



Data Heavy Week Positive for Credit Markets

- It was another data heavy week as we heard from the Fed and saw tons of economic releases, including Friday's payroll number. The 157k print was about 36k lighter than expectations, but the prior number was revised upward an offsetting 35k. This should be more than enough to keep the Fed on target for September with the December hike approximately 70% priced in.
- Ten-year Treasuries were hovering close to 3.00% when China announced a list of further tariffs in retaliation to the U.S. threat. With this chatter continuing to increase, combined with noise out of Italy, the market rallied and held.
- The credit markets took the news well and spreads resumed their drive tighter. Several energy names performed very well including Energy Transfer Partners, which announced an MLP simplification deal with sister company ETE. Our energy analyst has long expected this deal, but the market did not seem to expect it so soon.

10-Year Treasury Yield



Source: Bloomberg

Please note: The opinions contained in the preceding commentary reflect those of Sterling Capital Management LLC. The stated opinions are for general information only and not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. Any type of investing involves risk and there are no guarantees. Sterling Capital Management does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, a separate subsidiary of BB&T Corporation. Sterling Capital Management LLC manages customized investment portfolios, provides asset allocation analysis and offers other investment-related services to affluent individuals and businesses. Securities and other investments held in investment management or investment advisory accounts at Sterling Capital Management LLC are not deposits or other obligations of BB&T Corporation, Branch Banking and Trust Company or any affiliate, are not guaranteed by Branch Banking and Trust Company or any other bank, are not insured by the FDIC or any other government agency, and are subject to investment risk, including possible loss of principal invested.