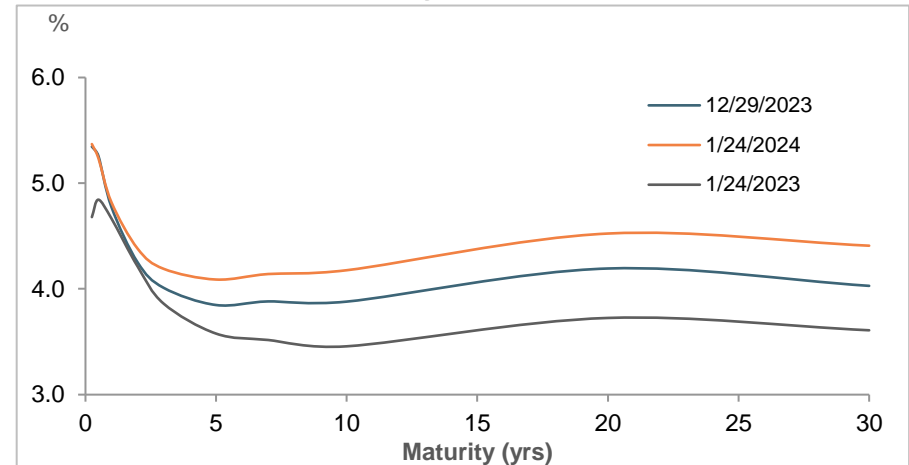




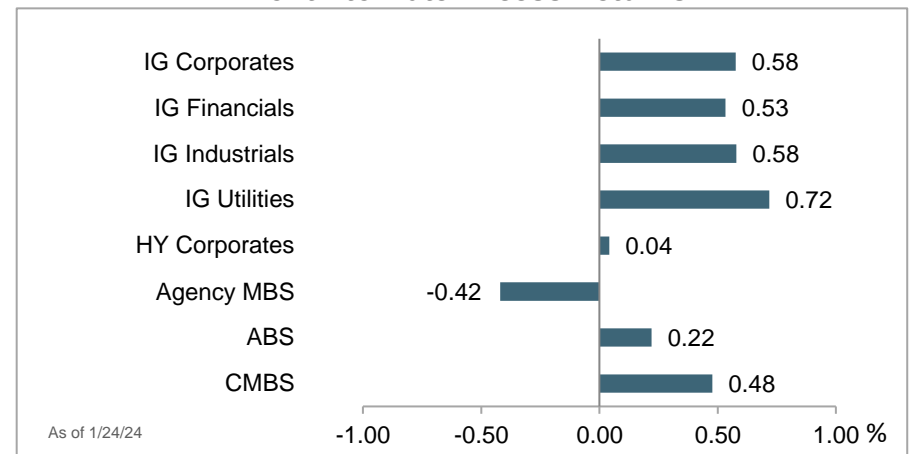
- The US economy expanded in the fourth quarter, and investors are looking ahead to Friday's Core PCE reading as the markets digest an influx of new data amid corporate earnings season
 - US GDP growth was stronger than expected in the fourth quarter, growing at an annualized 3.3% and fueled by resilient consumer spending, which rose 2.8%; both measures were above estimates
 - US business activity in January saw the largest increase since January 2022, as the S&P Global Flash output composite rose to 52.3, led by strength in services
- Treasury yields hovered at the highest levels of the year after broadly increasing from last week; the 10-year and the 30-year rose 8bps and 10bps week-over-week, respectively
- Investment-grade issuance slowed from 2024's blistering pace with roughly \$18 billion of supply this week, which was below dealer estimates of \$25 billion
 - Corporate spreads contracted 3bps week-over-week to 94bps, and yields rose 4bps to 5.28%
- High-yield issuers continued to bring forward new deals amid strong demand, with more than \$3 billion pricing on the week
 - High-yield spreads tightened 11bps to 333bps, and the yield of the Bloomberg High Yield Index fell 5bps to 7.86%
- Mortgage-backed securities (MBS) underperformed other securitized sectors alongside a rise in home purchase applications, which were at their highest level since April
- To date, over \$27 billion of municipal bonds have been issued in January, which is 40% higher year-over-year and the most since 2020
 - Municipals underperformed Treasuries during the week, and the 10-year muni/Treasury ratio increased 2% to 61%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
1/24/2024	4.38	4.09	4.18	4.52	4.41
MTD Change	0.13	0.24	0.30	0.33	0.38

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 1/25/24 unless otherwise noted.

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.