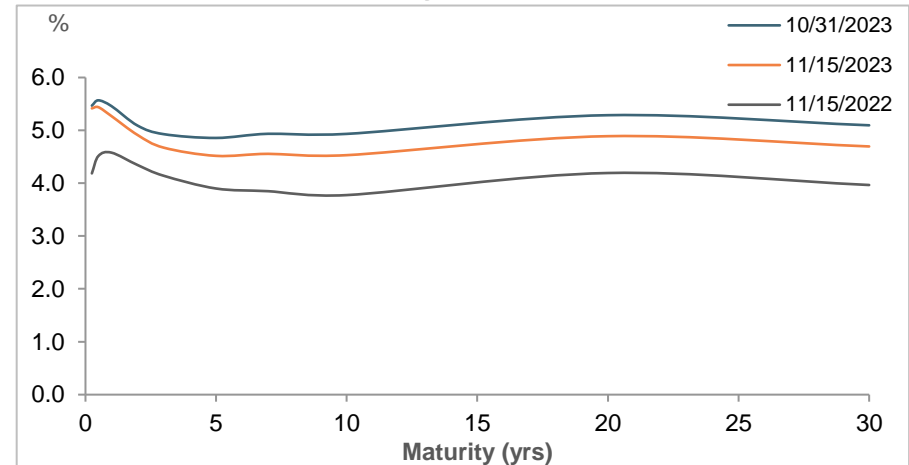




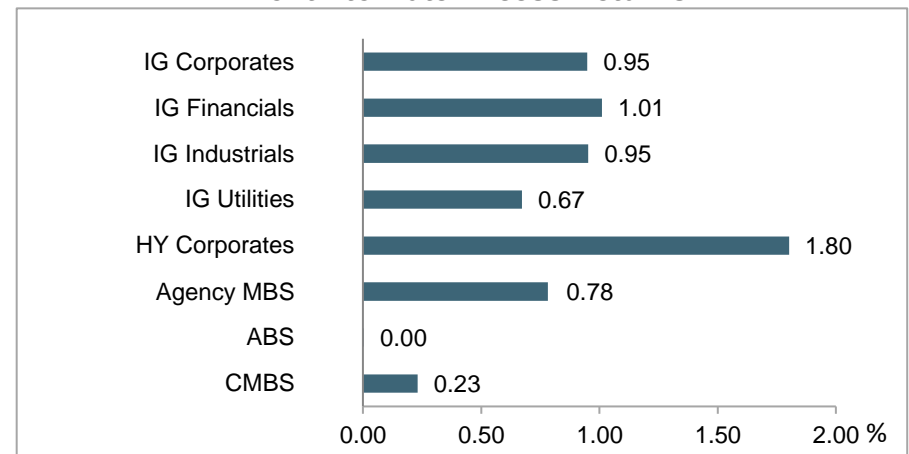
- The House passed a short-term funding bill to avoid a government shutdown, just days after Moody's issued a negative outlook on the US sovereign credit rating, citing political instability
- Moderating inflation boosted hopes that the Federal Reserve's (Fed) tightening cycle may be over, fueling a rally in equities that helped the S&P 500 reach a two-month high
  - Both the Consumer Price Index (CPI) and the Producer Price Index (PPI) came in below expectations in October; the 0.5% month-over-month decline in PPI was the most since April 2020
- Long-end Treasury yields rose over the week, and the 10- and 30-year Treasury yields closed at 4.53% and 4.70%, an increase of 3bps and 7bps, respectively
- Primary market activity was lighter than expected with \$26 billion in issuance, which was within the range of dealer estimates of \$25 - \$40 billion
  - Investment-grade corporate spreads tightened 7bps week-over-week to 118bps, and yields dropped 5bps to 5.93%
- Despite the heavy supply of over \$4 billion in high-yield issuance, investors' strong appetite for risk pushed corporate spreads 17bps tighter week-over-week, closing at 381bps, while yields fell 15bps to 8.72%
  - After nine straight weeks of outflows, investors poured into high-yield funds, contributing \$10 billion over the past two weeks
- Mortgage-backed securities outperformed other securitized sectors despite MBA mortgage applications rising for two consecutive weeks
- Municipals broadly outperformed Treasuries over the week and muni/Treasury ratios fell; light supply throughout the year, as well as a typical seasonal slowdown, has contributed to increased demand

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
11/15/2023	4.91	4.52	4.53	4.89	4.70
MTD Change	-0.18	-0.34	-0.40	-0.40	-0.40

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.