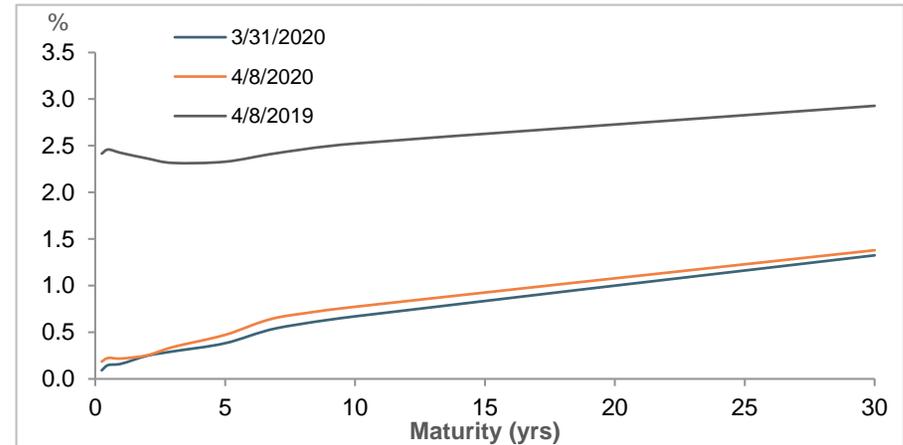




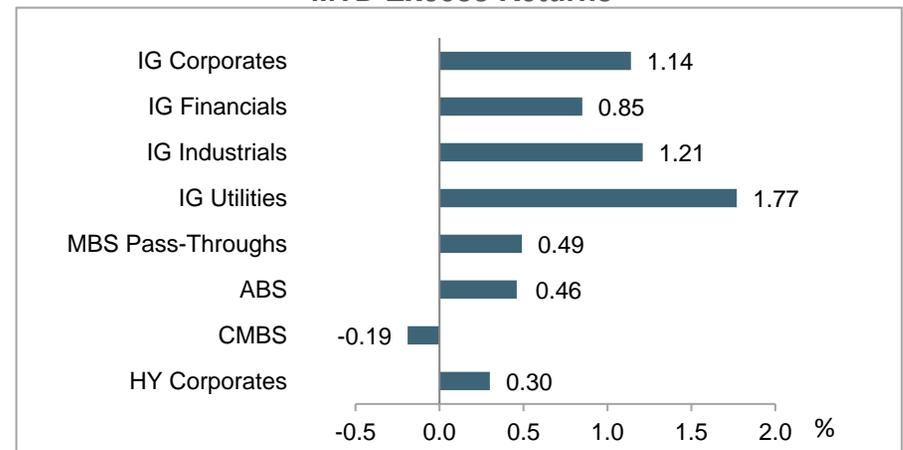
- Treasury yields rose month-to-date in response to the Federal Reserve’s (Fed) measures to support the economy, as well as efforts to mitigate the impact of the coronavirus pandemic
 - The Fed released details of its much-anticipated Main Street lending program, which will provide aid to mid-size businesses left out of the \$2 trillion congressional stimulus plan
 - The Fed will offer four-year loans to firms employing up to 10,000 workers and generating less than \$2.5 billion in annual revenue, and defer interest and principal payments on each loan for one year
 - The 10-year Treasury yield increased 10bps month-to-date, closing at 0.77% on Wednesday
- After a record month of issuance, investment-grade borrowers continued to flood the market, pricing \$104 billion in the first six trading days of April, sending supply 66% higher than last year’s year-to-date total
 - Demand for new issue was strong, and some issuers that were on the sidelines during March’s volatility brought deals to the market
- Despite the heavy supply, investors’ strong appetite for risk pushed corporate spreads 19bps tighter month-to-date, closing at 253bps
 - Stability in energy prices contributed to modest tightening in high-yield spreads, which closed at 871bps – a decrease of 71bps from the April wides
- Commercial mortgage-backed securities (CMBS) underperformed other securitized sectors, as the Fed’s liquidity facilities for these assets were not yet inclusive of non-agency CMBS
- Municipals outperformed Treasuries, and the 10-year muni/Treasury retreated from record levels, closing at 179%, down by 36% this month

Treasury Yield Curve



Maturity	2-year	5-year	10-year	30-year
4/8/2020	0.25	0.47	0.77	1.38
MTD Change	0.00	0.09	0.10	0.06

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.