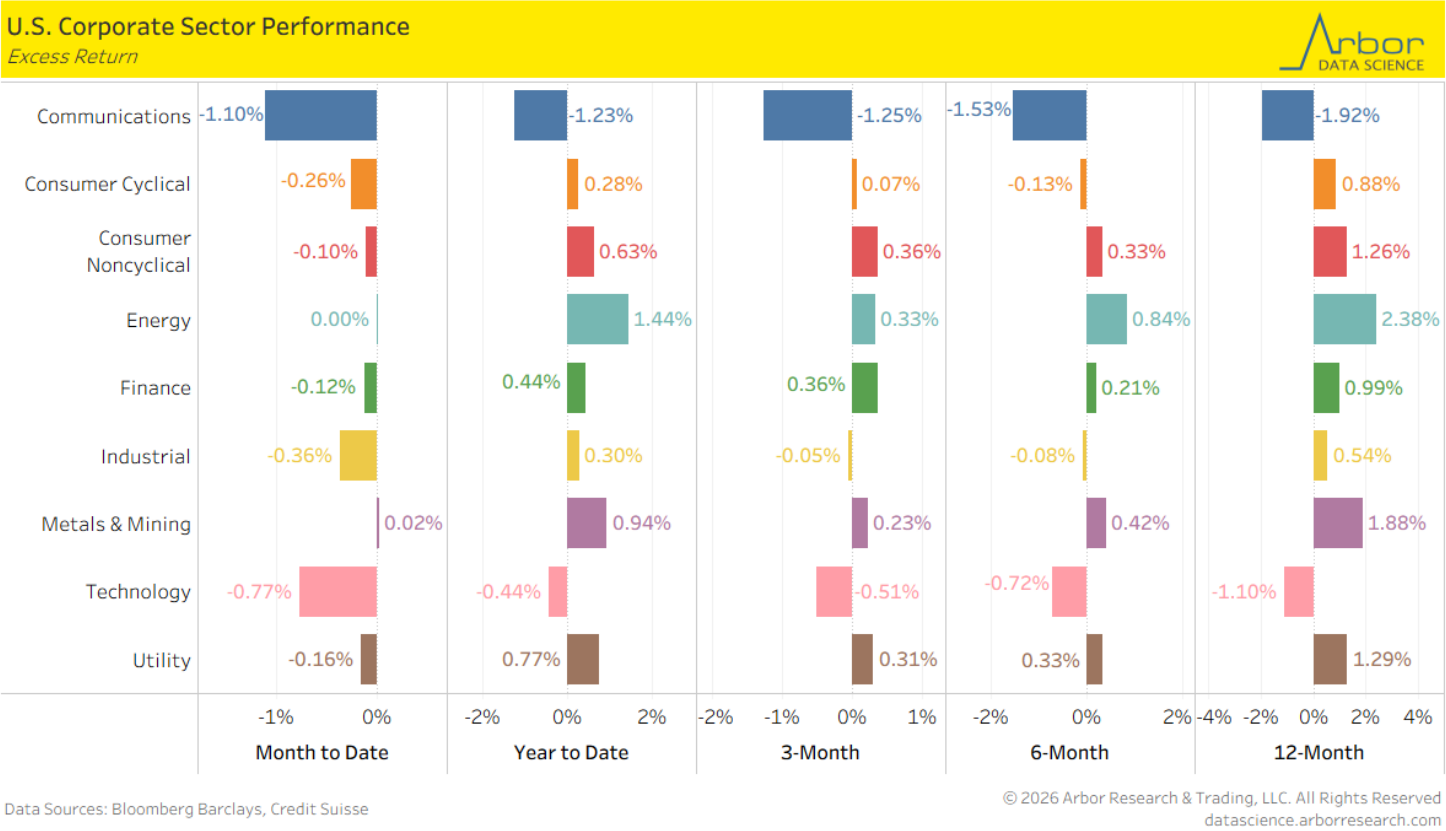
Corporate Sector Unhedged Total Returns

IG credit holds in well despite equity weakness.
IG credit was generally 1 bps tighter on the week as the S&P and Nasdaq close slightly higher. Expectations of relatively strong demand remain intact as the credit market absorbs steady supply.



Corporate Sector Excess Returns

Bloomberg credit index closes -1 bps.
The Bloomberg credit index was -1 bps tighter last week. Dealer inquiry was skewed towards better buying, but overall inquiry was light than normal/average.



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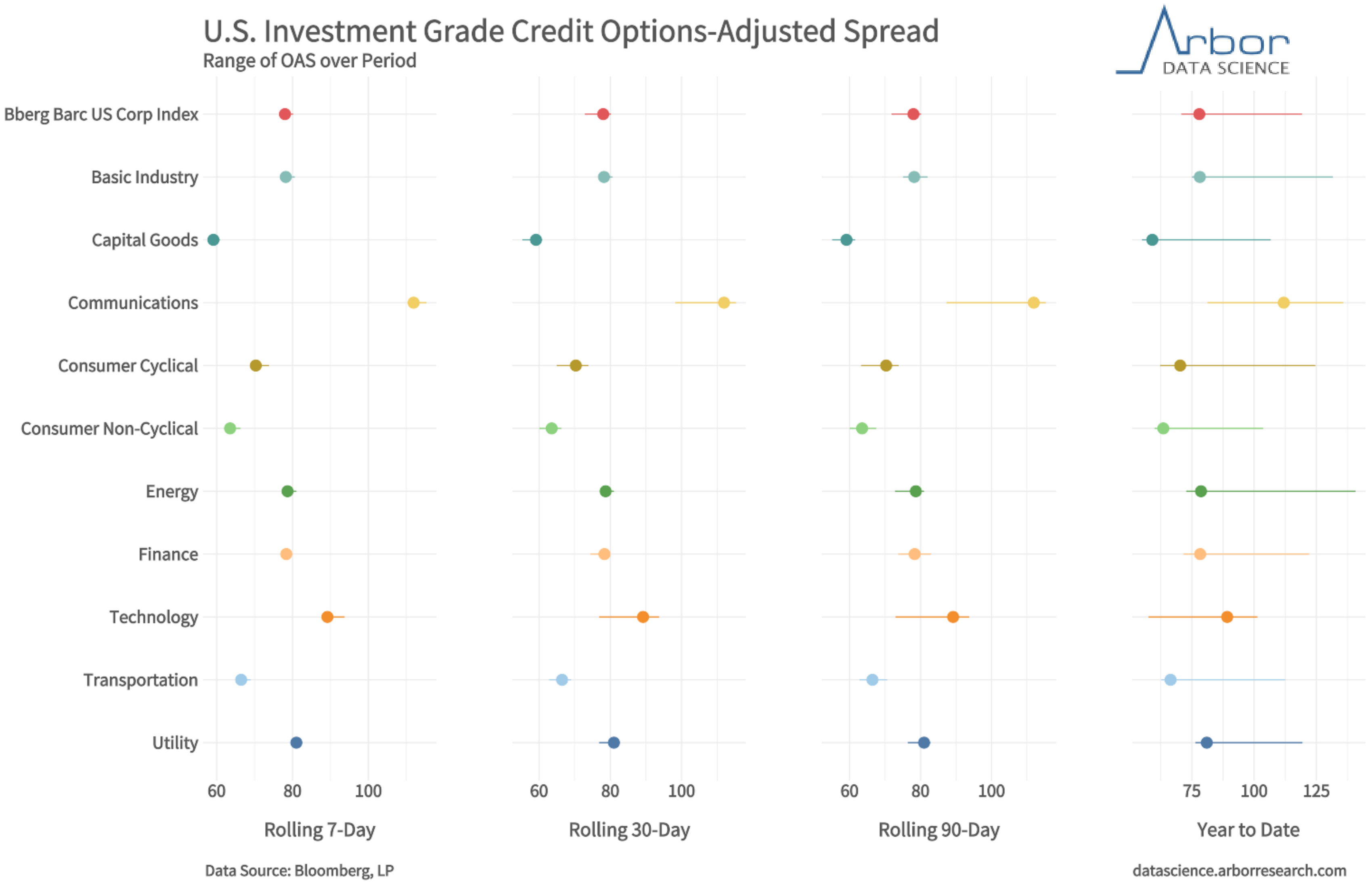
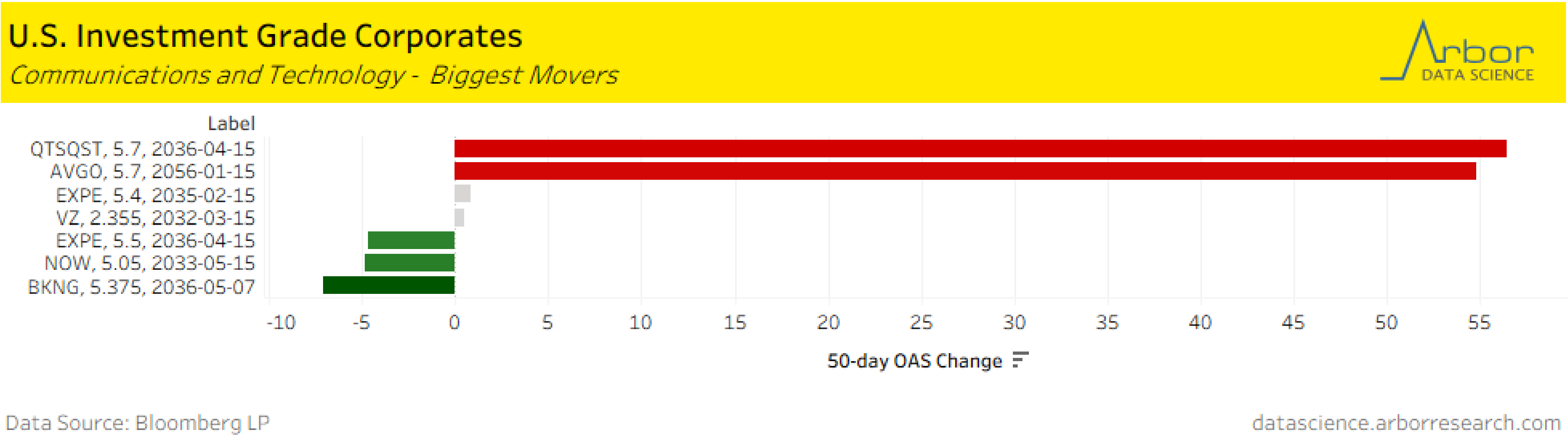
Corporate Sector OAS



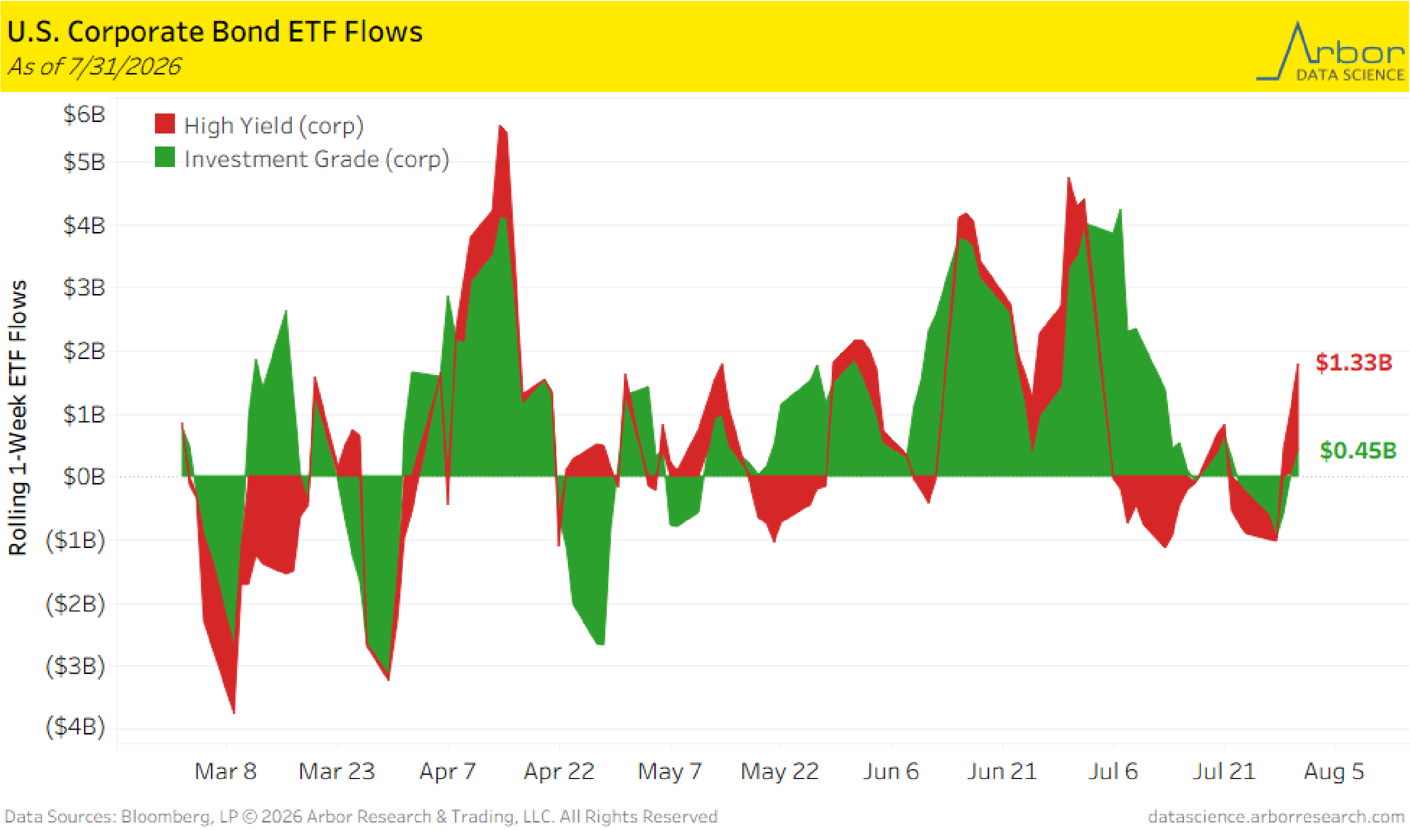


High grade credit fund flows fell again last week, to $3.73bln from $5.12bln. High grade ETF's were the main driver of the inflows at $3.54bln.

Corporate Bond ETF Flows

Corporate bond ETF flows were positive for the week ended 7/31/2026, with High-Yield ETFs gaining $1.33 billion and Investment-Grade ETFs gaining $0.45 billion.

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



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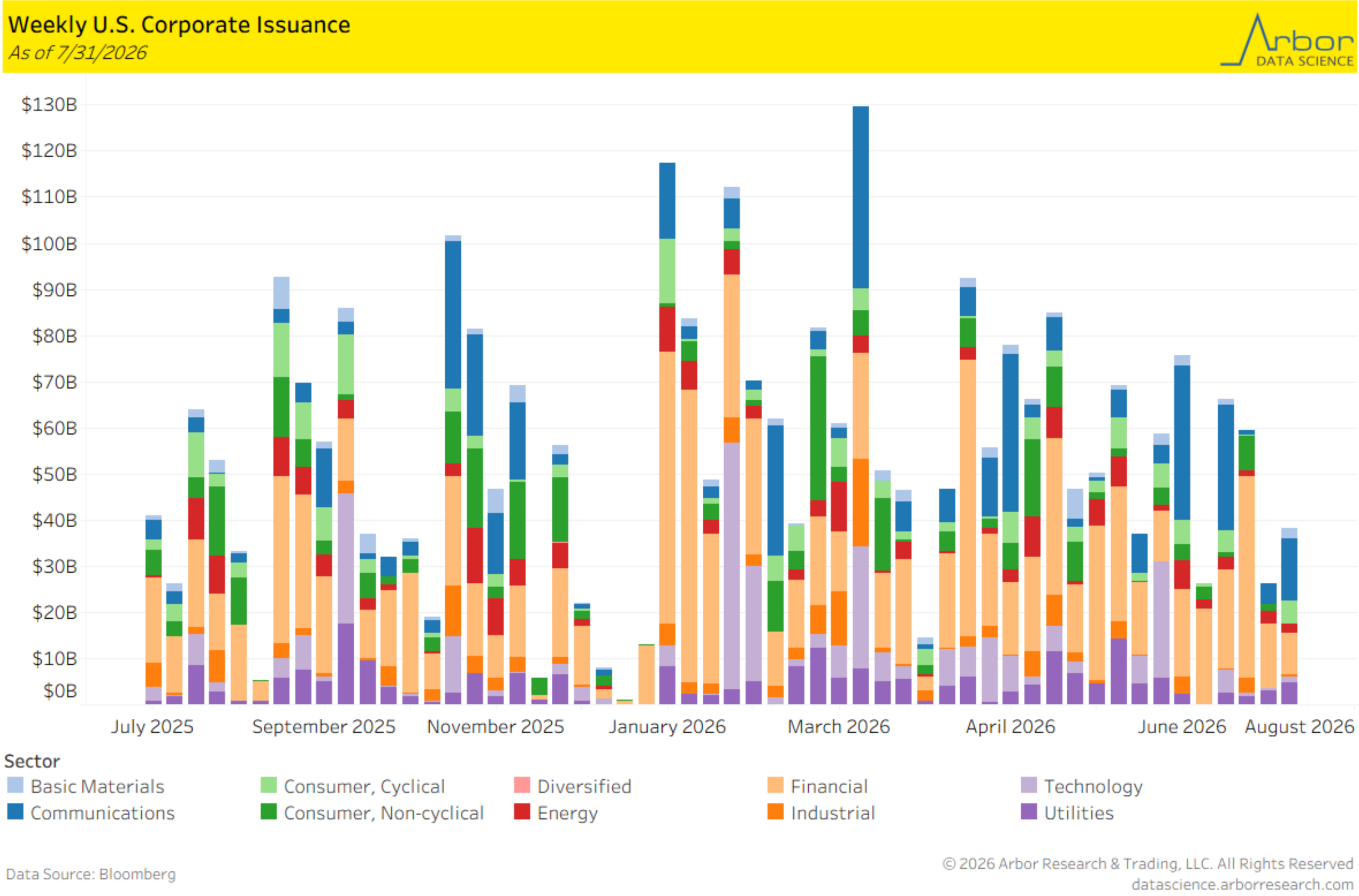
Issuance Recap

Primary issuance was $30.1 billion of new debt last week, which was close to forecasts. This week’s expectations are in the $35 billion.



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