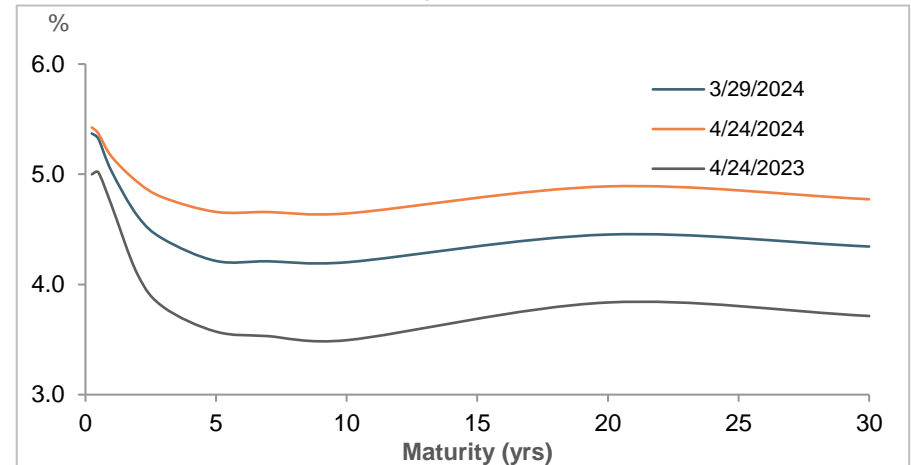




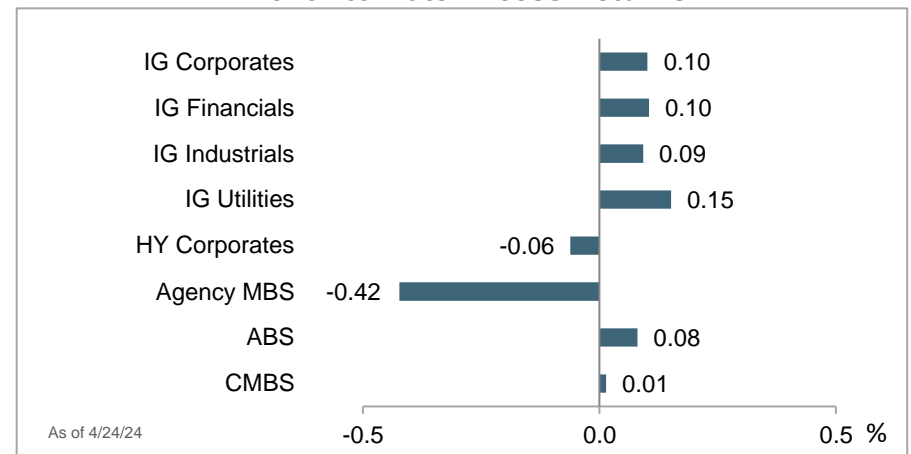
- Economic data released this week showed mixed signals as economic growth slowed during the first quarter, but underlying inflation came in above expectations for the same period
 - US GDP growth fell to an annualized 1.6% quarter-over-quarter, below estimates; meanwhile, Core PCE, the Federal Reserve's preferred inflation measure, rose by an annualized 3.7%, above estimates of 3.4%
 - Initial jobless claims came in below estimates yet again, adding to recent economic data that points to fewer rate cuts
- First quarter GDP and Core PCE readings sent Treasury yields, which had already risen week-over-week, surging across the curve on Thursday to reach their highest levels of the year, with the 2-year Treasury yield rising above 5%
- Investment-grade primary market activity was light this week as markets digested a heavy slate of economic data and corporate earnings; the \$11 billion that priced was below estimates of \$25 billion
 - Investment-grade corporate spreads narrowed by 3bps week-over-week to 90bps, and yields rose by 2bps to 5.70%
- High-yield issuers supplied \$1.1 billion of new deals this week, bringing April issuance to \$22 billion, a 17% increase from all of April 2023
 - Spreads tightened by 22bps to 307bps, while yields fell by 17bps to 8.11%
- Agency mortgage-backed securities (MBS) continued to underperform Treasuries, as rising rates have increased extension risks in lower coupon MBS, pushing their spreads wider
- Fund flows turned negative as investors withdrew \$328 million from municipal bond funds, reversing course from last week's \$18 million inflow

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/24/2024	4.93	4.66	4.64	4.89	4.77
MTD Change	0.31	0.44	0.44	0.44	0.43

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 4/25/24 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.