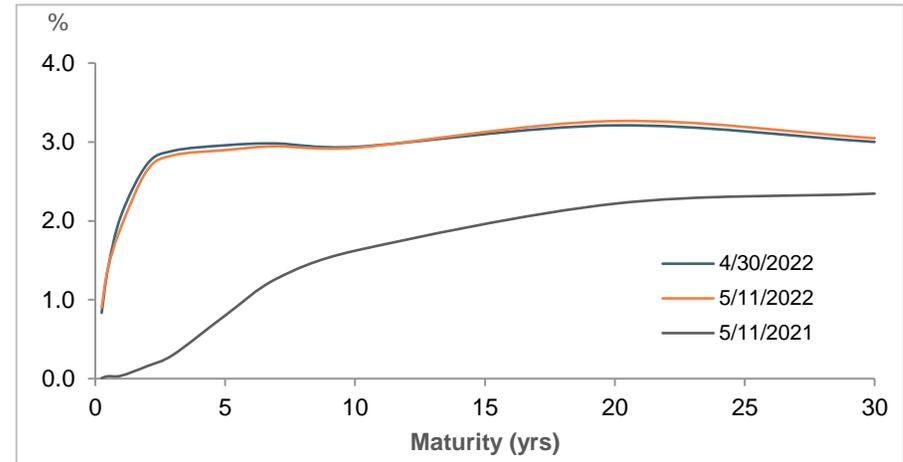




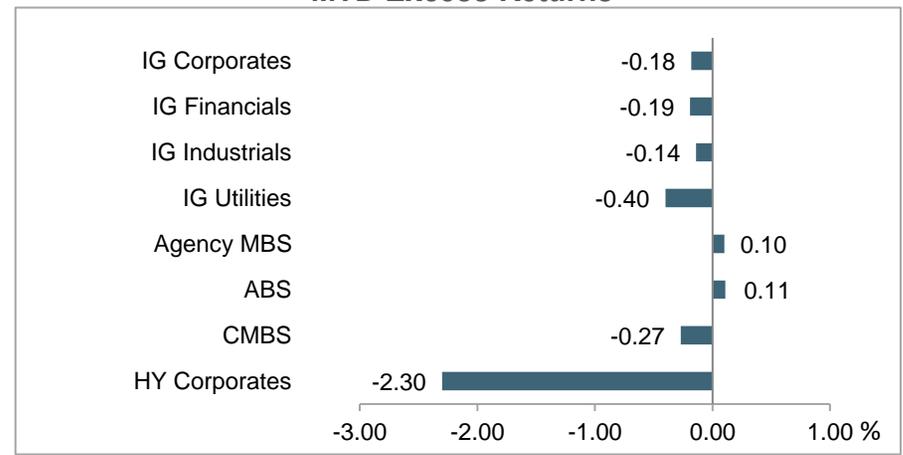
- Despite healthy labor data, inflation woes remained top of mind for investors; treasury yields fell and equities struggled as a risk-off sentiment permeated markets
 - The US economy added 428,000 jobs in April and the unemployment rate held steady at 3.6%
 - April CPI was a blistering 8.3% year-over-year, and Core CPI rose 6.2%; though cooler than the previous month's readings of 8.5% and 6.5%, respectively, they both exceeded expectations
 - Shelter, food, and airfares were the largest contributors to CPI, although some weakness in energy, particularly gasoline, helped contain the increase
 - Markets continue to expect a 50bp rate hike at the Federal Reserve's (Fed) June and July meetings as the Fed looks to temper inflation
- Sporadic activity punctuated the investment grade primary market, with a crowded calendar on some days and a lack of new supply on others; issuance of \$22 billion fell short of a projected \$30 billion
 - New issue concessions were elevated on the weaker market tone, and corporate spreads widened 5bps, from 134bps to 139bps
- High yield issuers were largely sidelined by rising rates and equity market volatility; only \$1.2 billion has priced month-to-date, and year-to-date issuance of \$55 billion is 74% behind last year's pace
 - The yield of the Bloomberg High Yield Index rose 47bps to 7.51%, and spreads increased 51bps to 441bps
- Issuance of asset-backed securities (ABS) remained heavy, with almost \$10 billion pricing this week; year-to-date issuance of \$118 billion is roughly 20% ahead of last year's pace
- The 10-year muni/Treasury ratio rose 5%, from 94% to 99%, as municipals underperformed Treasuries amidst an unabated outflow of funds from municipal bond mutual funds and ETFs

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
5/11/2022	2.64	2.90	2.93	3.27	3.05
MTD Change	-0.08	-0.06	-0.01	0.06	0.05

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.