

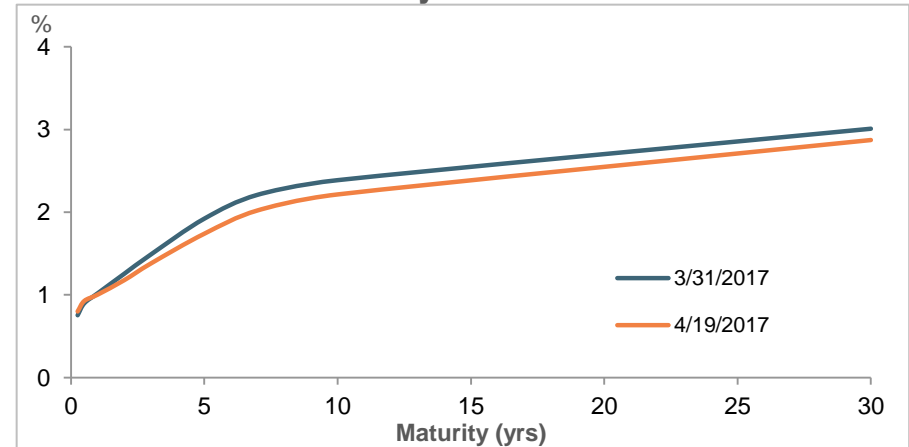


# IR+M CLIENT UPDATE

April 14 – 20, 2017

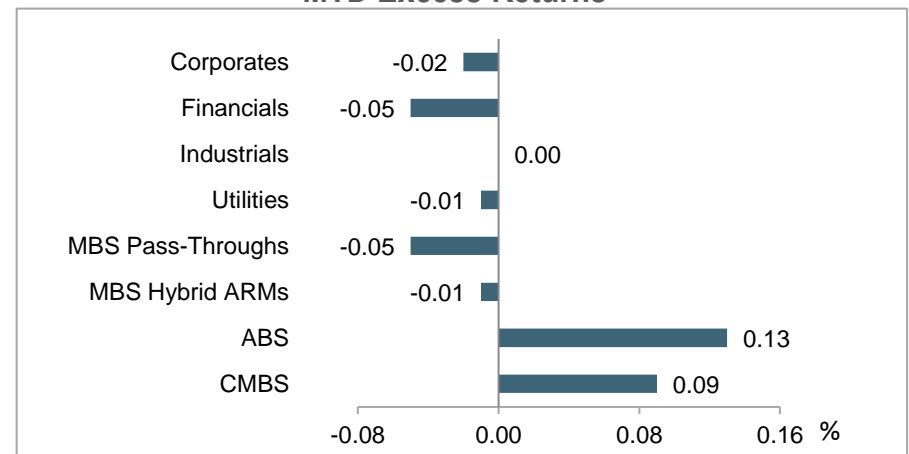
- Initial jobless claims rose by 10,000, slightly above consensus expectations<sup>1</sup>
  - Despite the increase, weekly jobless claims have tracked below 300,000 for more than two years, reflecting continued strength in the labor market
- Residential building permits rose 3.6%, year-over-year, signaling optimism in the housing market<sup>1</sup>
- The Federal Reserve's (Fed) Beige Book was released yesterday and highlighted broad economic expansion and positive wage growth<sup>1</sup>
- The fall in Treasury yields continued this week, as geopolitical risks became a focus<sup>1</sup>
- Banks kicked off first quarter earnings on a strong note, beating marks from last year, as a result of improved net interest margin and increased trading revenues<sup>1</sup>
- Investment-grade corporate issuers priced around \$23 billion, dominated by post-earnings supply from the large US banks, as expected<sup>2</sup>
- Risk-off sentiment hurt corporate spreads, which widened marginally this week, to 119 bps<sup>1</sup>
- Mortgage backed securities weakened, relative to Treasuries, amid heightened focus on trimming the Fed's balance sheet<sup>1</sup>
- Lipper reported \$1.6 billion in municipal mutual fund inflows, marking the best week for tax-exempt mutual funds in over three years<sup>3</sup>

## Treasury Yield Curve<sup>1</sup>



Maturity	2-year	5-year	10-year	30-year
4/19/2017	1.18	1.74	2.22	2.87
MTD Change	-0.08	-0.18	-0.17	-0.14

## MTD Excess Returns<sup>1\*</sup>



Sources: 1. Bloomberg Barclays 2. Citigroup 3. Lipper

\*Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.

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