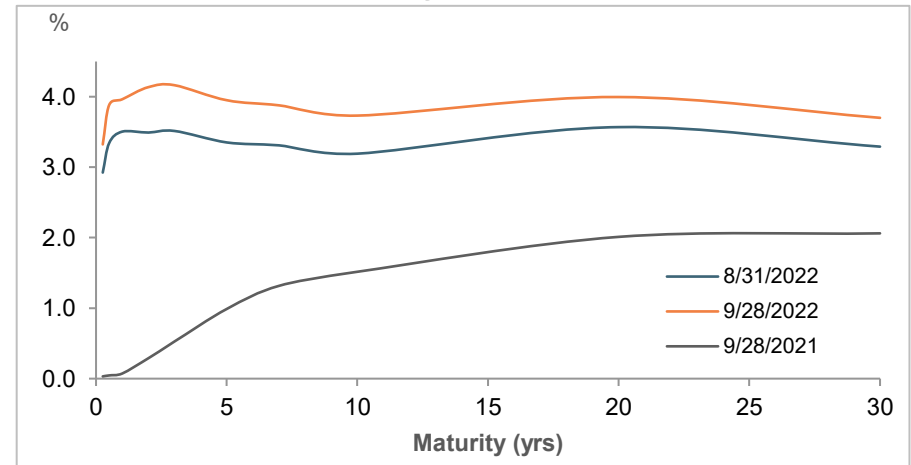




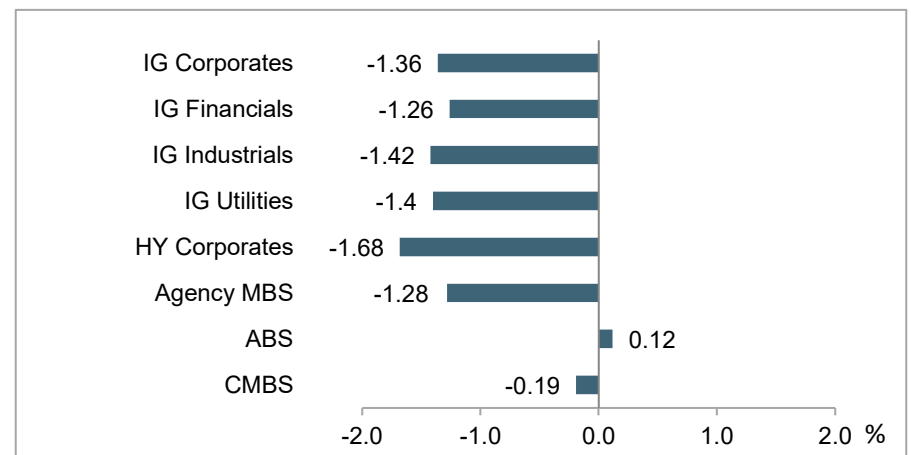
- Volatility hit global markets and bond yields fell, as central banks took measures to stabilize exchange rates against the strengthening US dollar
  - Spurred by the Federal Reserve's (Fed) aggressive pace of monetary tightening to combat inflation, several central banks resorted to either hiking rates or drawing down their foreign exchange reserves to defend their currencies
- The Bank of England pledged unlimited purchases of long-dated government bonds in an effort to buttress the flailing gilt market
  - Treasury yields rose across the curve as a result, pushing the 10-year yield above 4% before retreating 21bps to close at 3.73% - the largest one-day decline since March 2009
- Investment-grade supply was again limited this week, totaling just \$1.1 billion, as market volatility kept most borrowers on the sidelines
  - Spreads widened 15bps week-over-week after widening 7bps on Tuesday alone, the largest percentage basis move since March 7<sup>th</sup>; spreads have now widened four straight sessions
- High-yield supply continued to stall, as rising debt costs and a generally risk-off sentiment dampened supply; with only \$9 billion in issuance, this was the lowest September on record since 2011
  - Week-over-week, yields rose 80bps to 9.6% and spreads widened 66bps to 548bps
- Asset-backed securities (ABS) outperformed other securitized sectors' light new issue activity; issuance reached \$221 billion year-to-date, 4% lower than the \$231 billion priced by this time last year
- Municipals underperformed Treasuries, with the 10-year muni/Treasury ratio increasing 3% week-over-week to 87%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/28/2022	4.14	3.95	3.73	4.00	3.70
MTD Change	0.64	0.60	0.54	0.43	0.41

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.