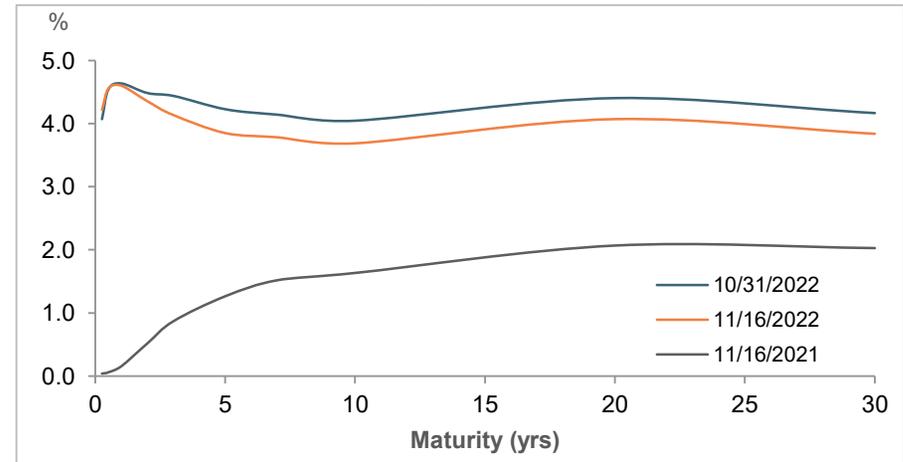




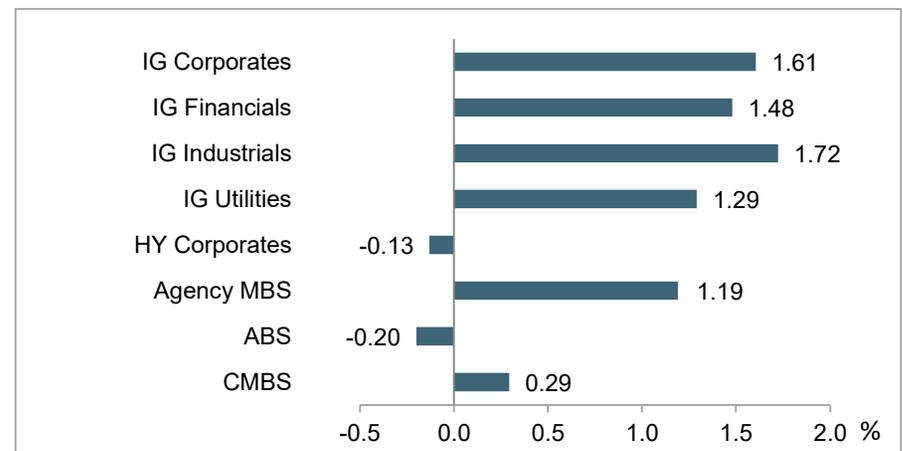
- Investors were increasingly focused on the health of the US economy amid positive economic data, as a deeply inverted Treasury curve exacerbated fears of an impending recession
 - Retail sales outpaced estimates in October, climbing 1.3% month-over-month
 - Initial jobless claims were lower than expected, falling to 222,000, while continuing claims also came in below consensus
- The Treasury curve flattened further with the intermediate- and long-end rates falling below 4%
 - The difference between the 2-year and 10-year Treasury rate inverted further to -67bps, the most inverted since the 1980's
- October's Producer Price Index (PPI) came in at 0.2%, below estimates of 0.4%, and suggests inflationary pressures may be easing
 - The market is currently pricing in a 50bp rate hike at December's FOMC meeting
- The investment-grade corporate new issue market was active again, with issuance totaling over \$23 billion this week
 - Spreads tightened 14bps week-over-week to 138bps, the tightest level since August, and yields fell 51bps to 5.41%
- High-yield issuance was light with only \$400 million of new debt, which helped push spreads 27bps tighter to 455bps
- Agency mortgage-backed securities (MBS) were resilient to soft housing data, as homebuilding permits and new housing starts fell in October, and homebuilder sentiment sank to the lowest level since 2012
- Investors continued to withdraw from municipal bond funds, pulling another \$3 billion; despite outflows, the 10-year municipal/Treasury ratio fell by 2% week-over-week, and closed at 79%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/16/2022	4.36	3.85	3.69	4.07	3.84
MTD Change	-0.13	-0.38	-0.36	-0.34	-0.33

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.