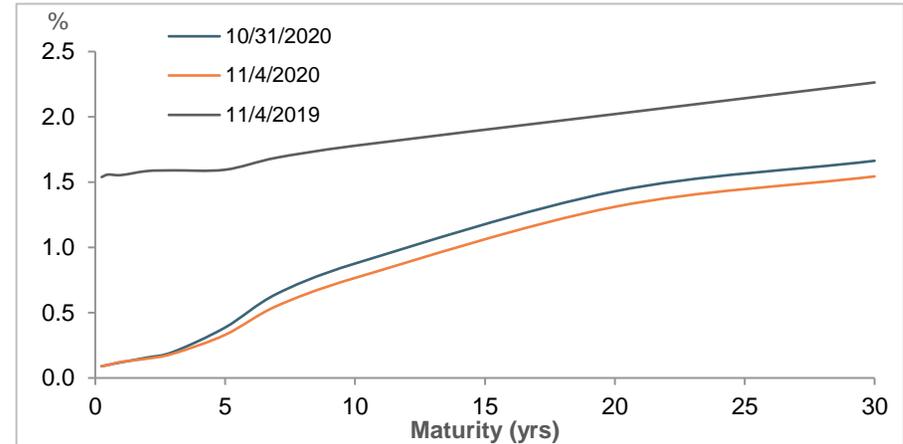




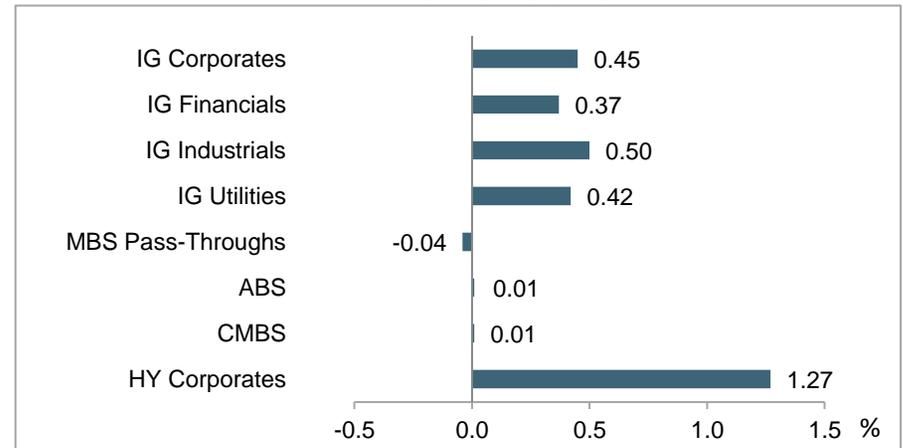
- Although the US presidential election remains undecided, investors reacted to the prospect of a split Congress and more modest stimulus
 - After starting the month at 0.88% and closing at 0.90% on election day, the 10-year Treasury rate fell to 0.77% a day later, the biggest one-day decline since the spring, due to lower inflation expectations
 - Despite the uncertainty, equity markets rallied on the potential for less sweeping tax reform and business regulations
- US economic data was mixed amid an increase in coronavirus infections and some states reinstating measured restrictions
 - October ISM Manufacturing data rose to 59.3 from 55.4 in September; the Services Index fell from 57.8 to 56.6, which was lower than expected but within expansionary territory
- Investment-grade issuers largely held back on supply this week, pricing only \$2 billion; projected issuance for the month is \$70-75 billion, which could be lowered in response to headline-driven volatility and two, holiday-shortened weeks
 - With minimal supply and strong overseas demand, spreads tightened 3bps, from 125bps to 122bps
- High-yield issuers were also cautious as the nation awaits election results, pricing only \$700 million this week
 - Following the strong equity rally, high-yield spreads tightened 52bps from the start of the month, from 509bps to 457bps
- Mortgage-backed securities (MBS) underperformed other securitized sectors amid strong housing data; the MBA Mortgage Applications composite index increased week-over-week from 1.7% to 3.8%
- Municipal bonds rallied alongside Treasuries, with the 10-year AAA muni settling at 0.85%, down from 0.94% at the beginning of the month

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/4/2020	0.15	0.33	0.77	1.31	1.54
MTD Change	-0.01	-0.06	-0.11	-0.12	-0.12

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.