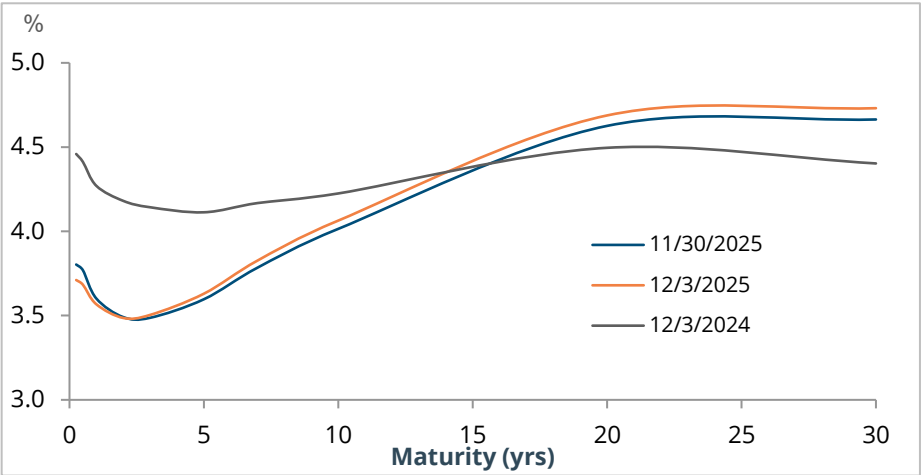


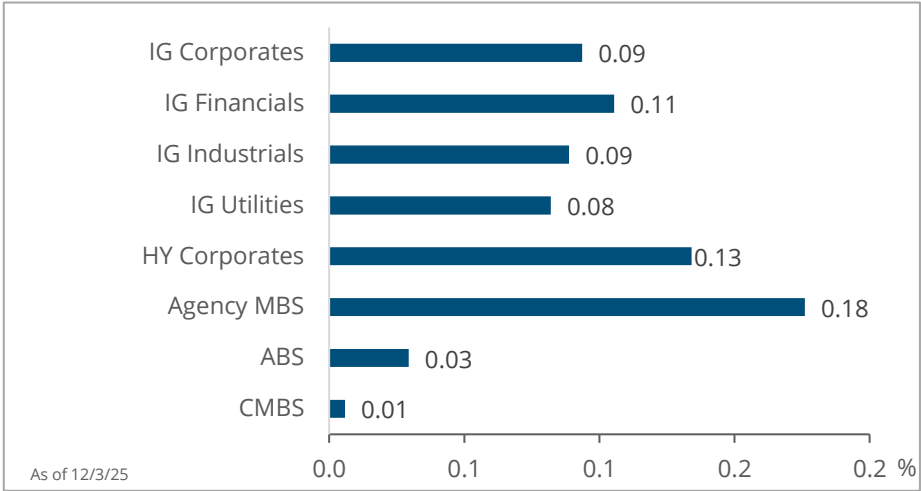
- Economic data continued to suggest a slowdown in the labor market, cementing expectations that the Federal Reserve (Fed) delivers another rate cut in December
 - ADP private employment declined by 32k jobs in November versus expectations of a 10k increase; small business employment notably fell by 120k jobs – the largest one-month decline since May 2020
 - Continuing jobless claims remained elevated at 1.94 million, as workers are having a harder time finding new employment; Initial jobless claims declined to 191k, below expectations of 220k
- The ISM Services Index improved to 52.6 last month, as projects restarted after the government reopened; business activity improved from October, despite a slowdown in new orders
- Treasury yields were higher, led by the long-end, as investors looked ahead to 2026 and reassessed the speed and depth of the current easing cycle
- Investment-grade (IG) supply totaled over \$26 billion this week – above forecasts of \$20 billion; deals were met with strong demand, with the average order just over 5x oversubscribed
 - Investment-grade corporate spreads tightened 1bp to 79bps, while yields increased 2bps to 4.78%
- High-yield (HY) issuers were similarly active and capitalized on attractive funding levels, pricing over \$8 billion of new debt
 - High-yield corporate spreads remained unchanged at 269bps, while yields rose 2bps to 6.59%
- Agency mortgage-backed securities (MBS) outperformed other securitized sectors as strong bank demand helped drive spreads tighter by 3bps to 26bps
- Intermediate- and long-duration municipals outperformed Treasuries, with the 10-year muni/Treasury ratio falling from 68.2% to 67.8%; municipal bond funds reported \$217 million of net inflows

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
12/3/25	3.49	3.63	4.06	4.69	4.73
MTD Change	0.00	0.03	0.05	0.06	0.07

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 12/4/25 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.