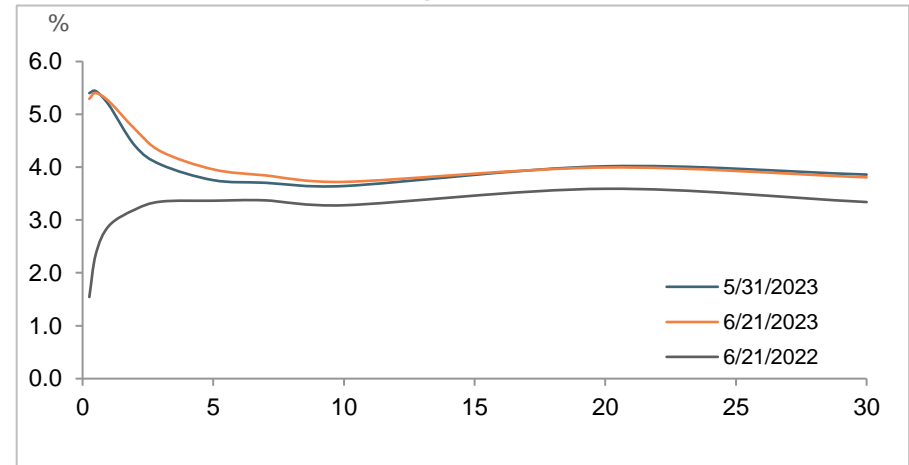




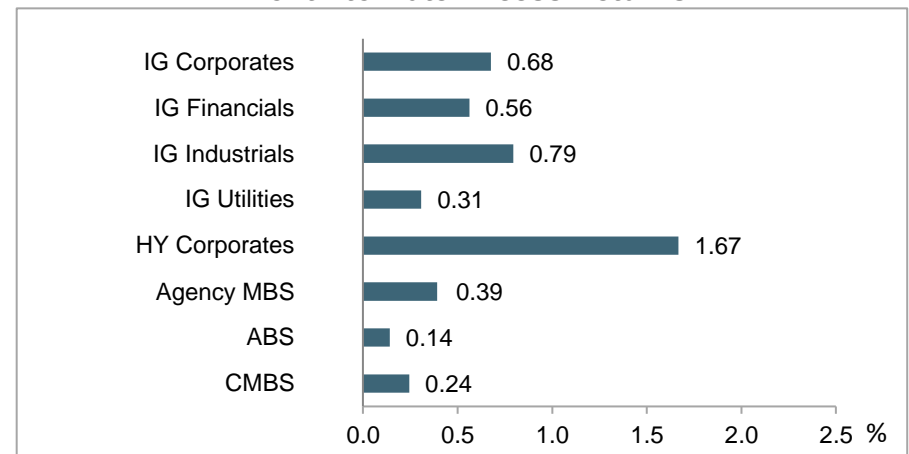
- Economic data released this week indicated a tone of resilience as the housing market and consumer spending remain active
  - Housing starts rebounded in May, surging 21.7%, the largest increase since October 2016, while homebuilder sentiment hit an 11-month high in June; the low supply of existing homes has boosted construction activity
  - Monthly retail sales increased in May, gaining 0.3% after growing by 0.4% in April, counter to expectations of a decrease but in line with a long-term slowdown in consumer spending
- Federal Reserve (Fed) Chair Powell warned that interest rates will need to increase further in order to curb persistent inflation with the timing of additional rate hikes based on incoming data
  - The Treasury curve continued to invert as the 2-year/10-year spread eclipsed -100bps, the steepest inversion since March
- Over \$15 billion of investment-grade corporate bonds priced during the week, in line with market expectations
  - Investment-grade corporate spreads tightened 4bps week-over-week to 131bps
- The high-yield sector saw over \$5 billion of new bonds price during the week as issuers rushed to the market amid potential future rate hikes
  - The yield on the Bloomberg High Yield Index rose 18bps to 8.75%, the highest level seen this month, while spreads widened 11bps to 417bps
- Asset-backed securities (ABS) issuance was active despite the short week with over \$7 billion pricing; year-to-date ABS issuance trails last year's pace by about 9%
- Municipal issuance has totaled \$22 billion in June so far, above the \$13 billion expected but below historical 10-year averages for the month

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
6/21/2023	4.72	3.96	3.72	3.99	3.81
MTD Change	0.31	0.20	0.08	-0.03	-0.05

### 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.