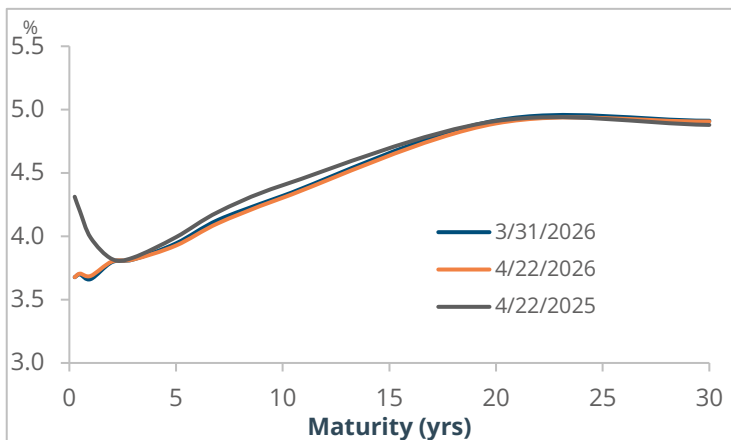


Word on the IR+M Desk

Monetary policy remains central to markets, even as geopolitical developments have recently dominated headlines, and the range of potential paths is widening. Recent commentary, including from Kevin Warsh, underscores an active debate around the Fed’s reaction function amid uneven data and persistent inflation risks. Markets have oscillated between pricing rate cuts and renewed tightening, reflecting this uncertainty. The risk is not simply whether policy proves too loose or too restrictive, but the resulting interest rate volatility driven by shifting market expectations. As attention gradually shifts toward the Fed leadership transition, we are closely monitoring how changes in communication and framework could influence market pricing and risk sentiment.

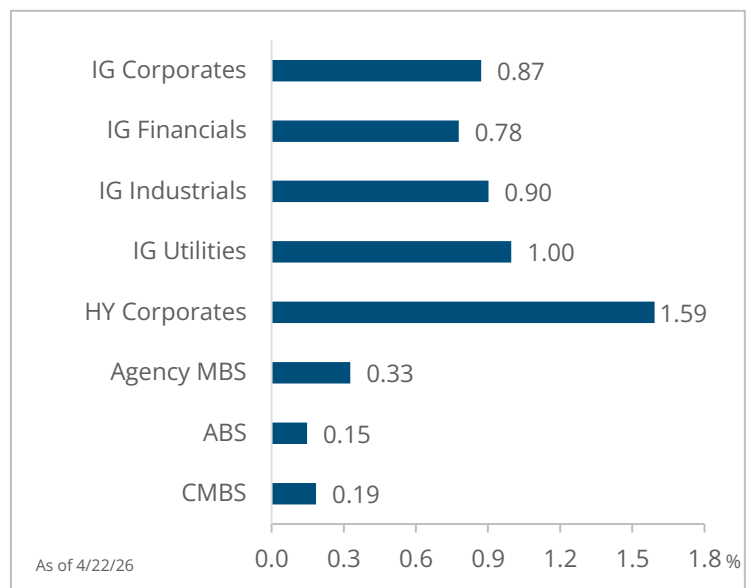
- Investors welcomed a US-Iran ceasefire extension and largely looked through the risk of renewed escalation, supporting risk assets – equities hovered near all-time highs while spreads remained near historical tights
- Higher gasoline prices did little to deter broader consumption, with US retail sales rising 1.9% in March and all major categories posting gains
- Kevin Warsh, President Trump’s nominee for Federal Reserve (Fed) Chairperson, testified before the Senate Banking Committee on Tuesday, emphasizing independence in monetary policy
 - He also signaled potential changes to the Fed’s decision-making and communication framework, introducing an additional layer of policy uncertainty for markets
- A light economic calendar contributed to a relatively stable backdrop for Treasuries, with the 2- and 10-year Treasury yields rising modestly by 4bps and 2bps, respectively, to 3.80% and 4.30%
- Investment-grade (IG) and high-yield (HY) corporate spreads were range-bound this week given light trading volumes and limited catalysts; IG spreads tightened 1bp to 77bps, while HY spreads were unchanged at 269bps
- Investment-grade corporate supply totaled just under \$16 billion, below expectations of \$20-25 billion, as many issuers remained sidelined due to earnings blackout periods
 - The high-yield primary market experienced a wave of issuance, surpassing \$7 billion, supported in part by demand tied to data center and infrastructure-related financing
- Non-agency commercial mortgage-backed securities (CMBS) outperformed Treasuries as light supply provided a positive tailwind for the sector, with issuance continuing to skew toward single-asset single-borrower (SASB) deals over traditional conduit deals
- Municipals across the curve have continued to outperform Treasuries; the yield of the Bloomberg Municipal Index stands at 3.59%, equal to the trailing average since the hiking cycle concluded in 2022

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
4/22/26	3.80	3.93	4.30	4.89	4.91
MTD Change	0.01	(0.02)	(0.01)	(0.02)	(0.01)

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 4/23/26 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, accurateness, or completeness of any data or information relating to any IR+M product.