

- **Next Week**

- Mixed views across the street for supply next week. Range of estimates from a low of \$15-20B to a high of \$45B. Indicates a greater likelihood one or two larger deals are lurking. Average of syndicate estimates for next week is +/- \$30B.
- Past the peak in earnings announcements with only 18 S&P500 companies reporting. Focus next week will be on retailers. Staples, Home Depot, TJX, Target, Limited Brands, Walmart, Ross Stores, and Gap will report next week. Deere reports Friday.
- Potential names for next week include Enel, Kommuninvest, National Bank of Kuwait, Rochester G&E, and WW Grainger – all of whom announced investor calls or meetings.

- **Last Week**

- This past week was busy again, with \$35.6B IG priced, driven in no small part by Intel (\$6.5B), Amgen (\$3.5B), and Costco (\$3.8B). Execution metrics were solid again -- interesting to note that oversubscription levels and average book sizes declined week over week (from 3.8x and \$2.8B to 2.7x and \$2.1B), but there was no appreciable impact on pricing.
- The positive tone in the new issue market was reinforced by strong performance. This week's IG calendar finished the week an average of 2.7 bps tighter (with only 4 out of 31 fixed rate tranches wider)
- The HY market was busy as well, with \$6.3B pricing across 16 tranches thru Thursday and one deal for \$300mm slated for a Friday print. Pricing was firm, with 12 of 16 at or through the tight end of IPT's. A few deals experienced some significant pushback however, most notably the \$300mm Tapstone Energy 5nc2 deal, which has been forced to add an extra year of call protection (now 5nc3) and widen talk to 10%a from whispers of H7% before hopefully printing this afternoon.
- MTD IG volume now \$76.7B and YTD \$559B, which is 5.8% ahead of last year's 19 week tally. MTD HY volume now \$10.8B and YTD \$136B, which is an incredible 63% ahead of last year's tally (last year was the anomaly)
- IG fund flows were positive with EPFR reporting net inflows of \$1.8B, the 20<sup>th</sup> consecutive week of inflows. HY flows were negative, with a reported \$1.5B outflow, the 3<sup>rd</sup> largest weekly outflow of the year

- **FWIW**

- Active week for US borrowers in Europe, with GE printing the biggest deal of the year in euro. An €8B four tranche offering consisting of 5yr/8yr/12yr/20yr. Kellogg, Goldman, Paccar, and JP Morgan also hit up the euro mkt
- Noticed a quiet \$1.5B 3yr frn from Verizon printed on Thursday at 3mL+55.
- RBS 6nc5 frn and 6nc5 fixed-to-float provided another example of the demand for yieldy floaters. Despite printing 1 bp's inside the fixed, the floater had a bigger book (\$5B vs \$4.75B) and significantly outperformed the fixed tranche in the 2dary market – tightening by 9 bp's vs unch'd.
- Strong employment number last week, Macron won over the weekend, and an interesting headline to a WSJ article (“What Happens When Central Banks Stop Buying Bonds?”), all kinda point toward the potential for testing the range. So long as we stay in the range, it's all good. Tests of 2.60% could create some stress....

## Key Execution Metrics

Week 19 of 2017			Demand		Pricing Leverage	
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC
Monday	18	\$13,065	2.6x	\$1,914	-18.4 bp's	-1.4 bp's
Tuesday	14	\$10,520	2.5x	\$1,821	-19.6 bp's	+1.5 bp's
Wednesday	6	\$4,600	3.0x	\$2,790	-21.0 bp's	+4.6 bp's
Thursday	8	\$7,400	3.1x	\$2,467	-20.4 bp's	-0.3 bp's
Friday						
<b>This Week</b>	<b>46</b>	<b>\$35,585</b>	<b>2.7x</b>	<b>\$2,092</b>	<b>-19.4 bp's</b>	<b>+0.4 bp's</b>
<b>Week Prior</b>	<b>41</b>	<b>\$41,088</b>	<b>3.8x</b>	<b>\$2,775</b>	<b>-17.7 bp's</b>	<b>-0.3 bp's</b>
<b>YTD Weekly Average</b>		<b>\$29,447</b>	<b>3.0x</b>	<b>\$2,256</b>	<b>-17.9 bp's</b>	<b>+0.9 bp's</b>

## New Issue Report Card

Ticker	Cpn	Maturity	Init Spd	Bid	Ask	Change
SAMMON	4.450	5/12/2027	205.0	192	189	-13
OMGRID	5.196	5/16/2027	278.2	268	258	-10
COF	2.500	5/12/2020	100.0	91	87	-9
WLTW	3.600	5/15/2024	140.0	133	129	-7
COF	3.750	3/9/2027	153.0	147	145	-6
AMGN	2.200	5/11/2020	70.0	64	60	-6
AMGN	2.650	5/11/2022	80.0	75	73	-5
AEP	3.300	6/1/2027	98.0	93	90	-5
AMGN	1.900	5/10/2019	60.0	56	52	-4
SIR	4.250	5/15/2024	225.0	222	219	-3
FE	3.550	5/15/2027	115.0	112	108	-3
INTC	2.875	5/11/2024	68.0	65	62	-3
INTC	3.150	5/11/2027	80.0	77	75	-3
INTC	4.100	5/11/2047	110.0	107	105	-3
FINBN	4.875	5/19/2022	302.4	300	290	-2
NI	4.375	5/15/2047	135.0	134	132	-2
UPS	2.350	5/16/2022	45.0	44	41	-1
RBS	3.498	5/15/2023	157.0	156	155	-1
BK	2.661	5/16/2023	73.0	72	69	-1
PPL	3.950	6/1/2047	98.0	98	93	-0
NI	3.490	5/15/2027	110.0	110	107	+0
STT	2.653	5/15/2023	72.0	72	70	+0
COST	2.150	5/18/2021	65.0	65	62	+0
COST	2.300	5/18/2022	45.0	45	42	+0
COST	3.000	5/18/2027	70.0	70	68	+0
INTC	1.850	5/11/2020	33.0	33	30	+0
INTC	2.350	5/11/2022	45.0	45	43	+0
ES	3.200	5/15/2027	80.0	81	78	+1
BK	3.250	5/16/2027	85.0	86	84	+1
COST	2.750	5/18/2024	60.0	61	59	+1
ETR	3.500	4/1/2026	80.0	82	80	+2
				Best		-13
				Worst		+2
				Avg		-3

## YTD Volume Breakdown

Monthly \$	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Tech		2017 Total \$
Jan	700	16000	14983	4750	2500	92515	2850	6750	34550		175,598
Feb	3250	1750	3400	13800	12200	42456	2950	4850	10000		94,656
Mar	1500	18750	13500	7923	4450	51645	9350	18600	4900		130,618
Apr	3000	500	9350	4450	11450	43256	6750	2350	850		81,956
May	6000	1500	7550	11564	500	22085	7374	6200	13900		76,673
Jun											
Jul											
Aug											
Sep											
Oct											
Nov											
Dec											
<b>Total</b>	<b>14,450</b>	<b>38,500</b>	<b>48,783</b>	<b>42,487</b>	<b>31,100</b>	<b>251,957</b>	<b>29,274</b>	<b>38,750</b>	<b>64,200</b>		<b>559,502</b>

Monthly %	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Tech		2017 Total %
Jan	0.4%	9.1%	8.5%	2.7%	1.4%	52.7%	1.6%	3.8%	19.7%		100%
Feb	3.4%	1.8%	3.6%	14.6%	12.9%	44.9%	3.1%	5.1%	10.6%		100%
Mar	1.1%	14.4%	10.3%	6.1%	3.4%	39.5%	7.2%	14.2%	3.8%		100%
Apr	3.7%	0.6%	11.4%	5.4%	14.0%	52.8%	8.2%	2.9%	1.0%		100%
May	7.8%	2.0%	9.8%	15.1%	0.7%	28.8%	9.6%	8.1%	18.1%		100%
Jun											
Jul											
Aug											
Sep											
Oct											
Nov											
Dec											
<b>Total</b>	<b>3%</b>	<b>7%</b>	<b>9%</b>	<b>8%</b>	<b>6%</b>	<b>45%</b>	<b>5%</b>	<b>7%</b>	<b>11%</b>		<b>100%</b>



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