

- **Next Week**

- **Economic/Fed Calendar:**

- **Monday** Fed's Meister, Bullard speak
 - **Tuesday** Retail Sales, TIC Flows, Fed Nominees Clarida and Crypto testify before Senate panel, Fed's Williams speaks
 - **Wednesday** Housing Starts, Building Permits, Industrial Production, Capacity Utilization, Fed's Bostic speaks
 - **Thursday** Leading Index, Initial Jobless Claims, Fed's Kashkari speaks
 - **Friday** Fed's Mester speaks
- 13 of the S&P report earnings, including HD, LB, M, WMT, and DE. Of the 31 to report so far this week, 21 beat by an average of 18%, 8 missed by an average of 18%, and two hit it.
 - Names that have marketed recently and haven't yet come include ASB Bank (5yr), Avista Corp, DBS Group (10nc5/15nc10), Empresas CMPC, ENI, Equifas, Export-Import Bank of Korea (7yr), Kexim, Perusahaan Perseroan (5yr), and Petrofrac (10yr/30yr).

- **Last Week**

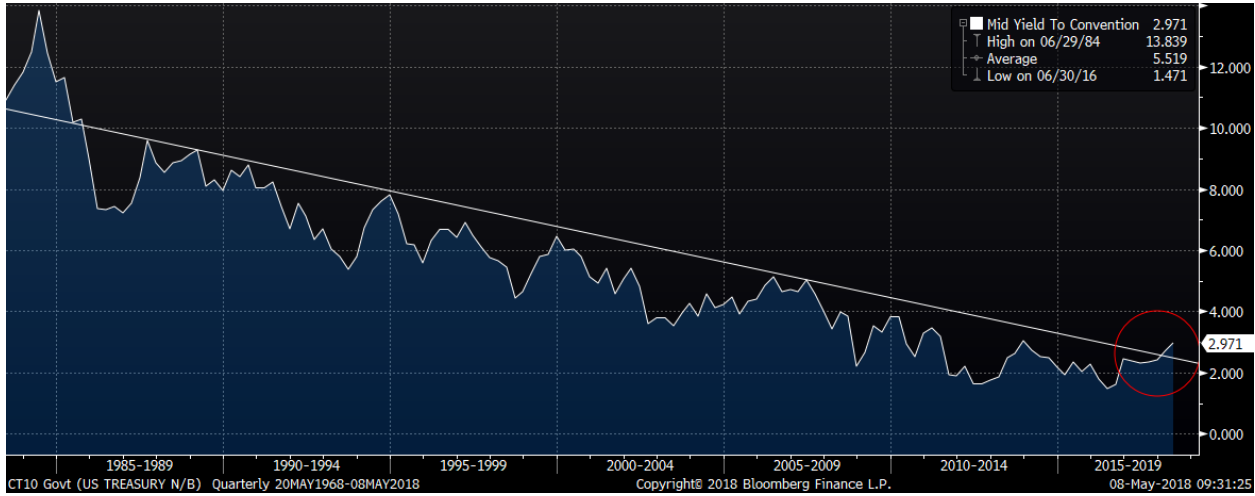
- The week's not over, but so far we've already seen \$30.25B through Wednesday, with \$7.5B coming from General Dynamics in a well received 7 tranche offering on Tuesday. Expectations coming in were for \$31.6B so we're well on our way to beating that.
- Execution metrics firmed up this week as the meatier calendar captured investor attention. Average book sizes and oversubscription levels increased. Pricing leverage was restrained and new issue concessions remained around 5 bp's on average. Most promising, it looks like this week's deals have generated some performance, with the deals priced Monday and Tuesday on average ~4 bp's tighter! Only 3 of 31 tranches priced are wide to issue.
- HY has so far been quiet (ie. Silent), but there are three deals in the queue for pricing today. Springleaf Finance (B1/B) just launched a \$900mm 8yr at 7.125% (upsized from \$500mm whispered in the Low7s), WPX Energy (B1/BB-) just launched \$500mm 8nc3 at 5.75% (up from \$400mm whispered 6%a), and Centene (Ba1/BB+) moved talk tighter to 5.375-5.50% from IPT's of 5.75%a on \$1.7B 8nc3 – all scheduled to price today. In addition, Calfrac Holdings (B3/B-) is working \$650mm 8nc3 at H7s-8% scheduled for next week.
- With the 10yr once again flirting with a break above 3% and the backdrop soft, monitoring deal execution is more important than ever. So far at least, this week has been a modest step forward.

- **FWIW**

- To the point we made last week about the outperformance of FRNs over fixed rate, on Tuesday Verizon printed a stand-alone 7yr FRN (ie., pricing not tethered to a fixed rate tranche) and was able to print inside where they likely would have in fixed. The FRN printed at 3mL+110, which would swap to fixed at T+114. VZ 3.376% 2/15/25 were +106-101 (Z-spd 107), so it looks like only a 3 bp's concession – on a day that blue chip General Dynamics was charged 10 bp's on its \$750mm 7yr fixed.
- From Bloomberg on Tuesday, "Jamie Dimon just got a big-name backer in his bet that benchmark U.S. yields are heading towards 4 percent. Franklin Templeton bond chief Michael Hasenstab predicts rising inflationary pressures, an onslaught of U.S. bond supply and the Federal Reserve's moves to pare its balance sheet will conspire to drive up benchmark rates. Dimon, JPMorgan Chase & Co.'s chief executive officer, made a similar call earlier. "That's a perfect storm for putting upward pressure on Treasuries,"

Hasenstab said in an interview with Bloomberg TV. “The U.S. economy can definitely deal with 4 percent or higher” 10-year Treasury yields.”

- Why now? We just pierced a trend line in yields that’s been in place since I was a summer intern at Prudential-Bache:



- Why 4.00%? It’s among the next most obvious targets if we break through 3.00%.



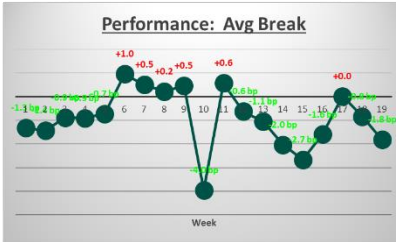
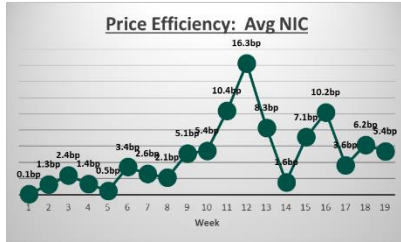
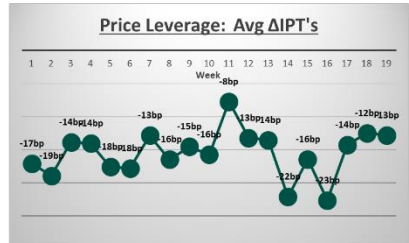
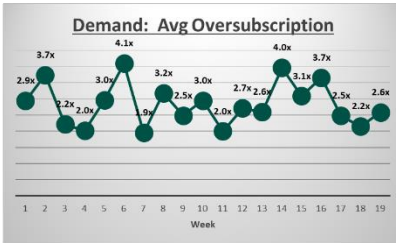
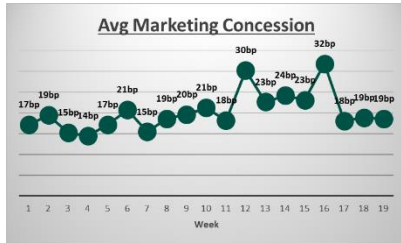
- **Two down, two to go.** Heading to South Carolina for daughter’s graduation this weekend. To celebrate, everyone is officially spared a Friday commentary!

Key Execution Metrics

Week 19 of 2018		Demand		Pricing Leverage		Performance	
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	14	\$6,650	2.7x	\$1,258	-13.2 bp's	+5.0 bp's	+0.5 bp's
Tuesday	17	\$15,539	2.4x	\$2,141	-10.9 bp's	+5.1 bp's	-4.2 bp's
Wednesday	11	\$8,066	2.7x	\$2,343	-15.5 bp's	+6.1 bp's	
Thursday							
Friday							
This Week	42	\$30,255	2.6x	\$1,886	-12.8 bp's	+5.3 bp's	-1.8 bp's
Week Prior		\$22,700	2.2x	\$1,327	-12.5 bp's	+6.2 bp's	-0.8 bp's
YTD Weekly Average		\$27,023	2.8x	\$2,199	-15.5 bp's	+5.1 bp's	-0.9 bp's

* source - R. Seelaus, Informa, Bloomberg

Execution Dashboard



Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
5/9	Baa3	BBB	1500	BACR	6.6	Lequiv	Lequiv	3mL+138	(13)	15
5/9	Baa3	BBB	1250	BACR	6.6	162.5a	150#	150	(13)	15
5/9	Baa3	BBB	1750	BACR	11.6	210a	197#	197	(13)	12
5/9	A3	A	600	CAT	2.0	Lequiv	Lequiv	3mL+18	(17)	(1)
5/9	A3	A	650	CAT	2.0	60a	45a	43	(17)	(1)
5/9	A3	A	250	CAT	5.0	Lequiv	Lequiv	3mL+51	(17)	0
5/9	A3	A	500	CAT	5.0	80a	65a	63	(17)	0
5/9	Baa2	BBB	225.729	UAL	5.4	4.75%a	4.60%#	176	(15)	5
5/9	Baa3	BBB-	550	TSS	5.1	135a	120a	118	(17)	3
5/9	Baa3	BBB-	450	TSS	10.1	165a	150a	148	(17)	13
5/9	Aa1	AA-	340	OCBCSP	3.0			3mL+45		
5/8	A2	A	250	ETR	10.1	120a	105a	103	(17)	11
5/8	A2	A+	500	GD	2.0	Lequiv	Lequiv	3mL+29	(8)	10
5/8	A2	A+	2000	GD	2.0	60-65	55#	55	(8)	10
5/8	A2	A+	500	GD	3.0	Lequiv	Lequiv	3mL+38	(8)	10
5/8	A2	A+	2000	GD	3.0	65-70	60#	60	(8)	10
5/8	A2	A+	750	GD	5.0	75a	65#	65	(10)	5
5/8	A2	A+	750	GD	7.0	85-90	77#	77	(11)	10
5/8	A2	A+	1000	GD	10.0	95-100	85#	85	(13)	0
5/8	A3	A-	750	HBAN	3.0	85a	70a	68	(17)	0
5/8	Baa1	BBB+	500	HBAN	7.0	125a	115a	112.5	(13)	3
5/8	Aa2	A+	1100	SEB	3.0	Lequiv	L+43#	3mL+43	(10)	0
5/8	Aa2	A+	650	SEB	3.0	75a	65#	65	(10)	0
5/8	Baa1	BBB+	1788.8	VZ	7.0	L+115a	L+110#	3mL+110	(5)	5
5/8	Aa3	AA-	750	WSTP	2.0	Lequiv	L+30a	3mL+28	(15)	(1)
5/8	Aa3	AA-	500	WSTP	2.0	70a	57a	55	(15)	(1)
5/8	Aa3	AA-	750	WSTP	5.0	Lequiv	L+72a	3mL+72	(10)	8
5/8	Aa3	AA-	1000	WSTP	5.0	95a	85a	85	(10)	8
5/7	Baa2	BBB	500	AMCAU	10.0	170a	160a	158	(12)	2
5/7	Baa1	A-	500	CLX	10.0	105-110	100a	97	(11)	11
5/7	A2	A-	300	ED	10.0	95-100	90a	85	(13)	7
5/7	A2	A-	700	ED	40.0	145-150	145a	140	(8)	18
5/7	Baa3	BBB-	800	ENBL	10.0	225a	215a	210	(15)	11
5/7	Ba1	BBB-	500	GLPI	7.1	5.375%a	5.375%a	235	(13)	
5/7	Ba1	BBB-	500	GLPI	10.1	5.75%a	5.75%a	280	0	
5/7	Baa2	BBB	400	K	3.0	85a	70a	65	(20)	0
5/7	Baa2	BBB	600	K	10.0	150-155	145a	140	(13)	5
5/7	Baa1	BBB+	400	MAA	10.1	150a	135a	132	(18)	(2)
5/7	Baa1	BBB-	450	MAINTR	10.0	135a	120a	115	(20)	
5/7	A1	A+	250	PCAR	3.0	Lequiv	Lequiv	3mL+26	(15)	1
5/7	A1	A+	300	PCAR	3.0	60-65	50a	48	(15)	1
5/7	Baa2	BBB	450	PENSKE	5.7	130a	120a	115	(15)	2

New Issue Report Card

*** Investment Grade ***						
Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
VZ	frn	5/15/2025	3mL+110	97	94	-13
GLPI	5.250	6/1/2025	235.0	223	217	-12
GD	2.875	5/11/2020	55.0	45	42	-10
GLPI	5.750	6/1/2028	280.0	270	265	-10
GD	3.000	5/11/2021	60.0	51	48	-9
GD	frn	5/11/2020	3mL+29	21	55	-8
GD	3.500	5/15/2025	77.0	70	68	-7
GD	3.750	5/15/2028	85.0	78	76	-7
GD	frn	5/11/2021	3mL+38	32	60	-6
GD	3.375	5/15/2023	65.0	59	56	-6
ED	4.500	5/15/2058	140.0	135	130	-5
ENBL	4.950	5/15/2028	210.0	205	201	-5
ED	3.800	5/15/2028	85.0	81	77	-4
WSTP	frn	5/15/2023	3mL+72	69	65	-3
WSTP	3.650	5/15/2023	85.0	82	80	-3
AMCAU	4.500	5/15/2028	158.0	155	152	-3
PCAR	3.100	5/10/2021	48.0	45	41	-3
HBAN	frn	5/15/2025	112.5	110	106	-3
ETR	4.000	6/1/2028	103.0	101	98	-2
SEB	2.783	5/17/2021	3mL+43	41	39	-2
WSTP	frn	5/15/2020	3mL+28	26	24	-2
K	3.250	5/14/2021	65.0	63	62	-2
FE	4.100	5/15/2028	115.0	113	110	-2
WSTP	3.050	5/15/2020	55.0	54	49	-1
PCAR	frn	5/10/2021	3mL+26	25	20	-1
SEB	3.250	5/17/2021	65.0	65	62	+0
K	4.300	5/15/2028	140.0	140	140	+0
MAA	4.200	6/15/2028	132.0	132	128	+0
CLX	3.900	5/15/2028	97.0	98	93	+1
HBAN	3.250	5/14/2021	68.0	70	66	+2
PENSKE	3.900	2/1/2024	115.0	117	113	+2
				Best		-13
				Worst		+2
				Avg		-3.97

Market Dashboard

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	24,542.40	182.19	617.42	20,553.45	26,616.71	24,439.75	23,791.76
S&P 500	2,694.76	22.84	59.09	2,352.72	2,872.87	2,677.41	2,617.98
Nasdaq	7,339.91	73.00	239.01	5,996.82	7,637.27	7,199.47	6,860.83
VIX	13.6	(1.11)	(2.37)	8.56	50.30	18.26	13.63
Dealer Positions #	20,659		2,401	15,054	32,169	24,271	24,049
Oil	71.15	2.09	3.2	44.5	71.4	65.0	57.9
Gold	1312.3	(2.33)	7.3	1204.90	1366.15	1327.90	1306.06
10yr Tips B/E	2.187	0.02	0.0	1.66	2.20	2.12	1.97
SOFR	1.720%	0.0		1.70%	1.83%		
3mLibor	2.353%	(0.0)	(0.0)	1.17%	2.37%	2.25%	1.68%
OIS-Libor Spread	1.864%	0.0	0.0	1.01%	1.86%	1.74%	1.44%
2yr	2.532%	2.1	4.3	1.25%	2.53%	2.34%	1.86%
3yr	2.684%	3.7	5.3	1.37%	2.68%	2.49%	2.00%
5yr	2.839%	2.4	4.3	1.63%	2.84%	2.68%	2.24%
7yr	2.959%	2.8	4.0	1.87%	2.97%	2.81%	2.42%
10yr	3.005%	2.8	3.8	2.04%	3.03%	2.87%	2.53%
30yr	3.162%	3.2	1.5	2.66%	3.22%	3.09%	2.91%
2>5 Curve	30.4	0.5	(0.1)	27.8	58.9	33.1	37.6
2>10 Curve	47.0	0.8	(0.6)	41.1	106.4	51.8	65.9
5>10 Curve	16.4	0.3	(0.5)	12.3	48.5	18.5	28.2
5>30 Curve	32.1	0.6	(2.8)	29.0	116.3	40.4	66.5
10>30 Curve	15.5	0.3	(2.3)	14.5	69.4	21.7	38.1
2yr Swap	25.0	(0.9)	(1.7)	15.9	34.4	29.1	24.1
3yr Swap	21.6	(0.4)	(0.2)	14.8	29.0	24.2	21.0
5yr Swap	11.8	(0.8)	(0.6)	1.5	16.5	13.0	8.6
7yr Swap	3.2	(0.8)	(0.6)	-18.6	7.7	4.1	-0.1
10yr Swap	3.0	(0.8)	(0.1)	-9.7	6.2	3.1	-0.5
US IG OAS*	112	0.0	2.0	85	114	106	101
US HY OAS**	339	(2.0)	0.0	311	390	340	347

*- 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 ***										
Monthly \$	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	2018 Total \$
Jan	500	5000	5085	1900	1725	101100	9400	4600		129,310
Feb	2050	7250	8500	10300	19450	31550	6075	9890	2000	97,065
Mar	650	6888	5509	61750	2990	30170	6620	8350	750	123,676
Apr	5750	5000	20300	9150	5098	59993	7875	2250	3800	118,615
May		1789	1776	6700	3300	15290	3850	12075		44,780
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total	8,950	25,926	41,169	89,800	32,563	237,503	33,820	37,165	6,550	513,446

Monthly %	Basic Materials	Commun	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	Total
Jan	0.4%	3.9%	3.9%	1.5%	1.3%	78.2%	7.3%	3.6%		100%
Feb	2.1%	7.5%	8.8%	10.6%	20.0%	32.5%	6.3%	10.2%	2.1%	100%
Mar	0.5%	5.6%	4.5%	49.9%	2.4%	24.4%	5.4%	6.8%	0.6%	100%
Apr	4.8%	4.2%	17.1%	7.7%	4.3%	50.1%	6.6%	1.9%	3.2%	100%
May		4.0%	4.0%	15.0%	7.4%	34.1%	8.6%	27.0%		100%
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total	2%	5%	8%	17%	6%	46%	7%	7%	1%	100%

* Source - R. Seelaus, Informa, Bloomberg

**** High Yield ***										
Monthly \$	Basic Materials	Communic	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	2018
Jan	2,850	5,200	5,305	3,850	10,350	1,750	150	3,575	2,300	35,330
Feb	2,200	1,500	1,150	1,700	4,900	2,025	800	775		15,050
Mar	2,115	4,010	3,090	6,775	3,300	4,545	1,000	4,030		28,865
Apr	2,825	2,200	2,893	1,735	4,795	5,822	1,480	1,900		23,650
May	525	105	1,100		550	300		900	400	3,880
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total	10,515	13,015	13,538	14,060	23,895	14,442	3,430	11,180	2,700	106,775

Monthly %	Basic Materials	Communic	Consumer, Cyclical	Consumer, Non-cyclical	Energy	Financial	Utilities	Industrial	Technology	2018
Jan	8%	15%	15%	11%	29%	5%	0%	10%	7%	100%
Feb	15%	10%	8%	11%	33%	13%	5%	5%		100%
Mar	7%	14%	11%	23%	11%	16%	3%	14%		100%
Apr	12%	9%	12%	7%	20%	25%	6%	8%		100%
May	14%	3%	28%		14%	8%		23%	10%	100%
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total	10%	12%	13%	13%	22%	14%	3%	10%	3%	100%

* Source - R. Seelaus, Informa, Bloomberg

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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](#)

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