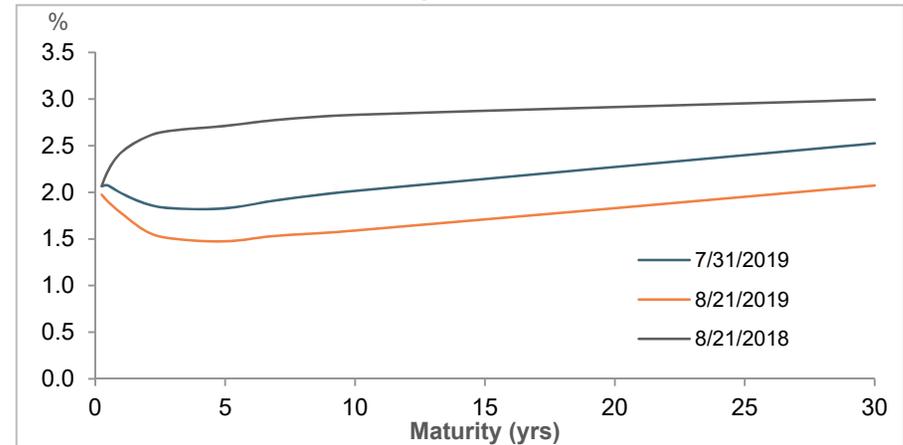




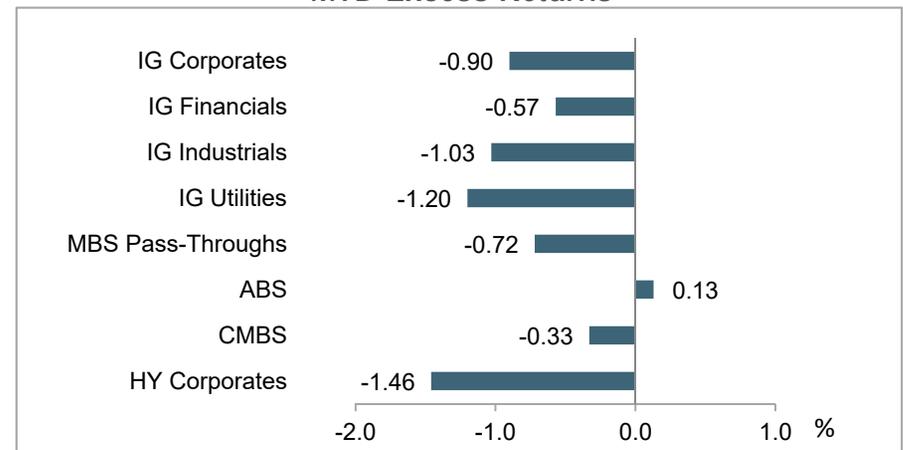
- The release of the Federal Reserve (Fed) meeting minutes, mixed economic news in the US and continued concern over global growth contributed to uncertainty in the market over the week
 - Jobless claims beat estimates but consumer sentiment was down sharply, from 98.4 to 92.1, reflecting a strong reaction to the proposed September increase in tariffs on Chinese imports
 - Fed meeting minutes showed a divided Fed and had no mention of further rate cuts; the market implied probability of a rate cut at the September meeting is 97.9%
 - Germany sold 30-year bunds with a negative yield for the first time ever; however, the auction was seen as a disappointment as less than half the debt offered was actually sold to the public
- US Treasury rates steepened modestly week-over-week, as the 5-year rate fell 2bps and the 30-year rose 5bps
 - The U.S Treasury is considering issuing 50- or 100-year bonds given record low rates
- New issuance of investment-grade corporates totaled roughly \$10 billion week-over-week, in-line with dealer estimates of \$5 to \$10 billion
 - The primary market appears to be finally entering its typical end of summer slowdown as dealers are expecting minimal issuance until Labor Day
- Investment-grade corporate spreads retraced some of the widening experienced early in the month, tightening 5bps to 119bps
- Asset-backed securities (ABS) outperformed other securitized sectors, as light issuance and strong demand drove positive excess returns
- Short-end municipals underperformed Treasuries and the 5-year muni/Treasury ratio increased by 3%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
8/21/2019	1.58	1.47	1.59	2.07
MTD Change	-0.29	-0.36	-0.43	-0.46

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.