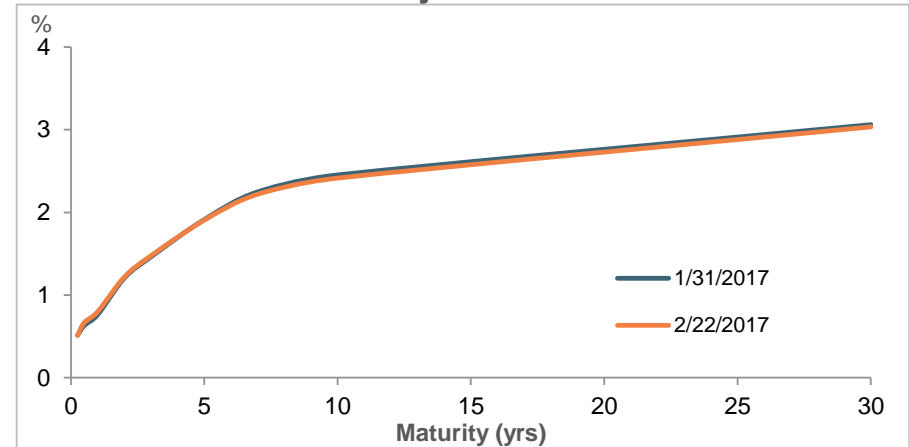




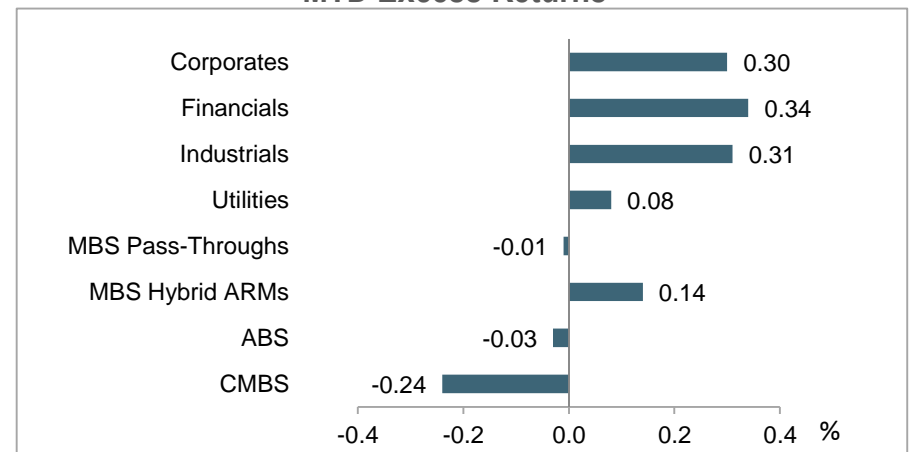
- Minutes from the Federal Reserve’s recent meeting indicated that members anticipate a hike “fairly soon” and expect to begin discussing changes to the Committee’s program of reinvesting proceeds from its Treasury and agency mortgage-backed securities (MBS) holdings¹
 - The Fed acknowledged strong economic reports and improving market sentiment, but expressed concern regarding potential changes to U.S. fiscal policy
- Increased uncertainty around geopolitical risks and the Trump administration’s policies drove a modest rally in Treasury rates¹
 - Month-to-date, the 10-year Treasury yield fell 4bps to 2.41%, and the 30-year Treasury yield fell 3bps to 3.03%
- Investment-grade corporate issuance totaled roughly \$11 billion in the holiday-shortened week, for a month-to-date total of \$58 billion²
 - Supply trended lower, and demand remained strong; most new issues priced with negative or minimal concessions
- Over 80% of the S&P 500 companies have reported fourth quarter earnings, and generally positive results have supported the equity and credit markets¹
- Investment-grade corporate spreads tightened 1bp on the week and closed at 118bps¹
- Securitized sectors underperformed corporates due to their lower correlations with the equity market, which has generated year-to-date returns of around 5%¹
- In the municipal market, healthy demand met muted supply, which benefitted performance¹

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
2/22/2017	1.22	1.91	2.41	3.03
MTD Change	0.01	0.00	-0.04	-0.03

MTD Excess Returns^{1*}



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.

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