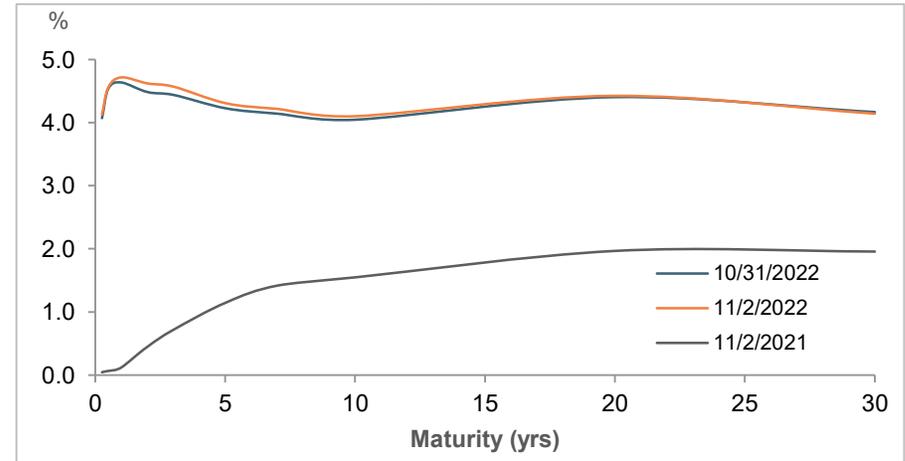




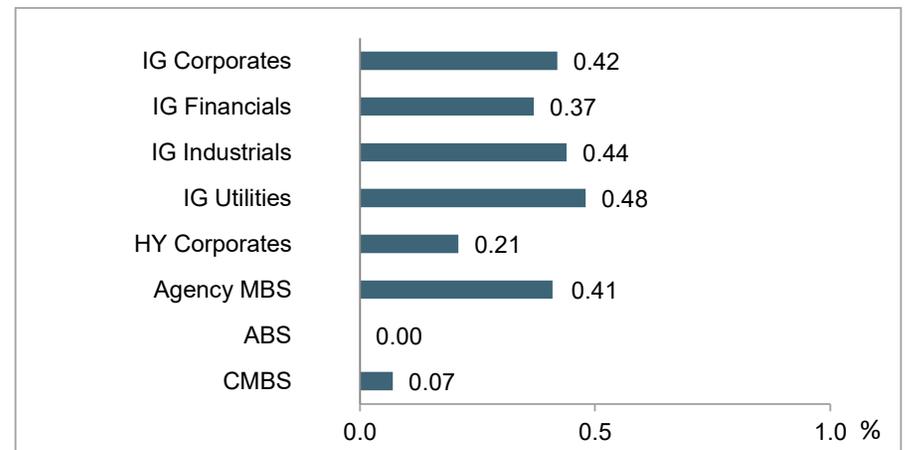
- The Federal Reserve (Fed) hiked rates by 75bps for a fourth consecutive time to counter high inflation; the decision lifted the Fed's benchmark to a 3.75% – 4% range, from a 0 – 0.25% range in March
 - Chair Powell signaled that the terminal rate would be higher than previously thought
 - The news drove Treasury yields higher across the curve and the 2-year closed at 4.62%, its highest level since July 2007
- Strong US employment data supported the Fed's policy stance, as job openings in September rose month-over-month and beat expectations, while continuing jobless claims remained on the high side
 - Wages and benefits, measured by the employment cost index, increased in the third quarter by 5% year-over-year
- Three investment-grade issuers brought new deals month-to-date, with \$4 billion in supply, as the Fed meeting kept issuers waiting on the sidelines; estimates for November are around \$75 billion
 - Spreads tightened 4bps to 154bps, with yields at 5.92%
- Only one issuer tapped the high-yield market on Tuesday with \$1.5 billion in supply ahead of the Fed meeting on Wednesday
 - Ford Motor Credit priced a 5-year bond at a yield of 7.85%, highlighting how much higher front-end rates have moved recently; in 2020, Ford priced a similar deal closer to 4%
 - The Bloomberg High Yield Index yield remained flat at 8.99%; spreads tightened 9bps to 446bps, a seven-week low
- Mortgage applications fell 0.5%, the sixth straight weekly decline, with elevated rate volatility keeping new-issue supply constrained
- Municipals outperformed Treasuries this week as yields on AAA rated 5-year bonds fell 4bps to 3.2% while those of 30-year bonds fell 6bps to 4.1%; Tuesday marked the sharpest rally munis have seen in a month

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/2/2022	4.62	4.31	4.10	4.43	4.14
MTD Change	0.14	0.08	0.05	0.02	-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.