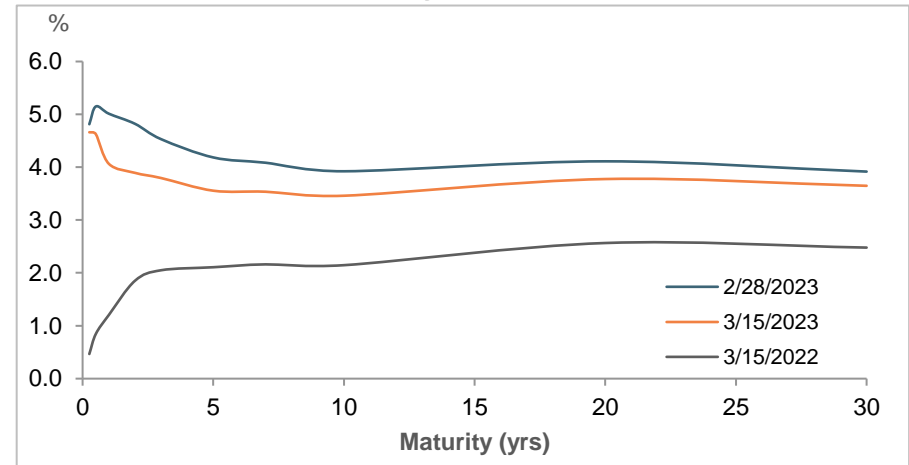




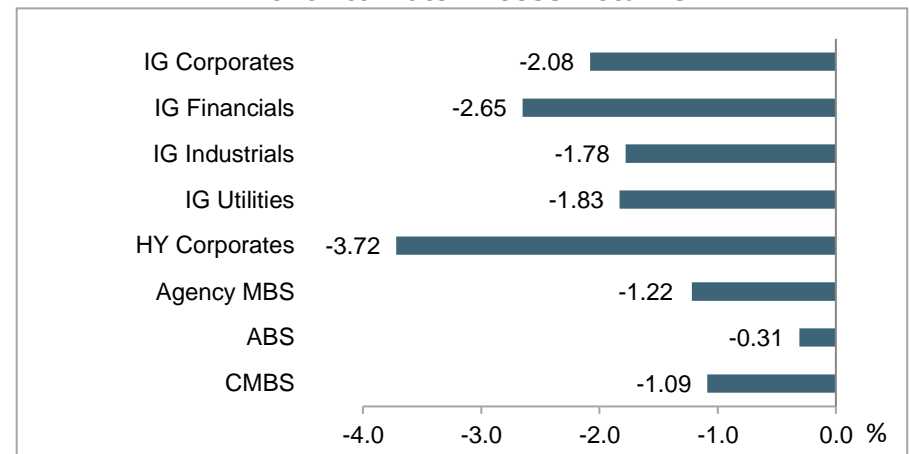
- The [collapse](#) of Silicon Valley Bank (SIVB) led to significant volatility across global markets as investors re-assessed the stability of other financial institutions, specifically regional and Yankee banks
- Although contagion fears were calmed by [central banks](#), investors still had to digest inflation data ahead of the Federal Reserve's (Fed) rate decision in next week's FOMC meeting
  - Core CPI grew 0.5% in February, the most in five months, forcing the Fed to grapple with continued inflationary pressures amidst waning confidence in the regional banking industry
  - The SIVB collapse led to recalibration of the market's monetary policy expectations; given the impact higher rates are having on banks, investors are anticipating Fed policy decisions to become more dovish
- Treasury yields fell across the curve, particularly in the front-end, and the curve steepened; the [2-year Treasury](#) yield fell 118bps to 3.89% after reaching 5.07% last week, while the 10-year Treasury yield decreased 53bps from 3.99% to 3.46%
- Investment-grade and high-yield issuance came to a halt this week in the wake of the SIVB collapse and contagion fears while spreads widened
  - Investment-grade spreads widened 39bps week-over-week to 163bps, while high-yield spreads widened 111bps to 511bps
  - The yield of the Bloomberg High Yield Index surged 33bps to 9.03%, breaching 9% for the first time this year
- Supply in asset-backed securities dwindled to roughly \$3 billion, down from \$12 billion last week, as the market grappled with SIVB's fallout
- Investors withdrew \$731 million from municipal mutual funds during the week ending March 8; municipals underperformed Treasuries as the 10-year muni/Treasury ratio rose from 66% to 69%

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
3/15/2023	3.89	3.55	3.46	3.77	3.65
MTD Change	-0.93	-0.63	-0.47	-0.34	-0.27

### 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.