

- Next Week

- Yes it can get even quieter. The street looking for \$0-5B next week. History for the last week of August is mixed. Last year we actually saw \$12.3B printed (from TD, CBAAU, CM, SHBASS, DANBNK, and KO) but 2015 brought only \$350mm, 2014 a goose egg, and 2013 \$300mm.
- Kookmin Bank and Shinhan Bank will be on the road meeting with investors.
- Seven of the S&P500 report earnings next week, including Best Buy on Tuesday
- Economic/Fed Calendar
 - **Monday** Wholesale Inventories
 - **Tuesday** Conf Board Consumer Confidence
 - **Wednesday** 2Q GDP, PCE, Personal Consumption, Fed's Powell speaks
 - **Thursday** Personal Income, Spending, Chicago Purchasing Manager
 - **Friday** **Nonfarm payrolls, Unemployment**, PMI, UofM Sentiment, Construction Spending

- Last Week

- Yes it was quiet. Only \$4.25B priced this week. As expected it was a handful of small and opportunistic deals that was front loaded for pricing on Monday.
- Sample size was small, but execution was fine and in the context of what the market is conditioned to (see execution metrics below).
- The bigger volume in the market this week was in the SSA space where SEK, IBRD, KFW, and DBJJP combined to print \$9.8B.
- The HY new issue market was inactive this week.
- IG MTD volume now \$98.4B and YTD volume \$962B (+5.7% vs last year)
- HY MTD volume still \$20.8B and YTD volume \$222.5B (+219% vs last year)
- IG Fund Flows: EPFR reported net inflows of +\$2.7B vs +\$3.8B the week before. This was the 35th consecutive week of positive flows. Cumulative inflow for 2017 is now +\$109B (+\$3.2B avg per week vs +\$1.3 weekly avg in 2016).
- HY Fund Flows: EPFR reported net outflows of -\$1.3B vs -\$1.4B the week before. The cumulative outflow for all of 2017 is now -\$3.6B (-\$105mm weekly avg vs +\$325mm weekly avg in 2016).

- FWIW

- Added Primary Dealer Total Corporate Positions to the Market Dashboard below.
- The Informa survey of syndicate desks is calling for September volume of \$112.7B with estimates ranging from \$100B to \$127.5B.
- Idle minds. Coming in to 2017, street predictions were for volume to be down 5-10% this year. We're now up to \$962B of IG volume through 34 weeks, versus \$910B through 34 weeks in 2016. If pre-season prognostications were close, and if the surge of volume ytd is just the product of corporates frontloading their funding to take advantage of benign conditions, then in theory we could have as little as \$204B left to price this year. That would be only \$11.3B per week, an extraordinary slowdown from the pace the market has conditioned itself for.
- ^^ and ^ = either estimates for full year volume need to be revised up significantly, or we may have a huge technical counterbalance to the uncertainty that will come with Fed balance sheet reductions.
- Key note speeches from Janet Yellen and Mario Draghi at Jackson Hole today. From the WSJ's Nick Timiraos, 5 things to watch for:
 - Insights on the ECB Taper.
 - Views on Financial Regulation.

- Views on Financial Conditions.
- Views on The Lowflation Dilemma.
- Clues on Succession Planning.
- Good Job? A little surprising that market participants aren't more focused on the Fed's views for its own balance sheet reduction. Perhaps the Fed has done such a good job prepping the market for this next phase of normalization, but every step forward will be back into uncharted waters. Has there been a bigger influence on the market over the past decade than QE from the Fed, BOJ, ECB, and BOE? And the Fed is starting to withdraw excess liquidity at the same time the ECB is contemplating tapering their asset purchases? And nobody's even feigning a tantrum?
- Week in politics.
 - Trump's threats to shut down the gov't over border wall funding raise the risks in the debt ceiling debate.
 - Trump's attacks on GOP leadership raise the risks of isolation, further jeopardize agenda.
 - The Hill reports that Trump is trying to plan a meeting with Senate Majority Leader Mitch McConnell, Speaker Paul Ryan, House Minority Leader Nancy Pelosi, and Senate Minority Leader Chuck Schumer. Reset?
- Prayers for all in the path of Hurricane Harvey.

Key Execution Metrics

Week 34 of 2017			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	8	\$3,400	3.7x	\$1,565	-20.6 bp's	+2.6 bp's	-1.3 bp's
Tuesday							
Wednesday							
Thursday							
Friday							
This Week	10	\$4,250	3.4x	\$1,448	-19.7 bp's	+2.2 bp's	-1.2 bp's
Week Prior	41	\$29,855	3.4x	\$3,612	-17.8 bp's	+2.0 bp's	-1.9 bp's
YTD Weekly Average		\$28,313	3.1x	\$2,347	-18.0 bp's	+0.9 bp's	-1.6 bp's

Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
8/24	A1	AA-	500	RY	2.0			3mL+24		
8/23	A2	A	350	NRUC	5.1	65-70	55-60	55	(13)	(1)
8/21	A3	A-	300	EXC	30.0	120a	105a	103	(17)	6
8/21	Baa2	A-	300	CNP	30.0	160-165	140a	137.5	(25)	0
8/21	Baa1	A-	600	HYUCAP	5.0	155a	135#	135	(20)	4
8/21	Baa1	A-	300	HYUCAP	10.0	170a	155#	155	(15)	4
8/21	Baa2	BBB	400	TSN	3.0	L+60-65	L+50a	3mL+45	(18)	2
8/21	Baa2	BBB	500	TSN	4.0	105a	90a	85	(20)	5
8/21	Baa2	BBB	500	WRK	7.1	130a	110a	105	(25)	0
8/21	Baa2	BBB	500	WRK	10.1	145a	125a	120	(25)	0

New Issue Report Card

Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
CNP	4.100	09/01/47	137.5	128	125	-10
HYUCAP	3.000	08/29/22	135.0	130	128	-5
TSN	2.250	08/23/21	85.0	82	79	-3
NRUC	2.300	09/15/22	55.0	54	51	-1
WRK	3.000	09/15/24	105.0	104	102	-1
EXC	3.750	08/15/47	103.0	103	100	+0
HYUCAP	3.625	08/29/27	155.0	156	152	+1
WRK	3.375	09/15/27	120.0	121	118	+1
				Best		-10
				Worst		+1
				Avg		-2.2

Market Dashboard (a/o 2:25pm)

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	21,862.26	78.86	187.75	17,883.56	22,179.11	21,661.49	20,653.06
S&P 500	2,447.81	8.84	22.26	2,083.79	2,490.87	2,450.38	2,353.60
Nasdaq	6,275.39	4.06	58.86	5,034.41	6,460.84	6,276.03	5,888.45
VIX	11.35	(0.88)	(2.91)	8.84	23.01	11.04	11.75
Dealer Positions #	30,244		2,732	15,880	33,509	24,487	26,320
Oil	47.68	0.25	(1.0)	42.5	58.3	47.0	51.1
Gold	1290.8	4.40	6.7	1122.89	1352.74	1254.93	1231.56
2yr	1.332%	(0.0)	2.4	0.73%	1.41%	1.35%	1.26%
3yr	1.461%	(1.1)	0.1	0.84%	1.69%	1.51%	1.49%
5yr	1.756%	(2.0)	(0.5)	1.11%	2.14%	1.82%	1.87%
7yr	1.988%	(2.7)	(2.0)	1.39%	2.44%	2.07%	2.16%
10yr	2.168%	(2.6)	(2.6)	1.53%	2.63%	2.25%	2.35%
30yr	2.751%	(1.9)	(2.5)	2.21%	3.21%	2.83%	2.96%
2>5 Curve	42.2	(2.0)	(2.8)	34.5	84.4	46.8	60.3
2>10 Curve	83.4	(2.6)	(5.0)	74.3	136.8	90.0	108.0
5>10 Curve	41.1	(0.6)	(2.1)	37.2	60.0	43.0	47.5
5>30 Curve	99.4	0.2	(2.0)	91.6	145.9	100.3	108.9
10>30 Curve	58.1	0.8	0.1	50.4	87.3	57.1	61.2
2yr Swap	23.1	(0.9)	(3.5)	17.4	38.0	24.0	27.4
3yr Swap	19.3	(0.3)	(1.8)	9.9	32.0	19.5	21.6
5yr Swap	5.3	0.1	(1.7)	-4.0	14.1	6.9	7.1
7yr Swap	-4.0	0.5	(0.9)	-18.6	2.4	-3.0	-4.9
10yr Swap	-5.8	0.3	(0.6)	-19.1	0.7	-3.9	-6.4
US IG OAS*	110	(1.0)	0.0	102	141	108	117
US HY OAS**	384	(4.0)	(1.0)	344	505	366	386

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

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

#- Primary Dealer Positions Net Outright Total Corp Securities (1 week 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	3750	25500	8797	4925	9055	68742	2365	1500			124,633
Aug		22500	5700	30850	4050	21225	8130	1300	4650		98,405
Sep											
Oct											
Nov											
Dec											
Total	18,700	99,150	70,980	111,517	53,855	419,488	56,699	47,850	84,400		962,639

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	3.0%	20.5%	7.1%	4.0%	7.3%	55.2%	1.9%	1.2%			100%
Aug		22.9%	5.8%	31.4%	4.1%	21.6%	8.3%	1.3%	4.7%		100%
Sep											
Oct											
Nov											
Dec											
Total	2%	10%	7%	12%	6%	44%	6%	5%	9%		100%

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Jim Brucia

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](#)

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Member FINRA/SIPC 25 Deforest Avenue, Suite #304, Summit, NJ 07901 | (212) 935-0755