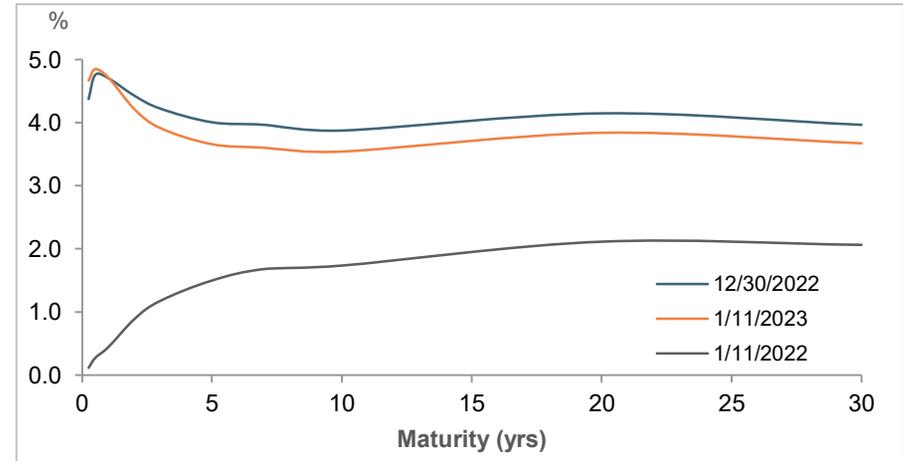




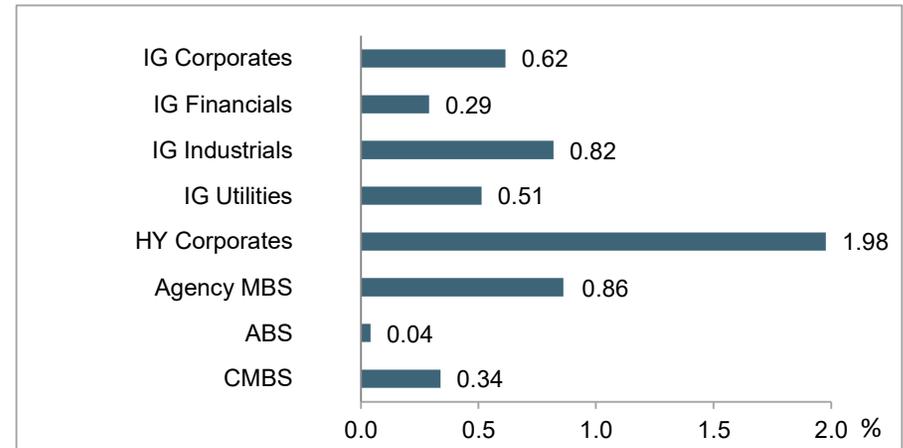
- December's favorable inflation read provided optimism that rate hikes are beginning to make an impact, and supports a slowdown in the pace of future rate increases
 - US CPI fell 0.1% in December, the sixth straight month of decelerating price growth, while core CPI increased by 0.3% month-over-month; both measures were in line with expectations
 - ISM Services Index dropped to 49.6 in December, entering contraction territory on the back of cooling demand
- On Wednesday, the US Treasury auctioned \$32 billion of 10-year debt, which received solid investor demand
 - The 10-year Treasury yield decreased 18bps week-over-week and closed Wednesday at 3.54%
- The new issue market continued its January wave of debt, with over 20 investment-grade borrowers bringing \$36 billion in supply, which was led by financial companies
 - Despite the headwind from new supply, spreads narrowed 7bps week-over-week to 126bps, their tightest level since April 2022
- Four high-yield issuers priced over \$2 billion this week amid spreads and yields hitting recent lows
 - High-yield spreads narrowed 32bps week-over-week to 420bps, while yields fell 48bps to 8.23%, their lowest level since September 2022
- Three new asset-backed securities (ABS) deals – all of which involved autos – priced this week, providing roughly \$4 billion in supply
- Municipals outperformed Treasuries over the week, and the 10-year muni/Treasury ratio fell by 2% to close at 68%, after hitting its lowest level since January 2022 on Tuesday

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
1/11/2023	4.22	3.66	3.54	3.84	3.67
MTD Change	-0.21	-0.35	-0.34	-0.31	-0.29

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.