Citizens

CITIZENS GLOBAL MARKETS
Interest Rate Products Weekly

Week ending 11/6/26

U.S. Democratic Sweep Sparks Volatility Across Global Markets

- In the U.S., the 2026 midterm election took place last Tuesday where Democrats won control of the House and the Senate, both previously controlled by the Republican party. With President Trump expected to face greater difficulty passing his policies through Congress, inflationary concerns around government spending and AI investment eased, sparking a rally across the curve. Meanwhile, oil prices tumbled on hopes that the US-Iran war will wind down sooner than anticipated. Following the election, President Trump downplayed further attacks on Iran while communicating his willingness to work with the Democratic party, boosting demand for treasuries. Both the 3Y generic swap rate and the 2Y UST fell 8 bps.
- On Thursday, equities saw the largest one-day decline since April 2025 as the election results triggered a drastic repricing of chipmaker stocks. The NASDAQ Composite fell 3.37%, while the S&P 500 fell 2.68% over the course of the week.
- 165k jobs were added in October, more than doubling estimates while the prior figure was revised higher to 60k from 29k. Meanwhile, the unemployment rate unexpectedly fell to 4.1% from 4.2%. Signs of a strong U.S. economy sent shorter-dated rates 5-7 bps higher, partially reversing moves from earlier in the week.
- Job openings unexpectedly rose 7,523k in September, marking a four-month high while layoffs fell to the lowest level since March 2025. Meanwhile, ADP private payrolls showed 86k jobs were added in October, 19k above estimates. Further signs of labor market resilience continue to allow policymakers to focus on the inflation side of the dual mandate, supporting hawkish views across the Committee and likely keeping the Fed on track for a December hike.
- This week in the U.S., the bond market will be closed in observance of Veterans Day on Wednesday. October CPI and PPI are scheduled to be released on Tuesday and Friday, respectively.

	Today	1 Week Ago	1 Month Ago	1 Year Ago	10Y Avg	20Y Avg	All Time Low
SOFR*	3.89%	3.95%	3.87%	3.95%	3.89%	3.95%	3.87%
1M Term SOFR*	3.92%	3.90%	3.92%	3.95%	3.92%	3.90%	3.92%
3M Term SOFR*	4.06%	4.04%	4.04%	3.84%	4.06%	4.04%	4.04%
2Y UST	4.53%	4.59%	4.76%	3.59%	4.53%	4.59%	4.76%
5Y UST	4.64%	4.71%	4.99%	3.71%	4.64%	4.71%	4.99%
10Y UST	4.84%	4.91%	5.23%	4.12%	4.84%	4.91%	5.23%

**SOFR and Term SOFR were introduced in 2018 and 2019, respectively. As such, there is no 10- and 20-year average to calculate.*

Please contact your appropriate coverage person with any questions you may have or if you would like us to add a colleague to our distribution list.

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