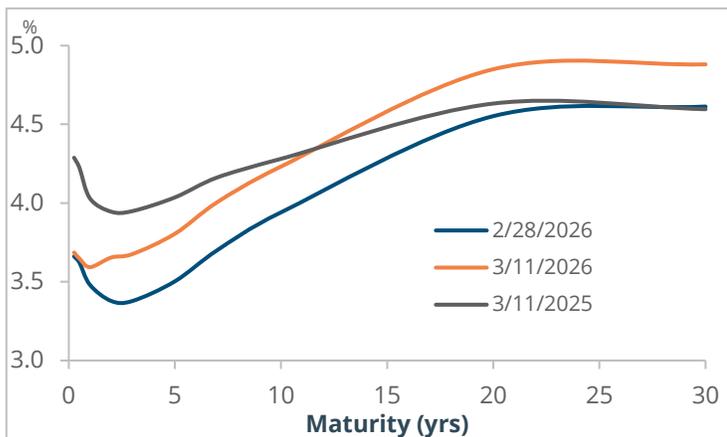


Word on the IR+M Desk

We have been impressed by the fixed income market's resilience amid an uncertain backdrop. Still, we may be approaching a limit to how much supply investors can easily absorb – at least temporarily. This week's \$100+ billion of investment-grade corporate issuance is a feat that has only ever occurred twice before -- both others coming from the covid-induced supply shock of 2020. This can create dislocations across both primary and secondary markets; elevated new issue concessions may be necessary to entice buyers, while secondary market activity (to fund new issue purchases) may also impact spreads. That played out this week with higher concessions and the front-end corporates underperforming amid selling pressure. Spread volatility may not always match underlying fundamentals and this can create opportunities for bottom-up investors.

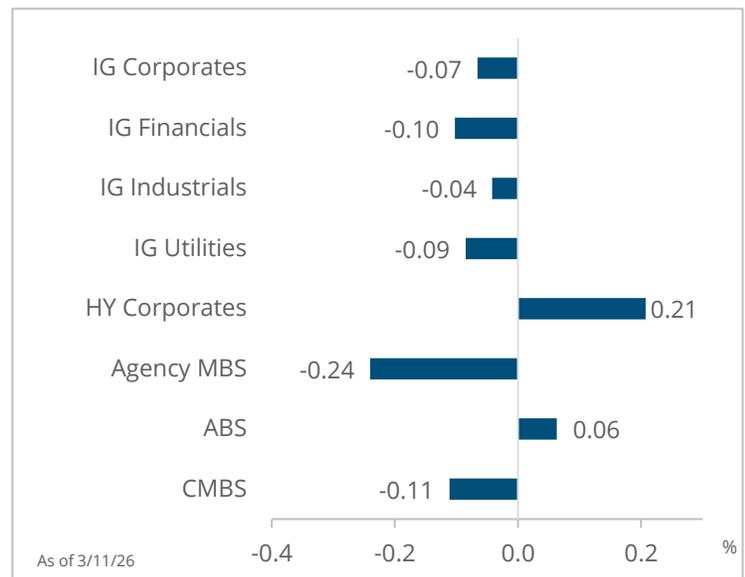
- The International Energy Agency (IEA) agreed to release 400 million barrels from emergency oil reserves – its largest-ever release – to help ease surging oil prices triggered by the US-Israeli conflict with Iran
 - However, the IEA emphasized that the most important factor in stabilizing the energy markets is the resumption of shipping through the Strait of Hormuz, which accounts for roughly 20% of global seaborne oil flows
- This week's economic data releases did little to alter investors' expectations for a rate cut at next week's FOMC meeting, and markets are no longer fully pricing in even one Fed rate cut in 2026
 - Non-farm payrolls decreased by 92k in February, a sharp reversal from January's 130k increase and below expectations for a 55k increase, raising questions about whether the labor market is stabilizing; part of the weakness was expected, reflecting a healthcare strike and softness in weather-sensitive sectors
 - February's CPI report rose 0.2% month-over-month and 2.4% on an annualized basis – the slowest pace since 2021 – though consumers remain concerned about potential inflationary pressures from higher energy prices stemming from the conflict in Iran
- Treasury rates continued to increase across the curve amid oil price volatility and persistent inflation; the 2- and 30-year rates rose by 10bps and 15bps week-over-week, respectively
- Investment-grade (IG) issuance posted a near record-breaking week, highlighted by the single busiest day ever; Tuesday's supply of \$66 billion pushed the weekly total to \$115 billion, the second heaviest week on record
 - This week's wave of IG supply pressured investment-grade corporate spreads, which widened 6bps to 86bps
- High-yield (HY) issuance totaled \$3 billion on the week, and high-yield corporate spreads widened by 13bps to 294bps in response to oil price volatility
- Agency mortgage-backed securities (MBS) underperformed other securitized sectors this week as interest rate volatility increased; despite a pickup in prepayment activity, MBS spreads widened by 2bps to 24bps
- Municipals outperformed Treasuries as muni/Treasury ratios fell across the curve; municipal bond funds recorded \$1.5 billion of net inflows last week, marking the seventh consecutive week of net inflows exceeding \$1 billion

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
3/11/26	3.65	3.81	4.23	4.85	4.88
MTD Change	0.28	0.30	0.29	0.30	0.27

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 3/12/26 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, accuracy, or completeness of any data or information relating to any IR+M product.