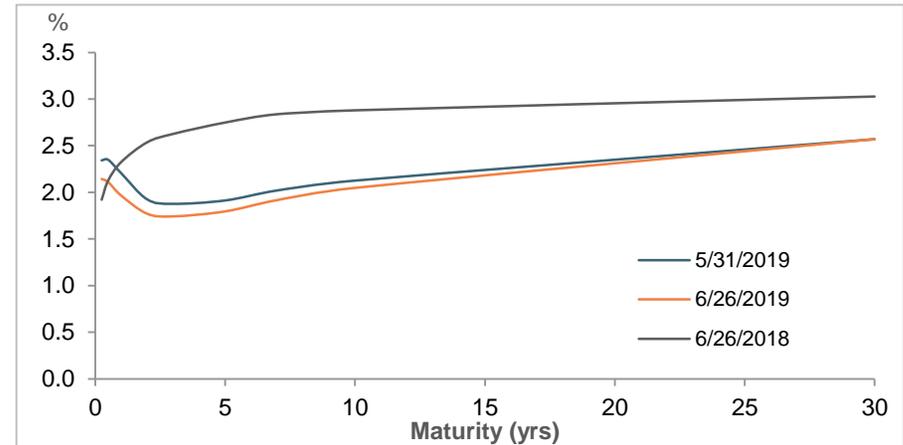




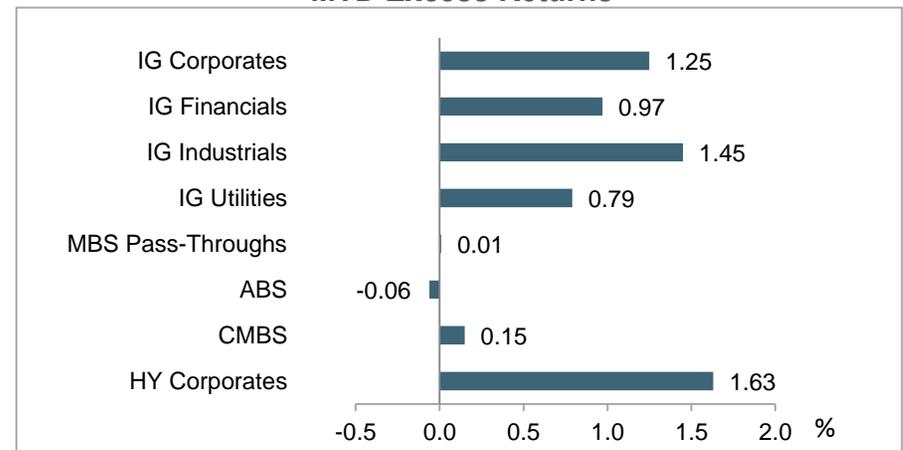
- After dipping below 2.00% for the first time since November 2016, the 10-year Treasury yield rebounded to 2.05% on Wednesday
 - St. Louis Federal Reserve (Fed) President James Bullard, the lone dissenting vote in last week's decision, reiterated Tuesday that he thought a 25bps cut would be advisable, but a 50bps cut would be unnecessary
 - The market-implied probability of a 50bps rate cut decreased to 20%, down from 38% on Monday
- Globally, bond yields moved further into negative territory as economic worries and low inflation expectations kept investors in government-backed debt
 - 10-year German Bunds traded at a yield of -0.33% earlier this week, the lowest yield on record
- Issuers took advantage of low all-in yields and priced \$11 billion of investment-grade corporate debt, meeting dealer estimates of \$10 to \$15 billion
 - New issuance is expected to slow, as companies await signals from the ongoing G-20 Summit
- Investment-grade corporate bond spreads tightened by 7bps week-over-week, and closed at 116bps, reflecting investors' strong appetite for risk
- Commercial mortgage-backed securities (CMBS) outperformed other securitized assets month-to-date, as the subsector is less sensitive to interest-rate volatility
- Demand for municipal bond issuance has largely outweighed supply; numerous deals were multiple times oversubscribed, with some new issues pricing through the AAA-rated muni yield curve

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
6/26/2019	1.77	1.80	2.05	2.57
MTD Change	-0.15	-0.11	-0.08	0.00

MTD Excess Returns



Sources: Bloomberg Barclays, Bloomberg, and Bloomberg Index Services Limited

Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.

The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research & Management. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.