

## Stocks Remain Spooky and Volatile, Rates Frighteningly Low

Immediate and deferred purchase rates increased in September. The immediate annuity purchase rate was up 20 basis points from 1.66% to 1.86%, while the deferred purchase rate was up 11 basis points from 1.93% to 2.04%. The highest rate for immediate annuities was 2.12%, down 3 basis points, while the highest deferred rate was 2.18%, up 5 basis points.

At the end of September, treasury yields were nearly flat compared to the end of August. The Ten Year treasury yield fell from 0.72% to 0.69%, a decrease of 3 basis points, while the 30 Year treasury yield fell from 1.49% to 1.46%, a decrease of 3 basis points. The Two Year treasury yield was down 1 basis point from 0.14% to 0.13%. Moody's Seasoned Baa Ten year spreads widened 8 basis points, while Moody's Seasoned Aaa ten year spreads tightened 7 basis points.

US and Foreign equity markets declined in September. The S&P 500 was down roughly 4.2% while aggregate foreign markets were down just over 2.4%. Year-to-date at the end of September, the S&P 500 was up 4% while foreign markets were down roughly 6.4%. October has seen continued volatility as witnessed by yesterday's market sell off. The reaction to the inability to reach a pre-election economic relief package exposes the US to further economic fallout from the Pandemic. Record unemployment makes a Democratic sweep in November more likely. New cases of the virus are again at record levels in the US, and getting worse. Europe is also returning to outbreak levels similar to the worst days of the Pandemic and the colder weather will worsen matters. Vaccines are coming but final efficacy is a serious question which cannot be hidden by political rhetoric. The spooky volatility will continue well after October 31.

### Take the Fright Out of the PRT Process

As your trusted PRT Advisor, QAS develops a plan to meet your objectives, and not a generalized plan. Risk management and tolerance is the first principle to our advice. Tactical implementation is critical because no two



PRT solutions are alike. QAS's process is fully vetted to overcome your unique challenges. We analyze and support decisions and document decisions as they are made. QAS is independent of the insurers. We are not compromised by commissions, undisclosed fees, expense reimbursements or soft dollar incentive payments.

*Give QAS a call and take the fright out of PRT.*

### Rates

Since the end of September, treasury rates have increased. The 10 year yield increased 16 basis points to 0.85%, while the 30 year yield is up 18 basis points to 1.64%. The 2 year treasury is up 5 basis points. The Moody's Seasoned Baa Spreads have tightened 14 basis points since the end of September, while the Moody's Seasoned Aaa Spreads have tightened 7 basis points. Stay healthy.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 9.1%
YTD % Δ	+ 5.9%
3 mos % Δ	+ 0.20%
1 mo % Δ	- 0.2%

As the rules of risk change, QAS adds value for its clients. Read more or subscribe here:

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
October 2020	1.86%	+0.20%	2.12%	-0.03%	2.04%	+0.11%	2.18%	+0.05%