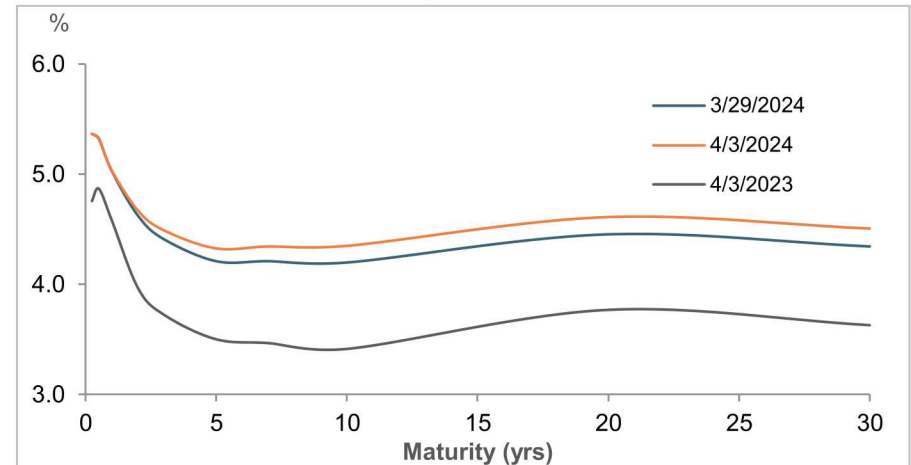




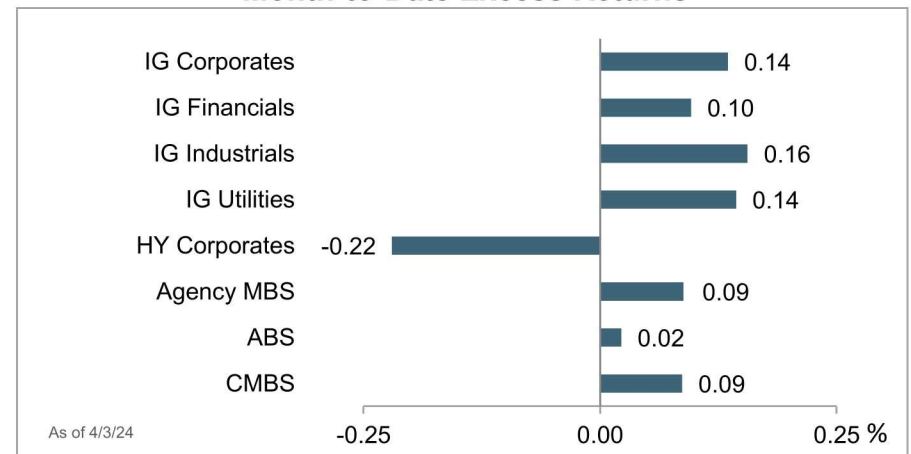
- Data released this week highlighted labor market resilience and signaled demand for services remains strong amid easing supply chain constraints
  - Job openings in February increased slightly to 8.76 million, while ADP’s employment report showed 184k new jobs in March – the largest increase since July, as labor demand remains elevated
  - March’s ISM Services Index slowed for the second straight month, but remained in expansionary territory, with the prices paid component falling to a four-year low
- Markets received a boost this week after Federal Reserve Chair Powell reiterated his expectation for rate cuts “at some point this year,” following back-to-back months of increases in Core PCE inflation
  - Despite increasing early in the week, Treasury yields declined after Powell spoke, and the 2-year rate closed 5bps higher month-to-date, while the 10-year rate rose by 15bps
- After a record-setting first quarter of issuance to start the year, demand for debt continues to persist; investment-grade issuers supplied more than \$23 billion of new deals, surpassing the \$20 billion expected
  - Investment-grade corporate spreads fell by 2bps to 88bps month-to-date, and yields rose by 10bps to 5.40%
- The high-yield primary market continued to see an influx of new issuance as \$3.7 billion priced this week; spreads widened by 10bps to 309bps, and yields increased by 17bps to 7.83%
- Agency mortgage-backed securities (MBS) outperformed Treasuries month-to-date, as rising mortgage rates decreased prepayment risk
- Short- and intermediate-term municipals underperformed their Treasury counterparts while long-term municipals marginally outperformed

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/3/2024	4.67	4.33	4.35	4.61	4.51
MTD Change	0.05	0.12	0.15	0.16	0.16

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 4/4/24 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.