

- Next Week

- The Informa survey of syndicate desks is calling for \$17.53B of new supply next week with estimates ranging from a low of \$10B to a high of \$25B. The rapidly shrinking window for 2018 will no doubt pressure issuer to pound any open windows remaining. There are only THREE clean, no Fed no holiday weeks left before the market shuts down the last two weeks of the year. FOMC next Thursday will front load next week. The two weeks after next have Veterans' Day (Monday 11/12) and Thanksgiving (Thursday 11/22).
- Names that have just completed or announced roadshows and are potentials for next week include Duke Energy Carolinas, Micron Technology, Ohio National Financial, Whirlpool, Indonesia Asahan Aluminum, PT Lestari Banten Energi, Republic of Peru, Republic of South Africa, SP Group, Suncorp-Metway Ltd, and Tocumen.
- Earnings a focus for the market again, with 73 of the S&P500 reporting including:
 - Media- BKNG, DISH, FOXA, TRIP, NWSA, DISCA, DIS, CTL
 - Utilities – PCG, AES, LNT, SO, SRE, EVRG, PNW, CNP, NRG
 - Healthcare – MYL, REGN, ABC, BDX, HSIC, LLY, CVS, HUM, HOLX, DVA, NKTR, CAH, XRAY, MTD
- **Economic/Fed Calendar: Light week – Focus on the FOMC Thursday**
 - **Monday** Markit PMI, ISM Non-Mfg
 - **Tuesday**
 - **Wednesday**
 - **Thursday** Initial Jobless Claims, Continuing Claims, **FOMC Rate Decision**
 - **Friday** PPI, UoM Sentiment, Wholesale Inventories, Fed's Quarles speaks

- Last Week

- IG weathered the storm to print \$21.78B, above expectations coming into the week for \$19.32B. The volatile backdrop has taken a toll on execution however and underscores the need for issuers to be thoughtful on window selection and execution strategy. Tepid demand (avg book sizes only \$1.2B and avg oversubscription levels only 2.2x) translated directly into reduced pricing leverage (Δ IPTs only -10.9 bp's) and elevated new issue concessions (7.9 bp's average). The good news for investors and next week is that tone improved as the week progressed and deals performed. This week's deals finished the week 3.1 bp's tighter.
- HY volatility continues to impact the HY calendar, where four names printed \$3.075B across 6 tranches, but one name (INTL FC Stone \$350mm 5nc2) decided to step aside. Another deal in the market scheduled for next week, HC2 Holdings has reportedly shortened its offering from 5nc2 to 3nc1.5 years and increased guidance from L-M9% IPT's to 11.50-12%. For those that crossed the line, two printed at tight end of IPT's, one at the wide, and one at the mid. Performance was uninspiring, with this week's deals up *almost* a 1/16th on average.
- **IG Fund Flows:** EPFR reported a 5th consecutive week of outflows from IG funds the week ending 10/31 (there were no weekly outflows in all of 2017). That brought the 4WMA to -\$1.8B. The cumulative inflow to IG funds for 2018 is now +\$54.7B.
- **HY Fund Flows:** EPFR reported a \$385.55mm outflow from HY funds the week ending 10/31, the 2nd consecutive and 6th out of the last 9 weeks the HY market suffered outflows. The 4WMA is now -\$1.572B and the cumulative outflow for all of 2018 is now -\$12.03B.

- **Dealer Positions:** Dealer inventories dropped 12% to \$22.8B the week ending 10/24, according to data released this morning by the NY Federal Reserve Bank. CP was down 11% to \$10.5B, IG was down 7% to \$10.8B, and HY was down 41% to \$1.6B. Within the IG bucket, dealer exposure got shifted long – the <5yr buckets were down by \$1.8B (-25%) while the >5yr buckets were up \$1B (+22%).
- **IG New Issue volume:** MTD volume is \$7.9B and YTD volume \$1.094T, \$131B and 10.7% behind last year.
- **HY New Issue volume:** MTD volume is \$1.75B and YTD volume is \$198B, \$101B and 33.8% behind last year.
- **FWIW**
 - Something changed? Why yes, it has. R. Seelaus & Co., Inc. rolled out its re-branding this week. The marketing name for our broker dealer will now simply be “Seelaus” and our asset manager, Granite Springs Asset Management, LLC, will be re-branded “Seelaus Asset Management.” “The renaming allows us to bring all of our businesses together under one brand and demonstrate the broad range of products that we can offer to retail and institutional clients,” said Annie Seelaus, CEO of R. Seelaus & Co. “With this name change, we are hoping to provide our clients with a better brand experience combined with the strong performance and premium quality service that is synonymous with Seelaus.” New colors, new cards, and new web-site (<https://www.rseelaus.com/>)
 - Dow 25K XVII
 - Market pricing in just a 10% chance of a hike at next week’s FOMC meeting and a 75% likelihood of one in December. With today’s payroll number a December hike seems like a lock.
 - Handle changes are always big. And the calendar handle change is the biggest. With 2019 rapidly approaching, it is hard to think of the current market backdrop as anything other than an inflection point. Yes, headlines on trade have weighed on stocks. And yes, equity market volatility has weighed on sentiment and execution over the past few weeks. But with the 10yr firmly holding above 3%, would good news on the trade front loosen the grip of “lower for longer” psychology even more? We’ve already highlighted the cracks of de-compression and note this week that they are getting bigger. 2s>10s back over 30. HY-IG got over 260 before sliding back to 253 late in the week.
 - The rate hikes get the publicity, but the sand shifting beneath our feet is the balance sheet reduction. With the Fed struggling to articulate what a neutral rate stance would be, it probably shouldn’t be surprising that they don’t talk much about the ultimate target for the size of their balance sheet. It is hard to fathom the markets accepting that for long.
 - **Huge thank you to Boeing for including us as a junior co-manager on their \$350mm 10yr senior unsecured note offering earlier this week – our first in the sector!!**

Key Execution Metrics

Week 43 of 2018			Demand		Pricing Leverage		Performance
	# of Tranches	Volume	Oversubscription	Avg Book Size	Δ from IPT	Avg NIC	Avg Break
Monday	10	\$4,250	3.3x	\$1,356	-13.1 bp's	+5.7 bp's	+0.7 bp's
Tuesday	12	\$4,980	1.8x	\$743	-8.5 bp's	+8.4 bp's	-0.4 bp's
Wednesday	6	\$4,650	1.9x	\$1,463	-13.3 bp's	+11.0 bp's	-2.3 bp's
Thursday	11	\$7,900	2.0x	\$1,509	-10.2 bp's	+7.7 bp's	-4.1 bp's
Friday							
This Week	39	\$5,675	3.5x	\$1,718	-16.9 bp's	+2.4 bp's	-1.1 bp's
Week Prior		\$18,545	3.5x	\$2,972	-18.0 bp's	+10.3 bp's	-2.4 bp's
YTD Weekly Average		\$24,935	2.9x	\$2,263	-15.5 bp's	+5.0 bp's	-1.3 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
11/1	A3	BBB+	1250	AXP	3.0	L90s	80#	80	(13)	9
11/1	A3	BBB+	1000	AXP	3.0	L equiv	L+60#	3mL+60	(13)	9
11/1	A3	BBB+	750	AXP	7.0	130a	120a	118	(12)	7
11/1	A1	A-	1000	BPLN	5.3	95-100	85a	83	(15)	3
11/1	A1	A-	1000	BPLN	10.0	115-120	110#	110	(8)	10
11/1			500	DUBAEE	3.0	5.25%a	5.25%a	236	0	
11/1			500	DUBAEE	5nc2	5.75%a	5.75%a	279	0	
11/1	Baa2	BBB	300	GMT	5.3	145a	145a	140	(5)	11
11/1	Baa3	BBB	1000	GM	3.0	140a	130#	130	(10)	7
11/1	Baa3	BBB	350	GM	3.0	L equiv	L+110#	3mL+110	(10)	7
11/1	B3	B-	750	GTN	8.5nc3.5	L7s	7.00-7.25%	389	(25)	
11/1		BB+	550	NMRK	5.0	6.50%a	6.375-6.50%	340.9	(13)	
11/1	Baa2		300	NYCB	10nc5	5.875-6.00%		-	(4)	
11/1	A2	A	400	OGS	30.0	130a		118	(12)	6
10/31	A2	A	650	CNRCN	30.2	115a	105#	105	(10)	12
10/31	A2	A	500	DAIGR	3.0	L equiv	L equiv	3mL+67	(18)	3
10/31	A2	A	1250	DAIGR	3.0	100-105	85#	85	(18)	3
10/31	Aa2	AA	800	MUBAUH	10.0	ms+150a	ms+135-140	141.2	(15)	13
10/31			500	OILGAS	6.0	7.875%a		464.7	(25)	
10/31			500	OILGAS	10.0	8.50%a		523	(13)	
10/31	Baa3		700	RECLIN	5.0	250a	240#	240	(10)	
10/31	Baa2	BBB-	750	PERTIJ	30.0	6.75%a	6.70%a	-	(10)	25
10/30	Baa3	BBB	300	FE	12.0	155a		145	(10)	10
10/30	Baa1	BBB+	550	GLW	30.0	200a	200#	200	0	13
10/30	Baa1	BBB+	300	GLW	50.0	250a	250#	250	0	13
10/30	Baa1	BBB+	50	GLW	18.4		\$95.51#	-	0	
10/30	Baa2	BBB	300	EMN	3.1	95a	75a	70	(25)	(1)
10/30	Baa2	BBB	500	EMN	10.1	162.5a	155a	150	(13)	4
10/30	Baa3	BBB-	680	ENAPCL	11.0	225a	215a	215	(10)	15
10/30	Baa1	BBB+	300	R	5.1	100a	95-100	95	(5)	10
10/30	Baa1	A	500	SWK	10.0	125a	110-115	115	(10)	6
10/30	Baa1	A	500	SWK	30.0	160a	150a	150	(10)	11
10/30	A2	A	600	AMTD	3.0	L+M50s	L+43#	3mL+43	(12)	
10/30	A2	A	400	AMTD	5.4	L90s	85#	85	(8)	3
10/30	Ba3	BB-	325	VGR	8nc3	10.25-10.50%	10.50%a	-	13	
10/29	A3	A-	550	AFL	30.2	155a		145	(10)	12
10/29	Ba3	BB	250	AXE	7.1	6.00%a	6.00%a	300	0	
10/29	A2	A	350	BA	10.0	85a	70a	67	(18)	1
10/29	A2	A	350	BA	30.0	110a	95a	92	(18)	0
10/29	A2	A	500	SCHW	5.3	80-85	70a	67	(16)	7
10/29	A2	A	600	SCHW	10.3	110a	100a	97	(13)	5
10/29	Aa3	A	300	CMS	10.0	90a	75a	73	(17)	10
10/29	Aa3	A	550	CMS	30.5	115a	105a	103	(12)	5
10/29	Aa3	A+	500	SHNHAN	5.0	120a	105#	105	(15)	6
10/29	A3	A	300	XEL	30.0	120-125		110	(13)	5

New Issue Report Card

*** Investment Grade ***						
Ticker	Cpn	Maturity	Spd	Bid	Ask	Δ
AXE	6.000	12/1/2025	300.0	286	281	-14
NMRK	6.125	11/15/2023	340.9	329	317	-12
BPLN	4.234	11/6/2028	110.0	100	98	-10
MUBAUH	4.500	11/7/2028	141.2	133	128	-8
SWK	4.250	11/15/2028	115.0	108	105	-7
RECLIN	5.250	11/13/2023	240.0	234	231	-6
AXP	3.700	11/5/2021	80.0	75	71	-5
AXP	4.200	11/6/2025	118.0	113	110	-5
BPLN	3.790	2/6/2024	83.0	78	76	-5
GM	4.200	11/6/2021	130.0	125	122	-5
GM	frn	11/6/2021	3mL+110	105	100	-5
CNRCN	4.450	1/20/2049	105.0	100	97	-5
FE	4.550	11/15/2030	145.0	140	138	-5
SWK	4.850	11/15/2048	150.0	145	141	-5
GMT	4.350	2/15/2024	140.0	137	134	-3
DAIGR	frn	11/5/2021	3mL+67	64	61	-3
ENAPCL	5.250	11/6/2029	215.0	213	209	-2
DAIGR	3.750	11/5/2021	85.0	83	77	-2
GLW	5.350	11/15/2048	200.0	198	195	-2
EMN	3.500	12/1/2021	70.0	68	65	-2
R	3.875	12/1/2023	95.0	93		-2
AFL	4.750	1/15/2049	145.0	143	140	-2
BA	3.850	11/1/2048	92.0	90	87	-2
SHNHAN	3.875	11/5/2023	105.0	103	100	-2
OGS	4.500	11/1/2048	118.0	117	112	-1
GLW	5.850	11/15/2068	250.0	249	245	-1
AMTD	frn	11/1/2021	3mL+43	42	37	-1
AMTD	3.750	4/1/2024	85.0	84	80	-1
BA	3.450	11/1/2028	67.0	66	64	-1
CMS	4.350	4/15/2049	103.0	102	99	-1
AXP	frn	11/5/2021	3mL+60	60	57	+0
CMS	3.800	11/15/2028	73.0	73	70	+0
SCHW	4.000	2/1/2029	97.0	98	96	+1
EMN	4.500	12/1/2028	150.0	152	151	+2
SCHW	3.550	2/1/2024	67.0	70	68	+3
XEL	4.400	11/15/2048	110.0	116	112	+6
Best						-14
Worst						+6
Avg						-3

*** Hi Yield ***				
Issue	Init Px	Bid	Ask	Δ
DUBAEE 5 1/4 11/15/21	100.000	99.500	100.000	-\$0.500
DUBAEE 5 3/4 11/15/23	100.000	99.250	99.875	-\$0.750
GTN 7 05/15/27	100.000	101.000	101.000	+\$1.000
OILGAS 7 5/8 11/07/24	100.000	100.250	100.750	+\$0.250
OILGAS 8 3/8 11/07/28	100.000	100.250	100.750	+\$0.250
VGR 10 1/2 11/01/26	100.000	100.000	100.500	+\$0.000
		Worst		-\$0.750
		Best		+\$1.000
		Avg		+\$0.042

Market Dashboard (a/o 2:05pm)

		1 Day Change	1 Week Change	52 Week Low	52 Week High	50 Day Moving Avg	200 Day Moving Avg
INDU	25,106.80	(273.94)	418.49	23,242.75	26,951.81	25,889.07	25,128.63
S&P 500	2,716.56	(23.81)	57.87	2,532.69	2,940.91	2,843.54	2,765.10
Nasdaq	7,326.13	(107.93)	158.92	6,630.67	8,133.30	7,768.40	7,519.34
VIX	20.74	1.40	(3.42)	8.56	50.30	15.95	15.96
Dealer Positions #	22,832		(3,206)	11,522	32,169	21,119	22,080
Fed Balance Sheet (\$B)	4,140		(3.33)	4,140	4,459	4,333	4,440
ECB Corp Holding (€mm)	17,346		80.1	12,227	17,346	15,272	14,752
Oil	63.2	(0.49)	(4.4)	52.5	76.7	69.8	65.4
Gold	1232.29	(1.14)	(1.2)	1160.39	1366.15	1208.03	1269.82
10yr Tips B/E	2.051	0.02	(0.0)	1.86	2.21	2.12	2.12
SOFR	2.220%	0.0	0.0	1.65%	2.25%	2.06%	
3mLibor	2.582%	0.0	0.1	1.39%	2.58%	2.40%	2.26%
OIS-Libor Spread	2.305%	0.0	0.0	1.28%	2.31%	2.20%	1.92%
2yr	2.892%	4.7	8.4	1.61%	2.91%	2.79%	2.52%
3yr	2.954%	5.3	9.7	1.72%	2.99%	2.87%	2.64%
5yr	3.017%	6.0	10.9	1.98%	3.07%	2.92%	2.77%
7yr	3.111%	6.3	11.3	2.17%	3.17%	3.00%	2.88%
10yr	3.196%	6.5	12.0	2.32%	3.23%	3.06%	2.93%
30yr	3.440%	6.3	12.9	2.69%	3.44%	3.22%	3.11%
2>5 Curve	12.3	1.3	2.6	8.6	48.4	12.9	24.5
2>10 Curve	30.2	1.8	3.7	18.3	78.8	26.1	40.4
5>10 Curve	17.8	0.5	1.1	8.8	35.5	13.0	15.8
10>30 Curve	24.2	(0.2)	0.9	9.1	49.3	16.8	18.0
2yr Swap	20.3	(1.1)	(0.6)	15.1	34.4	18.6	23.8
3yr Swap	18.8	(0.6)	(0.4)	14.1	29.0	16.8	20.2
5yr Swap	14.6	(0.8)	(0.5)	1.5	16.5	13.1	12.8
7yr Swap	8.2	(1.0)	(0.4)	-18.6	9.9	7.3	5.4
10yr Swap	6.0	(0.7)	(0.2)	-3.0	8.4	6.1	4.8
US IG OAS*	119	1.0	3.0	85	124	111	108
US HY OAS**	372	1.0	8.0	303	380	335	339

*- 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	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	4750	2600	7850	46000	7400	48195	11675	7900	3300	139,670
Oct	2800	27250	4250	10345	9580	26325	6075	5650		92,275
Nov			1350		2000	3850	400	300		7,900
Dec										
Total	18,600	78,026	96,819	196,095	64,593	460,133	82,331	83,820	14,050	1,094,468

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	3.4%	1.9%	5.6%	32.9%	5.3%	34.5%	8.4%	5.7%	2.4%	100%
Oct	3.0%	29.5%	4.6%	11.2%	10.4%	28.5%	6.6%	6.1%		100%
Nov			17.1%		25.3%	48.7%	5.1%	3.8%		100%
Dec										
Total	2%	7%	9%	18%	6%	42%	8%	8%	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	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	11,225
Aug		1,320	750	4,600	1,700	2,765	1,500	615	2,807	16,057
Sep	955	2,250	1,700	4,050	6,705	3,900	600	1,800		21,960
Oct		4,500	750	2,325	3,925	950		1,000		13,450
Nov		750						1,000		1,750
Dec										
Total	13,980	23,895	23,188	31,693	43,875	29,702	6,380	18,495	7,007	198,214

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	4%	10%	8%	18%	31%	18%	3%	8%		100%
Oct		33%	6%	17%	29%	7%		7%		100%
Nov		43%						57%		100%
Dec										
Total	7%	12%	12%	16%	22%	15%	3%	9%	4%	100%

* Source - R. Seelaus, Informa, Bloomberg

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