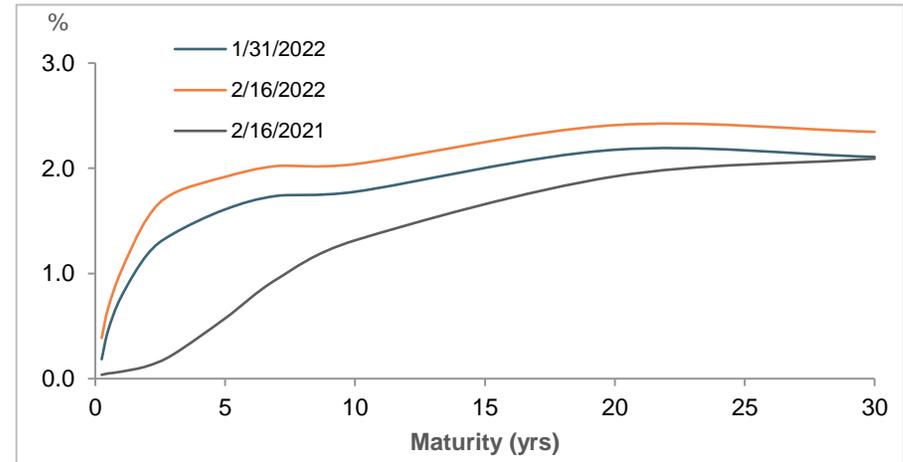




- Rising tensions between Russia and Ukraine dominated markets, as risk assets fell sharply and Treasuries rallied, despite continued positive earnings and encouraging economic data
 - January retail sales rose 3.8% after a downwardly revised 2.5% drop in December, making January the strongest monthly gain since March 2021, as consumers continued to spend on vehicles, clothing, and restaurants amidst soaring prices
 - Over 70% of companies in the S&P 500 that have reported earnings indicated an EPS above estimates
 - After closing at 2.04% on Wednesday, the 10-year Treasury fell to 1.97% following reports that Russia was moving towards an “imminent invasion” after word earlier in the week of a possible diplomatic resolution
- Investment grade corporate issuers were seemingly unphased by geopolitical tensions, as over \$27 billion of new deals were priced
 - Borrowers may have been motivated to come to market ahead of the Federal Reserve’s possible rate hike in March, despite eroding pricing leverage
 - Corporate spreads widened 7bps to 112bps on the heavier than expected supply; projections for the week called for \$20 billion
- High yield issuance came to a halt amid the broader market volatility
 - Despite the lack of supply, the yield of the Bloomberg High Yield Index rose 33bps to 5.70% and spreads widened 20bps to 354bps in sympathy with the rate volatility
- Issuance in asset-backed securities (ABS) reached the highest weekly level of the year with over \$11 billion, bringing year-to-date supply to more than \$42 billion, about 144% of last year’s pace
- Municipal rates followed the rise in Treasury yields, with the 5- and 10-year AAA General Obligation (GO) muni yields closing at 1.45% and 1.69%, respectively, the highest level since April 2020

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
2/16/2022	1.52	1.92	2.04	2.41	2.35
MTD Change	0.34	0.31	0.26	0.23	0.24

MTD Excess Returns



Sources: 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 but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M’s views and opinions. 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®” and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product.