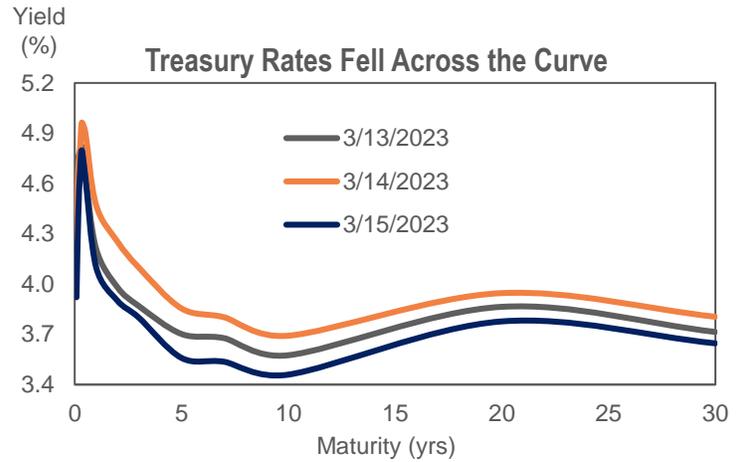
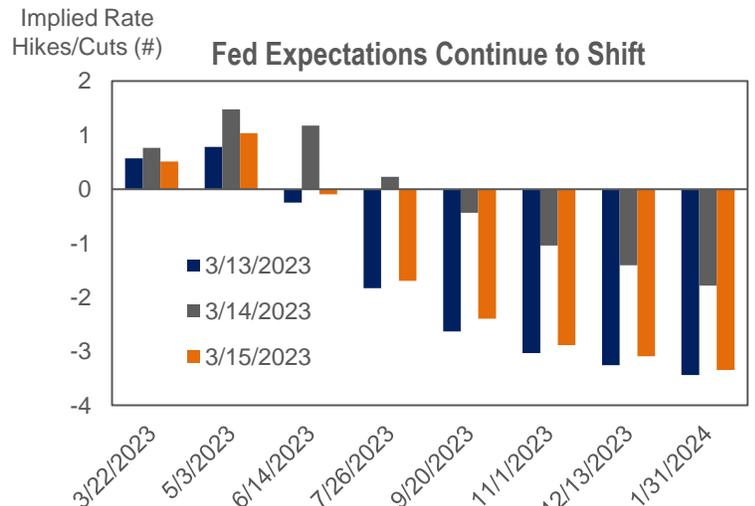
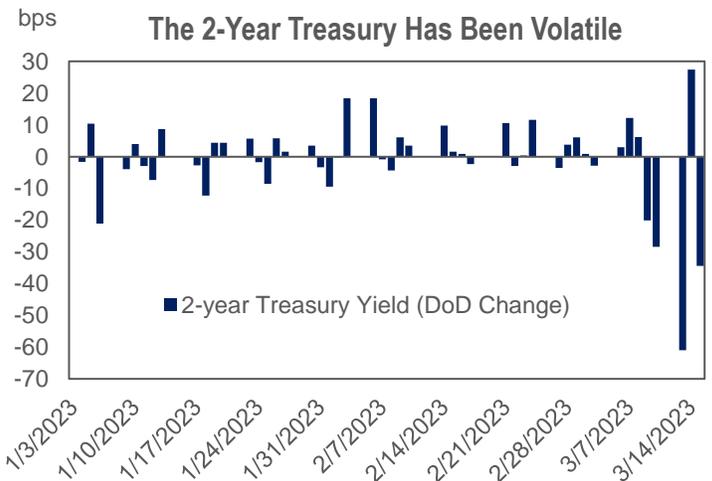


MARKET OBSERVATIONS

- Investor jitters caused markets to whipsaw after improved sentiment on Tuesday quickly reversed course on Wednesday. The S&P 500 Index was down by 0.7% today following yesterday's 1.5% increase.
 - Weakness in European equity markets spilled into the US after the largest Credit Suisse (CS) shareholder said they would not increase their position.
- The market began steadying late in the day after the Swiss National Bank held talks to discuss options to stabilize CS.
 - CS came under pressure after the Saudi National Bank, a shareholder of 9.9%, was quoted saying they would not increase their holdings.
 - The Swiss National Bank and Swiss Regulator Finma believe the bank "...meets the capital and liquidity requirements imposed on systematically important banks."
- The Producer Price Index (PPI) unexpectedly fell, adding another data point for investors to digest. The lower PPI print further supports a slower pace of rate hikes.
- The 2-year Treasury yield bore the brunt of rate volatility again and fell by 35bps to close at 3.90%, which more than offset yesterday's increase.
- Investment-grade corporate spreads widened by 5-10 bps on Wednesday, after spreads tightened by as much as 15bps intraday yesterday, closing 4bps tighter.
 - The banking sector continued to underperform, despite tightening off today's wides, and generally closed 10-30bps wider but with lots of dispersion.
- At IR+M, we continue to monitor events as they unfold and believe we have ample dry powder to take advantage of further market weakness should the opportunity arise.



Maturity	2-year	5-year	10-year	20-year	30-year
3/15/2023	3.90	3.56	3.46	3.78	3.65
DoD Change	-0.35	-0.30	-0.23	-0.17	-0.16



RECENT MARKET NEWS

- Silicon Valley Bank:** There were reports of buyers of some of the bank's assets. Bonds rose close to \$50 as a result.
- CPI:** February CPI rose 0.4%, as expected, and Core CPI, which excludes food and energy, increased by 0.5%. The year-over-year increase was 6% and 5.5%, respectively.
- Ratings Actions:** S&P and Fitch downgraded First Republic (FRC) to BB+ and BB, respectively. Moody's placed six regional banks, including FRC, on review for downgrade.

As of: 3/15/23. Sources: Bloomberg and IR+M. Spread moves are estimates based on IR+M's market observations in the market on 3/15/23. Silicon Valley Bank and Credit Suisse highlighted due to presence in the news on 3/15/23. 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.