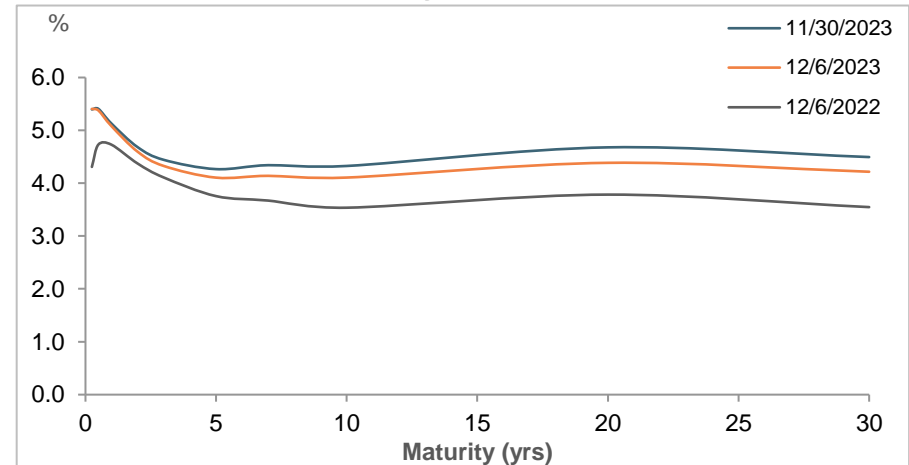




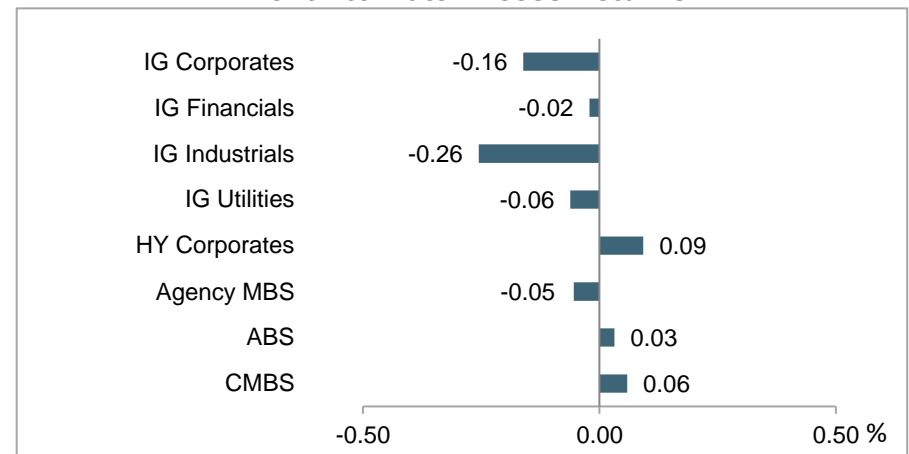
- Economic data reflected a further cooling of the labor market, and the market expects the Federal Reserve (Fed) to leave interest rates unchanged at next week's FOMC meeting
 - US job openings fell to 8.7 million in October, the lowest level since March 2021, and November's ADP employment data showed private sector job growth of only 103,000; both measures were below expectations
 - ISM Manufacturing data for November registered at 46.7, as manufacturing activity contracted for the 13th straight month
- Following underwhelming labor market readings, Treasury yields fell across the curve month-to-date, especially in the long end, where yields dropped by over 20bps
- Issuers swarmed the primary market ahead of next week's CPI report and FOMC meeting with over \$20 billion of investment-grade debt, slightly above estimates of \$15 - \$20 billion
 - Corporate spreads drifted 2bps wider month-to-date, closing at 106bps, while yields fell 18bps to 5.42%
- High-yield issuance has already reached over \$5 billion this month, more than double the \$2.3 billion of total issuance in December 2022
 - High-yield corporate spreads tightened 4bps on the month to 366bps, the lowest level of 2023, and yields fell 17bps to 8.26%
- Mortgage-backed securities (MBS) underperformed Treasuries amid an increase in refinancing activity, as mortgage rates declined for the sixth consecutive week to the lowest level since August
- Municipal investors withdrew \$475 million from mutual funds, marking the 18th straight week of outflows since late July and bringing the total to \$22.7 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
12/6/2023	4.59	4.10	4.11	4.38	4.22
MTD Change	-0.09	-0.16	-0.22	-0.29	-0.28

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.