



Rates Stabilize In June - Fixed Income Overview

Federal Reserve buying of debt securities continued in the second quarter under the Secondary Market Corporate Credit Facility program, which was established to maintain liquidity in the bond markets. Individual corporate bonds and ETFs have been part of the Fed's buying program, which was launched in mid-June. Bonds purchased so far include debt issues from both investment grade and non-investment grade rated companies.

Corporate and government bonds continued to post positive returns in the second quarter, as yields stabilized following the dramatic drop in yields during the first quarter of the year. The benchmark 10-year Treasury bond yield closed at 0.66% at the end of June, helping to boost consumer lending and mortgage rates.

Sources: Treasury Dept., Federal Reserve, Bloomberg