



7 March 2017

**FIXED INCOME MONTHLY**  
INVESTMENT BANKING

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**FIXED INCOME MARKET UPDATE: February 2017**

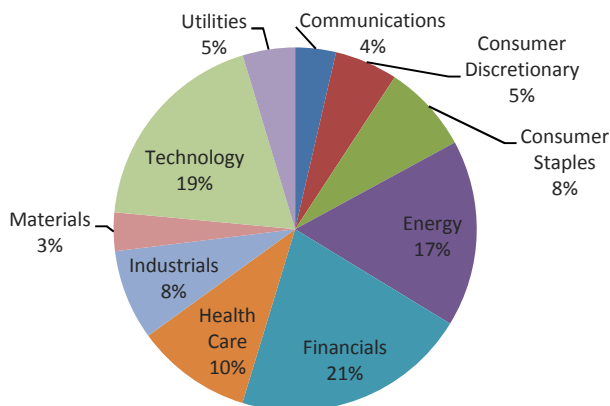
**KEY TAKEAWAY:**

The credit markets took a bit of a breather in February following January's record New-issue calendar. Despite a relatively unchanged interest rate environment, activity was muted as all eyes were on Washington, awaiting cabinet confirmations and an almost daily dose of new policy directives. However, there was no let-up in the demand for USD-based risk assets, as US equities continued to make new highs and credit spreads tightened to multi-year lows.

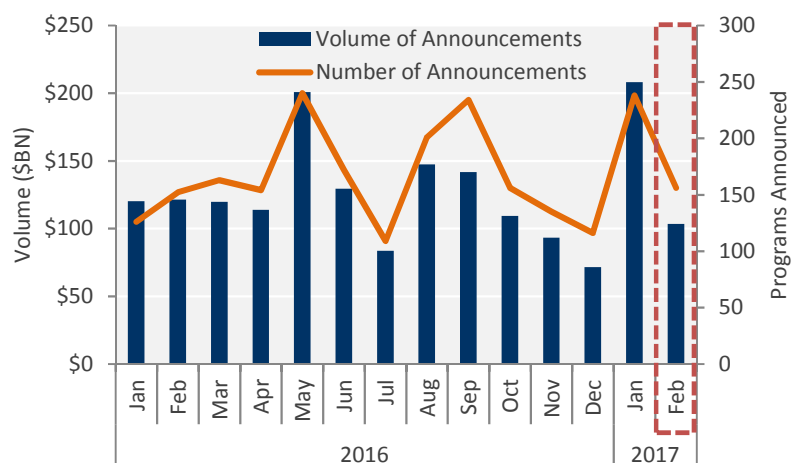
- For most of the month, US Treasuries rallied off their post-election highs amid weak US wage growth, fading odds of a near term tax cut and rising European political risk. Concerns about upcoming Dutch, French and German elections propelled short European sovereign rates to record negative lows. While the rally suggested to many a more realistic view on the fiscal policy outlook, by month's end the curve had flattened, as prospects for a Fed hike in March had become more widely expected, and 2YR Treasuries were pushed to their highest level since 2009.
- Regardless of the moves in underlying benchmark levels, the demand for credit remains indisputably strong across the yield curve. Especially noteworthy has been the uptick in Floating Rate note issuance, as investors have sought more defensive instruments in the face of potential Fed rate hikes. Despite the uncertainties associated with a change in administration and a heightened global geopolitical risk environment, the outlook for debt financing remains very positive across the credit spectrum, as optimism grows for a more robust economy.

**Volume of Announced Programs**

February 2017

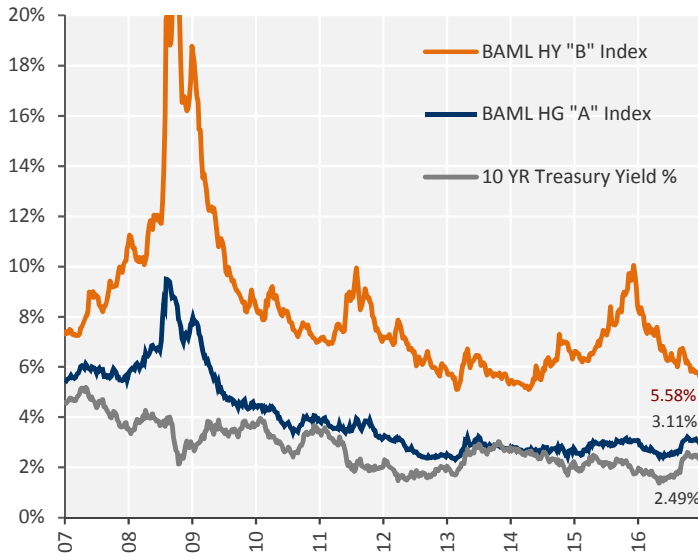


**Number and Volume of Announcements**

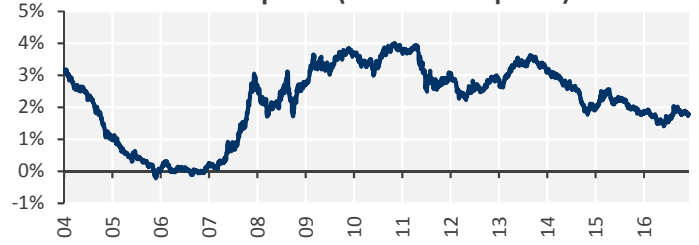


## YIELDS & SPREADS

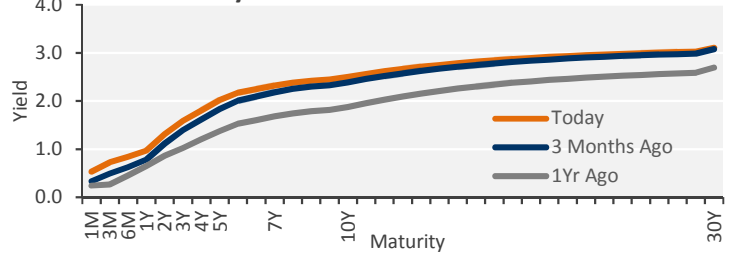
### 10 Year Treasury Yield with Spread



### Yield Curve Steepness (30 YR - 2YR spread)

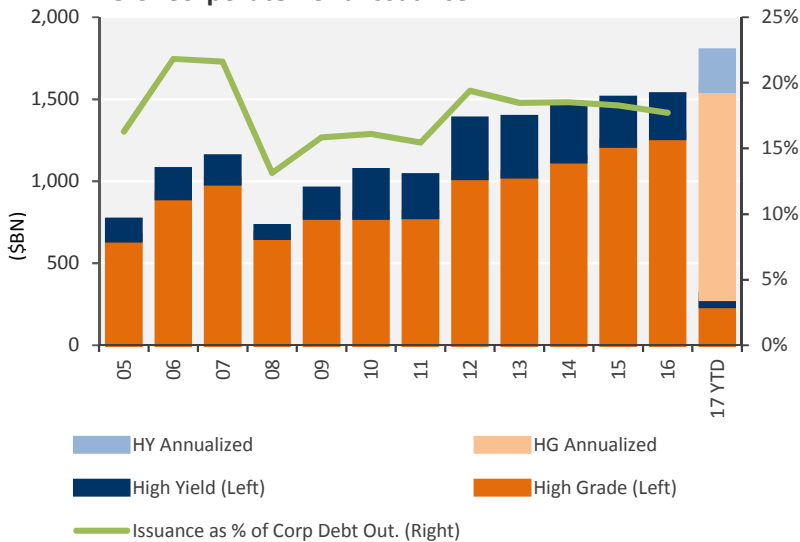


### U.S. Treasury Active Curve

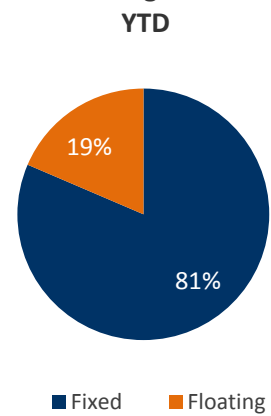


## U.S. CORPORATE BOND ISSUANCE

### U.S. Corporate Bond Issuance



### Fixed vs Floating Issuance 2017 YTD



**FEBRUARY 2017 ANNOUNCEMENTS (>\$1BN)**

Issuer	Coupon	Maturity	Size	Dated	Spread	Yield	Ratings
Morgan Stanley	1.842	2/14/2020	3,000	02/17	61	1.8	A3 / BBB+
Apple Inc	3.35	2/9/2027	2,250	02/17	73	3.2	Aa1 / AA+
Wells Fargo & Co	1.964	2/11/2022	2,000	02/17	73	1.9	A2 / A
JPMorgan Chase & Co	4.26	2/22/2048	2,000	02/17	116	4.2	A3 / A-
American Express Credit Corp	2.20	3/3/2020	2,000	02/17	64	2.2	A2 / A-
Microchip Technology Inc	1.625	2/15/2027	1,800	02/17	-104	1.5	B+u
Apple Inc	3.00	2/9/2024	1,750	02/17	58	2.9	Aa1 / AA+
American Express Credit Corp	2.70	3/3/2022	1,750	02/17	74	2.8	A2 / A-
Apple Inc	2.50	2/9/2022	1,500	02/17	45	2.5	Aa1 / AA+
Johnson & Johnson	3.625	3/3/2037	1,500	02/17	58	3.7	Aaae
Sabine Pass Liquefaction LLC	4.20	3/15/2028	1,350	02/17	173	4.2	BBB-
Sabine Pass Liquefaction LLC	4.20	3/15/2028	1,350	02/17	182	4.3	BBB-
MPLX LP	4.125	3/1/2027	1,250	02/17	160	4.1	Baa3 / BBB-
PNC Bank	2.625	2/17/2022	1,250	02/17	59	2.6	A2 / A
Scientific Games International Inc	7.00	1/1/2022	1,150	02/17	337	5.4	Ba3 / B+
Scientific Games International Inc	7.00	1/1/2022	1,150	02/17	337	5.4	Ba3 / B+
Symantec Corp	5.00	4/15/2025	1,100	02/17	239	4.6	Baa3e / BB+
Symantec Corp	5.00	4/15/2025	1,100	02/17	235	4.6	Baa3e / BB+
Pfizer Inc	4.20	3/17/2047	1,065	02/17	116	4.3	A1e / AA
Comcast Corp	4.45	3/15/2047	1,005	02/17	266	4.4	A3 / A-
EP Energy LLC / Everest Acquisition Finance Inc	8.00	2/15/2025	1,000	02/17	626	8.8	Caa1 / B-
EP Energy LLC / Everest Acquisition Finance Inc	8.00	2/15/2025	1,000	02/17	612	8.7	Caa1 / B-
US Bancorp	5.30	N/A	1,000	02/17	256	4.5	A3 / BBB
Apple Inc	1.538	2/9/2022	1,000	02/17	40	1.5	Aa1 / AA+
Apple Inc	1.90	2/7/2020	1,000	02/17	28	1.9	Aa1 / AA+
Apple Inc	4.25	2/9/2047	1,000	02/17	108	4.2	Aa1 / AA+
Discover Financial Services	4.10	2/9/2027	1,000	02/17	157	4.1	Ba1 / BBB-
Post Holdings Inc	5.50	3/1/2025	1,000	02/17	296	5.1	B3e / B
Post Holdings Inc	5.50	3/1/2025	1,000	02/17	296	5.1	B3e / B
MPLX LP	5.20	3/1/2047	1,000	02/17	204	5.2	Baa3 / BBB-
Novartis Capital Corp	3.10	5/17/2027	1,000	02/17	68	3.2	Aa3 / AA-
Novartis Capital Corp	2.40	5/17/2022	1,000	02/17	53	2.6	Aa3 / AA-
Novartis Capital Corp	1.80	2/14/2020	1,000	02/17	32	1.9	Aa3 / AA-
Apple Inc	4.30	3/3/2047	1,000	02/17	255	4.3	Aa1
AECOM	5.125	3/15/2027	1,000	02/17	233	4.9	Ba3 / BB
Philip Morris International Inc	2.00	2/21/2020	1,000	02/17	55	2.2	A2 / A
AECOM	5.125	3/15/2027	1,000	02/17	238	4.9	Ba3 / BB
Johnson & Johnson	2.25	3/3/2022	1,000	02/17	29	2.3	Aaae
Chevron Corp	2.895	3/3/2024	1,000	02/17	63	3.0	Aa2 / AA-
Johnson & Johnson	2.95	3/3/2027	1,000	02/17	50	3.0	Aaae
Johnson & Johnson	3.75	3/3/2047	1,000	02/17	73	3.8	Aaae

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