

- Next Week

- IGM survey of syndicate desks calling for \$21.24B of new IG supply next week, with estimates ranging from \$15B to \$25B. Interestingly, IGM's survey of expectations for December are only for \$34.13B (range from \$25B to \$45B), not much higher. Reality is we could be pretty close to done, with some thinking the new issue market could shut down with December 13th FOMC meeting.
- Despite modest expectations for the rest of the year, there's a decent calendar of issuers who have recently completed or currently engaging in investor meetings. BNG (3yr), ENI Spa, Infraestructura Energetica Nova (10s/30s), BTG Pactual, Itau Unibanco (perp-nc5), Minerva, Korea Southern Power (short/interm) and Tecpetrol SA (interm) have all conducted roadshows. Additionally Tencent Holdings was reported to be in discussions with banks related to potential issuance.
- **Economic/Fed Calendar:** No Fed speeches, focus on Employment Data, Mueller investigation
 - **Monday** Factory Orders, Durable Goods
 - **Tuesday** Markit PMI, ISM
 - **Wednesday** ADP
 - **Thursday** Initial Jobless Claims, Continuing Claims
 - **Friday** **Employment Data**, Wholesales Inventories, UoM Sentiment
- Only six of the S&P500 companies report earnings next week – AZO, HRB, BF/B, AVGO, DB, and COO

- Last Week

- The IG market priced \$27.075B this week (vs expectations for \$28.71B), driven in no small part by \$7B from Alibaba. Execution metrics were augmented by strong demand for the Alibaba deal, which reportedly generated a \$38B book (6.42x oversubscribed). Deals overall were 3.3x oversubscribed and priced 18 bp's inside IPT's with 1.3 bp's concessions. Most impressively, this week's calendar finished the week 3.0 bp's tighter on average, and 32 of 33 fixed rate tranches priced this week finished flat to tighter. BABA was the driver here too, finishing the week an average of 9 bp's tighter.
- There were some signs of fatigue in the hybrid market, where Buckeye Pipelines \$400mm 60nc5 f-t-t jr sub note deal was postponed due to market conditions. Reports attributed the fail to midstream hybrid saturation. Summit Midstream, Energy Transfer Partners, DCP Midstream, and Andeavor Logistics seemingly beat them to the punch with \$3.7B of hybrid issuance in the last three weeks.
- The HY market was busy as well, \$9.82B priced across 15 deals through Thursday and another 5 for \$2.48B queued for pricing Friday. 14 of 17 tranches priced printed at the tight end of whispers or through, and performance was strong, with this week's deals rising an average of ~1 1/8 points. The big winner was CEMIG's \$1B 7nc3 which was up 4 ¼ points from pricing by Friday morning. Only 1 of 17 tranches priced this week was down, and that was only by ¼ point (Elenet 5.50 '28)
- Dealer Inventories: Dealer inventories of corp securities (CP, IG, HY) declined \$3.129B the week ending 11/22 but remain elevated. Stripping out CP and corps maturing under 13mos, dealer holdings of IG corporates longer than 13mos were \$12.211B and peaked four weeks ago at \$14.581B. Interestingly the lowest reading of 2017 was only two weeks prior at \$4.41B. The ytd average is \$9.278B.
- IG Fund Flows: EPFR reported inflows of \$1.963B the week ending 11/29th, down from the 4WMA of \$3.996B. It was the 49th consecutive week of inflows and brought the

cumulative inflow for 2017 to \$155.552B (+\$3.24B weekly average vs +\$1.259B weekly average in 2016)

- HY Fund Flows: EPFR reported a modest \$332mm inflow to HY mutual funds this week, bringing the two week total to \$944mm after five straight weeks of outflows totaling - \$5.8B. The cumulative outflow from HY funds for 2017 is now -\$3.380B (-\$70mm weekly average vs a +\$325mm weekly average in 2016).
- This week's IG volume brought the November total to \$117.4B and the YTD tally to \$1.336T, 5.4% ahead of last year's 48 week total and furthering the record for annual volume.
- This week's HY volume (thru Thursday) brought the November number to \$33.4B and the YTD volume to \$327B, 28% above last year's full year total, and still \$50B shy of 2013s high mark (\$377.7B).
- **FWIW**
 - With the 10yr (2.36%) roughly at the mid-point of the 2017 range (2.04-2.62%), there doesn't seem to be much stress on the low yields indefinitely psychology that's driven market behavior for so long. After a brief spasm from the tights hit a few weeks ago, we're once again grinding tighter and compressing. LUACOAS (IG index) was tighter by 2 this week and now only 3 bp's wide of the multi-year tights reached 10/27. LF98OAS (HY index) at 344 was 12 tighter on the week and while still 18 wider than recent tights on 10/24, has ripped 36 bp's tighter over the past two weeks.
 - News Friday that Michael Flynn was pleading guilty to a charge of lying to the FBI and agreeing to cooperate fully with Special Counsel Robert Mueller's investigation jolted the market from the near euphoric state achieved Thursday on increasing odds of a tax cut and signature legislative achievement so important to the Trump administration. Reports that Flynn said Trump directed him to make contact with Russians significantly raises the risks for the administration and potentially for the market. What will season 2 of Game of Thrones bring?
 - Bloomberg article highlighting the companies with the biggest maturities in December for likely candidates to issue flagged BAC (\$3B), WFC (\$3.025B), INTC (\$3B), WSTP (\$2.001B), CVX (\$2B), and MS (\$1.987B) among others. May be more interesting to look at biggest \$ maturities in the first quarter of 2018. The leaders here are JPM (\$14B), GS (6\$6.8B), WFC (\$6.7B), BAC (\$5.8B), CS (\$4.27B), XOM (\$3.85B), AGN (\$3.75B).
 - Congrats to Westfield High School football team for its 37 consecutive win and 3rd straight state championship. Off to Charlotte to Miami hopefully beat Clemson and root for Georgia to beat Auburn!!!

Key Execution Metrics

Week 48 of 2017			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	13	\$9,625	2.4x	\$1,671	-15.7 bp's	+4.2 bp's	-1.3 bp's
Tuesday	7	\$3,900	3.0x	\$1,671	-19.6 bp's	-0.8 bp's	-0.2 bp's
Wednesday	15	\$11,300	4.3x	\$3,465	-21.0 bp's	-0.7 bp's	-4.4 bp's
Thursday	4	\$2,250	2.3x	\$1,317	-10.8 bp's	+3.7 bp's	-0.8 bp's
Friday							
This Week	39	\$27,075	3.3x	\$2,369	-17.9 bp's	+1.3 bp's	-2.2 bp's
Week Prior	41	\$7,000	3.3x	\$1,741	-18.9 bp's	+2.3 bp's	+0.1 bp's
YTD Weekly Average		\$27,825	3.1x	\$2,232	-17.9 bp's	+1.4 bp's	-1.7 bp's

* source - R. Seelaus, Informa, Bloomberg

Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
11/30	Baa3	BBB-	500	ADSEZ	5.0	245a		245	0	
11/30	A3	A-	400	NGGLN	30.0	105a	100a	97	(8)	2
11/30	A2	A	600	SPG	5.5	85a	70a	65	(20)	2
11/30	A2	A	750	SPG	10.0	120a	105a	105	(15)	7
11/29	A1	A+	700	BABA	5.5	100a	75a	73	(27)	(7)
11/29	A1	A+	2550	BABA	10.0	125-130	110a	108	(20)	0
11/29	A1	A+	1000	BABA	20.0	140a	120a	118	(22)	0
11/29	A1	A+	1750	BABA	30.0	160a	140a	138	(22)	0
11/29	A1	A+	1000	BABA	40.0	180a	160a	158	(22)	0
11/29	Baa2	A-	750	ABC	10.0	135a	115a	110	(25)	(1)
11/29	Baa2	A-	500	ABC	30.0	170a	155a	150	(20)	(2)
11/29	Baa1	A-	350	AXS	10.0	180a	165-170	165	(15)	5
11/29	Baa3	BBB-	400	DHI	3.0	90a	75a	70	(20)	(12)
11/29	A2	A-	400	ESCWPC	14.8	4.75%a	4.45-4.50%	-	(30)	(5)
11/29	A3	BBB+	500	O	4.9	90a	80a	75	(15)	3
11/29	A3	BBB+	550	O	10.1	145a	135a	130	(15)	3
11/29	A3	BBB+	250	O	29.3	165a	155a	150	(15)	5
11/29	Baa1	BBB+	300	UDR	10.1	140a	120a	117	(23)	1
11/29	Baa3	BB+	300	YRICN	10.0	250a	230a	225	(25)	0
11/28	Baa3	BBB	350	C	10.7			-		
11/28	Baa3	BB+	450	DAL	3.0	100-105	80a	78	(21)	(12)
11/28	Ba2	BB+	1000	DB	15nc10	280a	260a	255	(25)	9
11/28	Baa2	BBB	450	LSI	10.0	185a	165a	160	(25)	(5)
11/28	Baa3	BBB-	350	DOC	10.1	175-180	170a	165	(13)	(4)
11/28	A3	BBB+	300	PNW	3.0	60-65		43	(20)	(3)
11/28		BBB-	1000	SYF	10.0	180a	165#	165	(15)	10
11/27	A3	A	300	CAT	2.0	Lequiv	Lequiv	3mL+13	(15)	5
11/27	A3	A	600	CAT	2.0	45a	30#	30	(15)	5
11/27	A3	A	600	CAT	5.0	65a	55a	52	(13)	8
11/27	Baa2	BBB	300	HR	10.1	165a	145a	140	(25)	(3)
11/27	Baa2	BBB	425	KRC	7.0	145a	130a	125	(20)	(5)
11/27	Aa3	A	100	XEL	30.0	110a	100-105	100	(10)	5
11/27		A-	700	ORIX	7.0	120a	110a	105	(15)	(5)
11/27	A2	A-	1150	PCG	10.0	120-125	105a	100	(23)	7
11/27	A2	A-	850	PCG	30.0	140-145	125a	120	(23)	9
11/27	A1	A+	1500	UBS	1.5	L+H30s	L+35a	3mL+32	(6)	10
11/27	A1	A+	1000	UBS	3.0	Lequiv	Lequiv	3mL+48	(15)	7
11/27	A1	A+	1800	UBS	3.0	80a	68a	65	(15)	7
11/27	A3	A-	300	WGL	2.0	L+50a		3mL+40	(10)	

New Issue Report Card

Investment Grade						
Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
BABA	4.000	12/06/37	118.0	106	103	-12
BABA	2.800	06/06/23	73.0	63	60	-10
BABA	4.200	12/06/47	138.0	128	125	-10
BABA	4.400	12/06/57	158.0	148	145	-10
DB	4.875	12/01/32	255.0	249	247	-6
PCG	3.300	12/01/27	100.0	95	91	-5
UBS	2.450	12/01/20	65.0	60	55	-5
DHI	2.550	12/01/20	70.0	66	63	-4
O	3.250	10/15/22	75.0	71	68	-4
KRC	3.450	12/15/24	125.0	121	119	-4
ORIX	3.250	12/04/24	105.0	101	98	-4
NGGLN	3.800	12/05/47	97.0	94	90	-3
SPG	3.375	12/01/27	105.0	102	99	-3
UDR	3.500	01/15/28	117.0	114	111	-3
HR	3.625	01/15/28	140.0	137	135	-3
PCG	3.950	12/01/47	120.0	117	114	-3
SPG	2.750	06/01/23	65.0	63	60	-2
BABA	3.400	12/06/27	108.0	106	103	-2
AXS	4.000	12/06/27	165.0	163	161	-2
O	4.650	03/15/47	150.0	148	141	-2
DAL	2.600	12/04/20	78.0	76	72	-2
LSI	3.875	12/15/27	160.0	158	155	-2
ABC	4.300	12/15/47	150.0	149	147	-1
O	3.650	01/15/28	130.0	129	124	-1
PNW	2.250	11/30/20	43.0	42	37	-1
ABC	3.450	12/15/27	110.0	110	109	+0
YRICN	4.625	12/15/27	225.0	225	223	+0
DOC	3.950	01/15/28	165.0	165	162	+0
SYF	3.950	12/01/27	165.0	165	163	+0
CAT	2.000	11/29/19	30.0	30	25	+0
CAT	2.550	11/29/22	52.0	52	47	+0
XEL	3.750	12/01/47	100.0	100	95	+0
ADSEZ	4.450	12/15/22	245.0	250	247	+5
				Best		-12
				Worst		+5
				Avg		-3.0

Hi Yield				
Ticker	Spd	Bid	Ask	Δ
CMIGBZ 9 1/4 12/05/24	98.7	103	104	+\$4.257
PQCOR 5 3/4 12/15/25	100.0	102	103	+\$2.000
JHXAU 4 3/4 01/15/25	100.0	102	103	+\$1.750
JHXAU 5 01/15/28	100.0	102	102	+\$1.500
ANDX 6 7/8 PERP	100.0	102	102	+\$1.500
ENDENR 5 1/2 01/30/26	100.0	102	102	+\$1.500
NRG 5 3/4 01/15/28	100.0	101	102	+\$1.375
ENDENR 5 3/4 01/30/28	100.0	101	102	+\$1.375
BANVOR 8 1/4 PERP	100.0	101	102	+\$1.125
INFO 4 03/01/26	100.0	101	102	+\$1.125
RXN 4 7/8 12/15/25	100.0	101	101	+\$0.750
POST 5 5/8 01/15/28	100.0	101	101	+\$0.750
TERP 5 01/31/28	100.0	100	101	+\$0.375
STWD 4 3/4 03/15/25	99.2	99	100	+\$0.125
NAVI 6 1/2 06/15/22	105.0	105	106	+\$0.125
TERP 4 1/4 01/31/23	100.0	100	101	+\$0.000
TNETBB 5 1/2 03/01/28	100.0	100	100	-\$0.250
			Worst	-\$0.250
			Best	+\$4.257
			Avg	+\$1.140

Market Dashboard (a/o 3:40pm)

		1 Day Change	1 Week Change
INDU	24,201.54	(70.81)	643.55
S&P 500	2,637.53	(10.05)	35.11
Nasdaq	6,834.19	(39.79)	(54.97)
VIX	12.48	1.20	2.81
Dealer Positions #	28,786		(3,129)
Oil	58.36	0.96	(0.6)
Gold	1280.99	5.98	(7.4)
2yr	1.780%	(0.4)	3.3
3yr	1.891%	(0.2)	4.4
5yr	2.122%	(1.6)	5.7
7yr	2.276%	(3.3)	4.4
10yr	2.370%	(4.1)	2.7
30yr	2.766%	(6.2)	0.2
2>5 Curve	33.9	(1.3)	2.4
2>10 Curve	58.7	(3.7)	(0.5)
5>10 Curve	24.6	(2.5)	(3.1)
5>30 Curve	64.3	(4.5)	(5.6)
10>30 Curve	39.5	(2.1)	(2.5)
2yr Swap	18.3	(0.7)	0.8
3yr Swap	17.5	(1.0)	0.3
5yr Swap	5.8	(0.3)	(1.1)
7yr Swap	-1.2	0.4	(0.6)
10yr Swap	-0.4	0.0	(0.3)
US IG OAS*	97	(1.0)	(2.0)
US HY OAS**	344	(5.0)	(12.0)

*- 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)

52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
19,138.79	24,327.82	23,158.60	21,741.08
2,187.44	2,657.74	2,565.05	2,452.76
5,238.21	6,914.19	6,659.73	6,266.28
8.56	17.28	10.25	11.11
15,880	33,509	25,138	25,599
43.4	59.0	54.2	50.9
1122.89	1357.61	1282.41	1267.20
1.10%	1.78%	1.60%	1.38%
1.35%	1.89%	1.72%	1.55%
1.63%	2.14%	2.00%	1.88%
1.87%	2.44%	2.20%	2.13%
2.04%	2.63%	2.35%	2.30%
2.66%	3.21%	2.84%	2.88%
29.4	84.4	39.4	48.8
56.3	136.8	74.0	90.9
23.9	60.0	34.4	41.9
63.8	129.1	83.4	100.0
39.2	70.7	48.8	57.8
15.9	38.0	22.2	25.6
11.2	32.0	20.6	21.8
-2.9	14.1	7.4	8.2
-18.6	2.4	-1.5	-2.3
-16.6	0.7	-2.4	-3.6
94	129	99	109
326	450	347	365

* Source - R. Seelaus, Bloomberg

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	2650	7900	10050	14725	6050	33840	12643	11830	17750		117,438
Dec											
Total	28,950	117,500	98,839	152,242	79,777	565,573	85,732	88,730	118,250		1,335,592

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	2.3%	6.7%	8.6%	12.5%	5.2%	28.8%	10.8%	10.1%	15.1%		100%
Dec											
Total	2%	9%	7%	11%	6%	42%	6%	7%	9%		100%

* Source - R. Seelaus, Informa, Bloomberg



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