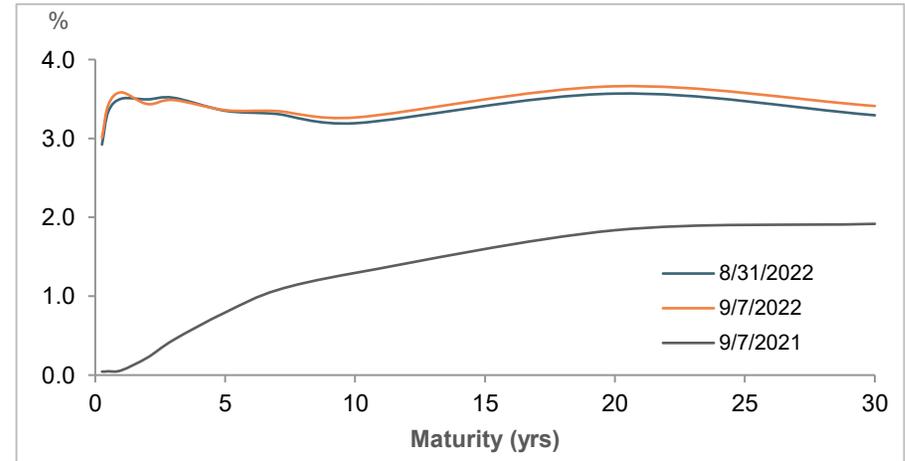




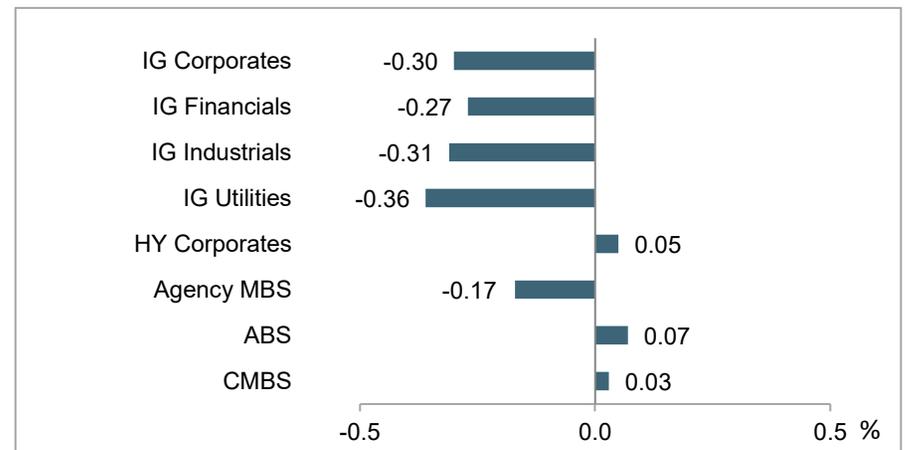
- Market sentiment shifted during the holiday-shortened week as the Federal Reserve (Fed) reprised a hawkish tone; investors now anticipate a 75bp rate hike at the September Federal Open Market Committee (FOMC) meeting
  - Strength in US labor market data is helping to assuage investors' recession fears; nonfarm payrolls grew by 315,000 in August and initial jobless claims fell for the fourth straight week
  - The unemployment rate increased by 20bps to 3.7% in August, marking the first increase since January
- The 10-year Treasury sold off early in the week due to upbeat economic data and yields closed 7bps higher week-to-date; yields rallied following Fed Chair Powell's comments this morning about a potential third straight jumbo rate hike
- Investment grade issuers flooded the market this week as over 30 issuers supplied more than \$51 billion in new deals, surpassing dealers' estimates
  - Corporate spreads were unchanged week-to-date at 145bps
- The high yield market remained quiet following the slowest August since 2014, with issuance totaling \$8 billion amid macro uncertainty and rising rates; year-to-date supply of \$78 billion is its lowest since 2008
  - Week-to-date, Bloomberg US High Yield Index yield fell 9bps to 8.47% and spreads tightened by 3bps to 485bps
- Asset backed-securities (ABS) outperformed week-to-date amid weak supply; in August, ABS supply totaled \$28 billion, above the 2022 monthly average of \$26 billion
- Municipals underperformed Treasuries week-over-week as municipal yields widened; the 10-year Muni/Treasury ratio rose from 82% to 84%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/7/2022	3.43	3.36	3.27	3.66	3.41
MTD Change	-0.06	0.01	0.07	0.09	0.12

Month-to-Date 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.