

### Rates Continue Moving Up

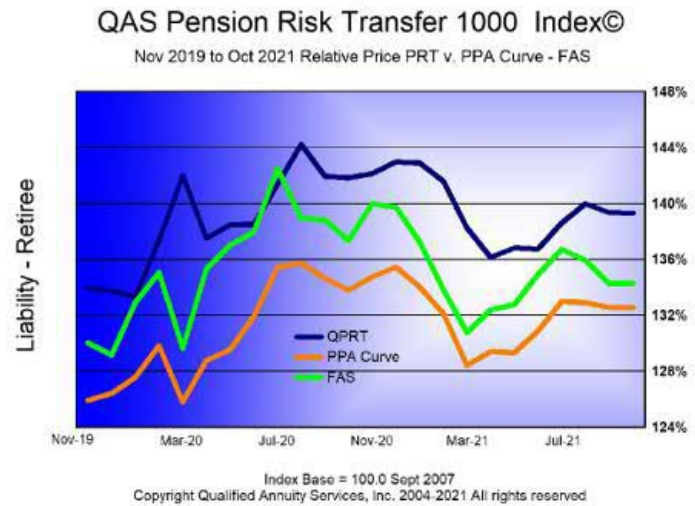
Purchase rates were up again in September. The immediate annuity purchase rate was up 13 basis points from 1.86% to 1.99%, while the deferred purchase rate was up 14 basis points from 2.13% to 2.27%. The highest rate for immediate annuities was up 11 basis points to 2.35%, while the highest deferred rate was up 15 basis points to 2.50%. Increasing treasury rates were again the main driver.

At the end of September, US Treasury bond yields were up from the end of August. The Ten Year treasury yield increased from 1.31% to 1.52%, an increase of 21 basis points, while the Thirty Year treasury yield increased from 1.92% to 2.08%, an increase of 16 basis points. The Two Year treasury yield was up 8 basis point to 0.28%. During the month of September, the ICE BofA BBB US Corp Index Option Adjusted Spread tightened by 4 basis point to 1.10%.

US and Foreign equity markets were down in September. The S&P 500 was down roughly 5% in September while aggregate foreign markets were down just under 4%. Year-to-date US markets were up roughly 15% while foreign markets were up 5%. Since the end of September, markets are up about 1%. Vaccine news continues to be positive with cases, hospitalizations and deaths in the US declining. Vaccine mandates, booster shots and soon more children expected to be eligible for vaccines are combining to gain a step on the virus. The politicians in Washington have again kicked the can down the road on the debt ceiling limit, but only till December. The badly needed infrastructure bill is in jeopardy as Democrats try to pass their \$3.5 trillion spending package. All actions seem to be leading to inflation, from chip shortages, to containers waiting in harbors and truckers unavailable to haul the goods. According to the CME FedWatch Tool, futures are predicting a greater than 88% chance of at least one 25 basis point move in the Fed Funds rate before the end of next year.

#### When Does It Make Sense to Buy An Annuity?

There are many factors that come into play in the decision to buy an annuity. The approach we take with our clients



is to develop a plan. That plan starts with a feasibility study to find out how much the annuity will cost, to look at what can be done to lower that cost, and how market moves will affect that cost. Given that rates have come off their lows and may be moving higher, now is the time to be engaging a PRT Advisor. Please consider giving QAS a call.

#### Rates

Since the end of September, the 10 year yield increased another 7 basis points to 1.59%, while the 30 year yield has increased 2 basis points to 2.10%. The 2 year treasury is up 7 basis points to 0.35%. The ICE BofA BBB US Corp Index Option Adjusted Spread has widened 2 basis points since the end of September. Stay healthy.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 5.00%
YTD % Δ	- 2.60%
3 mos % Δ	+ 0.50%
1 mo % Δ	- 0.00%

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

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*Get Informed. Think Strategic. Act Tactical.*

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
October	1.99%	+0.13%	2.35%	+0.11%	2.27%	+0.13%	2.50%	+0.15%

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