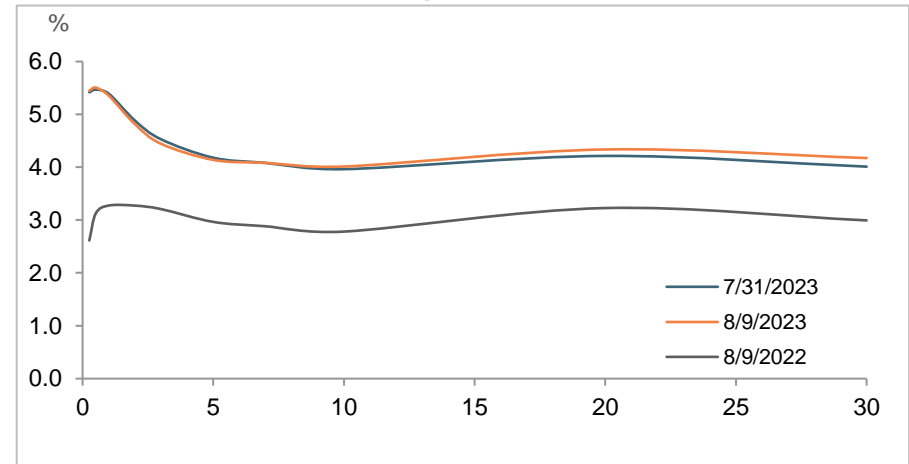




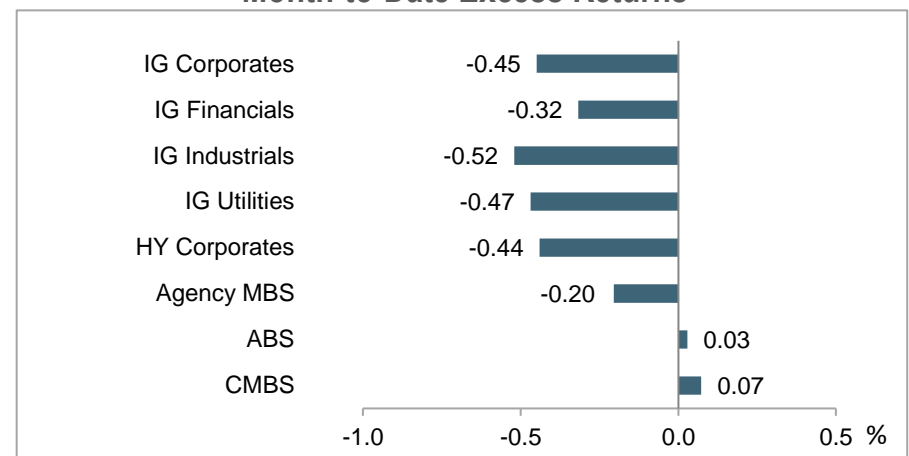
- Inflation readings cooled in July and the labor market showed signs of moderating, leaving investors to speculate whether the Federal Reserve would end their tightening campaign
 - CPI increased by just 3.2% year-over-year; Core CPI, which excludes food and energy, grew by 4.7%, meeting expectations
 - July ISM Manufacturing PMI remained in contractionary territory at 46.4, while the Services PMI fell to 52.7; both measures were weaker than expected
 - Job openings fell in June to 9.6 million, the lowest level since April 2021, while initial jobless claims rose to 248,000 for the week ended August 4th
- Front-end Treasury yields fell slightly month-to-date, as the 2-year rate decreased 7bps; however, longer-dated Treasuries drifted higher, as the 10- and 30-year Treasury yields rose 5bps and 16bps, respectively
 - The difference between the 2-year and 10-year Treasury yields tightened 12bps month-to-date, and remained inverted at 80bps
- Investment-grade corporate issuance was off to a hot start in August, as issuers priced over \$42 billion, led by financial companies; the high-yield primary market saw over \$7 billion of supply
 - Investment-grade corporate spreads widened 8bps month-to-date to 120bps
 - High-yield spreads widened 18bps month-to-date to 385bps and the Bloomberg High Yield Index yield rose 17bps to 8.47%
- MBA mortgage applications fell by 3.1%, a third straight week of declines, and weighed on mortgage-backed securities (MBS), which lagged other securitized sectors month-to-date
- Municipals underperformed Treasuries month-to-date; the 10-year muni/Treasury ratio increased 4% to 68%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
8/9/2023	4.81	4.14	4.01	4.34	4.17
MTD Change	-0.07	-0.04	0.05	0.12	0.16

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.