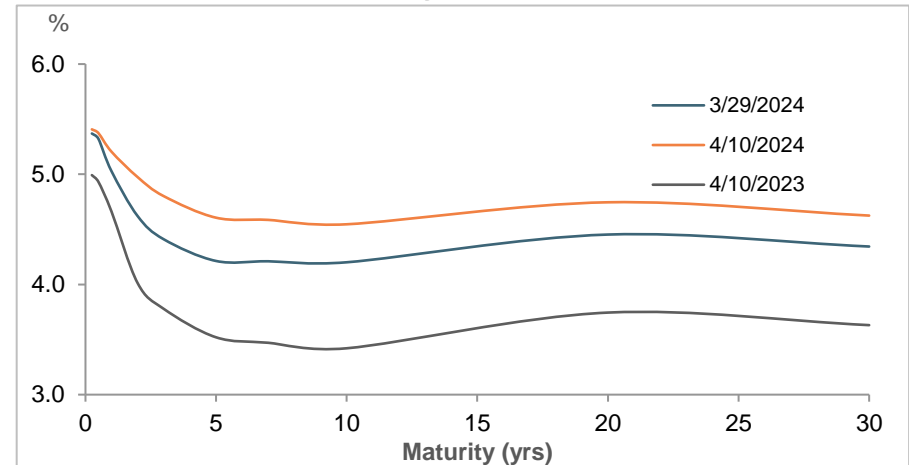




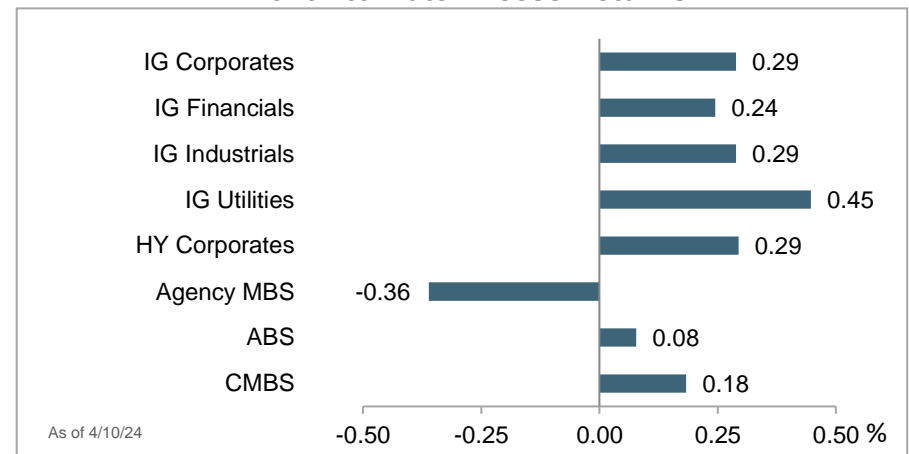
- US employment data released this week underscored labor market strength, but sticky inflation readings weighed on risk assets as volatility spiked and markets delayed expectations for rate cuts
 - Employers created 303,000 new jobs in March, exceeding expectations, and the US unemployment rate fell by 0.1% to 3.8%
 - US CPI rose in March for the third-straight month, up 3.5% year-over-year, while Core CPI, which strips out food and energy costs, grew by 3.8%; both measures were higher than expected
 - March's PPI report offered some relief, as headline PPI increased by less than expected; however, Core PPI grew by 2.4% year-over-year, above estimates
- Treasury yields increased across the curve to reach year-to-date highs amid concerns over the timing of future rate cuts; the 10-year rate rose by 20bps week-over-week to 4.55%, its highest level since November
- Investment-grade new issuance was in line with expectations, as \$20 billion priced; high-yield weekly issuance totaled \$2.25 billion
 - Investment-grade corporate spreads tightened by 1bp week-over-week to 87bps, and yields climbed 21bps higher to 5.61%
 - High-yield spreads tightened by 17bps to 292bps, and yields rose by 11bps to a three-month high of 7.94%
- Despite the average rate on a 30-year mortgage rising above 7%, refinancing applications rose 10% as homeowners rushed to lock in rates amid concerns that rates could go even higher; agency mortgage-backed securities (MBS) underperformed Treasuries week-over-week
- After 12 straight weeks of inflows totaling \$10.4 billion, fund flows turned negative as investors withdrew \$75 million from municipal bond funds

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/10/2024	4.97	4.61	4.55	4.75	4.62
MTD Change	0.35	0.39	0.34	0.29	0.28

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 4/11/24 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.