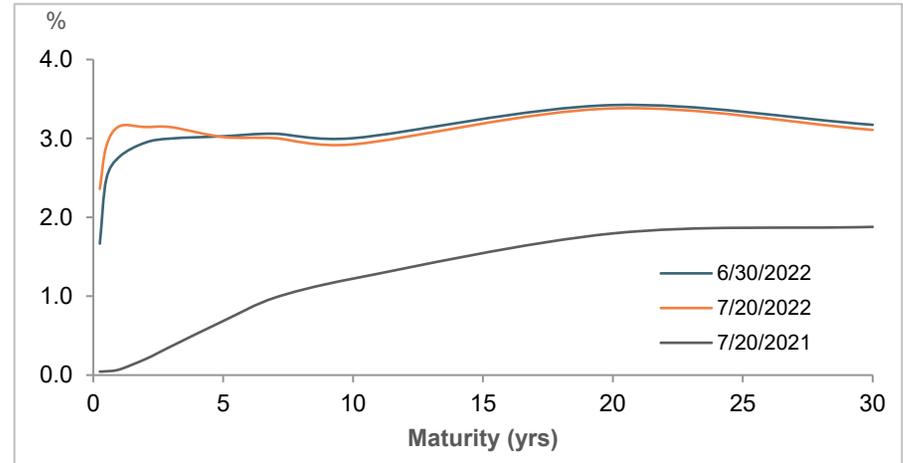




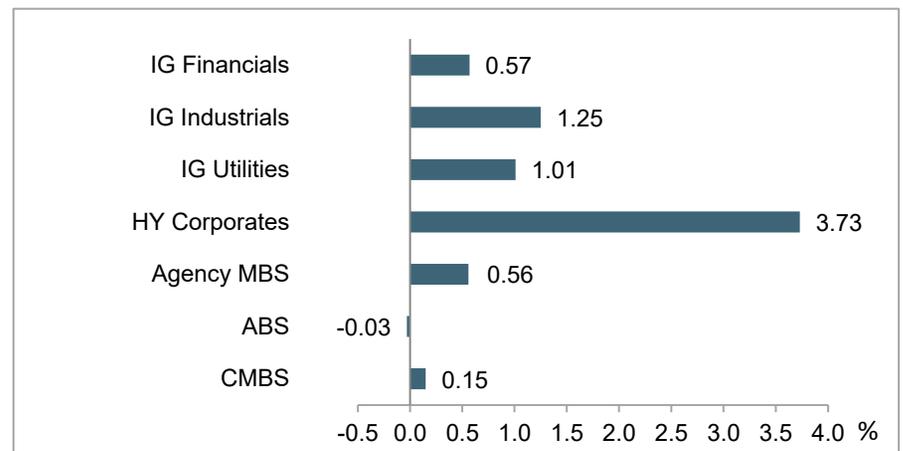
- Fixed income markets became increasingly focused on the July Federal Reserve (Fed) meeting next week with investors now expecting the Fed to raise rates by 75bps
- US homebuilder sentiment (the NAHB/Wells Fargo Housing Market Index) fell for the seventh straight month to the lowest survey reading since May 2020 amid production bottlenecks, rising costs, and high inflation
- Initial jobless claims rose 7,000 to 251,000, exceeding estimates, while continuing claims also increased, up 3.8% week-over-week to 1.38 million; both unemployment measures recorded 2022 highs, highlighting the changing pace of the job market
- Treasury yields increased across the curve; the spread between the 2- and 10-year Treasury rate remained inverted at -20bps
- Investment grade corporate issuance was heavy after several quiet weeks; 12 issuers priced over \$43 billion, surpassing dealers' estimates
 - Corporate spreads at 144bps are at their tightest level in weeks
- One high-yield corporate issuer came to market this week with \$710 million, marking only the second new issuance in July; month-to-date issuance in the high yield market totaled \$1 billion
 - The yield of the Bloomberg US High Yield Index fell 37bps week-over-week to 8.22%, and spreads tightened 53bps to 480bps
- Issuance in asset-backed securities (ABS) was quiet as a result of a structured finance industry conference earlier in the week; only one issuer came to market with a total of \$245 million
 - Month-to-date issuance remains heavy with \$18 billion priced-in; year-to-date supply in ABS totaled \$174 billion versus \$165 billion in 2021
- The 10-year muni/Treasury ratio fell 3% to 82% as municipals outperformed Treasuries

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
7/20/2022	3.23	3.17	3.03	3.42	3.16
MTD Change	0.27	0.13	0.01	-0.02	-0.03

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.