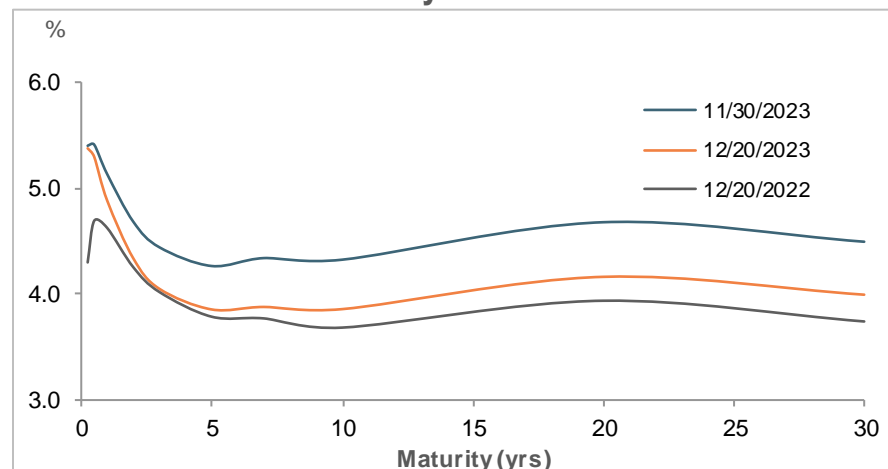




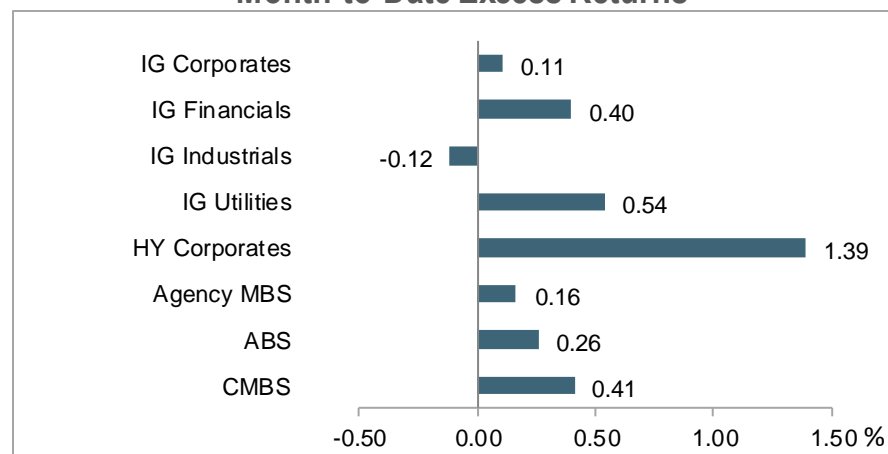
- Consumer confidence hit a five-month peak, fueled by optimism surrounding future wages, improved economic conditions and prospects in the labor-market
- Treasury yields across the curve continued their descent lower on the heels of dovish signals from the Federal Reserve (Fed), despite some officials cautioning that rate cuts were not imminent
 - The 30-year Treasury rate fell 19bps week-over-week, and 113bps since the mid-October peak, pushing the yield below 4% for the first time since July 2023
- The investment-grade corporate primary market was quiet – with only \$700 million priced this week – and likely marked the end of new issuance until 2024
 - Over \$1.2 trillion priced in 2023, which was in line with 2022, but below the 2018-2022 average
 - Corporate spreads widened by 2bps week-over-week to 103bps after reaching a new year-to-date tight of 99bps last Thursday; yields declined 12bps to 5.12%
- High-yield issuance ground to a halt with no new deals this week; absent any surprises, year-to-date supply will total \$176 billion, up 73% from 2022
 - High-yield corporate spreads tightened by 29bps to reach a year-to-date low of 334bps, and yields fell 38bps to 7.73%
- Commercial mortgage-backed securities (CMBS) performance continued to be bolstered by lack of supply; year-to-date issuance of just over \$46 billion is 53% lower than this time in 2022
- Municipal outflows continued as investors withdrew another \$588 million from mutual funds, marking the 20th straight week of withdrawals since late July and bringing the cumulative outflows to almost \$24 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
12/20/2023	4.33	3.85	3.85	4.16	3.99
MTD Change	-0.35	-0.42	-0.48	-0.52	-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 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.