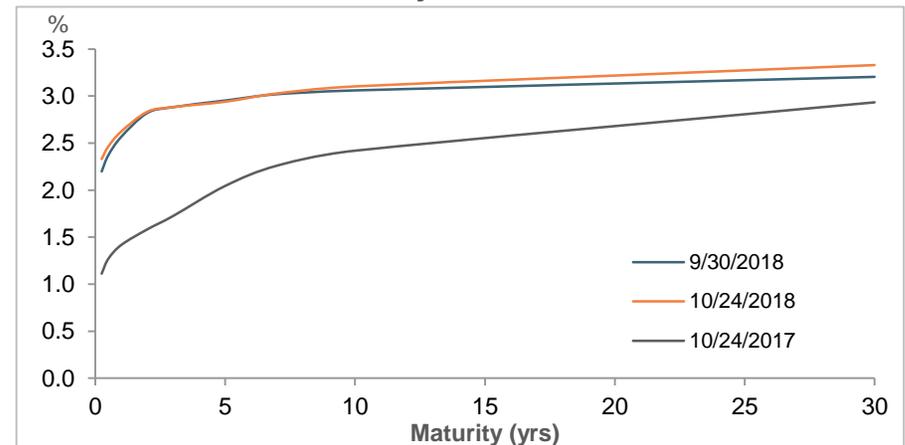




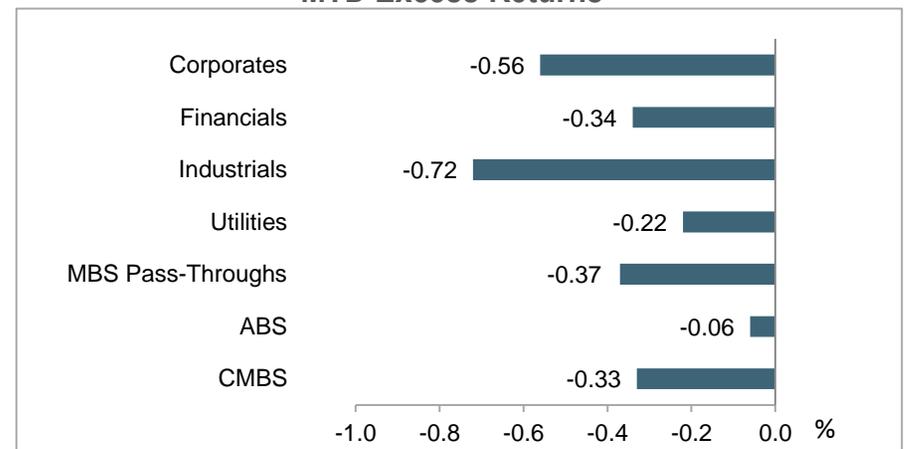
- Volatility increased across both equity and credit markets as concerns related to geopolitical tensions and global growth weighed on risk-asset performance during the week¹
 - Equity markets neared correction territory, with the S&P 500 Index down over 8.5% month-to-date
- Treasury yields declined across the curve, most notably in the belly of the curve, as rates retreated from post-crisis highs¹
 - 10-year yields fell by 11bps, and 30-year rates decreased by 4bps, an interest-rate shift known as a bull steepener
- Investment-grade corporate supply grinded to a halt during the week, as market volatility and earnings season kept issuers on the sidelines²
 - Weekly supply totaled less than \$5 billion, far below estimates that called for up to \$20 billion
- Corporate spreads widened in sympathy with risk-market weakness, with investment-grade spreads 5bps wider at 115bps¹
 - Within corporates, Industrials underperformed, as oil prices dropped below \$70/barrel after briefly trading above \$75/barrel
- High-yield corporate spreads widened 24bps during the week, and have underperformed Treasuries by 1.25% month-to-date¹
- Despite another month of heavy supply, asset-backed securities (ABS) proved resilient in the face of market volatility, as strong demand for high-quality, short duration bonds supported spreads¹
- Municipals modestly underperformed Treasuries as the 10-year muni/Treasury ratio increased by 2% to close at 88%¹
 - Within municipals, long-end munis performed well while shorter munis underperformed, reversing a trend of front-end strength

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
10/24/2018	2.83	2.94	3.10	3.33
MTD Change	0.01	-0.01	0.04	0.12

MTD Excess Returns^{1*}



Source: 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.

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