

## Stocks On A Sleigh Ride Up, Grinch Keeps Purchase Rates Low

Purchase rates were down slightly as of December 1st. The immediate annuity purchase rate was down 6 basis points from 1.70% to 1.64%, while the deferred purchase rate was down 9 basis points from 1.94% to 1.85%. The highest rate for immediate annuities was down 6 basis points to 2.11%, while the highest deferred rate was down 21 basis points to 2.17%.

At the end of November, treasury yields were slightly lower than at the end of October. The 10 Year treasury yield decreased from 0.88% to 0.84%, a decline of 4 basis points, while the 30 Year treasury yield decreased from 1.65% to 1.58%, a decline of 7 basis points. The Two Year treasury yield was up 2 basis points from 0.14% to 0.16%. During the month of November, Moody's Seasoned Baa 10 year spreads tightened 32 basis points, while Moody's Seasoned Aaa 10 year spreads tightened 15 basis points.

US and Foreign equity markets were up significantly in November. The S&P 500 was up roughly 11% while aggregate foreign markets were up around 12.6%. Year-to-date at the end of November, the S&P 500 was up roughly 12.5% while foreign markets were up roughly 3.1%. December is also off to a good start with the US market up an additional 2.8% while foreign markets are up an additional 5.3%. With the Electoral College having voted, the 2020 election is more in the rear view with a couple of exceptions. The Senate has two seats in Georgia that will be decided by a run-off on January 5 and the results will determine whether the chamber is controlled by Democrats or Republicans. Also, the thinner margin in the House has been reduced further by cabinet picks. The pandemic is now at all-time highs for hospitalizations and new cases as two vaccines are being rolled out, lock downs expanded, and the death toll and jobless claims mount. Talk of the Thanksgiving surge is now giving way to the Christmas and New Year concerns.

### It Starts With A Number

When a plan hires QAS to be their trusted PRT Advisor, our first step is to estimate what it will cost to purchase an

## QAS Pension Risk Transfer 1000 Index©

Jan 2019 to Dec 2020 - Relative Price PRT v. PPA Curve - FAS



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annuity for the plan as it currently exists. Sometimes we get quotes from insurers, at other times we provide estimates based on rates received from insurers, or general market information. We have years of experience to draw upon. We then monitor this number and advise how to lower the number. Give QAS a call, it's free and there is no obligation.

### Rates

Since the end of November, treasury rates have increased slightly. The 10 year yield increased 10 basis points to 0.94%, while the 30 year yield was also up 10 basis points to 1.68%. The 2 year treasury is down by 3 basis points. The Moody's Seasoned Baa Spreads have tightened 4 basis points since the end of November, while the Moody's Seasoned Aaa spreads have tightened 1 basis point. Happy Holidays and stay healthy.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 8.2%
YTD % Δ	+ 6.9%
3 mos % Δ	- 0.7%
1 mo % Δ	+ 0.6%

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
December	1.64%	-0.06%	2.17%	+0.05%	1.85%	-0.09%	2.17%	-0.21%