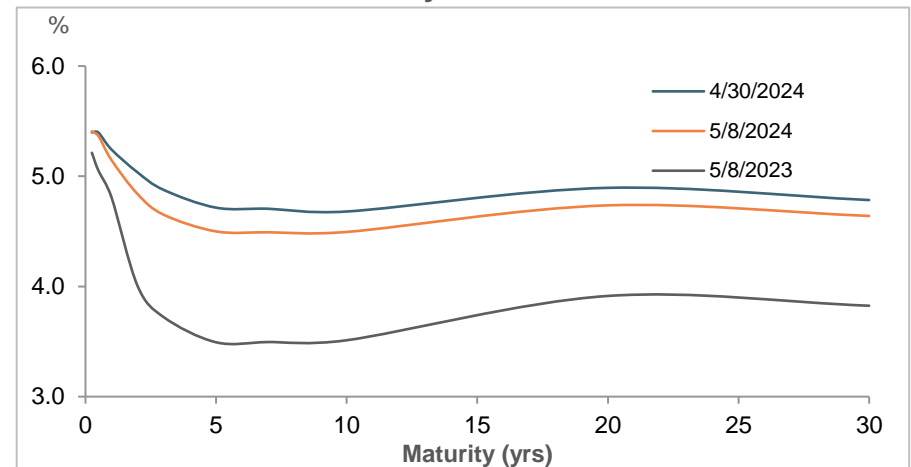




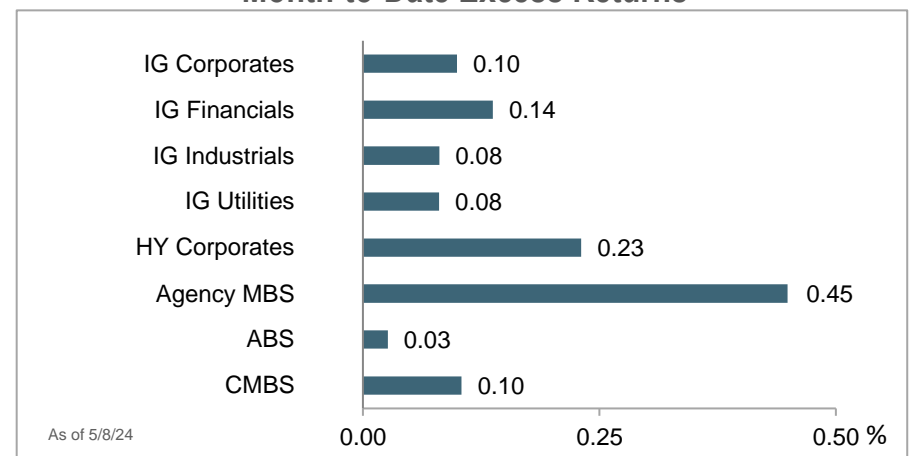
- Risk assets rallied this week as market expectations for rate cuts were given a boost following weaker than expected labor market data
 - Job openings fell in March, April's US nonfarm payrolls came in weaker-than-expected, and the US unemployment rate rose to 3.9%, above estimates
 - April's ISM Services PMI fell to 49.4, the first contractionary reading since 2022, led by a decline in the business activity index
- Federal Reserve (Fed) officials voted to keep the fed funds target range unchanged at 5.25% - 5.50% during the May FOMC meeting
 - Treasury yields fell on the month following last week's dovish comments from Chair Powell; the 10-year Treasury yield fell 19bps to 4.50%
- Issuers stormed the investment-grade primary market this week to supply over \$53 billion of new deals, blowing past dealer estimates of \$30 billion; month-to-date issuance totals over \$57 billion
 - Investment-grade corporate spreads narrowed by 1bp to 86bps month-to-date, and yields fell by 21bps to 5.52%
- High-yield issuers flooded the primary market with fresh debt amidst lower borrowing costs, supplying over \$12 billion month-to-date
 - Spreads reached their tightest level in two years of 289bps earlier in the week before widening by 6bps on the month to 295bps; yields fell by 23bps to 7.88%
- Asset-backed securities underperformed other securitized sectors amid a healthy influx of new issuance as Treasury yields fell, opening the door for issuers to take advantage of sustained demand for fresh debt
- Municipals generally performed in line with Treasuries month-to-date; the 10-year muni/Treasury ratio remained unchanged at 59%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
5/8/2024	4.84	4.50	4.50	4.74	4.64
MTD Change	-0.20	-0.22	-0.19	-0.16	-0.15

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 5/9/24 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.