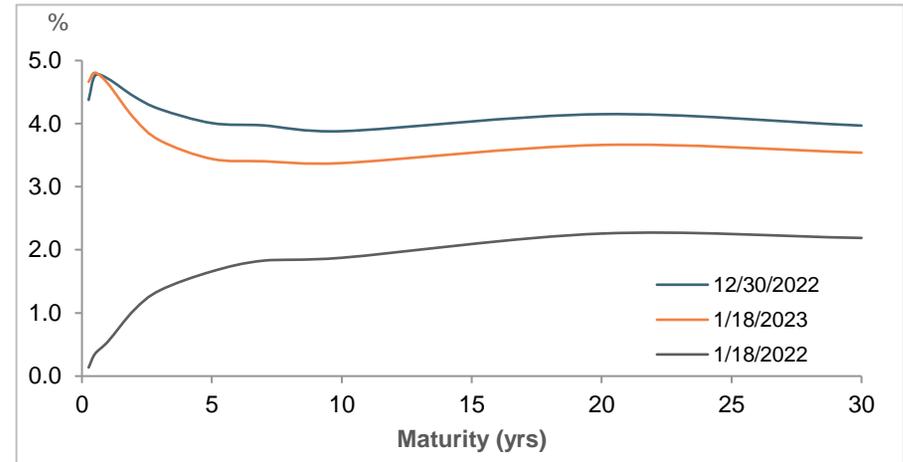




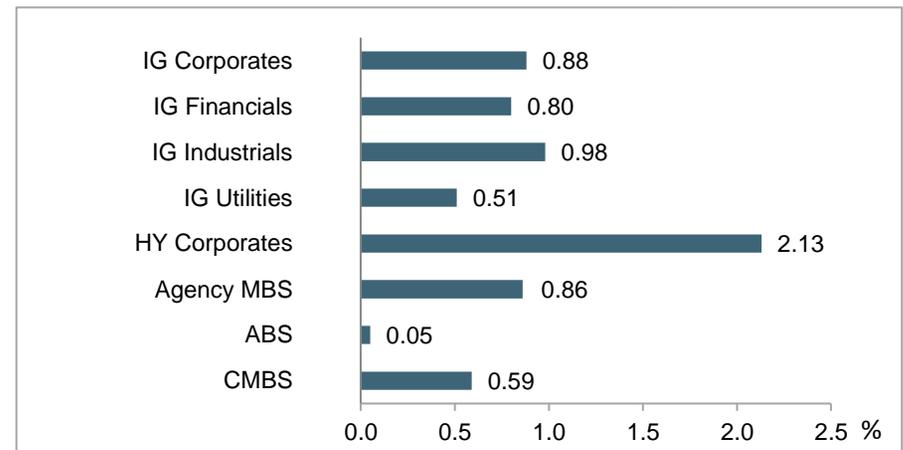
- Investors remained on edge as they digested declining corporate earnings and mixed economic data
  - December's headline PPI print came in weaker than expected, declining 0.5% month-over-month, led by a fall in energy and food prices; core PPI was up only 0.1% on the month
  - Weekly jobless claims came in below expectations as the labor market remains firm
- Treasury yields fell across the curve week-over-week, with the exception of the 1- and 2-month Treasury bills; the majority of the decline occurred on Wednesday following the PPI release
  - The 10-year Treasury yield tumbled to 3.37%, the lowest level since September 2022
- Investment-grade issuance was limited this week as earnings blackouts continued to dampen activity in the primary market; only eight issuers sold debt, supplying roughly \$16 billion, well-below dealer estimates of \$30-35 billion
  - Spreads tightened 3bps to 123bps, the lowest level in nine-months
- High-yield issuance was robust this week with eight issuers supplying over \$6 billion, the heaviest start to a year since 2009
  - The yield of the Bloomberg High Yield Index dropped 20bps to 8.03%, a four-month low; spreads tightened 4bps to 416bps
- The average 30-year fixed rate mortgage fell to a four-month low of 6.23%; the MBA Mortgage Applications index jumped 28% in the week ending January 13<sup>th</sup> and refinancing increased 34%
- In the muni market, 30-day visible supply is expected to reach roughly \$9 billion; the 10-year muni/Treasury ratio held its level at 66% this week, while longer-dated ratios fell

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
1/18/2023	4.09	3.44	3.37	3.66	3.54
MTD Change	-0.34	-0.57	-0.50	-0.49	-0.43

### 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.