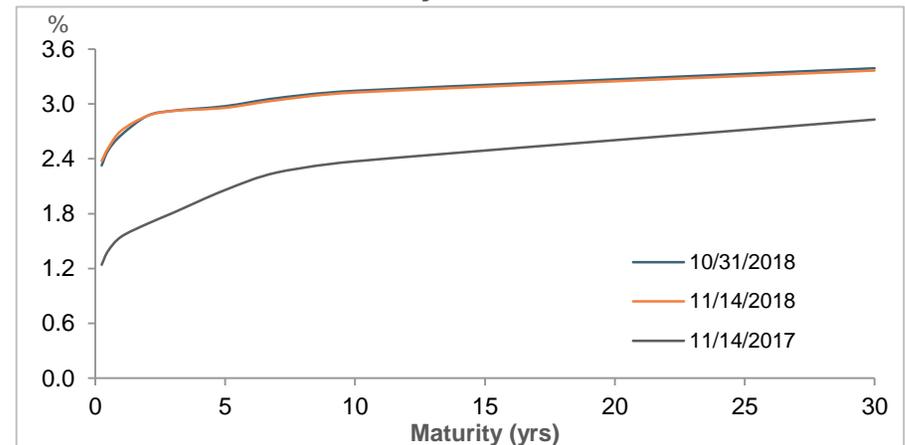




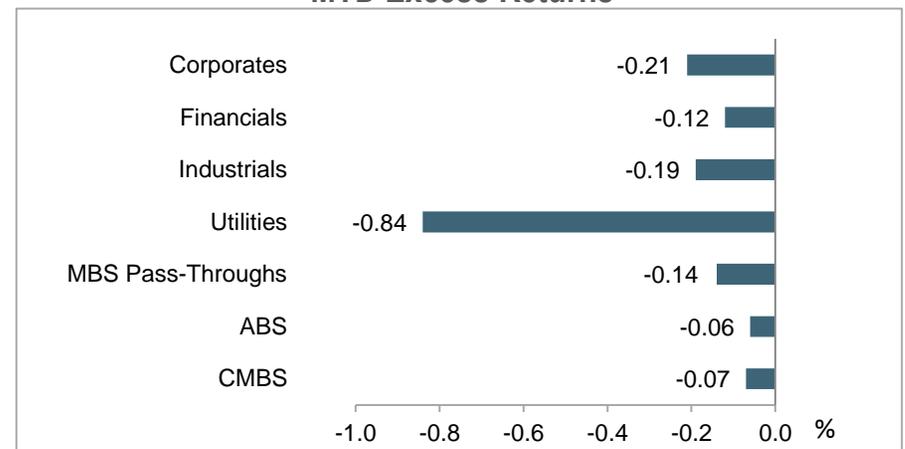
- The Treasury curve modestly flattened during the week, as the 2-year yield remained stable at 2.87% and the 30-year yield fell 2bps to 3.37%
- Oil prices hit a year-to-date low of \$55.69/barrel midweek after falling for twelve consecutive trading sessions for the first time ever
 - Forecasts for lower demand in 2019 and rising global supply drove the decline; OPEC later signaled production cuts, which helped limit a further move downward
 - The 10-year breakeven inflation rate fell below 2.03% for the first time since early January, as investors priced in potentially lower future inflation as a result of lower oil prices
- Negative headlines surrounding General Electric, in addition to the Utility and Energy sectors, caused a risk-off tone and investment-grade corporate spreads to increase 7bps to 122bps - 2bps off year-to-date wides of 124bps
 - Three wildfires in California, including the most destructive fire in the State's history, caused Utilities to broadly underperform
- Despite a holiday-shortened week and soft market tone, investment-grade corporate issuance totaled over \$18 billion this week, which was the midpoint of estimates ranging from \$15 to \$20 billion
 - DowDuPont was the largest deal with \$12.7 billion of bonds issued; the deal was well-received and tightened 5bps from initial price talk, but later widened in sympathy with the market
- Overall, securitized sectors remained fairly insulated compared to corporates and spreads of commercial mortgage-backed securities widened 2bps to 72bps
- Short maturity municipals underperformed similar duration Treasuries, and the 2-year muni/Treasury ratio increased 2% to 73%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
11/14/2018	2.87	2.96	3.13	3.37
MTD Change	0.00	-0.02	-0.02	-0.02

MTD Excess Returns



Sources: Bloomberg Barclays and 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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