

- Next Week

- The post Labor Day sprint begins on Tuesday. The IGM survey of syndicate desks is calling for \$37.42B of new supply. While that's a big jump from recent weeks, its below both the 3yr (\$50.5B) and 5yr (\$43.5B) averages for the first week back. Estimates ranged from a low of \$30B to a high of \$45B.
- The IGM survey of syndicate desks is further predicting \$124.92B of IG supply for the month of September. That too would be light from recent experience. The 5yr average for September is \$130.5B with a range from \$105.6B to \$147.2B.
- Only 1 of the S&P500 reports earnings – AVGO after the close on Thursday. Of the 456 that have announced thru Wednesday, the record is 383-70-3. 383 have beat by an average of 10.6%, 70 have missed by an average of 11.9%, and 3 have hit it square.
- **Economic/Fed Calendar: Focus on Employment Data and Fed Speakers**
  - **Monday** \*\*\* Market Closed for Labor Day \*\*\* Fed's Evans speaks
  - **Tuesday** Markit Mfg PMI, ISM Mfg, Fed's Evans discusses Policy Normalization
  - **Wednesday** Fed's Williams speaks
  - **Thursday** ADP Employment Change, Initial Jobless Claims, Continuing Claims, Market Services PMI, Durable Goods, Factory Orders, Fed's Rosengren and Mester speak
  - **Friday** **Employment Data**, Fed's Kaplan speaks

- Last Week

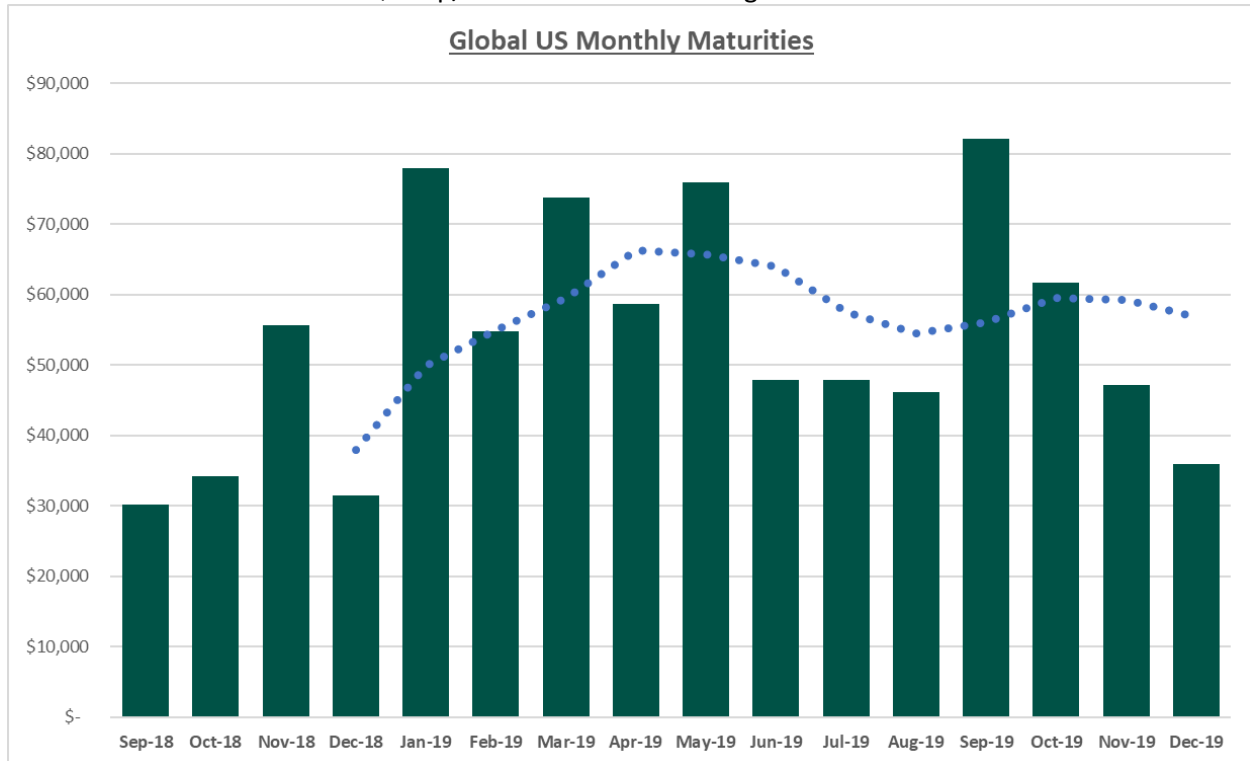
- It may have been quiet, but it was no shutout in the IG market this week. Drive-by issuance from CAT, BRX, and PNC added up to \$1.5B of new issuance. Interestingly, MetLife also announced a 2yr SOFR based frn Thursday to be priced as late as Friday. Met will be the first non-SSA to do a SOFR floater, after FNMA did the first in July followed by World Bank two weeks ago. Measures of execution metrics are meaningless given the nature of issuance this week.
- There was some activity in the SSA space, with OKB, DBJ, and SEK taking out a total of \$4.25B.
- For the second consecutive week there was no new HY issuance. Only a handful of deals in the visible pipeline. Atlantica Tender Drilling Ltd is marketing a \$265mm 5yr targeting a deal the week of 9/3. The most prominent deal on the horizon is Refinitiv's LBO financing slated for September.
- **IG volume:** August IG supply totaled \$90.3B and YTD IG supply is \$854B. That is \$110B and 11.5% less than 2017's 35 week total.
- **HY volume:** August HY supply totaled \$16B. YTD HY supply remains stuck at \$161B, \$62B and 28% behind 2017's 35 week tally.

- FWIW

- From Capital Economics' Paul Ashworth on Wednesday, "Real interest rates are still relatively low, but the cumulative increase in the real two-year Treasury yield over the past couple of years (and particularly the past 12 months) is no longer that far off the tightening that preceded the three previous economic downturns. Nevertheless, the rise in the actual borrowing costs facing firms has, up to now at least, been relatively modest. Corporate bond yields, both investment grade and junk, remain well below the levels reached in early 2016. Households are getting squeezed a little more, however, with the 30-year fixed mortgage rate at a seven year high. Interest rates on credit cards, personal loans and car loans have also been rising to new highs." and "overall, the signs are there that higher interest rates are beginning to weigh on rate-sensitive activity. But

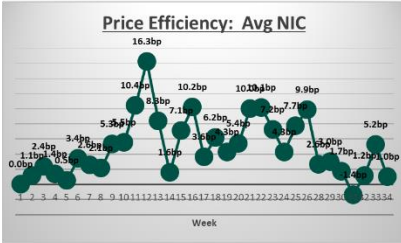
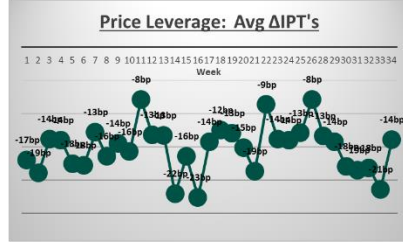
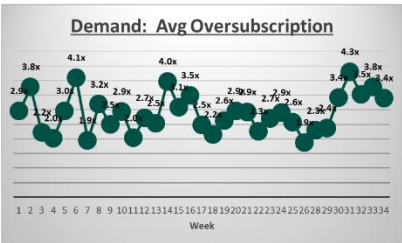
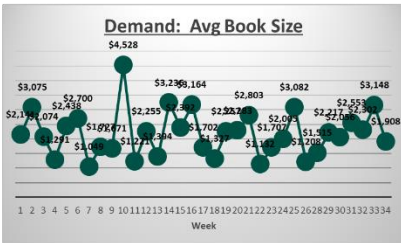
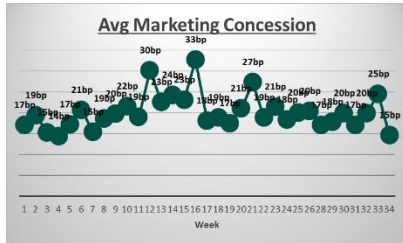
that does not mean overall economic growth is about to slump. The fiscal stimulus is still providing a much bigger boost to activity. Next year, however, as that stimulus begins to wane and the monetary tightening becomes more pronounced, we do expect GDP growth to slow more markedly to 2.0%, with the risk of an even more severe slowdown in 2020."

- In a feeble attempt to compensate for the lack of content this week, please enjoy this bar chart of US\$ corp/fin maturities out through the end of 2019:



- UGA is 2-1-1. Purdue tonight. Va Tech on Sunday.
- Thank you to Royal Bank of Canada for including us on their \$50mm 18mos yankee CD!
- Best wishes for a healthy and relaxing Labor Day weekend!!

# Execution Dashboard



# Weekly Deal Summary

Date	MDY	S&P	Size	Ticker	Tenor	IPT's	Guidance	Spread	Δ IPT	NIC
8/30	Aa3	AA-	1000	MET	2.0	SOFR+60a		SOFR+57	(3)	
8/30	A3	A-	500	PNC	3.0			55		
8/28	Baa3	BBB-	250	BRX	3.4			3mL+105		
8/27	A3	A	750	CAT	2.5			3mL+25		0

## Market Dashboard (a/o 1:30pm)

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	26,066.37	(58.20)	409.39	21,709.63	26,616.71	25,138.44	24,819.98
S&P 500	2,911.05	(2.99)	54.07	2,443.77	2,916.50	2,808.80	2,726.99
Nasdaq	8,132.04	22.35	253.58	6,303.57	8,133.30	7,779.15	7,339.77
VIX	12.65	0.40	0.24	8.56	50.30	13.27	14.63
Dealer Positions #	20,055		8,434	11,621	32,169	22,091	22,622
Oil	70.12	0.61	2.3	49.2	71.6	67.6	63.2
Gold	1199.1	(7.50)	13.5	1160.39	1366.15	1223.73	1290.05
10yr Tips B/E	2.112	(0.00)	0.0	1.75	2.21	2.12	2.09
SOFR	1.930%	(0.0)	0.0	1.65%	2.12%	1.92%	
3mLibor	2.313%	(0.0)	0.0	1.31%	2.37%	2.33%	2.07%
OIS-Libor Spread	2.104%	0.0	0.0	1.15%	2.11%	2.01%	1.74%
2yr	2.663%	(1.4)	4.5	1.26%	2.68%	2.60%	2.31%
3yr	2.723%	(1.9)	4.8	1.37%	2.78%	2.69%	2.44%
5yr	2.766%	(1.7)	4.3	1.63%	2.94%	2.77%	2.61%
7yr	2.833%	(1.3)	5.2	1.87%	3.07%	2.84%	2.73%
10yr	2.870%	(1.5)	4.3	2.04%	3.11%	2.89%	2.79%
30yr	3.015%	(0.6)	3.4	2.66%	3.25%	3.02%	3.01%
2>5 Curve	10.0	(0.3)	(0.2)	8.6	48.4	15.8	29.2
2>10 Curve	20.4	(0.0)	(0.2)	18.3	87.8	27.5	47.2
5>10 Curve	10.3	0.2	0.1	9.1	42.9	11.5	17.8
10>30 Curve	14.3	0.8	(0.9)	9.1	62.4	13.4	22.0
2yr Swap	18.0	0.2	(0.2)	15.9	34.4	21.9	23.9
3yr Swap	16.4	0.3	0.0	14.4	29.0	19.3	20.5
5yr Swap	13.6	0.5	0.7	1.5	16.5	14.0	11.0
7yr Swap	8.0	0.2	(0.2)	-18.6	9.9	7.8	3.6
10yr Swap	7.5	0.2	0.2	-5.4	8.4	6.9	3.4
US IG OAS*	112	0.0	0.0	85	124	115	105
US HY OAS**	331	0.0	(7.0)	311	381	343	341

\*- 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	59393	7875	2250	3800	118,615
May	1600	13289	4926	24000	4650	43240	9405	16525	3200	120,835
Jun		6500	18300	24900	9250	32981	8540	9755	1000	111,226
Jul	500		3750	1250	450	49880	3900	3850		63,580
Aug		4250	17000	6500	2000	33450	12366	14750		90,316
Sep										
Oct										
Nov										
Dec										
<b>Total</b>	<b>11,050</b>	<b>48,176</b>	<b>83,369</b>	<b>139,750</b>	<b>45,613</b>	<b>381,763</b>	<b>64,181</b>	<b>69,970</b>	<b>10,750</b>	<b>854,623</b>

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	1.3%	11.0%	4.1%	19.9%	3.8%	35.8%	7.8%	13.7%	2.6%	100%
Jun		5.8%	16.5%	22.4%	8.3%	29.7%	7.7%	8.8%	0.9%	100%
Jul	0.8%		5.9%	2.0%	0.7%	78.5%	6.1%	6.1%		100%
Aug		4.7%	18.8%	7.2%	2.2%	37.0%	13.7%	16.3%		100%
Sep										
Oct										
Nov										
Dec										
<b>Total</b>	<b>1%</b>	<b>6%</b>	<b>10%</b>	<b>16%</b>	<b>5%</b>	<b>45%</b>	<b>8%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>

\* 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	1,610	105	2,250	4,025	3,250	1,950		1,650	900	15,740
Jun	975	310	3,550	1,783	2,000	3,520	350	2,150	500	15,138
Jul	450	1,750	1,750	850	2,950	2,475	500		500	11,725
Aug		1,320	750	4,600	1,700	2,765	1,500	615	2,807	16,057
Sep										
Oct										
Nov										
Dec										
<b>Total</b>	<b>13,025</b>	<b>16,395</b>	<b>20,738</b>	<b>25,318</b>	<b>33,245</b>	<b>24,852</b>	<b>5,780</b>	<b>14,695</b>	<b>7,007</b>	<b>161,054</b>

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	10%	1%	14%	26%	21%	12%		10%	6%	100%
Jun	6%	2%	23%	12%	13%	23%	2%	14%	3%	100%
Jul	4%	16%	16%	8%	26%	22%	4%		4%	100%
Aug		8%	5%	29%	11%	17%	9%	4%	17%	100%
Sep										
Oct										
Nov										
Dec										
<b>Total</b>	<b>8%</b>	<b>10%</b>	<b>13%</b>	<b>16%</b>	<b>21%</b>	<b>15%</b>	<b>4%</b>	<b>9%</b>	<b>4%</b>	<b>100%</b>

\* Source - R. Seelaus, Informa, Bloomberg

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