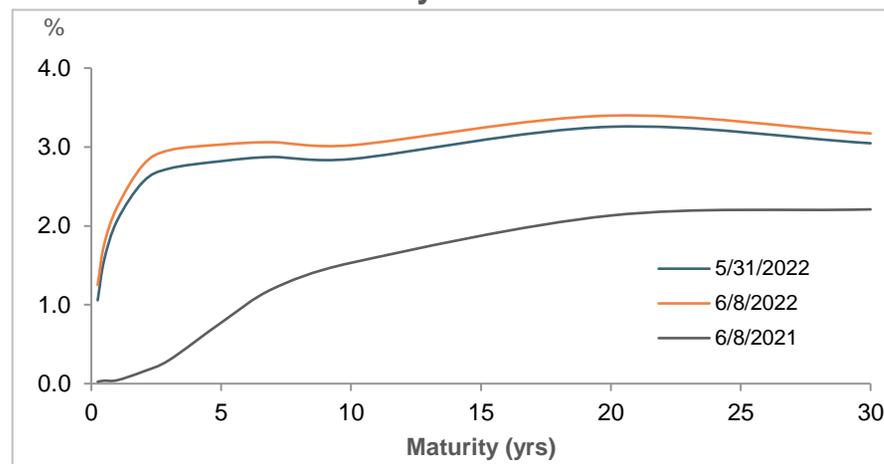




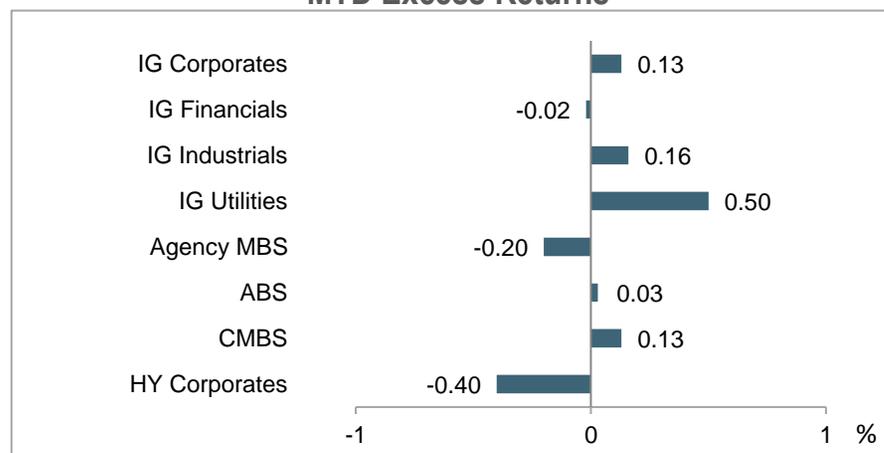
- Despite healthy labor data, investors remained cautious amid persistent inflationary concerns and renewed worries of a slowdown in global growth
 - The U.S. economy added 390,000 jobs in May, higher than consensus estimates; the unemployment rate remained steady at 3.6%
 - Treasury Secretary Janet Yellen testified to the Senate that the U.S. is likely facing a prolonged period of elevated inflation
 - The World Bank sharply lowered its global growth forecasts given tightening monetary conditions; the European Central Bank announced it intends to hike rates by 25bps at its July meeting
- Markets are pricing in a 50bp rate hike at next week's Federal Reserve (Fed) meeting; Treasury yields rose across the curve with the 10-year Treasury yield rising 18bps to close at 3.02%
- Investment grade corporate issuance remained strong with over \$33 billion priced this week, surpassing expectations of \$25-30 billion; \$50 billion has been priced month-to-date, more than 50% of June's projected \$90 billion
 - Despite the heavy supply, corporate spreads were buoyed by solid demand for higher-quality bonds and remained unchanged at 130bps
- High-yield issuance slowed this week with only \$800 million priced, down from the prior week of roughly \$5 billion
 - The yield of the Bloomberg US High Yield Index rose 32bps to 7.41%, and spreads widened 16bps to 420bps, as investors became more cautious ahead of the Fed meeting next week
- Although there was no issuance during the week following Memorial Day, asset-backed securities (ABS) issuance resumed and remained heavy, with year-to-date supply of \$140 billion versus \$128 billion in 2021
- Investors added \$1.2 billion to municipal bond funds following the sector's largest monthly gain since 2020, ending a 15-week outflow cycle

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
6/8/2022	2.78	3.03	3.02	3.40	3.17
MTD Change	0.22	0.21	0.17	0.14	0.12

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.