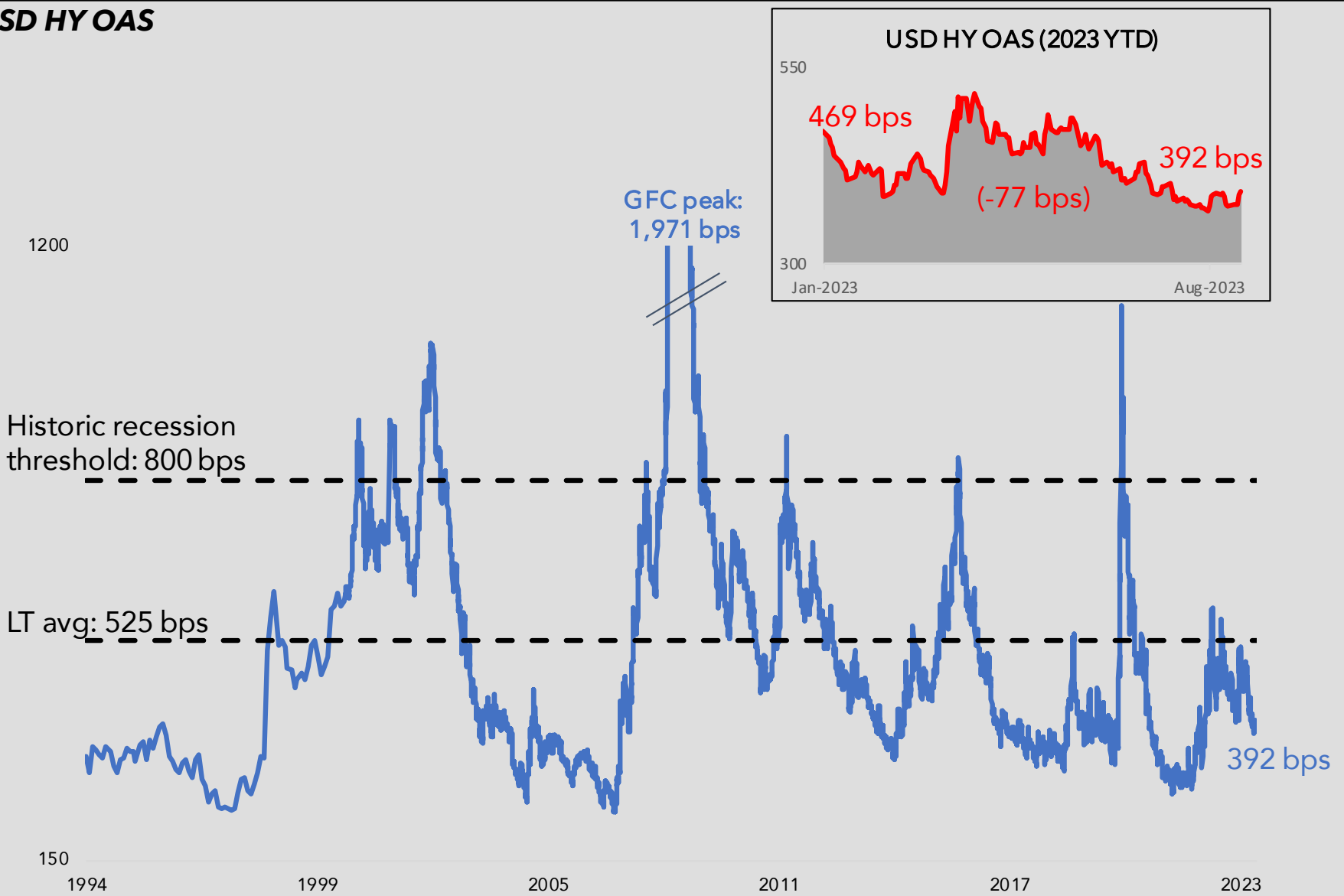


Chart of the Day

Despite the plethora of market headwinds YTD (bank crises, debt ceiling, Treasury market volatility), US dollar HY spreads have tightened over 75 bps this year on optimism around a potential “soft landing.” While HY spreads widened over 15 bps last week, they are still trading more than 100 bps below LT averages. As the year progresses, risks weigh more heavily toward continued widening.

USD HY OAS



Source: (1) Bloomberg. Data as of August 21, 2023.

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