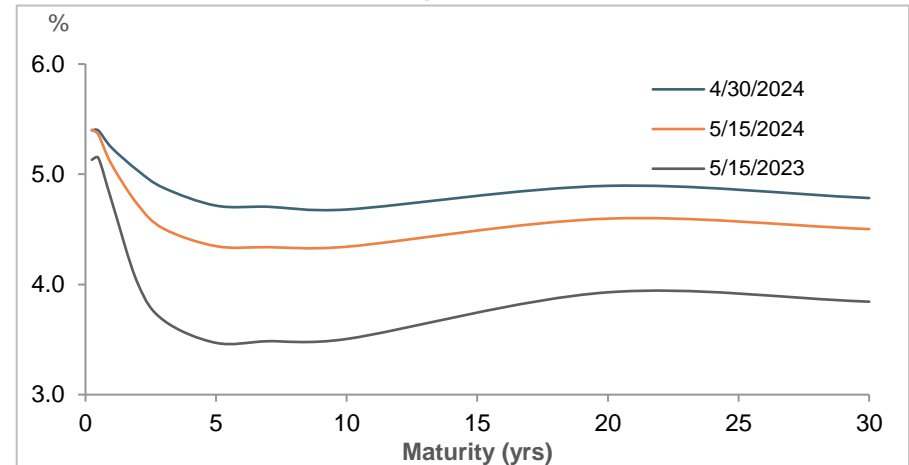




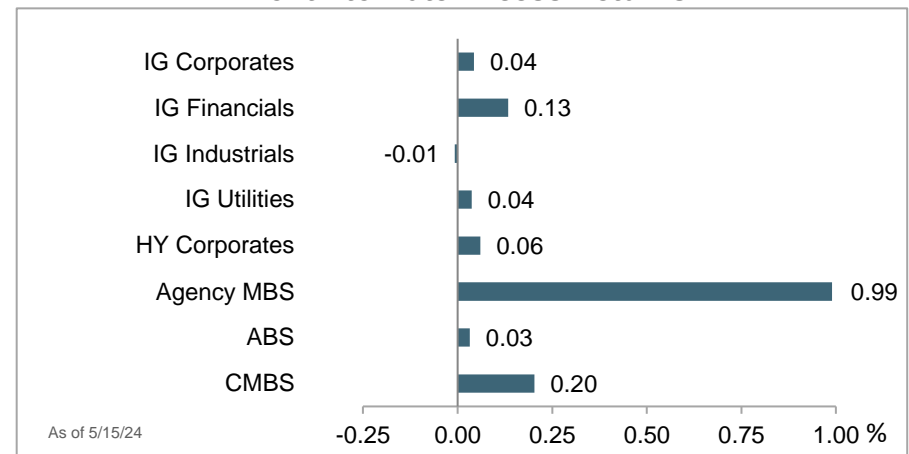
- Economic data was mixed, but suggested the Federal Reserve (Fed) had made additional progress curtailing inflationary pressures; equity prices reached new all-time highs and Treasury yields moved lower
 - CPI rose by 3.4% year-over-year in April, in line with estimates but down from 3.5% last month; Core CPI increased by 3.6%, the slowest annualized growth rate since 2021
 - Retail sales were softer than expected during April, suggesting consumers may be feeling the pressure from inflation and higher rates
- Treasury yields declined across the curve this week, as softer inflation data and weaker consumer demand supported a higher likelihood of a rate cut in 2024
 - The 2- and 10-year Treasury rates fell 11bps and 15bps week-over-week, respectively, to 4.73% and 4.34%
- Investment-grade primary market issuance totaled over \$27 billion this week, in line with dealer estimates of \$25 - \$30 billion
 - Investment-grade corporate spreads widened by 2bps to 88bps on the week, while yields fell by 11bps to 5.41%
- Following last week's deluge of issuance that saw \$13 billion price, only \$3 billion of new high-yield deals came to market this week
 - Spreads widened by 6bps week-over-week to 301bps, and yields dropped by 7bps to 7.81%
- Mortgage-backed securities (MBS) continued to outperform other spread sectors on the month, fueled by declining volatility, positive bank demand, and muted supply due to elevated borrowing costs
- Municipals underperformed Treasuries, particularly in the long-end, as the 30-year muni/Treasury ratio rose by 3% to 85%

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
5/15/2024	4.73	4.35	4.34	4.60	4.50
MTD Change	0.10	0.13	0.14	0.14	0.16

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited. All commentary and data as of 5/16/24 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.