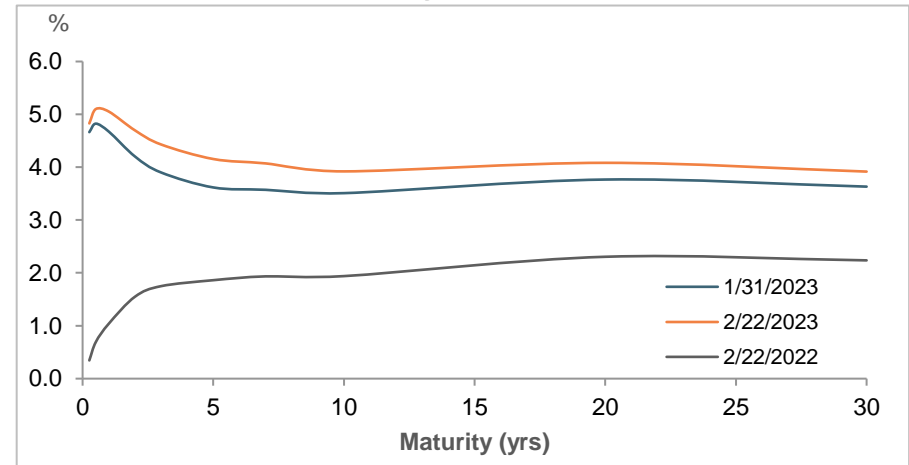




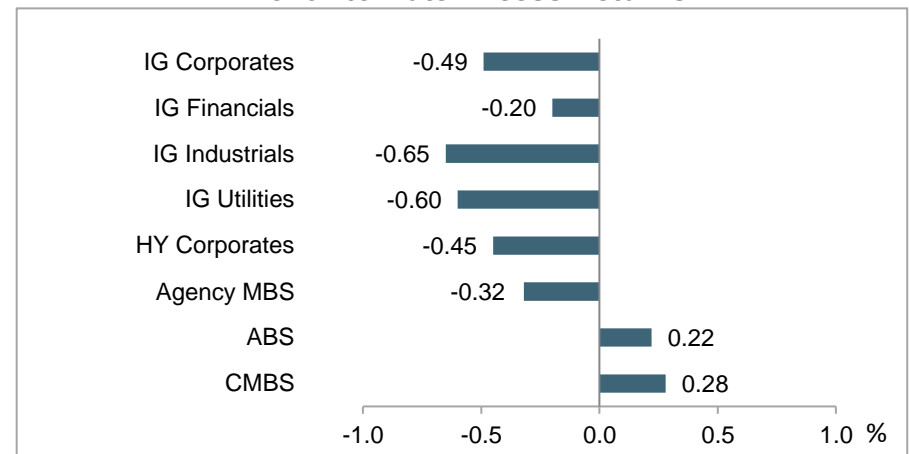
- Investor sentiment soured this week as ongoing inflationary pressures bolstered concerns that the Federal Reserve (Fed) will keep rates higher for longer
 - Equities saw one of their worst performances in two months on Tuesday, as a risk-off sentiment infiltrated markets
 - Core PCE data for 4Q22 was revised higher from 3.9% to 4.3%, highlighting persistent challenges for the Fed
- Minutes from the January Federal Open Market Committee (FOMC) meeting showed that members supported slowing the pace of rate hikes; however, a few members were supportive of a 50bps hike
 - Treasury yields rose across the curve and pushed the 6-month and 1-year tenors above 5% as investors reassessed the fed funds terminal rate
- Investment-grade supply totaled \$22 billion during the holiday-shortened week, below expectations of \$25 billion
 - Investment-grade spreads widened 5bps week-over-week to close at 124bps, the widest level in over a month
- High-yield issuers remained on the sidelines again this week while investors withdrew over \$6 billion from high yield funds, the third largest outflow on record
 - Yields rose 35bps week-over-week to 8.79%, a four-month high; spreads widened 26bps to 434bps
- Commercial mortgage-backed securities (CMBS) performance has been buoyed by light supply; year-to-date private-label CMBS issuance of roughly \$5 billion is 84% behind last year's pace
- Municipals underperformed Treasuries; the 10-year muni/Treasury ratio rose from 63% to 67%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
2/22/2023	4.70	4.15	3.92	4.08	3.92
MTD Change	0.49	0.54	0.41	0.31	0.28

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.