

- Next Week

- The IGM survey of syndicate desks is calling for \$6.84B of new supply next week, in line with recent history for Thanksgiving week. The average volume for Thanksgiving week over the past five years is \$6.25B. If it's coming next week, it'll be on Monday.
- Potential names for the calendar include Royal Caribbean Cruises and NuStar Energy (perp-nc5), both of whom conducted investor marketing this week.
- **Economic/Fed Calendar:**
  - **Monday**            Leading Index
  - **Tuesday**          Chicago Fed Activity index, Existing Home Sales, Fed's Yellen speaks
  - **Wednesday**      MBA Mortgage Apps, Initial Jobless Claims, Continuing Claims, Durable Good, UofM Sentiment, **FOMC Meeting Minutes**
  - **Thursday**          \*\*\* **Thanksgiving**\*\*\*
  - **Friday**             Markit PMI
- Only 14 of the S&P500 report earnings next week.

- Last Week

- The IG market priced \$26.105B across 43 tranches thru Thursday, below expectations for \$30B. Execution metrics improved over the prior week's levels to be more in line with ytd averages, but elevated new issue concessions appear likely to stick given the soft backdrop and narrowing window.
- The HY market, bolstered by \$2B of perp's from DCP and Energy Transfer, priced \$8.9B across 15 tranches this week, the highest volume in 6 weeks. Coming a week after four transactions were pulled, execution was predictably mixed. 8 of 15 tranches done printed at the tight end of whispers and 7 at the mid or wider. Several experienced significant pushback on price but got done (MLTHCO 5nc2 priced 100 wide of whispers, TEACLL 8nc3 25 wide, NM 4.8yr +200 wide, and TLN 8nc3 50 wide). There are four more deals totaling just over \$2B in the queue for Friday pricing.
- The spread backdrop remains soft but benefitted from a DaVinci inspired short covering rally late in the week. IG spreads were 4 wider (Energy and Technology underperformed) and HY down almost ½ point with Tech, Communications, and Energy notable underperformers.
- The primary market significantly outperformed the secondary market this week. This week's IG deals finished the week an impressive 3.4 bp's tighter on average, significantly bolstered by Citadel's \$500mm 5yr which tightened 47 bp's (ex CITADL the rest of the cohort was 2.2 bp's tighter on the week). The HY slate finished the week a sturdy ¾ pt higher on average with notable performance from some of the names beaten up on execution. TLN 10.50s of 26 finished the week up almost 3 ¾ points and TEACLL 6.475 of 25 were up 3 ¼ points, underscoring the opportunities a thinning market can present.
- Dealer inventories were relatively unchanged the week ending 11/08 and remain at elevated levels.
- IG Fund Flows: EPFR reported inflows to IG mutual funds of \$3.604B, the 47<sup>th</sup> consecutive week of inflows. The cumulative inflow for 2017 is now \$150B (weekly average of +\$3.26B, up from +\$1.258B weekly average in 2016)
- HY Fund Flows: EPFR reported a larger \$4.294B outflow from HY mutual funds this week. It was the 5<sup>th</sup> consecutive week of outflows from HY funds and extended the cumulative outflow for 2017 to -\$4.324B (-\$94mm weekly average, down from +\$325mm weekly average in 2016).

- MTD IG volume now \$82.5B and YTD volume of \$1.3T puts 2017 above 2016s full year total and sets the new record for yearly volume! We are running 5.3% ahead of last year's pace.
- MTD HY volume is \$19.1B and YTD volume is \$313B. Market is currently 35% ahead of last year's 46 week total and has already passed 2016 and 2015 full year volume.
- **FWIW**
  - PPI came in 0.4%, above expectations for 0.1%, and the PPI YOY was +2.4%. CPI was up 0.1% MOM and +2.0% YOY, in line with expectations. Both numbers were impacted by the storm but from a headline perspective, hit or exceed Fed targets. November unemployment rate was 4.1% well below the Fed target. Market currently pricing in a 97.1% likelihood of a rate hike at the FOMC's December 13<sup>th</sup> meeting.
  - Just five years after the Jets gave the world the butt fumble, NY football fans get another Thanksgiving game. Here's hoping the 1-8 Giants can teach the Jets how to tank a full season. Happy and Healthy Thanksgiving to everyone next week!

## Key Execution Metrics

Week 46 of 2017			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	19	\$10,430	2.6x	\$1,411	-16.3 bp's	+6.6 bp's	-1.1 bp's
Tuesday	11	\$7,850	2.5x	\$1,885	-13.4 bp's	+11.3 bp's	-0.6 bp's
Wednesday	4	\$2,750	2.3x	\$1,575	-17.5 bp's	+7.0 bp's	-7.4 bp's
Thursday	9	\$5,075	4.6x	\$2,511	-24.8 bp's	+2.6 bp's	-3.9 bp's
Friday							
<b>This Week</b>	<b>43</b>	<b>\$26,105</b>	<b>3.0x</b>	<b>\$1,777</b>	<b>-17.4 bp's</b>	<b>+7.5 bp's</b>	<b>-2.1 bp's</b>
<b>Week Prior</b>	<b>41</b>	<b>\$48,140</b>	<b>2.5x</b>	<b>\$1,686</b>	<b>-14.6 bp's</b>	<b>+7.0 bp's</b>	<b>-1.0 bp's</b>
<b>YTD Weekly Average</b>		<b>\$28,275</b>	<b>3.1x</b>	<b>\$2,232</b>	<b>-17.9 bp's</b>	<b>+1.4 bp's</b>	<b>-1.7 bp's</b>

\* source - R. Seelaus, Informa, Bloomberg

## Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
11/16	Baa3	BBB-	800	AER	7.2	140-145	135#	135	(8)	5
11/16	A1	A	500	AEE	30.0	105a	95a	93	(12)	8
11/16	Ba1	BBB-	500	ANDX	5.0	185a	155a	150	(35)	0
11/16	Ba1	BBB-	750	ANDX	10.0	225a	195a	190	(35)	0
11/16	Ba1	BBB-	500	ANDX	30.0	275a	245a	240	(35)	0
11/16	Baa1	BBB	600	AGR	7.0	115a	100a	95	(20)	
11/16	Baa1	A-	500	ECL	10.0	115a	100a	93	(22)	
11/16	Baa1	A-	325	ECL	30.0	145a	125a	118	(27)	
11/16	Baa3	BBB-	600	HII	10.0	140-145	115a	112.5	(30)	
11/15		BBB	500	CITADL	5.2	H5s-6%	5.50%a	332.8	(38)	
11/15	A2	A	1000	HSBC	6nc5	110-115	100#	100	(13)	6
11/15	A3	A-	550	TRPCN	2.0	L equiv	L equiv	3mL+27.5	(10)	8
11/15	A3	A-	700	TRPCN	2.0	55a	50a	45	(10)	8
11/14	Baa2	A	900	ANTM	3.0	90-95	80a	75	(18)	14
11/14	Baa2	A	750	ANTM	5.0	105-110	95a	90	(18)	14
11/14	Baa2	A	850	ANTM	7.0	125-130	115a	110	(18)	13
11/14	Baa2	A	1600	ANTM	10.0	140-145	135a	130	(13)	17
11/14	Baa2	A	1400	ANTM	30.0	165-170	160a	155	(13)	17
11/14	Baa1	A	150	ETR	10.0	115a	115a	110	(5)	5
11/14	Baa1	BBB+	500	LEG	10.0	137.5a	125a	120	(18)	0
11/14	A1	AA-	500	SLB	3.0	60-65	45a	43	(20)	6
11/14	A1	AA-	600	SLB	5.0	75-80	62a	60	(18)	8
11/14	A3	BBB+	300	LUV	5.0	80a		70	(10)	10
11/14	A3	BBB+	300	LUV	10.0	110a		110	0	20
11/13		BBB	600	AL	5.2	105-110	90a	87.5	(20)	7
11/13		BBB	500	AL	10.0	145-150	135#	135	(13)	2
11/13	A2	A+	350	HNDA	2.0	L equiv	L equiv	3mL+15	(10)	7
11/13	A2	A+	600	HNDA	2.0	45a	35#	35	(10)	7
11/13	A2	A+	300	HNDA	5.0	L equiv	L equiv	3mL+47	(12)	8
11/13	A2	A+	500	HNDA	5.0	65a	55a	53	(12)	8
11/13	Baa2	BBB	400	CSL	7.0	145a	130a	125	(20)	
11/13	Baa2	BBB	600	CSL	10.0	160a	145a	140	(20)	
11/13	Baa2	BBB	400	CBS	5.5	115-120	105a	100	(18)	16
11/13	Baa2	BBB	500	CBS	10.5	165-170	155a	150	(18)	3
11/13	Ba1	BBB	750	CTXS	10.0	225-237.5	212.5#	212.5	(19)	
11/13	A2	A-	350	ED	10.0	90a	75a	73	(17)	0
11/13	A2	A-	350	ED	40.0	125-130	115a	113	(15)	3
11/13	Baa2	BBB-	500	DB	5.0	L equiv	L equiv	3mL+119	(13)	6
11/13	Baa2	BBB-	1100	DB	5.0	137.5a	128a	125	(13)	6
11/13	Aa2	A	700	NEE	30.0	95-100	90a	87.5	(20)	9
11/13	Baa3	BB-	780	KTZKZ	10.0	5%a		240.3	(20)	
11/13	Baa3	BBB+	650	RSG	10.0	120a	105a	100	(20)	10
11/13	Baa3	BBB	500	WLK	30.0	180a	160a	157	(23)	7

## New Issue Report Card

Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
CITADL	5.375	01/17/23	332.8	286	280	-47
ANDX	3.500	12/01/22	150.0	139	136	-11
HSBC	3.033	11/22/23	100.0	89	84	-11
ANTM	4.375	12/01/47	155.0	145	143	-10
ANDX	5.200	12/01/47	240.0	231	228	-9
ANTM	3.650	12/01/27	130.0	121	119	-9
KTZKZ	4.850	11/17/27	240.3	232	225	-8
ANDX	4.250	12/01/27	190.0	182	180	-8
ANTM	3.350	12/01/24	110.0	103	101	-7
ANTM	2.500	11/21/20	75.0	69	66	-6
CSL	3.500	12/01/24	125.0	119	116	-6
ED	3.125	11/15/27	73.0	68	65	-5
RSG	3.375	11/15/27	100.0	95	91	-5
CTXS	4.500	12/01/27	212.5	208	205	-5
CSL	3.750	12/01/27	140.0	136	132	-4
AGR	3.150	12/01/24	95.0	92	90	-3
TRPCN	2.125	11/15/19	45.0	42	40	-3
HII	3.483	12/01/27	112.5	110	107	-3
NEE	3.700	12/01/47	87.5	85	82	-3
AER	3.500	01/15/25	135.0	133	128	-2
ANTM	2.950	12/01/22	90.0	88	85	-2
ECL	3.250	12/01/27	93.0	92	88	-1
ECL	3.950	12/01/47	118.0	117	115	-1
SLB	2.650	11/20/22	60.0	59	56	-1
HNDA	2.000	11/13/19	35.0	35	32	+0
AEE	3.700	12/01/47	93.0	94	91	+1
SLB	2.200	11/20/20	43.0	44	41	+1
HNDA	2.600	11/16/22	53.0	54	50	+1
AL	3.625	12/01/27	135.0	137	132	+2
LEG	3.500	11/15/27	120.0	123	121	+3
CBS	2.900	06/01/23	100.0	103	100	+3
DB	3.300	11/16/22	125.0	128	125	+3
WLK	4.375	11/15/47	157.0	160	158	+3
AL	2.750	01/15/23	87.5	91	86	+4
LUV	2.750	11/16/22	70.0	74	69	+4
CBS	3.700	06/01/28	150.0	155	152	+5
ED	4.000	11/15/57	113.0	118	115	+5
LUV	3.450	11/16/27	110.0	116	113	+6
				<b>Best</b>		-47
				<b>Worst</b>		+6
				<b>Avg</b>		-3.4

## 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	6100	30850	4050	23300	8130	1300	4650		100,880
Sep	3300	9300	6414	8300	15485	50940	9590	16250	11600		131,179
Oct	4300	1150	10995	17700	4387	59230	6800	12800	4500		121,861
Nov	2350	900	7400	12075	5250	17815	9125	9830	17750		82,495
Dec											
<b>Total</b>	<b>28,650</b>	<b>110,500</b>	<b>96,189</b>	<b>149,592</b>	<b>78,977</b>	<b>549,548</b>	<b>82,214</b>	<b>86,730</b>	<b>118,250</b>		<b>1,300,649</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	3.0%	20.5%	7.1%	4.0%	7.3%	55.2%	1.9%	1.2%			100%
Aug		22.3%	6.0%	30.6%	4.0%	23.1%	8.1%	1.3%	4.6%		100%
Sep	2.5%	7.1%	4.9%	6.3%	11.8%	38.8%	7.3%	12.4%	8.8%		100%
Oct	3.5%	0.9%	9.0%	14.5%	3.6%	48.6%	5.6%	10.5%	3.7%		100%
Nov	2.8%	1.1%	9.0%	14.6%	6.4%	21.6%	11.1%	11.9%	21.5%		100%
Dec											
<b>Total</b>	<b>2%</b>	<b>8%</b>	<b>7%</b>	<b>12%</b>	<b>6%</b>	<b>42%</b>	<b>6%</b>	<b>7%</b>	<b>9%</b>		<b>100%</b>

\* Source - R. Seelaus, Informa, Bloomberg



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