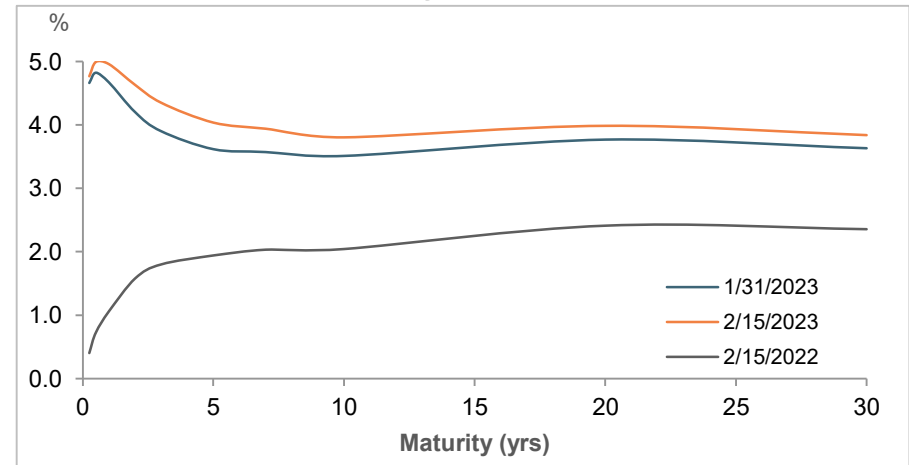




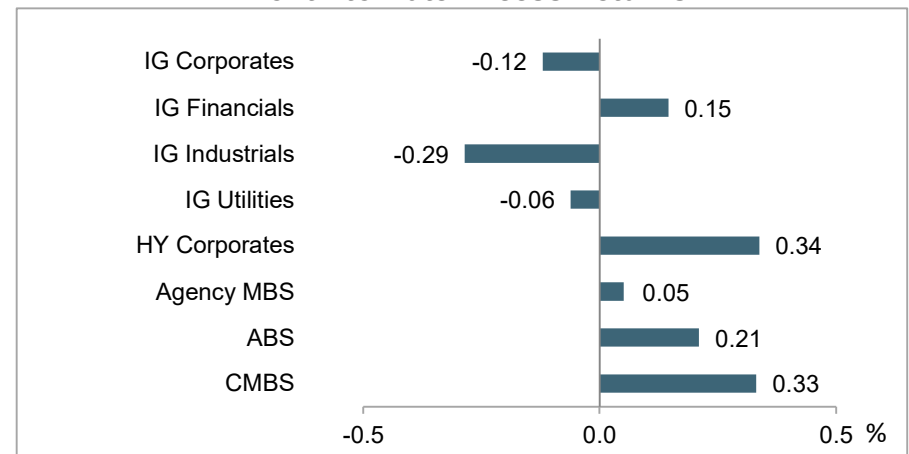
- Stronger-than-expected consumer demand and persistent inflationary pressures supported the Federal Reserve's (Fed) stance of keeping rates higher for longer
 - Inflation showed its resilience as January's CPI print was higher than expected at 6.4% year-over-year, while PPI grew at 6%, bolstered by high energy prices
 - Retail sales rose 3% month-over-month in January, the biggest gain since March 2021, following last month's 1.1% decline; the increase was led by spending at restaurants
- Treasury yields rose across the curve this week, with the 10-year yield rising 20bps to 3.81%, the highest level since December
 - The 6-month Treasury Bill reached 5% this week, the first US bill to reach 5% since 2007
- Investment-grade issuers priced roughly \$54 billion this week, surpassing estimates of \$25 billion; Biotech giant, Amgen, issued \$24 billion, the ninth largest deal on record
 - Investment-grade spreads widened 3bps week-over-week to close at 119bps
 - Expectations for further hikes gave pause to high-yield issuers; spreads widened 9bps to 408bps, while yields rose 35bps 8.44%
- Agency mortgage-backed securities underperformed other securitized sectors; the MBA Mortgage Applications Index fell 7.7% week-over-week after rising 7.4% the week before
 - The average 30-year fixed rate mortgage jumped 21bps to 6.39%, the largest gain since October 2022
- Investors added over \$2 billion to municipal bond funds, marking the 5th consecutive week of net inflows; year-to-date issuance is over \$7 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
2/15/2023	4.63	4.04	3.81	3.99	3.84
MTD Change	0.43	0.42	0.30	0.22	0.21

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.