

## Weekly Bond Commentary:

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### Markets biding their time

Following the strong employment report the previous week, the economic data released last week underwhelmed but was not negative.

Second-tier data from November on factory orders (moderating) and trade (somewhat better) were mixed, while weekly jobless claims rose to 234,000. Although lower than last week's count, claims were the highest since Nov. 23, and likely reflect continuing disruption from the recent government shutdown.

With the Federal Reserve on hold for some time, and its next scheduled meeting not until March 20, markets focused on fourth-quarter earnings, the potential of another government shutdown and the status of a hoped-for U.S.-China trade deal. Yields eased lower, and stock returns moderated.

For the week, Treasury yields fell across the curve: 2-year yields slipped from 2.50% to 2.47%, 3-year yields fell from 2.49% to 2.44% and 5-year yields dropped from 2.50% to 2.44%.