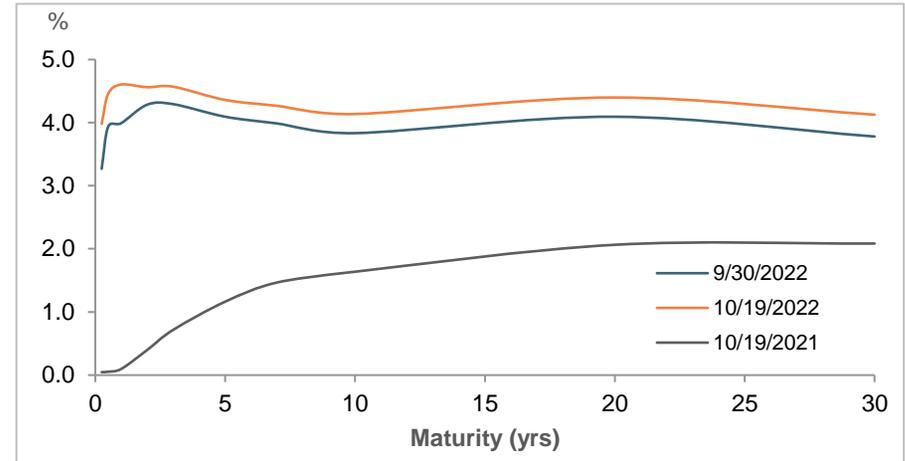




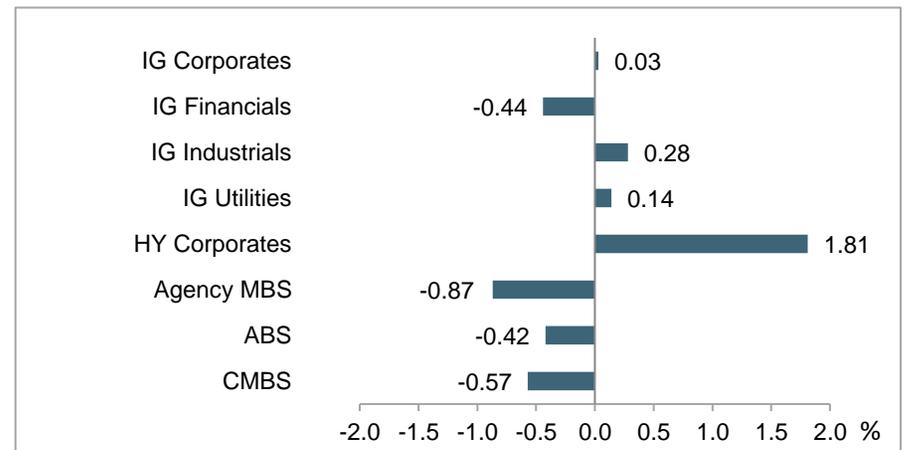
- Global market turmoil continued to spread, as investors grow increasingly concerned about a “hard landing”, leading to sizable swings in Treasury yields
  - Increased inflation measures across developed markets did little to assuage fears of an impending recession, crashing hopes of a Federal Reserve (Fed) pivot
  - Prime Minister Liz Truss announced her resignation after only 45 days in office, a day after UK inflation hit 10.1%
- Treasuries continued to sell off, pushing rates above 4% across the curve; the 10-year Treasury yield closed at 4.14%, a 14-year high
- Corporate spreads were flat week-over-week amid ongoing tightening financial conditions; the yield broached 6% for the first time since 2009
  - 13 issuers came to the investment grade primary market this week with over \$18 billion in new issuance despite an unfavorable backdrop
  - Banks dominated issuance and accounted for over \$9 billion of this week’s volume
- The yield of the Bloomberg High Yield Index was up only 1bp to 9.60%; spreads tightened 28bp to 505bps
  - Only one issuer “cruised” through the high-yield primary market this week, with Carnival supplying \$2 billion in new issuance as the market continues to grapple with rising cost of debt and continuing losses
- Demand for mortgages fell to its lowest level since 1987 as homebuilder sentiment dropped for the tenth straight month in the face of soaring mortgage rates that sit at a 20-year high of 6.94%
- Municipals outperformed Treasuries on the reduced supply, and the 10-year muni/Treasury ratio decreased 4% to 77%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/19/2022	4.56	4.36	4.14	4.40	4.13
MTD Change	0.28	0.27	0.30	0.31	0.35

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.