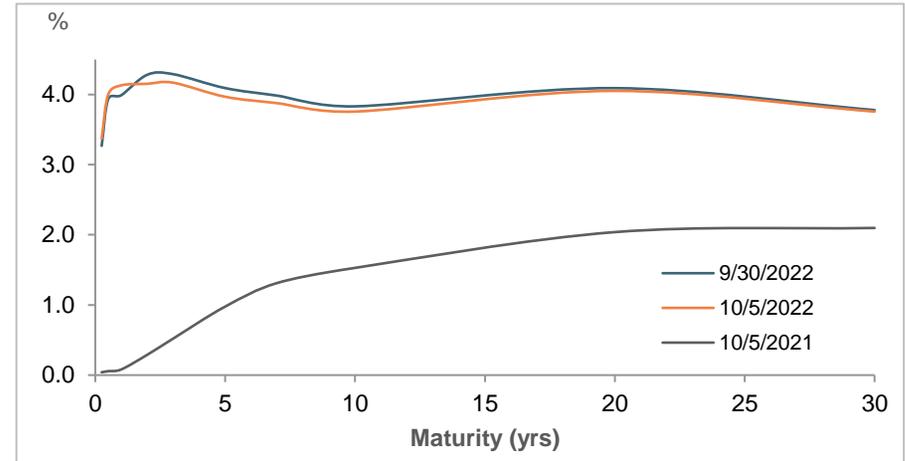




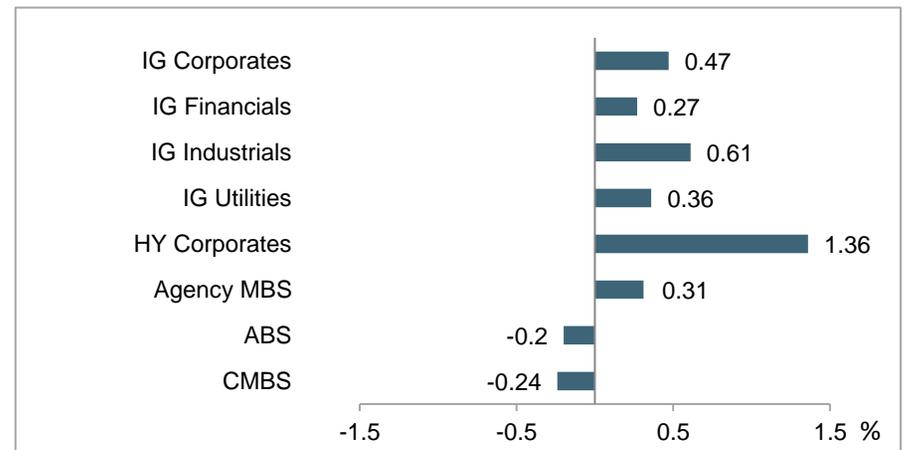
- This week the Federal Reserve (Fed) reiterated the need to boost rates to “restrictive territory” in order to tackle inflation as the market prepares for additional jobs data due at the end of the week
 - U.S. manufacturing activity grew at its slowest pace in over two years as September ISM Manufacturing PMI fell to 50.9, but remains in expansion territory
 - Job openings in August fell to a 14-month low of 10.1 million, likely a welcome sign for the Fed; however, unemployment claims increased week-over-week and are expected to rise in the coming weeks as the impact of Hurricane Ian materializes
- Treasury yields briefly fell earlier this week in response to a smaller-than-expected rate hike in Australia; the 2-year Treasury reached as low as 3.9% on Tuesday before ticking back up to close the week at 4.1%
- Investment grade issuers priced over \$13 billion this week, surpassing expectations of \$10 billion, and bringing year-to-date issuance over the \$1 trillion dollar mark
 - Corporate spreads tightened 4bps, from 159bps to 155bps
- High-yield primary market doors were left ajar on Monday after an issuer struggled to lure investors and retreated from the market until Thursday, when one issuer was able to get its offering across the finish line, pricing \$625 million; the primary market is running at 22% of its volume compared to the same period last year
 - The yield of the Bloomberg High Yield Index rose 20bps, from 9.68% to 9.88%; spreads tightened 53bps to 499bps
- Mortgage rates continue to soar, reaching a 16-year high of 6.75%; MBA mortgage applications fell by more than 14% in the week ended September 30 as demand resets
- Investors withdrew cash from muni funds for the ninth consecutive week, increasing year-to-date outflows to a record \$95 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/5/2022	4.15	3.97	3.76	4.05	3.76
MTD Change	-0.13	-0.13	-0.08	-0.04	-0.02

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.