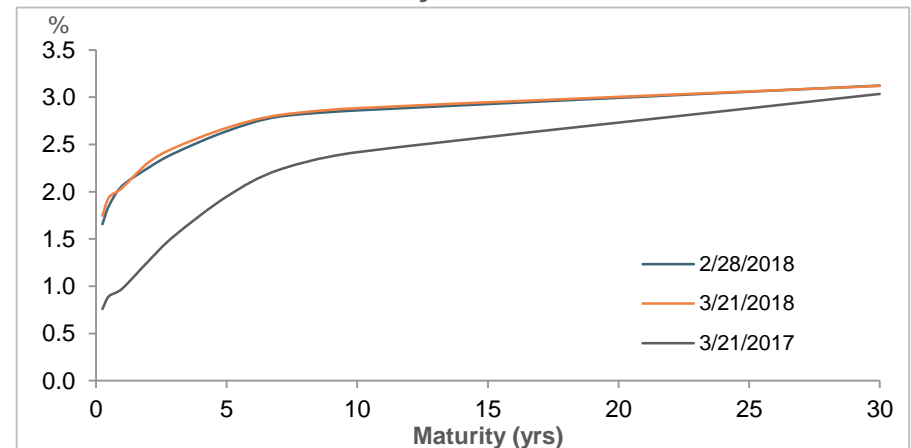




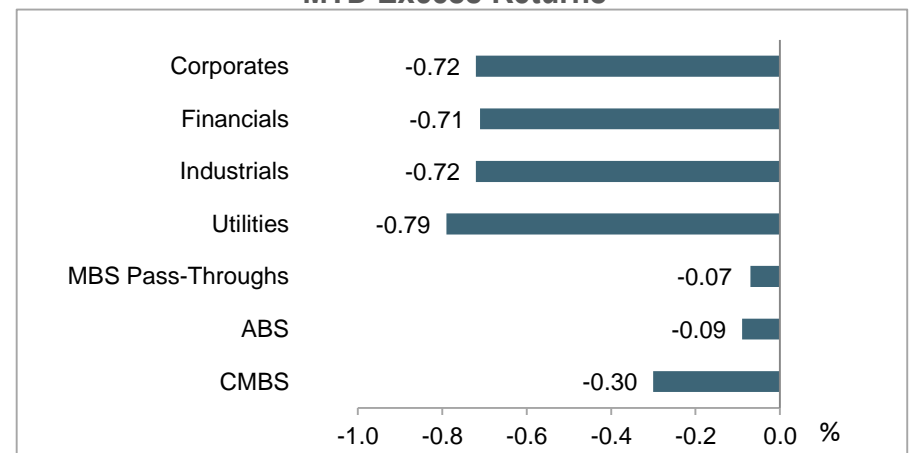
- Treasury rates moved higher across the curve as the Federal Reserve (Fed) completed its first rate hike of 2018, moving the fed funds target up to 1.5-1.75%¹
 - Short- to long-dated yields rose 5-7bps, with the 10-year yield increasing 7bps
- Since its last meeting in January, the committee’s outlook for the US economy has strengthened, signaling a high likelihood of further hikes in 2018¹
- Existing home sales increased by 3% in February, exceeding expectations and indicating continued improvement in the US housing market¹
- Investment-grade corporate spreads were unchanged, week-over-week, and remain wider by 10bps on the month¹
- Corporate issuance remained steady during the past week, aided by a \$10 billion deal from Anheuser-Busch; March supply totaled over \$100 billion, which was in-line with dealer estimates²
- Corporates have been pressured by higher rates and wider spreads during March; the utility sector, often viewed as a stable and safer sector of the corporate market, was the largest underperformer¹
- Commercial mortgage-backed securities have underperformed other securitized sectors due to heavier supply and corporate market weakness spillover¹
- Municipal market supply has been well below longer-term averages, while demand has remained steady¹
 - The BloomBarc 1-10 year Municipal Blend Index has underperformed similar duration Treasuries by 0.15% during March

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
3/21/2018	2.31	2.68	2.88	3.12
MTD Change	0.06	0.04	0.02	-0.01

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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