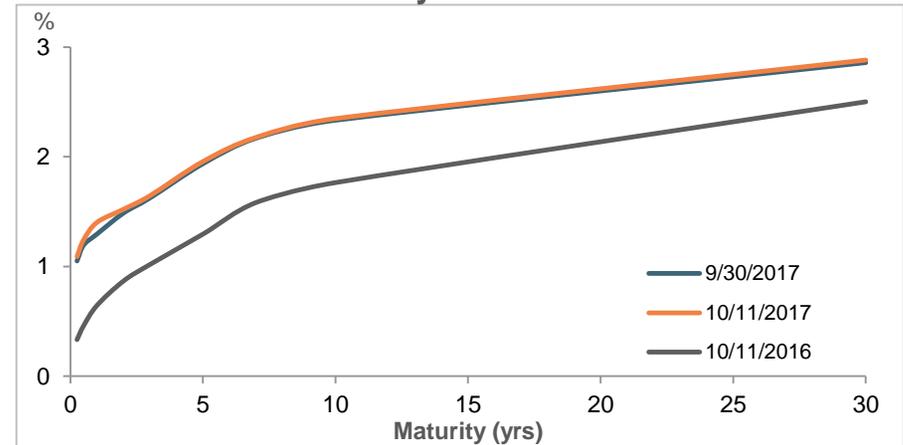




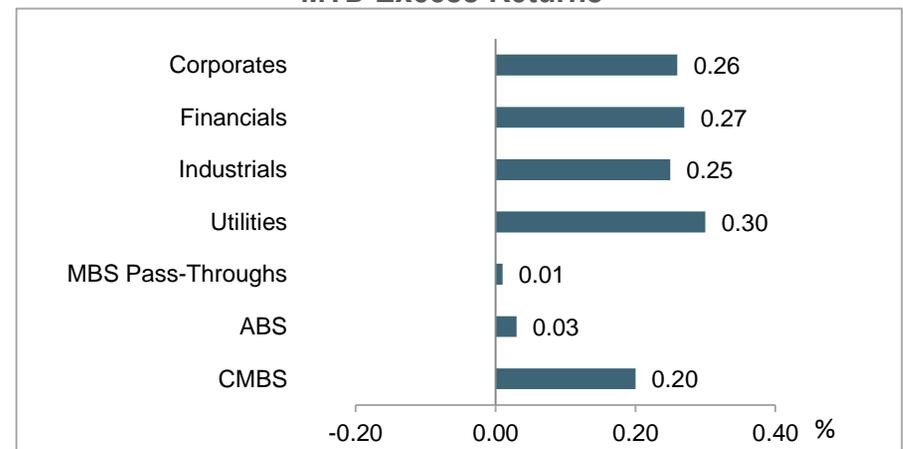
- The Federal Open Market Committee (FOMC) released its September meeting minutes this week, which affirmed the likelihood for a third rate hike in 2017¹
 - Markets are currently placing a 77% probability on a hike in December, which is unchanged from the prior week
- The Committee remains cognizant of inflation, with many participants believing that a growing economy should eventually push inflation back to 2%¹
 - The market will be watching September's CPI release closely, which is due this Friday
- Despite the catastrophic damage caused by the recent hurricanes, FOMC officials believe that the impact on the US economy will be short-lived
- The Treasury curve flattened, week-over-week, as front-end rates sold off materially; the 1-year yield rose 9bps, while the 10- and 30-year rates rose 2bps²
- With just \$12 billion in issuance last week, the corporate new issue market bounced back this week, with \$27 billion priced thus far²
 - Despite the uptick in supply, solid demand pushed corporate spreads tighter by 1bp to 98bps, 1bp off the post-crisis tight¹
- Commercial mortgage-backed securities (CMBS) have exhibited strong performance, month-to-date, as demand for high-quality tranches has increased on the heels of higher yields
- Municipals have outperformed Treasuries, as municipal/Treasury ratios declined modestly, week-over-week

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
10/11/2017	1.52	1.96	2.35	2.88
MTD Change	0.04	0.02	0.02	0.02

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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