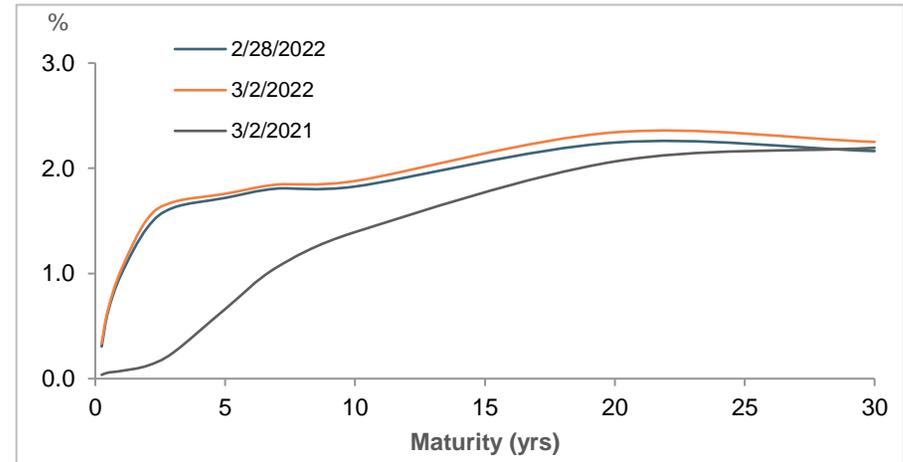




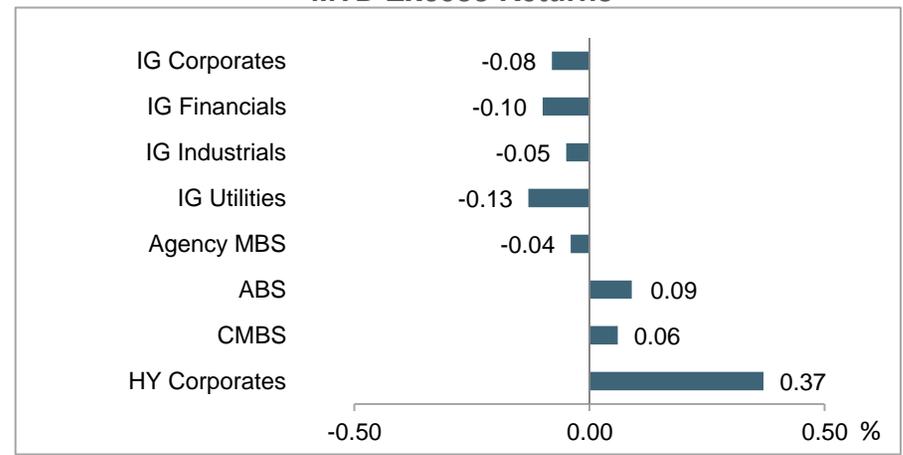
- Soaring commodity prices, inflation concerns, and continued Russian aggression weighed on investors; equities found reprieve in Federal Reserve (Fed) comments that a 50bps rate hike was unlikely
  - West Texas crude jumped over 20% this week, at times exceeding \$115, the highest price since 2008
  - The ISM Services Prices-Paid Index increased from 82.3 to 83.1 in February, remaining near all-time highs
- Fed Chair Powell testified to Congress that despite the charged geopolitical environment, he was ready to support a series of rate hikes
  - Powell noted he was inclined to support a 25bp rate hike at the March FOMC meeting, but would be prepared to move more aggressively in the future if inflation failed to moderate
  - Treasury yields increased broadly across the curve, with the 10-year rising 5bps to close at 1.88%; longer-term yields fell slightly on Thursday as some economic data showed signs of slowing growth
- The investment grade primary market, which stalled late last month, came back to life, as issuers priced almost \$54 billion of a projected \$25 billion
  - The heavy issuance met strong demand, and corporate spreads were relatively flat, widening only 2bps from 122bps to 124bps
- The high yield new issue market thawed after a two week freeze with two issuers bringing \$1.7 billion in supply
  - Although the yield of the Bloomberg High Yield Index rose 3bps to 5.65%, spreads tightened 4bps from 359bps to 355bps, in concert with the rally in equities
- Asset-backed securities (ABS) issuance fell behind last year's pace, with year-to-date supply of \$46.5 billion vs \$49 billion in 2021; this may only be temporary as recent filing activity indicates several new deals in the pipeline
- Municipal bond mutual funds and ETFs saw weekly outflows of over \$2 billion, the sixth consecutive week of outflow; further outflows are expected in March and April, as investors tend to sell holdings to pay tax bills

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
3/2/2022	1.52	1.76	1.88	2.34	2.25
MTD Change	0.08	0.04	0.05	0.10	0.09

### 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.