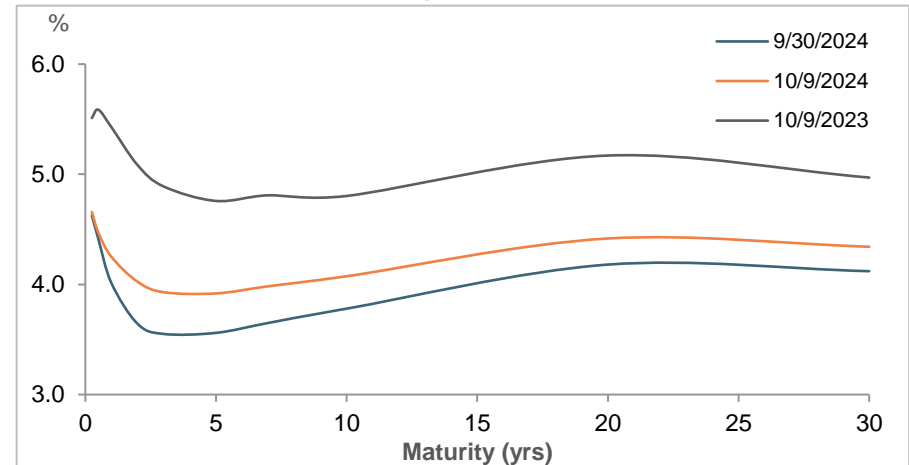




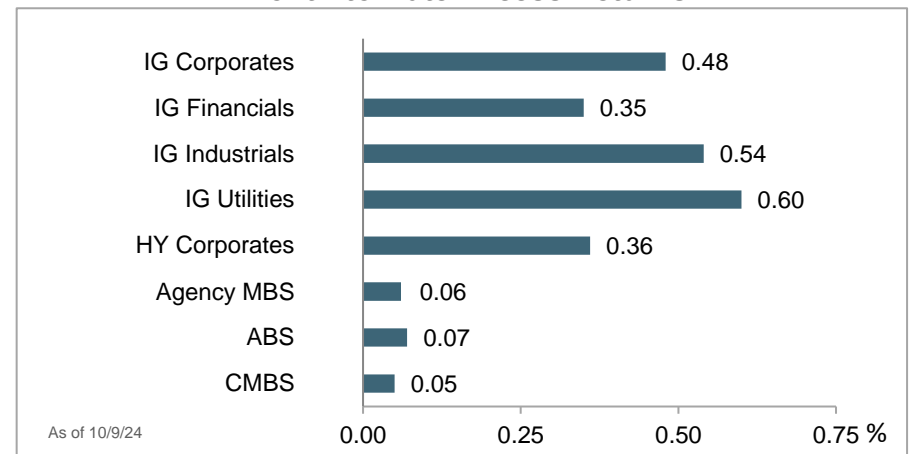
- Interest rates rose across the Treasury curve as investor expectations for the pace of rate cuts moderated amid mixed employment and inflation data
 - Nonfarm payrolls came in at 254,000, above survey consensus estimates, and September's unemployment rate dropped to 4.1%; however, initial jobless claims were higher than expected at 258,000 versus 230,000
 - The year-over-year change in CPI was 2.4% as of September, slightly higher than expected, but still the lowest figure since March 2021
 - Core CPI, CPI minus food and energy, rose 3.3% on the year, higher than expectations of 3.2%
- Rate cut expectations for the rest of the year have dropped from 75bps worth of cuts to 50bps following the recent release of economic data
- Investment-grade issuance totaled \$26 billion month-to-date, with dealers estimates calling for \$95 billion in October; high-yield issuers have brought \$8 billion of new debt so far this month
 - Investment-grade yields rose by 23bps to 4.95% while spreads tightened by 7bps to 82bps on the month the tightest level since September 2021
 - High-yield corporate spreads tightened by 5bps to 290bps on the month and yields rose by 24bps to 7.23%; CCC-rated corporates continued to outperform the broader high-yield market
- Agency MBS underperformed corporates month-to-date despite MBS spreads tightening by 2bps to 40bps; the 30-year fixed mortgage rate increased by 31bps to 6.96%
- Municipal bond mutual funds experienced the eighth straight week of inflows with nearly \$1.5 billion added
 - Municipals across the curve outperformed Treasuries as muni/Treasury ratios decreased month-to-date

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
10/9/24	4.02	3.92	4.07	4.42	4.34
MTD Change	0.38	0.36	0.29	0.24	0.22

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 10/10/24 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.