Initial jobless claims were announced lower than expected at 234,000, continuing a stretch of strong and improving labor market conditions¹.

Consumer sentiment rose again for the 6th time in the last 7 weeks as low unemployment has driven optimism for continued economic growth¹.

Federal Reserve (Fed) Chairwoman Janet Yellen spoke Monday and noted the regime of accommodative policy is coming to an end¹.

Implied probabilities indicate the Fed is more than 56% likely to hike rates by the scheduled June meeting¹.

Treasury yields fell across the curve, declining to their lowest point this year¹.

Investment-grade corporate issuers priced around $7 billion, which was in line with expectations during the holiday-shortened week².

Year-to-date we have seen $405 billion in supply which stands 10% greater than last year at this time².

Corporate spreads traded flat again this week while their yield advantage has helped to generate excess returns over Treasuries month-to-date¹.

Mortgage backed security spreads tightened slightly this week after the March prepayment report showed speeds increasing at a slower pace than the market expected¹.

5-Year and 10-Year Municipal/Treasury ratios have come down more than 20% after recent highs above 100% this past December¹.

Sources: 1. Bloomberg Barclays  2. Citigroup

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

The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research & Management.