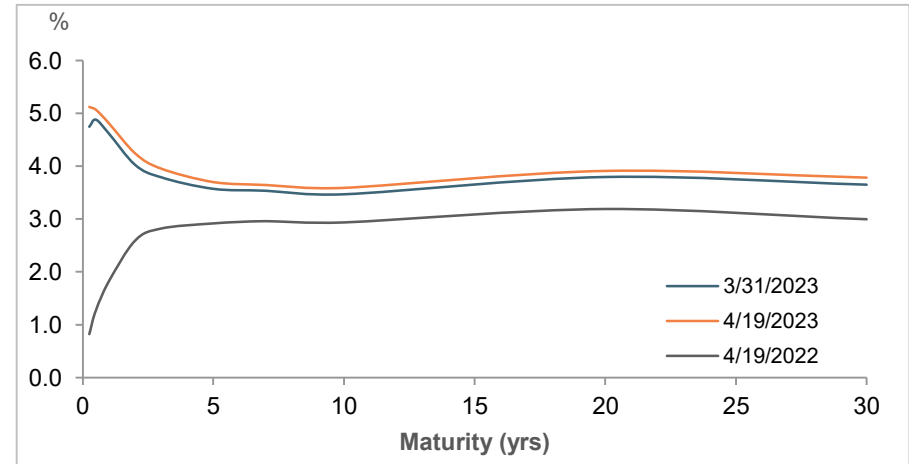




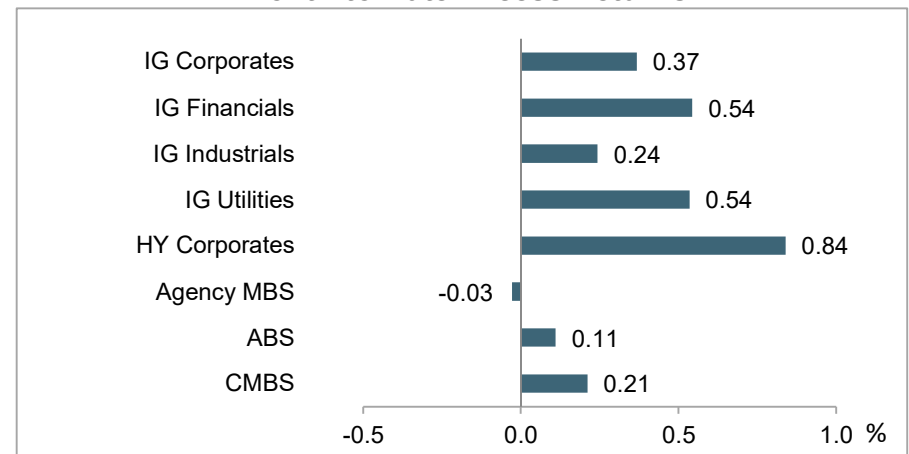
- Economic uncertainty persisted this week amid continued labor market softening and concerns over tight credit conditions
  - Initial jobless claims climbed 6,000 to 245,000, while continuing claims rose to 1.87 million, the highest level since November 2021, underscoring a potential slowdown in the labor market
- Treasury yields rose broadly across the curve, with the 10-year Treasury yield finishing the week up 20bps at 3.59%
- Issuance in the investment-grade primary market topped expectations this week as major US banks led the way, pricing \$29 billion; despite beating estimates, monthly supply in April has been limited
  - Corporate spreads tightened 6bps, from 139bps to 133bps
- Monthly issuance in the high-yield primary market has been steady, with another two companies bringing roughly \$2 billion to market this week; monthly issuance stands at over \$14 billion
  - High-yield corporate spreads tightened by 18bps week-over-week and closed at 441bps, with yields of the Bloomberg High Yield Index rising 8bps to 8.54%
- Mortgage-backed securities (MBS) underperformed Treasuries and other securitized sectors this week as the market grappled with increased supply from the FDIC's sale of failed bank MBS holdings and a lack of demand from banks
  - MBA Mortgage applications fell 8.8% on rebounding mortgage rates, while existing home sales and building permits fell month-over-month in March after posting strong February results
- Municipal yields did not keep up with the rally in Treasuries; municipal bonds suffered their worst day since October 2022 on Tuesday, as yields increased 15bps
  - The 10-year municipal/Treasury ratio closed at 60% on Monday, its lowest level since June 2021

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/19/2023	4.25	3.70	3.59	3.91	3.79
MTD Change	0.22	0.13	0.12	0.12	0.14

### 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.