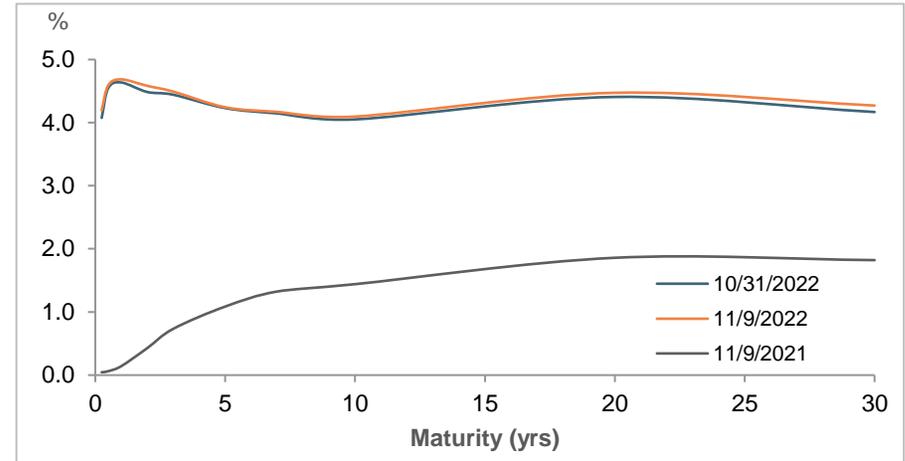




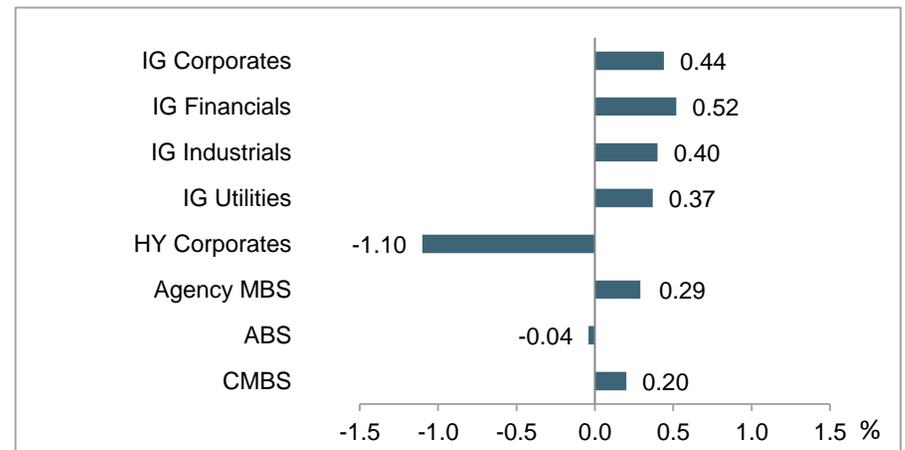
- Investors were focused on this week’s economic data releases, leading to relatively calm markets early on before a risk-on tone took hold
- The labor market added 261,000 jobs in October, topping expectations; however, unemployment was higher and jobless claims increased
- CPI slowed more than expected in October, increasing 0.4% for the month and 7.7% year-over-year, the lowest since January
 - The lower inflation print suggests tighter monetary policy may be slowing pricing pressures
 - Markets are now pricing in a terminal fed funds rate of less than 5% and a 50bps rate hike at the December meeting
- Treasury yields were mostly lower prior to Thursday’s CPI release, with the 10-year rate down 7bps to 4.10%
 - Rates fell lower after inflation data came in below expectations, as yields of many tenors fell by more than 20bps on Thursday
- A wave of 28 issuers flooded the investment grade market this week with \$45 billion of fresh debt, well-above dealer estimates of \$30 billion
 - Spreads were unchanged as of Wednesday’s close at 152bps, but the lower CPI print on Thursday pushed spreads tighter
- Five high-yield issuers brought roughly \$6 billion of new supply to market, the busiest week in new sales since early June
 - The Bloomberg High Yield Index yield rose 33bps to 9.32% and spreads widened 36bps to 482bps
- Asset-backed securities (ABS) underperformed other securitized sectors month-to-date amid a flurry of new issuance; over \$8 billion in supply has priced month-to-date
- Investors withdrew from municipal bond funds for the 11th consecutive week, pulling nearly \$4 billion in the week ended November 2nd

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/9/2022	4.58	4.24	4.10	4.47	4.27
MTD Change	0.09	0.01	0.05	0.06	0.10

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.