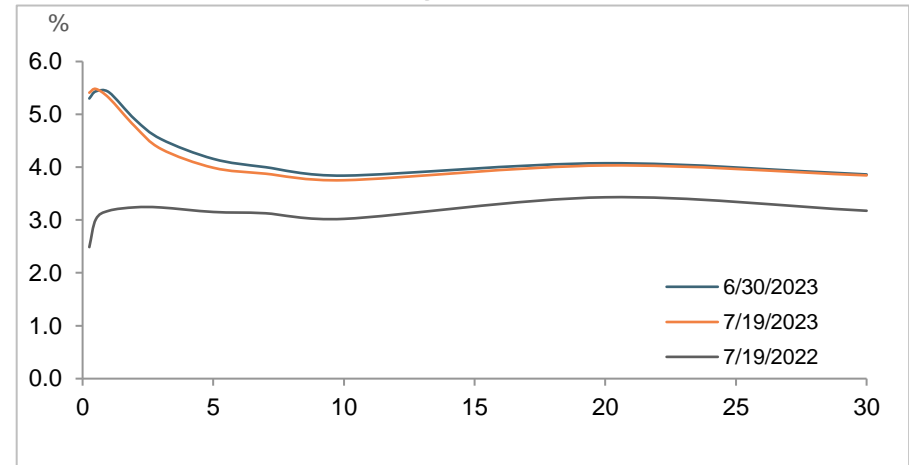




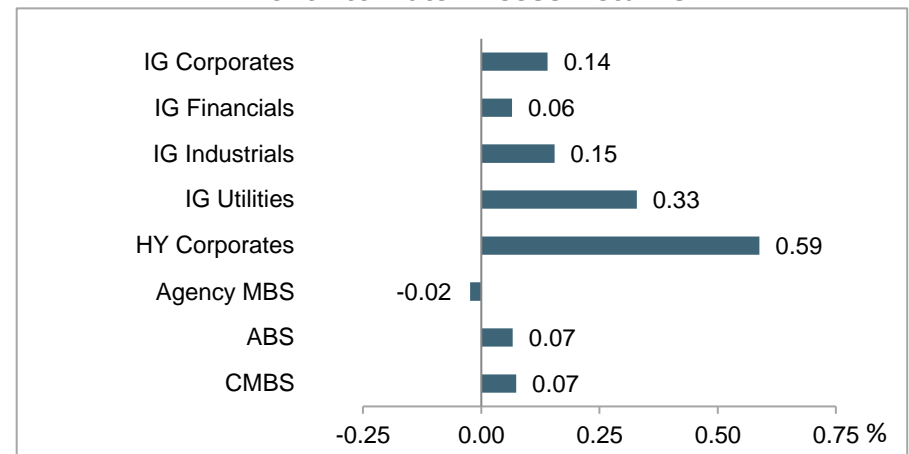
- The market is anticipating a 25bp rate hike at next week's FOMC meeting amid mixed economic data; inflation and labor market data point to a resilient economy, while industrial output and retail sales indicate a slowdown in growth
 - Initial jobless claims were below expectations, falling to a two-month low of 228,000, as the labor market remains hot
 - US industrial production fell 0.5% in June; retail sales were below expectations, rising 0.2%, as consumer demand is forecast to slow through year-end
- The Treasury yield curve bear flattened; the 2-year Treasury yield rose 2bps to 4.77%, while the 10- and 30-year Treasury yields each declined 11bps, to 3.75% and 3.84%, respectively
- Borrowers anticipating a healthy investor appetite were rewarded this week as financial issuers dominated the primary market, propelling investment grade supply beyond \$30 billion
 - Wells Fargo's jumbo deal became the fourth largest of the year at \$8.5 billion, with bank earnings season in full swing
 - Investment-grade spreads widened 2bps to 124bps
- High-yield issuers brought over \$3 billion of primary supply
 - High-yield corporate spreads, which have tightened 135bps since reaching their year-to-date high of 516bps in late March, contracted another 1bp week-over-week, to close at 381bps; the yield of the Bloomberg High-Yield Index fell 8bps to 8.29%, near the five-month low
- Asset-backed securities (ABS) outperformed Treasuries despite issuers pricing over \$8 billion; total supply in July stands at roughly \$17 billion
- Municipals outperformed Treasuries, with the 10-year muni/Treasury ratio falling slightly to 66%, notably rich to the 10-year average of 90%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
7/19/2023	4.77	3.99	3.75	4.03	3.84
MTD Change	-0.13	-0.17	-0.09	-0.04	-0.02

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.