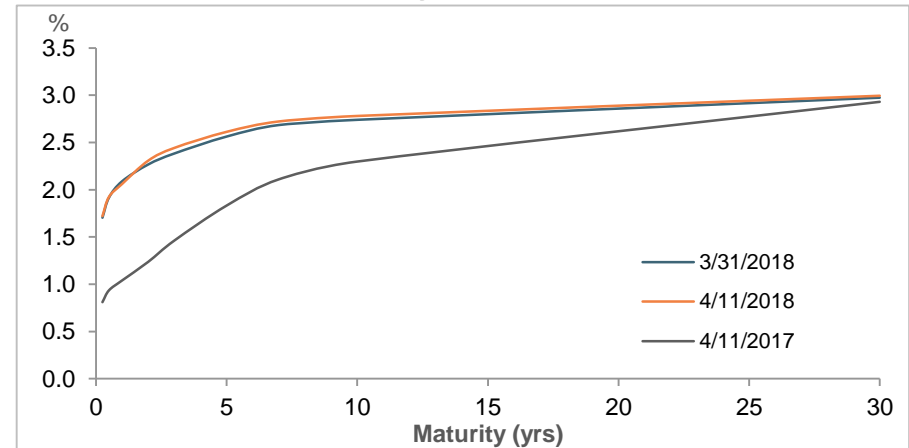




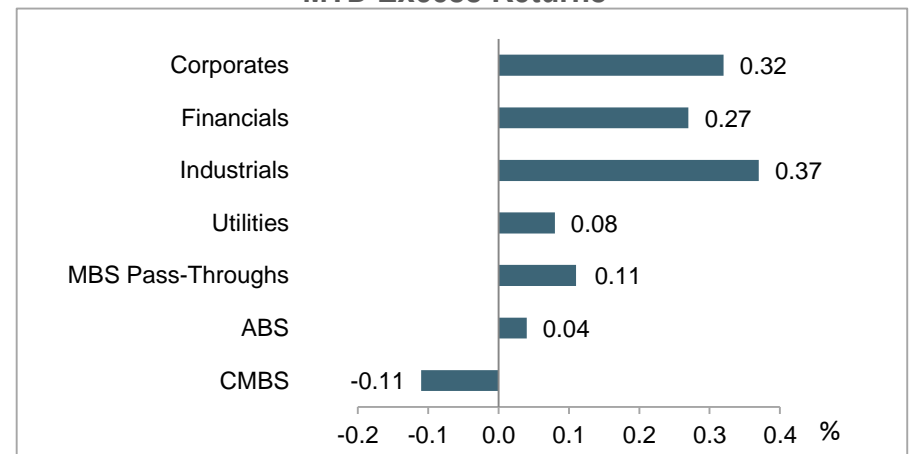
- The US Consumer Price Index (CPI) declined by 0.1% during March, below expectations for no change, and core CPI increased by 0.2% during the month, meeting expectations¹
 - The year-over-year numbers came in at 2.4% and 2.1% for CPI and core CPI, respectively, meeting expectations
- Minutes from the March Federal Reserve meeting showed that officials appeared to lean hawkish, expecting inflation to rise and the economy to strengthen in coming months¹
- The Treasury curve flattened during the week, as the 2-year yield increased by 2bps and the 30-year yield fell by 4bps¹
 - The spread between the 30-year yield and the 2-year yield hit a new post-crisis low at 69bps
- Supply slowed as earnings season started this week, and investment-grade issuers priced approximately \$10 billion²
- Risk markets benefited from lighter supply and some easing of geopolitical tensions, and investment-grade corporate spreads tightened 2bps and closed at 107bps¹
 - High-yield spreads tightened 15bps and closed at 340bps
- Securitized sectors struggled to keep pace with corporates, and commercial mortgage-backed securities (CMBS) underperformed Treasuries month to date as supply remains robust¹
- Municipals modestly outperformed Treasuries during the week, as fund flows were benign amid fairly light supply¹
 - The 10-year municipal/Treasury ratio declined 1% during the week, closing at 87%

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
4/11/2018	2.31	2.61	2.78	3.00
MTD Change	0.04	0.05	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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