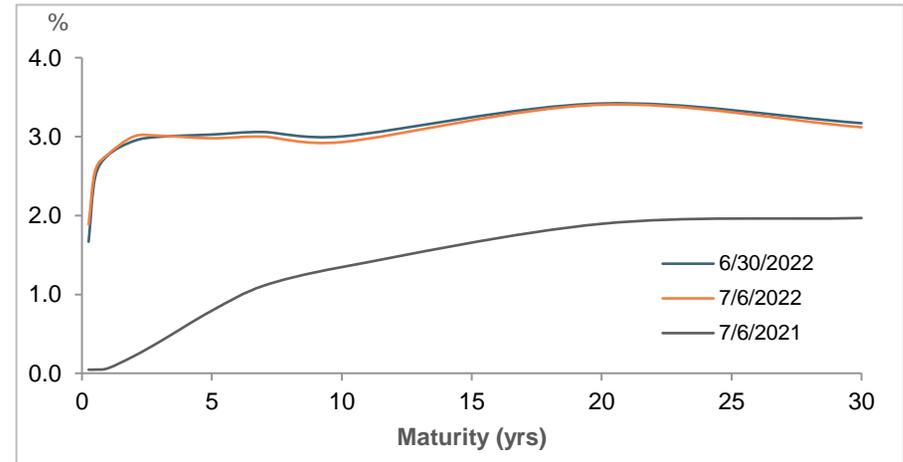




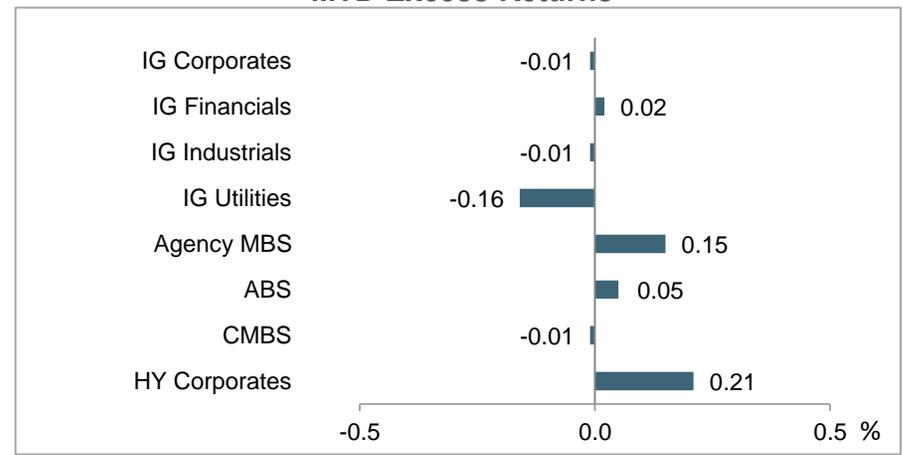
- Minutes from the June Federal Open Market Committee (FOMC) meeting reiterated the hawkish tone from the Federal Reserve (Fed), echoing further rate hikes would be necessary in its ongoing fight against inflation
 - Fed Chair Jerome Powell detailed the possibility of a 50bp or 75bp rate hike at the July Fed meeting; however, market participants are pricing in a 75bp hike if current economic trends persist
- Treasury yields bear flattened following the FOMC meeting; the spread between the 2- and 10-year Treasury rate ended at -8bps
- The investment grade primary market came back to life after a four day pause, with issuers pricing over \$13 billion of an estimated \$15 billion
 - Despite stalled participation, July issuance is projected to be \$80 billion as a growing list of issuers prepare to bring deals to market, taking advantage of the drop in funding costs
 - Corporate spreads widened 2bps, from 155bps to 157bps
- The high-yield market saw just one newly issued bond month-to-date, pricing \$350 million, continuing the ongoing trend of slowing issuance
 - On June 30th, the yield of the Bloomberg US High Yield Index drifted 7bps lower to 8.82% from a 2-year high of 8.89%, and spreads tightened 3bps to 566bps
- Issuance in commercial mortgage-backed securities (CMBS) was relatively light following the holiday with only one issuer pricing \$381 million; year-to-date issuance of \$74 billion is 13% ahead of last year's pace
- Investors withdrew roughly \$1.4 billion from municipal bond mutual funds for the fourth consecutive week for a total streak of losses of \$15 billion; year-to-date outflows have totaled approximately \$88 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
7/6/2022	3.01	2.98	2.93	3.41	3.12
MTD Change	0.05	-0.06	-0.08	-0.03	-0.06

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.