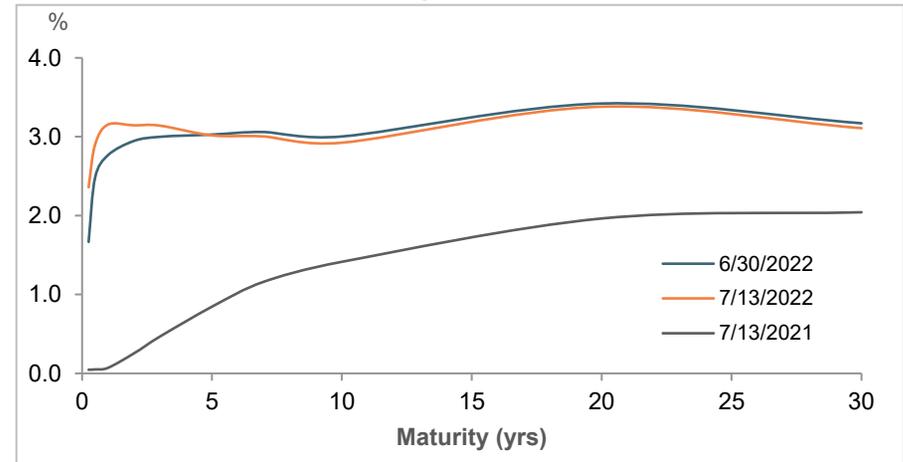




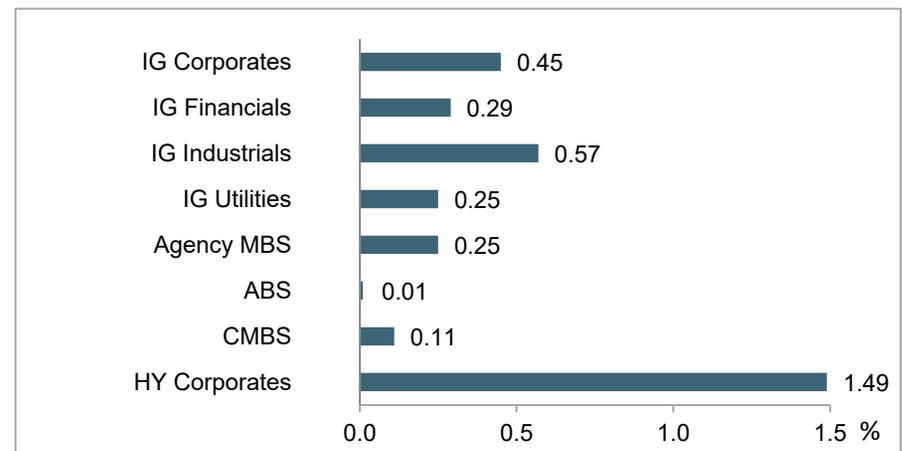
- The US Consumer Price Index (CPI) measured 9.1% year-over-year, exceeding expectations of 8.8% and marking the largest annualized gain since 1981
 - June CPI increased 1.3% month-over-month, the largest one month gain since 2005, driven by price increases across energy, food, and shelter
 - Inflation showed no signs of slowing and caused investors to begin pricing in a possible 100bp rate hike at the July Federal Reserve (Fed) meeting
- The Fed released their Beige Book, reinforcing recession concerns while highlighting labor shortages and persistent inflationary pressures
- The Treasury yield curve flattened week-over-week, pushing the yield of the 2-year Treasury above the 30-year Treasury
 - The 2-year Treasury yield rose 15bps, as investors priced in the higher likelihood of additional rate hikes to curb inflation, while the 30-year yield remained unchanged
- Corporate supply across both investment grade and high yield slowed this week; market volatility surged following CPI data and many companies entered earnings blackout periods
 - Investment-grade issuers priced over \$7 billion, falling short of dealer estimates of over \$15 billion; corporate spreads tightened week-over-week, from 157bps to 151bps
 - High-yield issuers sat on the sidelines, remaining cautious due to recession fears; the yield of the Bloomberg US High Yield Index fell 23bps to 8.59%, and spreads tightened 33bps to 533bps
- Agency mortgage-backed securities (MBS) outperformed other securitized sectors, as origination is expected to slow with mortgage rates at 5.73%
- Municipals outperformed Treasuries, with the 10-year muni/Treasury ratio falling almost 2%, from 87.8% to 86%; the ratio is still over 16% higher year-to-date

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
7/13/2022	3.16	3.03	2.94	3.40	3.12
MTD Change	0.20	-0.01	-0.08	-0.04	-0.07

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.