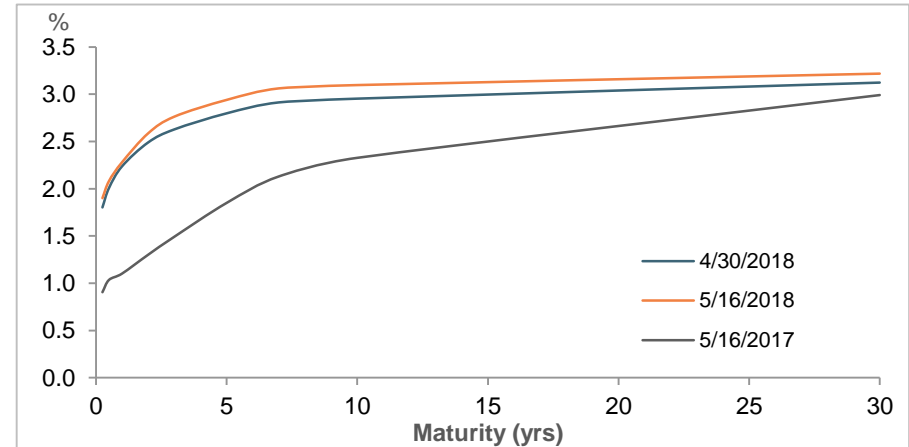




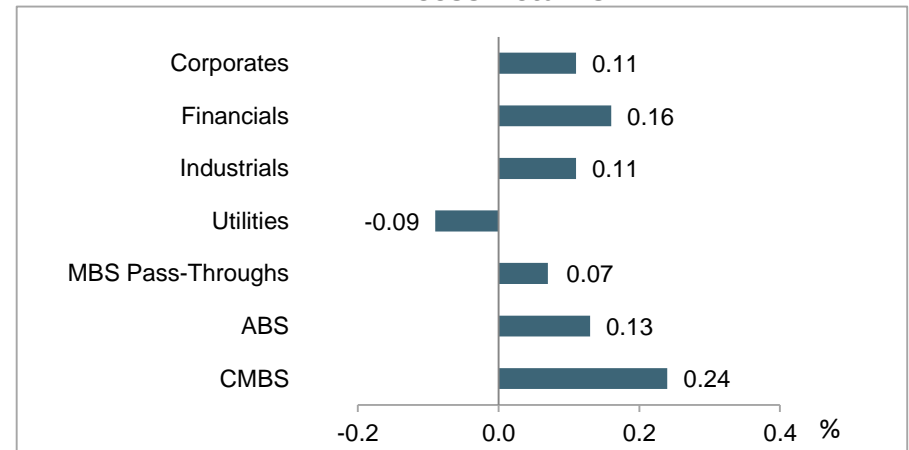
- Initial jobless claims came in slightly below expectations at 215,000, while the four-week moving average fell to its lowest level since 1969 at 213,500¹
 - Employment data continued to point to a strong labor market, with unemployment hovering around 4%
- Treasury yields rose across the curve during the week, especially in the belly of the curve, where yields jumped 9-10bps¹
 - After rising 9bps this week, the 10-year Treasury yield closed at 3.10%, its highest level since 2011
 - The long end of the curve continued to flatten, and the spread between 30-year yields and 10-year yields closed at 12bps
- Corporate bond markets were active, and heavy supply continued this week, as investment-grade issuers priced approximately \$30 billion²
 - The supply highlight of the week was an \$8 billion deal across six tranches to fund Keurig Green Mountain's acquisition of Dr. Pepper Snapple Group
- Investment-grade corporate spreads were resilient in the face of rising rates and equity market weakness, tightening 3bps to close at 108bps¹
 - High-yield spreads followed suit, tightening 6bps, to 331bps
- Commercial-mortgage backed securities (CMBS) outperformed both corporates and Treasuries, benefiting from strong demand¹
- Municipals performed roughly in line with Treasuries during the week as supply remained below long-term averages¹
 - The 10-year municipal/Treasury ratio traded in a 1bp range before settling unchanged on the week at 81%

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
5/16/2018	2.59	2.94	3.10	3.22
MTD Change	0.10	0.14	0.15	0.10

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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