

- **Next Week**

- IGM survey of syndicate desks is calling for \$19.92B of new IG supply next week with estimates ranging from \$15 to \$25B. There's definitely a greater lack of conviction than normal as prognosticators wrestle with the eroding market backdrop, the growing shadow calendar of deals, and the Fed on Wednesday.
- Aegon, Abu Dhabi Commercial Bank (5yr), Assurant (5/10/30nc10), Korea Resources, Rio Tinto, Valero Energy Partners, Welltower, and United Overseas Bank Ltd (short/interm) are among the names who've engaged in investor meetings recently and could be candidates.
- 9 of the S&P500 Companies report earnings, including ORCL, FDX, GIS, DRI, CCL, CAG, MU, CTAS, and NKE.
- **Economic/Fed Calendar: Focus will be on Wednesday's FOMC Rate Decision and Statement.**
 - **Monday** Fed's Bostic speaks
 - **Tuesday**
 - **Wednesday** Home Sales, **FOMC Rate Decision**
 - **Thursday** Initial Jobless Claims, Continuing Claims, Markit PMI, Leading Index
 - **Friday** Durable Goods, New Home Sales, Fed's Bostic, Kashkari, and Rosengren speak

- **Last Week**

- The IG market priced \$25.606B this week, the second consecutive week volume was \$5B+ short of expectations. Volume would have been even lower (\$21.7B) if you counted the Sprint Spectrum deal as an ABS as some did.
- Any hope for a momentum shift post CVS two weeks ago were dashed, as execution metrics continued to erode. The uncertain backdrop over the economy, Fed, and topping action in the stock market are pushing cash to the sideline and shifting pricing leverage to the buy side. Several deals, Campbell Soup most prominently, were forced to price at IPT's and new issue concessions ballooned to >10 bp's as a result. Unfortunately, there is no end in sight as wider spreads + bigger concessions have failed to equal clearing levels. This week's deals broke and finished the week wider – the fifth week out of six that's happened. New issue monetization creates momentum. Big concessions not holding point to wider spreads.
- The HY market was somewhat active despite an equally challenging backdrop, pricing \$5.385B on ten deals through Friday with another 7 for \$3.71B queued for pricing Friday. Not all will make it across the finish line though as we're hearing two (Brookfield 8nc3 and CNX 8nc3 are pulling out). Those that priced demonstrated some pricing leverage (9 of 10 printed at tight end of talk) and generated some performance (up an average of ½ point).
- IG 2dary spreads continued to leak, widening a 5 bp's this week across the board despite a little firming on Friday. HY was down ¼ point on average, widening slightly relative to a tsy market that rallied across the curve. Despite rumblings of spread decompression, the credit curve remains relatively flat. Bbg Barclays HY – IG OAS index is still only 235 bp's, wide of decade+ tights of 224 (1/24/18), but not by much.
- **IG Fund Flows:** EPFR reported \$397.86mm of inflows into IG funds the week ending March 14th. It was the 3rd consecutive week of under \$1B of inflows, after averaging \$3.106B weekly for 2017 and \$3.73B a week for the 1st six weeks of 2018. The cumulative inflow for 2018 is now +\$25.580B.

- **HY Fund Flows:** EPFR reported a \$224.66mm outflow from HY funds the week ending March 14th. It was the 8th week out of 9 of outflows and brings the 4WMA to -\$283.52mm (vs -\$84.38 in 2017). The cumulative outflow for 2018 I snow -\$9.518B.
- **Dealer Positions:** The Federal Reserve Bank of NY reported that primary dealer holding of corporate securities were \$23.894B the week ending 3/7, essentially unchanged week over week.
- IG volume MTD is now \$82.506B and this year's total volume of \$308.3B is trailing 14% behind last year's 11 week total.
- HY volume MTD is now \$19.135B (thru Thursday) and the YTD total of \$69.5B is 21.6% behind last year's \$88.2B 11 week total.
- **FWIW**
 - Bbg WIRP says the market is attaching a 99.3% probability of a 25 bp's hike in the Fed Funds rate at Wednesday's FOMC meeting, and a 70.9% likelihood of the next 25 bp's hike coming in June.
 - Libor continues to lift and 3mLibor is now 2.17750%. Libor-OIS spread is now ~ 50 bp's, the widest since January 2012 and what looks like a kinda key resistance level dating back to the crisis.



- The University of Michigan Consumer Sentiment index came in today at 102.0, the first time it's been over 100 since December 2000!
- The risks of protectionist policy and potential trade war (China) combined with the uncertainties associated with White House staff turnover and shifting geopolitical risks (N Korea down, Russia up) is chewing up some intellectual bandwidth at the same time the market absorbs some shifting economic data (weak retail sales, housing data) this week. Result has been a (really) modest re-flattening of the yield curve along with the aforementioned (really) modest flattening of the credit curve.
- **Happy and Healthy St. Patrick's Day/Weekend!!**

Key Execution Metrics

Week 11 of 2018			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	23	\$14,200	1.8x	\$1,092	-6.4 bp's	+11.7 bp's	+0.7 bp's
Tuesday	5	\$1,770	1.7x	\$796	-5.8 bp's	+7.7 bp's	+0.5 bp's
Wednesday	7	\$6,046	3.1x	\$1,613	-11.0 bp's	+3.7 bp's	+0.9 bp's
Thursday	6	\$3,590	1.9x	\$1,344	-9.4 bp's	+11.1 bp's	-1.8 bp's
Friday							
This Week	41	\$25,606	2.0x	\$1,172	-7.5 bp's	+10.4 bp's	+0.4 bp's
Week Prior		\$53,950	3.0x	\$4,414	-15.7 bp's	+5.4 bp's	-4.0 bp's
YTD Weekly Average		\$28,030	2.8x	\$2,210	-15.1 bp's	+3.3 bp's	-0.7 bp's

* source - R. Seelaus, Informa, Bloomberg

Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
3/15	A3	A-	300	AVB	30.1	135-140		130	(8)	13
3/15	A3	BBB+	1500	LLOYDS	10.0	170a	160#	160	(10)	18
3/15	A2	A	250	NSANY	3.0	Lequiv	L+52#	3mL+52	(8)	10
3/15	A2	A	300	NSANY	3.0	85a	77#	77	(8)	10
3/15	A2	A	300	NSANY	5.0	95-100	87#	87	(11)	5
3/15	Baa3	BBB-	940	PERLNG	9.3	M5% _s		-	(13)	
3/14	Aa2		409.783	IAGLN	7.4	3.95% _a	3.85% _a	98	(15)	-
3/14	A3		198.768	IAGLN	7.4	4.15% _a	4.15% _a	130.5	(3)	-
3/14	Baa1	BBB+	500	MCD	5.0	90a	80	75	(15)	2
3/14	Baa1	BBB+	500	MCD	10.1	115-120	105a	100	(18)	4
3/14	Baa1	BBB+	500	MCD	29.0	155a	145a	140	(15)	5
3/14	Baa2		2100	SPRNTS	7.0		0.0473	212.5		
3/14	Baa2		1837.5	SPRNTS	10.0		0.0515	240		
3/13	Baa3	BBB-	650	AALLN	10.0	185a	170#	170	(15)	9
3/13	Baa2		150	FINN	10nc5			153.8	-	
3/13	Baa2	BBB+	500	HIG	30.0	135-140		135	(3)	9
3/13	A1	A-	220	IDA	30.0	110a	105-110	110	0	5
3/13	Baa3	BBB	250	C	28.2			160		
3/12	Baa2	BBB	500	CPB	2.0	L+55a	L+50#	3mL+50	(5)	21
3/12	Baa2	BBB	400	CPB	3.0	Lequiv	Lequiv	3mL+63	0	21
3/12	Baa2	BBB	650	CPB	3.0	90a	90#	90	0	21
3/12	Baa2	BBB	1200	CPB	5.0	105a	105#	105	0	21
3/12	Baa2	BBB	850	CPB	7.0	120a	120#	120	0	15
3/12	Baa2	BBB	1000	CPB	10.0	130a	130#	130	0	15
3/12	Baa2	BBB	700	CPB	30.0	165-170a	170#	170	3	15
3/12	A3	A	450	CAT	3.1	Lequiv	Lequiv	3mL+23	(13)	(1)
3/12	A3	A	450	CAT	3.1	62.5a	52a	50	(13)	(1)
3/12	A3	A	250	CAT	6.7	80a	80a	78	(2)	3
3/12	Aa3	AA-	750	CBAAU	5.1	Lequiv	L+70#	3mL+70	(10)	12
3/12	Aa3	AA-	500	CBAAU	5.1	95a	85#	85	(10)	12
3/12	Aa3	AA-	1000	CBAAU	10.1	115a	105#	105	(10)	13
3/12	Baa1	BBB+	650	FITB	10.0	115a	110#	110	(5)	10
3/12	Ba3	BB-	750	ITAU	perp-nc5	M6% _s	6.50% _a	386.3	0	
3/12		BBB-	300	PNR	5.1	150a	135#	135	(15)	-
3/12		BBB-	500	PNR	10.1	175a	170#	170	(5)	-
3/12	A3	BBB+	300	SWX	10.1	100-105	87.5a	85	(18)	11
3/12	A2	BBB+	1250	STANLN	6nc5	140a	130a	125	(15)	5
3/12	Baa1	BBB-	500	STANLN	15nc10	200a	200#	200	0	15
3/12	A1	AA-	500	TOYAUT	5.1	70-75a	65a	60	(13)	9
3/12	A1	AA-	500	TOYAUT	10.8	85a	75a	70	(15)	5
3/12	A3	A-	250	WGL	2.0	L+55-60	L+55#	3mL+55	(3)	-

New Issue Report Card

*** Investment Grade ***						
Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
IAGLN	4.125	9/20/2031	130.5	116	113	-15
IAGLN	3.800	9/20/2031	98.0	84	80	-14
SPRNTS	5.152	3/20/2028	240.0	231	227	-9
LLOYDS	4.375	3/22/2028	160.0	152	150	-8
SPRNTS	4.738	3/20/2025	212.5	205	200	-8
MCD	4.450	3/1/2047	140.0	131	128	-9
MCD	3.350	4/1/2023	75.0	70	67	-5
AVB	4.350	4/15/2048	130.0	127	124	-3
NSANY	3.450	3/15/2023	87.0	85	82	-2
MCD	3.800	4/1/2028	100.0	98	95	-2
IDA	4.200	3/1/2048	110.0	108	105	-2
CPB	3.300	3/15/2021	90.0	89	87	-1
NSANY	3.150	3/15/2021	77.0	76	73	-1
NSANY	frn	3/15/2021	3mL+52	52	49	+0
SWX	3.700	4/1/2028	85.0	85	80	+0
WGL	frn	3/12/2020	3mL+55	55	50	+0
HIG	4.400	3/15/2048	135.0	137	134	+2
C	4.750	5/18/2046	160.0	162	159	+2
CPB	frn	3/15/2021	3mL+63	65	61	+2
CPB	4.800	3/15/2048	170.0	172	169	+2
CAT	frn	3/15/2021	3mL+23	25	20	+2
CAT	2.900	3/15/2021	50.0	52	48	+2
CAT	3.250	12/1/2024	78.0	80	77	+2
PNR	3.950	4/15/2023	135.0	137	132	+2
CBAAU	frn	3/16/2023	3mL+70	73	70	+3
CBAAU	3.900	3/16/2028	105.0	108	105	+3
TOYAUT	3.235	3/16/2023	60.0	63	59	+3
TOYAUT	3.566	3/16/2028	70.0	73	70	+3
AALLN	4.500	3/15/2028	170.0	175	174	+5
CPB	frn	3/16/2020	3mL+50	55	50	+5
CPB	3.650	3/15/2023	105.0	110	108	+5
PNR	4.550	4/15/2028	170.0	176	171	+6
CPB	3.950	3/15/2025	120.0	127	124	+7
CBAAU	3.450	3/16/2023	85.0	92	89	+7
FITB	3.950	3/14/2028	110.0	118	115	+8
STANLN	4.866	3/15/2033	200.0	209	206	+9
CPB	4.150	3/15/2028	130.0	140	137	+10
ITAU	6.500	perp-nc5	386.3	397	392	+11
STANLN	3.885	3/15/2024	125.0	138	134	+13
				Best		-15
				Worst		+13
				Avg		+0.9

*** Hi Yield ***				
Issue	Price	Bid	Ask	Δ
TNTLOG 9 09/01/20	100.750	102.250	102.750	+\$1.500
NATVET 6 7/8 04/01/26	100.000	101.250	101.750	+\$1.250
LYV 5 5/8 03/15/26	100.000	101.000	101.250	+\$1.000
SEPLLN 9 1/4 04/01/23	99.013	100.000	100.500	+\$0.987
DETNOR 5 7/8 03/31/25	100.000	100.750	101.500	+\$0.750
VRXCN 9 1/4 04/01/26	100.000	100.375	100.500	+\$0.375
YKBK 6.1 03/16/23	100.000	100.000	100.500	+\$0.000
X 6 1/4 03/15/26	100.000	99.750	100.750	-\$0.250
GTRC 9 1/2 10/15/21	98.140	97.875	98.250	-\$0.265
AXL 6 1/4 03/15/26	100.000	99.625	100.000	-\$0.375
			Worst	-\$0.375
			Best	+\$1.500
			Avg	+\$0.497

Market Dashboard *(a/o 3:00pm)*

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	24,987.11	113.45	(348.63)	20,379.55	26,616.71	25,309.30	23,259.13
S&P 500	2,753.26	5.93	(33.31)	2,322.25	2,872.87	2,748.07	2,577.49
Nasdaq	7,484.05	2.30	(76.77)	5,769.39	7,637.27	7,270.81	6,695.38
VIX	15.69	(0.90)	1.05	8.56	50.30	16.87	12.17
Dealer Positions #	23,894		(52)	16,674	32,169	24,813	24,688
Oil	62.27	1.08	0.2	44.2	66.4	62.5	54.5
Gold	1313.11	(2.99)	(10.8)	1204.90	1366.15	1330.68	1289.95
10yr Tips B/E	2.087	(0.00)	(0.0)	1.66	2.15	2.09	1.90
2yr	2.293%	0.6	3.3	1.16%	2.29%	2.14%	1.67%
3yr	2.444%	1.4	1.3	1.35%	2.44%	2.29%	1.81%
5yr	2.644%	1.9	(0.7)	1.63%	2.69%	2.53%	2.08%
7yr	2.781%	1.7	(3.0)	1.87%	2.87%	2.69%	2.28%
10yr	2.847%	1.8	(4.7)	2.04%	2.95%	2.76%	2.41%
30yr	3.081%	2.3	(7.7)	2.66%	3.22%	3.04%	2.87%
2>5 Curve	34.8	1.2	(4.0)	29.4	71.4	38.8	40.4
2>10 Curve	55.1	1.0	(8.0)	48.8	121.1	62.0	73.6
5>10 Curve	20.1	(0.0)	(4.1)	16.9	49.9	23.0	33.0
5>30 Curve	43.6	0.4	(7.0)	40.0	117.5	50.4	78.4
10>30 Curve	23.3	0.4	(3.0)	21.5	69.4	27.2	45.2
2yr Swap	31.5	1.7	1.1	15.9	37.5	24.3	22.8
3yr Swap	26.9	1.2	1.7	14.8	32.0	21.0	20.0
5yr Swap	15.4	0.9	1.6	1.5	16.5	9.3	7.4
7yr Swap	5.8	0.6	2.1	-18.6	6.3	1.1	-1.4
10yr Swap	4.4	0.4	1.9	-9.7	6.2	1.8	-1.7
US IG OAS*	106	1.0	6.0	85	119	93	101
US HY OAS**	341	(2.0)	2.0	311	406	333	351

*- 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)

* Source - R. Seelaus, Bloomberg

YTD Volume Breakdown

**** Investment Grade ***										
Weekly \$	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	Total
1			1,650		800	20,500	2,850	1,750		27,550
2		5,000	2,500		525	18,300	5,000	500		31,825
3	500				400	46,400	450			47,750
4						9,750	400	400		10,550
5		4,000	935	1,900	6,700	6,650	700	3,200	2,000	26,085
6		750	650	5,100	5,500	5,350	1,000	500		18,850
7			3,850			650	1,125	4,290		9,915
8	1,000	500	1,150	1,000	3,100	8,300		3,100		18,150
9	1,050	2,000	2,850	4,200	4,150	17,950	3,950	1,950		38,100
10		700	800	41,750	1,000	4,450	2,300	2,200	750	53,950
11	650	3,938	3,959	5,300	940	8,100	770	1,950		25,606
12										
FY Total	3,200	16,888	18,344	59,250	23,115	146,400	18,545	19,840	2,750	308,331

Weekly %	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	Total
1			6.0%		2.9%	74.4%	10.3%	6.4%		100%
2		15.7%	7.9%		1.6%	57.5%	15.7%	1.6%		100%
3	1.0%				0.8%	97.2%	0.9%			100%
4						92.4%	3.8%	3.8%		100%
5		15.3%	3.6%	7.3%	25.7%	25.5%	2.7%	12.3%	7.7%	100%
6		4.0%	3.4%	27.1%	29.2%	28.4%	5.3%	2.7%		100%
7			38.8%			6.6%	11.3%	43.3%		100%
8	5.5%	2.8%	6.3%	5.5%	17.1%	45.7%		17.1%		100%
9	2.8%	5.2%	7.5%	11.0%	10.9%	47.1%	10.4%	5.1%		100%
10		1.3%	1.5%	77.4%	1.9%	8.2%	4.3%	4.1%	1.4%	100%
11	2.5%	15.4%	15.5%	20.7%	3.7%	31.6%	3.0%	7.6%		100%
12										
Total	1%	5%	6%	19%	7%	47%	6%	6%	1%	100%

* Source - R. Seelaus, Informa, Bloomberg

**** High Yield ***										
Weekly \$	Basic Materials	Communic	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	Total
1										0
2	800	1,000	2,150	1,500	4,650			1,150		11,250
3	1,050	1,700	885	1,000	2,300			1,375		8,510
4	1,000	2,500	270	1,350	2,800	1,750	150	500		10,320
5			2,000	900	1,950	500	400	350	2,300	8,400
6	350		825	300	2,025	875	400	375		5,150
7					450					450
8	1,850	1,500		500	950	400		400		5,600
9	500		525	125	125	250	1,000	950		3,475
10		1,600	955	2,500	750	3,695		1,475		10,975
11	650		1,035	2,300	850	500		50		5,385
12										
FY Total	6,200	8,300	8,645	10,475	16,850	7,970	1,950	6,825	2,300	69,515

Weekly %	Basic Materials	Communic	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	Total
1										
2	7%	9%	19%	13%	41%			10%		100%
3	12%	20%	10%	12%	27%			19%		100%
4	10%	24%	3%	13%	27%	17%	1%	5%		100%
5			24%	11%	23%	6%	5%	4%	27%	100%
6	7%		16%	6%	39%	17%	8%	7%		100%
7					100%					100%
8	33%	27%		9%	17%	7%		7%		100%
9	14%		15%	4%	4%	7%	29%	27%		100%
10		15%	9%	23%	7%	34%		13%		100%
11	12%		19%	43%	16%	9%		1%		100%
12										
FY Total	9%	12%	12%	15%	24%	11%	3%	10%	3%	100%

* Source - R. Seelaus, Informa, Bloomberg

SEE LAUS

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