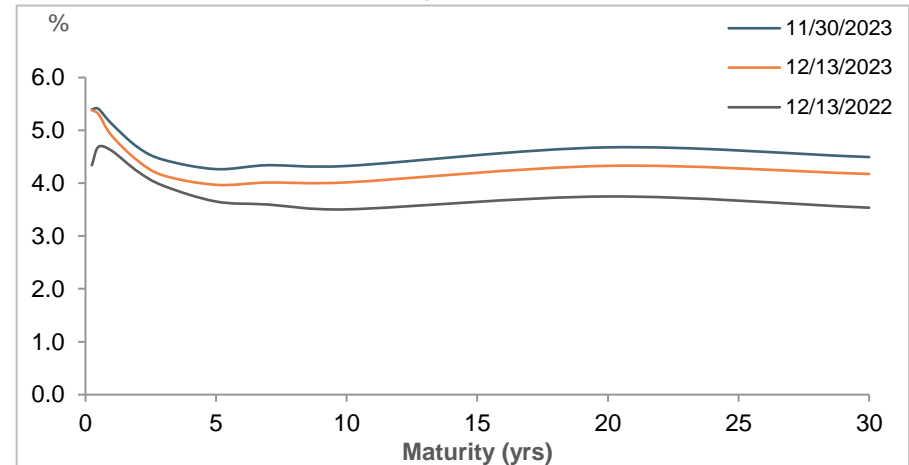




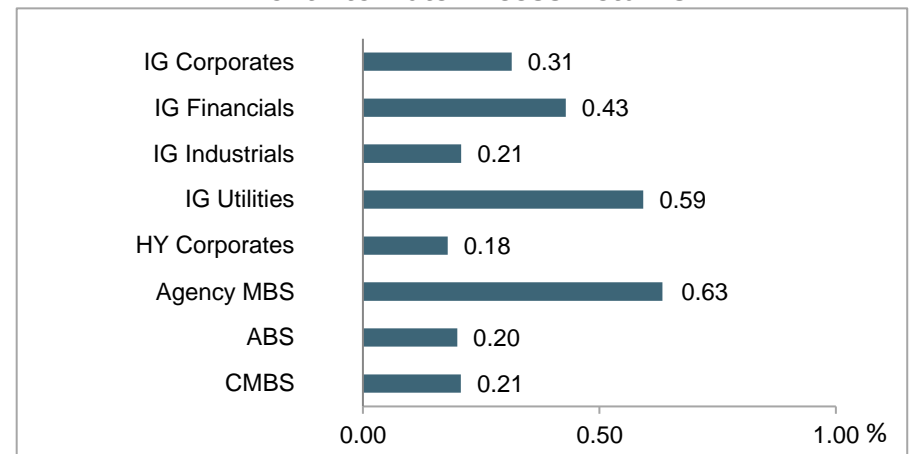
- Markets embraced a risk on sentiment, helping push the Dow Jones Industrial Average to a record high on Wednesday, amid the Federal Reserve's (Fed) dovish pivot and generally positive economic data
 - Core CPI grew at an annualized rate of 4.0% in November, in line with estimates, while retail sales data was stronger than expected
 - November nonfarm payrolls surprised to the upside and the unemployment rate fell to 3.7%
- The Fed maintained the target range for the fed funds rate at 5.25-5.50% during the final FOMC meeting of 2023, but updated the dot plot to signal 75bps of potential rate cuts in 2024
 - Treasury yields fell following the Fed's dovish guidance, particularly in the front-end of the curve, with the 2- and 5-year rates closing 17bps and 13bps lower on the week, respectively
- The pace of investment-grade corporate issuance slowed to just over \$2 billion this week; month-to-date, almost \$23 billion has been issued, below the \$30-35 billion forecast
 - Lighter supply provided a tailwind for corporate spreads which tightened 5bps to 101bps, while yields fell 18bps to 5.24%
- The high-yield corporate primary market remained active with another \$3 billion of newly issued bonds; December's total supply has now surpassed \$11 billion amid lower yields and tighter spreads
 - High-yield spreads tightened 3bps week-over-week, closing at 381bps, and yields fell 15bps to 8.11%
- Commercial mortgage-backed securities (CMBS) performance was boosted by light supply; year-to-date, only \$46 billion of private label issuance has been issued, 53% behind last year's pace
- Municipals underperformed Treasuries week-over-week; 30-day visible supply is \$5.6 billion, below this year's average of \$9.1 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
12/13/2023	4.43	3.97	4.02	4.33	4.18
MTD Change	-0.25	-0.30	-0.31	-0.35	-0.32

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.