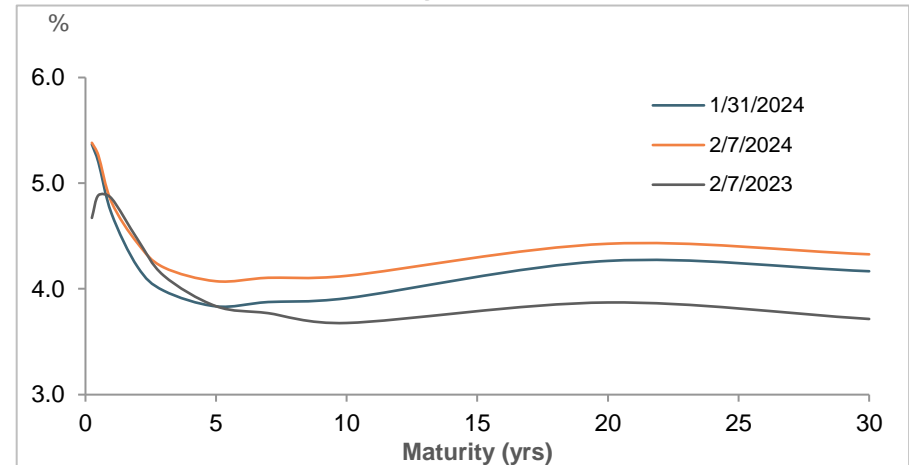




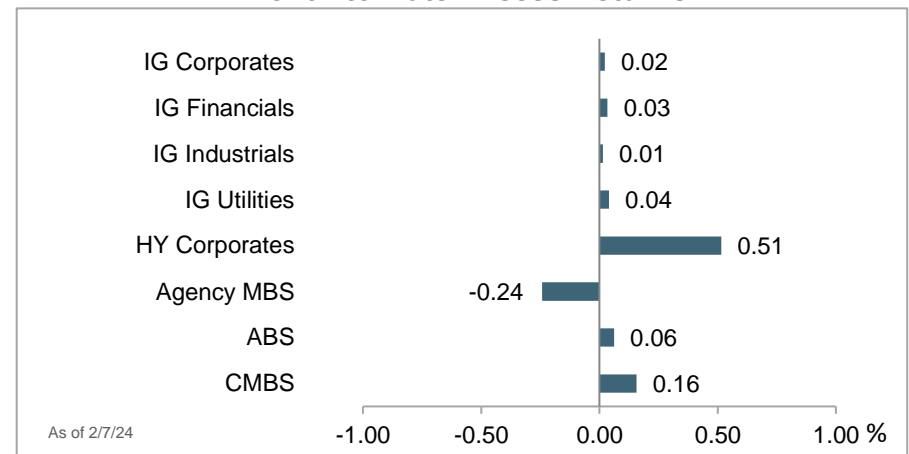
- The Bureau of Labor Statistics' January report highlighted labor market strength and a solid economy, helping the S&P 500 to trade at record-high levels and nearly breach 5,000
  - January's nonfarm payrolls increased to 353,000, surpassing consensus estimates of 185,000, and December's job gains were revised upward; the US unemployment rate held at 3.7%
  - An increase in new orders pushed January's ISM Manufacturing Index to 49.1, a 15-month high, while global shipping constraints led to a jump in prices paid, lifting the Services Index to 53.4
- Following the strong jobs report, Federal Reserve officials reiterated their intention to be patient with rate cuts, dashing investors' hopes of a March rate reduction; the market implied probability of a rate cut in May is 53%
  - The US Treasury auctioned a record \$42 billion of 10-year Notes at 4.093%, which was met with stronger than expected demand
- Primary market investment-grade issuance remained robust this week as an additional \$42 billion priced, well above estimates of \$30 billion; so far, 2024's \$230 billion in supply is 28% higher year-over-year
  - Corporate spreads tightened to 95bps, down just 1bp on the month, and yields rose 13bps to 5.24%
- Strong investor appetite for new deals helped high-yield issuance exceed \$4.5 billion this week, taking monthly supply to over \$7.5 billion
  - High-yield spreads narrowed 18bps to 326bps, and yields fell 1bp to 7.79%
- Agency mortgage-backed securities underperformed other securitized sectors following an increase in prepayment speeds during January
- Investors added \$1.5 billion to municipal bond funds, marking the fifth consecutive week of inflows

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
2/7/2024	4.43	4.07	4.12	4.43	4.33
MTD Change	0.22	0.23	0.21	0.16	0.16

### Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 2/8/24 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.