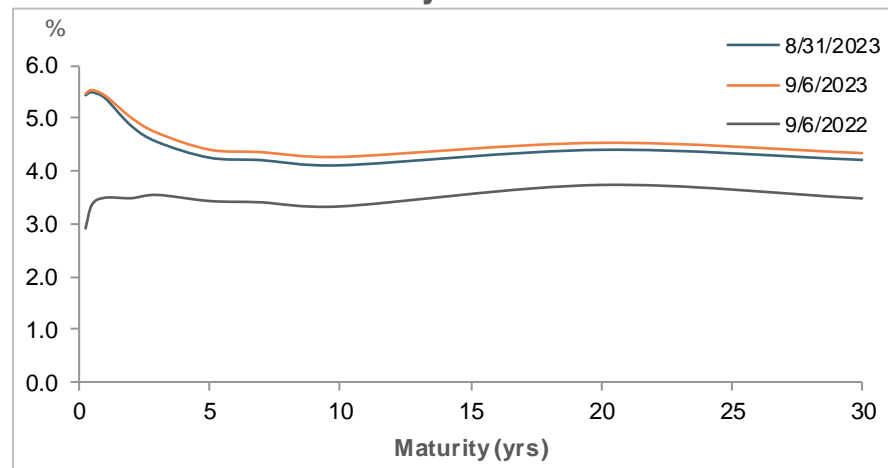




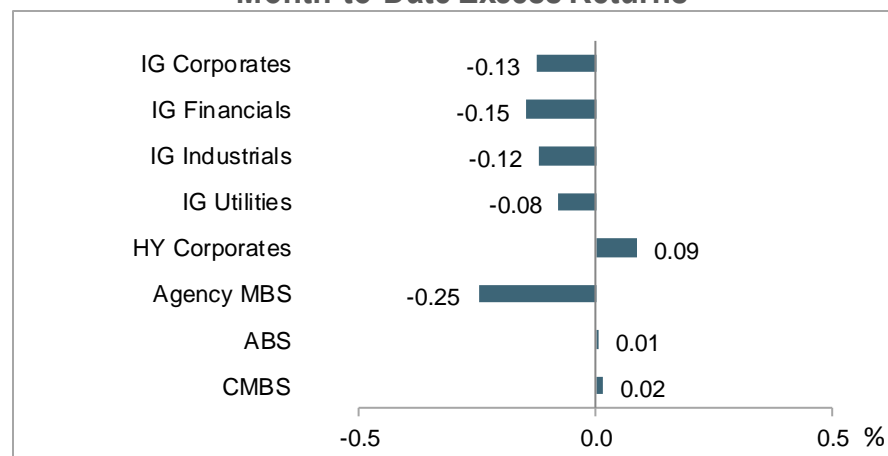
- Risk assets were off to a slow start this month as stocks retreated and investors speculated that the Federal Reserve (Fed) may raise interest rates again this year amid persistent demand for services and mixed employment data
 - The labor market continued to soften gradually as the US unemployment rate rose to 3.8% in August despite higher-than-expected job growth as nonfarm payrolls increased to 187,000
 - ISM Services beat estimates in August and reached a six-month high of 54.5, fueled by a pickup in new orders and employment
- The Fed's Beige Book showed that growth in the US economy slowed in August and many businesses expect wage increases to ease
 - Treasury yields rose across the curve as markets reacted to the stronger-than-expected ISM reading; the 10-year Treasury yield increased 17bps month-to-date to 4.28%
- Over \$50 billion of investment-grade new issuance priced in the first two days this week; Tuesday's session was the busiest of 2023 as 20 issuers priced over \$36 billion, marking the fifth largest day on record and the most tranches ever in a day
 - Despite heavy issuance, investment-grade corporate spreads closed at 120bps, only 2bps wider month-to-date
- High-yield issuance had a slower start, as just over \$650 million priced; however, supply in September is expected to pickup, with initial estimates as high as \$20 billion
 - High-yield spreads tightened by 1bp month-to-date to 371bps, while yields rose by 15bps to 8.56%
- Agency mortgage-backed securities (MBS) underperformed Treasuries alongside a fall in MBA Mortgage Applications last week
- Municipal bonds were richer across the curve month-to-date; the 10-year muni/Treasury ratio fell 3% to 67%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/6/2023	5.02	4.42	4.28	4.55	4.35
MTD Change	0.15	0.16	0.17	0.14	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 thirdparty 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.