

- **Next Week**
  - Survey of syndicate desks pointing toward \$20B of supply next week.
  - Potential names for next week include Cencosud (LM), Korea Hydro & Nuclear, Kyobo Life, NongHyup Bank, ONEOK, Pemex, PTT Exploration, Republic of Indonesia, and SMBC Aviation, all of whom have either just completed or are about to conduct roadshows/investor calls.
  - Only name on the HY forward calendar for next week is McLaren (B2/B), slated for £550mm of 5nc2 in USD/GBP tranches.
  - Pepsi earnings on Tuesday. PNC, JPM, C, and WFC earnings on Friday.
  - Key economic releases include inflation (PPI on Thursday, CPI on Friday) and retail sales (Friday)
  - Yellen appears before the US House Financial Services Committee on Wednesday and the Senate Banking Committee on Thursday to deliver her semi-annual testimony to Congress.
- **Last Week**
  - With the holiday interruption and Friday employment, expectations for IG supply this week were low, and met. Only a handful of financials came forward, printing \$6.55B.
  - Execution metrics (below) were modestly weaker than what the market's served up so far this year, but given the small sample size, not particularly relevant.
  - In addition to the two "public" deals, there were a few off the screen frn deals printed, including a \$500mm FA-backed 1.75yr floater from New York Life Global Fdg, which priced at 3mL+12.
  - The HY market was even quieter, with only one deal printed – a \$550mm 5nc3 from Liquid Telecom, which priced at IPT's of 8.50%. The only other deal slated for this week was a 5yr for Global Ship Leasing (previously scheduled for last week) was pulled on Friday. Interestingly, it is the fourth HY deal postponed in the past three weeks.
  - Secondary market was quiet as well (volume less than half previous weeks) but spreads were tighter by 5 bp's with Basic Materials and Energy outperforming.
  - IG Fund Flows:
  - HY Fund Flows:
- **FWIW**
  - Neither the FOMC minutes nor Friday's strong jobs data did anything to disrupt market consensus for one more rate hike in 2017 and commencement of balance sheet shrinkage. Market attaching a 0% probability of that hike coming in July and a 16% chance of it coming in September.
  - 10yr at 2.38% is 26 bp's off its recent lows a few weeks ago and in the back half of the 2.10-2.60% post-election trading range. Interesting to see Doubleline CEO Jeffrey Gundlach quoted in Bloomberg stating the 10yr is "on course to move 'toward 3 percent' this year" as he's previously called 3% potentially the end of the 30yr bull market in bonds.
  - WSJ article that Fed officials indicating a strong chance they will announce in September a decision to start shrinking the central bank's portfolio of bonds and other assets, while putting off until December any further interest rate increases. At the same time, the market is beginning to grapple with the eventuality of an ECB taper and what it will look like. For the last 8 years the tailwind of excessive accommodation and liquidity has created such strong technical that neither fundamentals nor events have mattered. It may be hard to remember, but is it almost time to start imagining a market where

things like earthquakes, tsunamis, nuclear meltdowns, Grexit, Brexit, sequesters, gov't shutdowns, Tsy downgrades, etc. matter again?

- Geopolitical tensions increasing in Asia with North Korea's ICBM launch and moderating in Syria with Friday's cease fire announcement (?).

## Key Execution Metrics

Week 27 of 2017			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday							
Tuesday	<b>** Fourth of July holiday**</b>						
Wednesday	2	\$635					
Thursday	6	\$5,915	2.4x	\$3,100	-20.5 bp's	+3.0 bp's	-0.8 bp's
Friday							
<b>This Week</b>	<b>8</b>	<b>\$6,550</b>	<b>2.4x</b>	<b>\$3,100</b>	<b>-20.5 bp's</b>	<b>+3.0 bp's</b>	<b>-0.8 bp's</b>
<b>Week Prior</b>	<b>41</b>	<b>\$14,054</b>	<b>3.3x</b>	<b>\$1,697</b>	<b>-16.6 bp's</b>	<b>+0.5 bp's</b>	<b>-1.3 bp's</b>
<b>YTD Weekly Average</b>		<b>\$27,635</b>	<b>3.1x</b>	<b>\$2,263</b>	<b>-17.8 bp's</b>	<b>+0.7 bp's</b>	<b>-1.5 bp's</b>

## Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
7/6	A1	A+	50	BMO	1.5			3mL+22		
7/6	Aa3	AA-	1500	CBAAU	30.0	115-120	105a	103	(17)	5
7/6	A1	A-	115	MIZUHO	1.5			3mL+40		
7/6	A1	A+	500	SUMIBK	5.0	Lequiv	Lequiv	3mL+78	(20)	3
7/6	A1	A+	2000	SUMIBK	5.0	105a	90a	85	(20)	3
7/6	A1	A+	1750	SUMIBK	10.0	115a	105a	100	(25)	1
7/5	A1	A-	135	MIZUHO	1.5			3mL+43		
7/5	Aaa	AA+	500	NYLIFE	1.8			3mL+12		
Date	MDY	S&P	Ticker	Size	Tenor	IPT's	Guidance	Yield	Δ IPT	
7/6	Ba3		LIQTEF	550	5nc3	M8% <sub>s</sub>	8.375-8.50%	8.50%	0	

## New Issue Report Card

Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
CBAAU	3.900	7/12/2047	103.0	101	99	-2
SUMIBK	2.784	7/12/2022	85.0	83	80	-2
SUMIBK	3.364	7/12/2027	100.0	101	100	+1
				<b>Best</b>		-2
				<b>Worst</b>		+1
				<b>Avg</b>		-1

## Market Dashboard (a/o 1:08pm)

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	21,412.59	92.55	125.56	17,816.65	21,562.75	21,135.51	20,023.57
S&P 500	2,425.93	16.18	6.23	2,083.79	2,453.82	2,413.54	2,298.20
Nasdaq	6,156.69	67.22	12.34	4,853.68	6,341.70	6,163.08	5,700.91
VIX	11.53	(1.01)	0.09	9.37	23.01	10.74	12.44
Oil	44.38	(1.14)	(0.5)	42.0	58.3	47.2	51.6
Gold	1210.5	(14.72)	(31.1)	1122.89	1375.34	1249.62	1232.74
2yr	1.401%	0.5	1.7	0.58%	1.41%	1.32%	1.18%
3yr	1.589%	0.0	4.1	0.67%	1.69%	1.49%	1.40%
5yr	1.946%	1.0	5.7	0.94%	2.14%	1.81%	1.79%
7yr	2.215%	1.5	7.4	1.19%	2.44%	2.07%	2.08%
10yr	2.385%	1.8	8.0	1.36%	2.63%	2.25%	2.28%
30yr	2.930%	2.8	9.5	2.10%	3.21%	2.88%	2.92%
2>5 Curve	54.2	0.6	4.0	33.1	84.4	48.6	60.6
2>10 Curve	98.1	1.3	6.3	73.1	136.8	92.6	109.5
5>10 Curve	43.7	0.8	2.3	37.2	60.0	43.8	48.8
5>30 Curve	98.3	1.8	3.8	91.6	145.9	106.3	113.1
10>30 Curve	54.4	1.0	1.5	50.4	87.3	62.3	64.1
2yr Swap	24.6	(0.6)	1.3	15.1	38.0	23.2	27.2
3yr Swap	20.7	(0.1)	0.0	9.3	32.0	20.0	21.0
5yr Swap	7.3	(0.3)	(0.1)	-4.0	14.1	7.6	6.4
7yr Swap	-3.2	(0.9)	(1.1)	-18.6	9.0	-2.9	-6.5
10yr Swap	-3.3	(1.2)	(0.9)	-19.1	0.7	-4.7	-8.2
US IG OAS*	107	(1.0)	(2.0)	107	153	113	121
US HY OAS**	364	3.0	(4.0)	344	577	366	406

\*- Bloomberg Barclays US Agg Corp Avg Oas (1 day delay)

\*\* - Bloomberg Barclays US Corp HY Avg OAS (1 day delay)

## 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	6500	5500	9950	24989	5450	63552	13624	7300	26850		163,715
Jun		8650	5300	19830	4700	36097	10680	5200	2600		93,057
Jul						6550					6,550
Aug											
Sep											
Oct											
Nov											
Dec											
<b>Total</b>	<b>14,950</b>	<b>51,150</b>	<b>56,483</b>	<b>75,742</b>	<b>40,750</b>	<b>336,072</b>	<b>46,204</b>	<b>45,050</b>	<b>79,750</b>		<b>746,151</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	4.0%	3.4%	6.1%	15.3%	3.3%	38.8%	8.3%	4.5%	16.4%		100%
Jun		9.3%	5.7%	21.3%	5.1%	38.8%	11.5%	5.6%	2.8%		100%
Jul						100.0%					100%
Aug											
Sep											
Oct											
Nov											
Dec											
<b>Total</b>	<b>2%</b>	<b>7%</b>	<b>8%</b>	<b>10%</b>	<b>5%</b>	<b>45%</b>	<b>6%</b>	<b>6%</b>	<b>11%</b>		<b>100%</b>



A WOMEN-OWNED  
BUSINESS ENTERPRISE

**Jim Brucia, CFA**

t: 908.273.0782 | m: 908.447.4080

**R. Seelaus & Co., Inc.** | 25 Deforest Avenue, Suite 304 | Summit, NJ 07901

jimbrucia@rseelaus.com Connect with us: [Facebook](#) | [Twitter](#) | [YouTube](#)

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of R. Seelaus & Co., Inc. its subsidiaries and affiliates. This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. R. Seelaus & Co., Inc. Member FINRA/SIPC 25 Deforest Avenue, Suite #304, Summit, NJ 07901 | (212) 935-0755