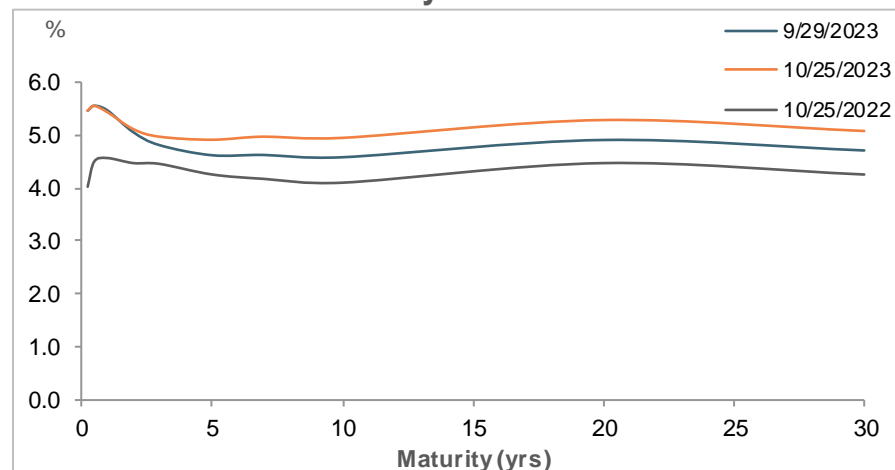




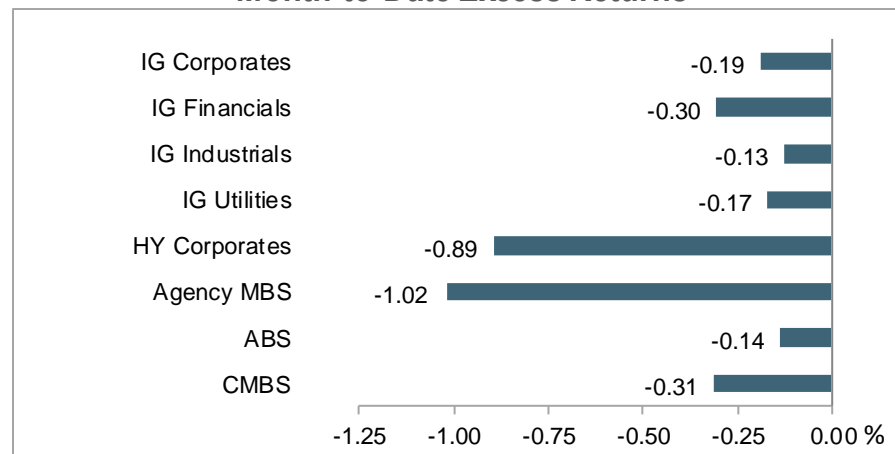
- Republican Mike Johnson of Louisiana was voted in as the new US House speaker this week, and the US economy continued to show positive trends in economic data
  - A surge in consumer spending pushed 3Q GDP estimates to an annualized 4.9% – the highest growth rate in nearly two years and more than double the 2Q figure of 2.1%
  - Core PCE, the Federal Reserve’s (Fed) preferred inflation measure, slowed to 2.4% for 3Q, which was below expectations
- Front-end Treasury yields fell week-over-week, while long-end yields rose; the Fed is expected to maintain the current federal funds target range at next week’s FOMC meeting
  - The 10-year Treasury surpassed 5% for the first time since 2007 on Monday, before retreating to close the week at 4.96%
  - The 2s10s Treasury yield differential narrowed to 17bps, the tightest level since September 2022
- Investment-grade market activity was light, as issuers brought less than \$6 billion of supply, well below estimates of \$20 billion; high-yield issuance was minimal this week amid elevated rate volatility
  - Investment-grade corporate spreads narrowed 1bp to 126bps, and yields fluctuated over the week before ending at 6.37%
  - High-yield spreads widened 20bps to 420bps, while yields oscillated and ended the week unchanged at 9.35%
- Asset-backed securities (ABS) outperformed other securitized sectors, benefitting from reduced issuance; the \$246 billion in year-to-date issuance is roughly 4% higher than at this point last year
- Municipals underperformed Treasuries week-over-week, particularly in the short-end, as the 2-year municipal/Treasury ratio rose 2% to 73%

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/25/2023	5.12	4.92	4.96	5.29	5.09
MTD Change	0.08	0.31	0.39	0.40	0.39

### 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.