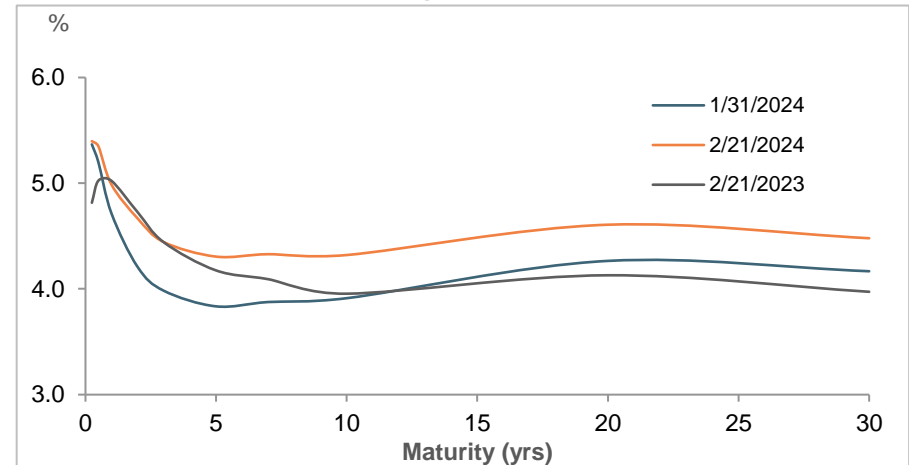




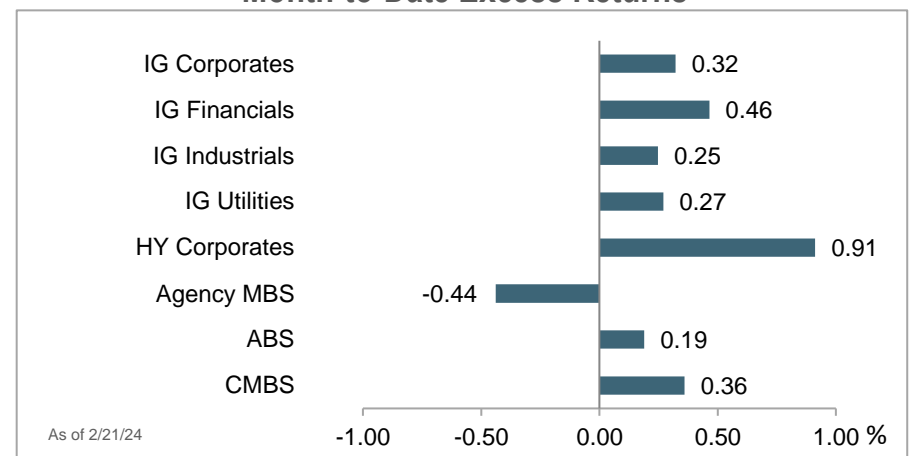
- Risk assets continued to see positive performance amid strong corporate earnings, while economic data was mixed
  - The Producer Price Index (PPI) surprised to the upside in January with headline PPI growing 0.9% year-over-year, while Core PPI grew by 2%, led by increases in service costs
  - New housing starts for January totaled 1.3 million, down 14.8% month-over-month and below estimates of 1.5 million
  - Initial jobless claims fell for the third straight week to 201,000 and continuing claims also missed estimates
- Treasury rates rose on the week after Federal Reserve officials commented that rates need to remain restrictive to prevent inflation from re-emerging before cuts can be considered
  - Markets are now pricing in fewer than four rate cuts this year, down from more than five rate cuts at the start of February
- Investment-grade primary markets were active this week despite the holiday weekend as issuers supplied over \$53 billion of new deals, above the \$50 billion projected by dealers
  - Corporate spreads narrowed 4bps week-over-week to 90bps, the tightest level since late 2021, and yields rose 1bp to 5.40%
- Despite just \$1 billion of high-yield supply this week, \$51 billion has been issued year-to-date, approximately 49% higher year-over-year
  - High-yield spreads tightened 3bps to 316bps and yields drifted 1bp higher to 7.90%
- Commercial mortgage-backed securities outperformed other securitized sectors as spreads continued to grind tighter amid light supply
- Year-to-date municipal issuance totaled \$49 billion, over 33% higher than this time last year

### Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
2/21/2024	4.68	4.31	4.32	4.61	4.48
MTD Change	0.46	0.47	0.41	0.34	0.31

### Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 2/22/24 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.