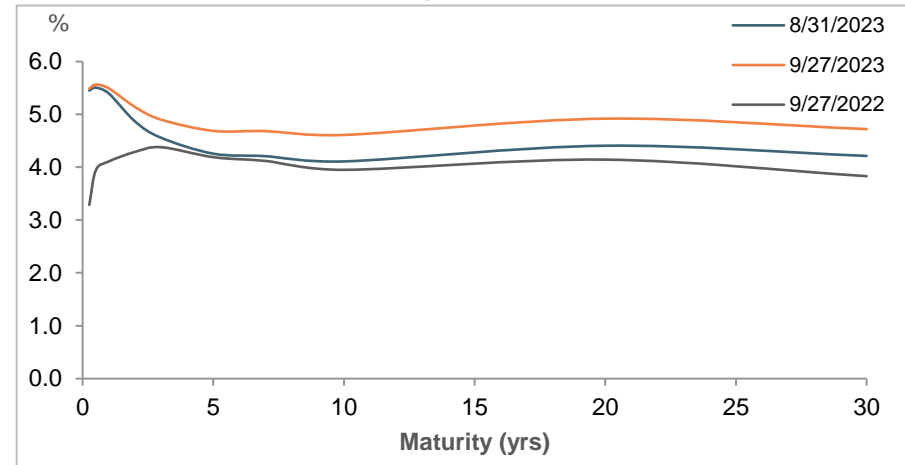




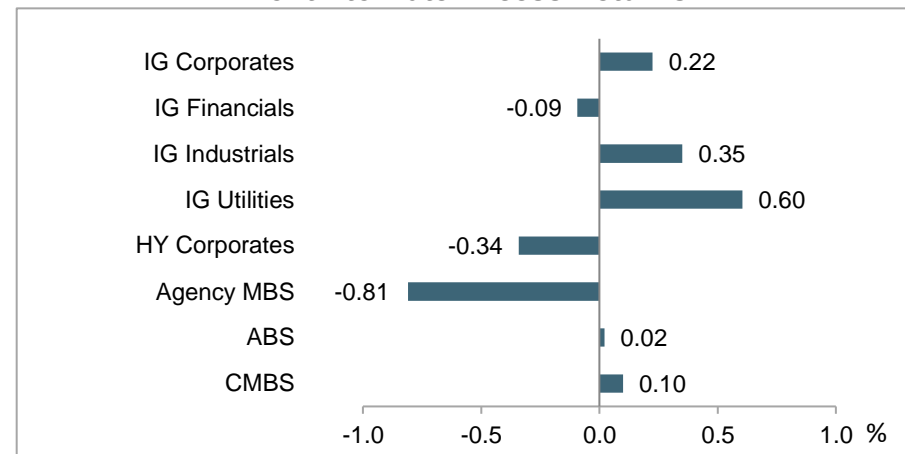
- Oil prices surged as US crude reserves declined and concerns over a government shutdown weighed on market sentiment
 - Moody's warned that a government shutdown would negatively impact the US government's credit rating, just one month after fellow credit rating agency Fitch downgraded the US, citing the prolonged debt ceiling crisis and fiscal deterioration
 - Consumer confidence fell to a four-month low in September, as the expectations index sunk due to recession concerns
 - The average 30-year mortgage rate rose to 7.41%, its highest point since 2000; US home prices remain near record highs as low supply and elevated borrowing costs have driven home affordability to the worst levels since the 1980's
- Treasury yields continued to climb amid increased market volatility; the 10-year Treasury yield rose 20bps to 4.61% and the 30-year rose 27bps to 4.72%, the highest levels since 2007 and 2011, respectively
- Investment-grade corporate issuance surpassed \$18 billion this week, in line with estimates; borrowing from financial companies drove supply
 - Yields rose 20bps to the highest level since November 2022, closing at 6.06%, while spreads widened 3bps to 119bps
- High-yield issuers priced roughly \$4 billion this week; spreads widened 24bps to 393bps, and yields rose to a three-month high of 8.93%
- Mortgage-backed securities, which are more sensitive than other securitized products to rate moves, underperformed amid rising volatility
- Municipals underperformed Treasuries across the curve, and, after falling last week, the 2-year muni/Treasury ratio jumped 8% to 70%
 - Investors withdrew \$845 million from municipal bond funds last week, the 8th straight week of outflows

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
9/27/2023	5.14	4.69	4.61	4.92	4.72
MTD Change	0.27	0.43	0.50	0.51	0.51

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.