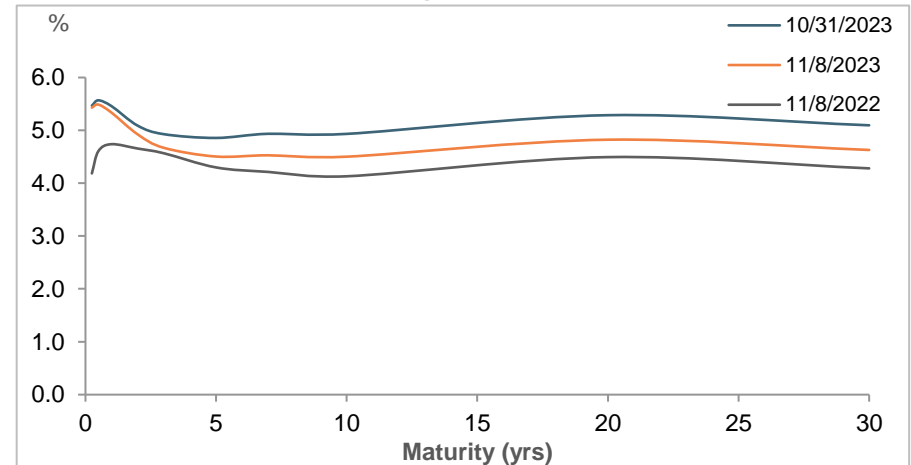




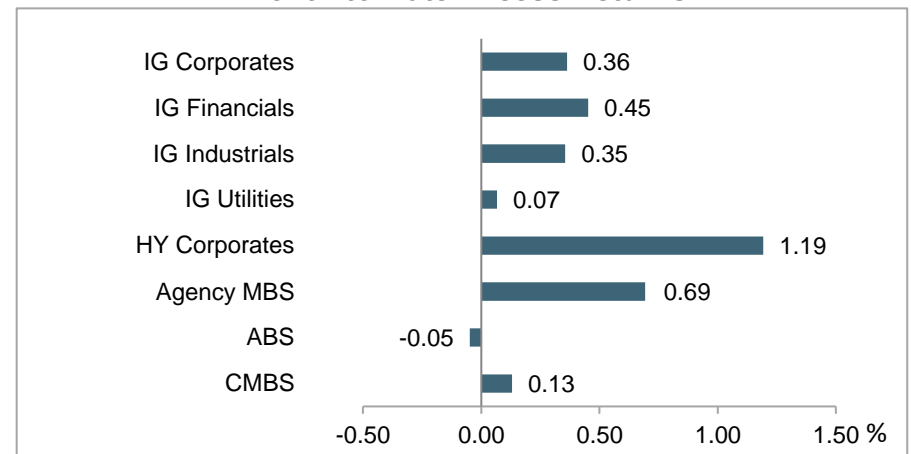
- Recent data suggested a slowdown in economic growth and signaled a moderating labor market, leading to speculation that the Federal Reserve (Fed) may be done hiking rates
  - Wage growth slowed in October and nonfarm payrolls increased by just 150,000, missing expectations; the unemployment rate rose to its highest level in nearly two years at 3.9%
  - US manufacturing contracted in October, as the ISM Manufacturing Index fell to 46.7, below estimates of 49.0
- The Fed held the fed funds target range between 5.25% - 5.50% at November's FOMC meeting, and Chair Powell's comments at the post meeting press conference were interpreted as dovish
  - Treasury yields fell across the curve month-to-date, particularly in the long-end, as the 20- and 30-year each dropped 47bps
- Investment-grade issuance reached \$50 billion month-to-date, with almost \$24 billion on Monday alone – the busiest session in two months
  - Investment-grade corporate spreads tightened 4bps to 125bps, and yields sunk 37bps month-to-date to close at 5.98%
- High-yield supply poured into the market with over \$6 billion already issued month-to-date, over half of last month's total supply
  - Spreads narrowed 39bps on the month to 398bps, while yields moved in tandem with Treasury rates, dropping 62bps to 8.87%
- Heavy issuance of asset-backed securities (ABS) weighed on month-to-date performance, as ABS lagged the broader market; over \$14 billion priced so far this month, bringing year-to-date supply to \$265 billion
- Investors withdrew from municipal bond mutual funds for a 14<sup>th</sup> straight week with outflows of \$3.1 billion, the most since early January; total outflows since the start of August amount to \$19.4 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/8/2023	4.92	4.50	4.50	4.82	4.63
MTD Change	-0.17	-0.35	-0.43	-0.47	-0.47

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.