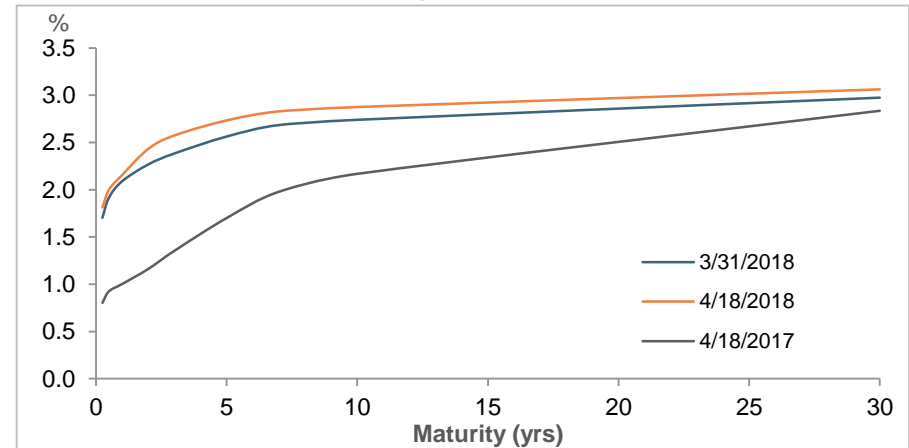




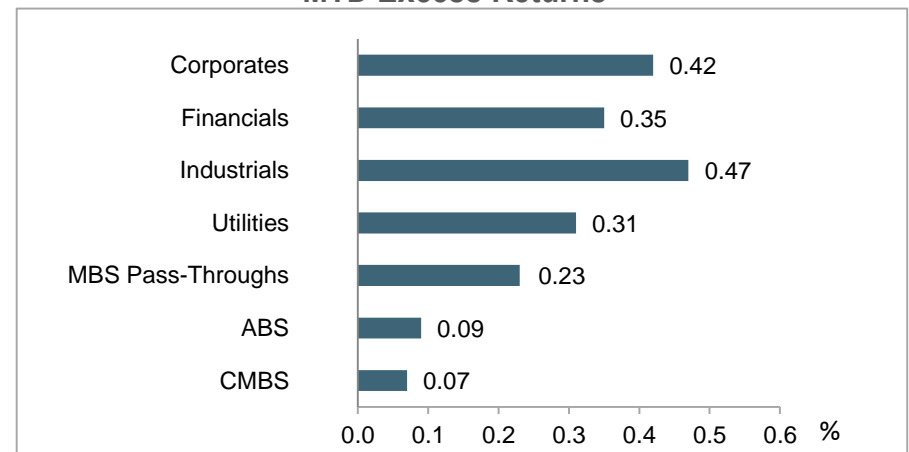
- President Trump moved to fill two empty seats at the Federal Reserve (Fed), announcing that he will nominate Michelle Bowman to the board and Richard Clarida to serve as Vice Chairman of the board¹
 - If all of President Trump’s nominees are confirmed by Congress, one vacant board seat would remain
- The price of oil climbed above \$68/barrel for the first time since 2014, as falling inventories and increasing global demand supported prices¹
- Treasury yields rose this week, and the curve continued to flatten, as short-end yields increased more than long-end yields¹
 - The difference between 30-year and 10-year yields reached a new post-crisis low of 19bps
- Supply came back online this week, and investment-grade issuers priced over \$30 billion, which was skewed toward financials, as many banks came to market following earnings blackout periods²
- Investment-grade corporate spreads tightened 2bps during the week to 105bps, and the energy sector outperformed, supported by rising oil prices¹
- Equity market strength spilled over into the high-yield market, where spreads tightened 26bps to close at 314bps, only 3bps away from post-crisis tightness reached in late January¹
- Strong demand in the commercial mortgage-backed securities (CMBS) sector supported spreads, which tightened 4bps to close at 66bps¹
- Municipals outperformed Treasuries during the week, as supply remained below long-term averages¹
 - The 10-year municipal/Treasury ratio declined 2% week over week, and closed at 85%

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
4/18/2018	2.43	2.73	2.87	3.06
MTD Change	0.16	0.17	0.13	0.09

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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