



6 December 2016

FIXED INCOME MONTHLY INVESTMENT BANKING

Table of Contents:

NOVEMBER MARKET UPDATE	1
VOLUMES, LIQUIDITY & SPREADS	2
MONTHLY ISSUANCE	3

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FIXED INCOME MARKET UPDATE: November 2016

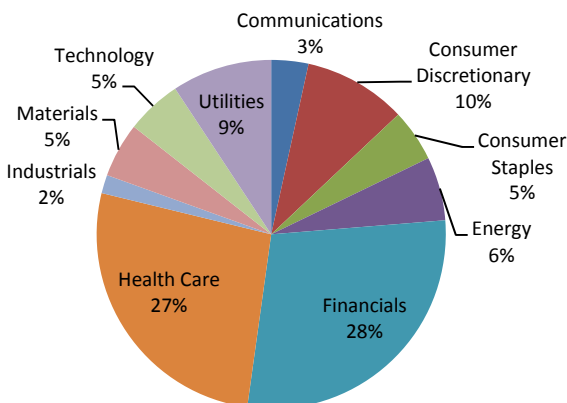
KEY TAKEAWAY:

The results of one of the most anticipated elections in US history stunned investors and roiled markets across the globe for most of the month. US equities soared to new all-time highs, while Treasuries sold off dramatically in response to renewed optimism on growth and the outlook for inflation in a new, fiscally motivated administration.

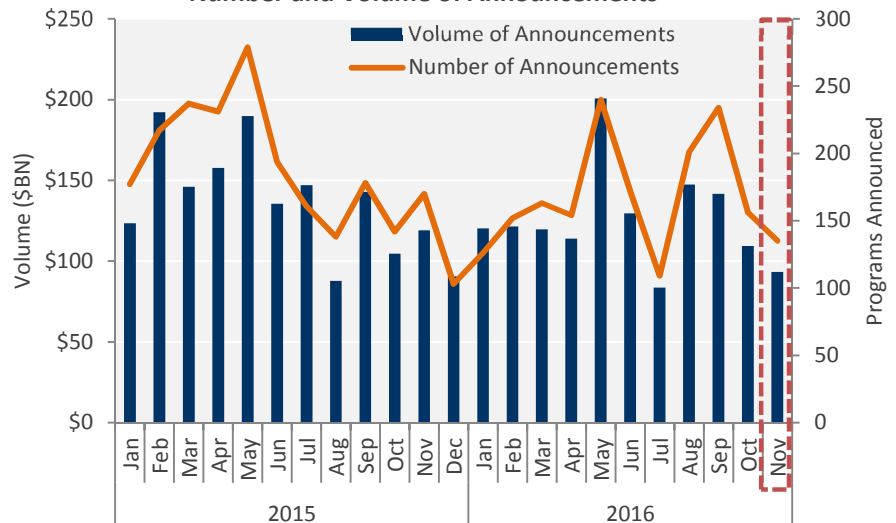
- Overall, Treasuries had their worst month in seven years as doomsayers were quick to predict the end of the 30 year bull market in bonds. 10 year paper gave up 50 bps, ending the month at 2.40%, while long bonds traded behind 3.00%, as record amounts were pulled from US bond funds in the two weeks following the election. Despite the back-up in benchmark levels however, credit spreads held up remarkably well, with Investment Grade paper trading at YTD tight at mid-month. This lack of any perceived deterioration in credit risk, coupled with a global glut in savings, should keep yields within a comfort range for most prospective borrowers going forward.
- While a Fed hike for December appears baked in at this point, speculation abounds about the extent and number of moves next year. The populist wave engulfing the globe, from Brexit to Trump to upcoming elections across Europe, all suggest increasing periods of short-term volatility. Change is in the air, no question, and while prospects for US growth certainly seem buoyed by the election, many question the idea of any sustained upward move in inflation and bond yields. As such, support for risk assets will likely continue amid a low, but positive global growth outlook and monetary policy that can still best be described as accommodating.

Volume of Announced Programs

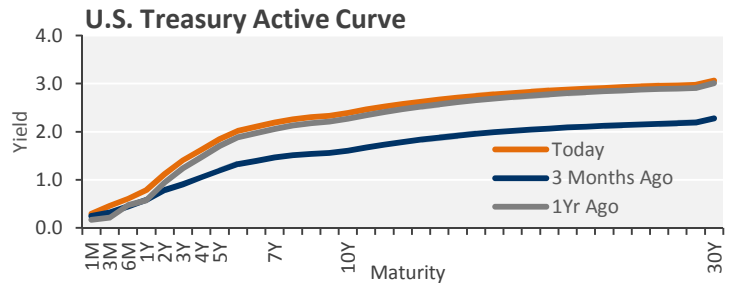
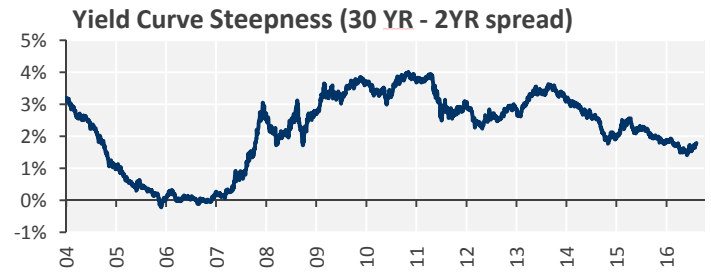
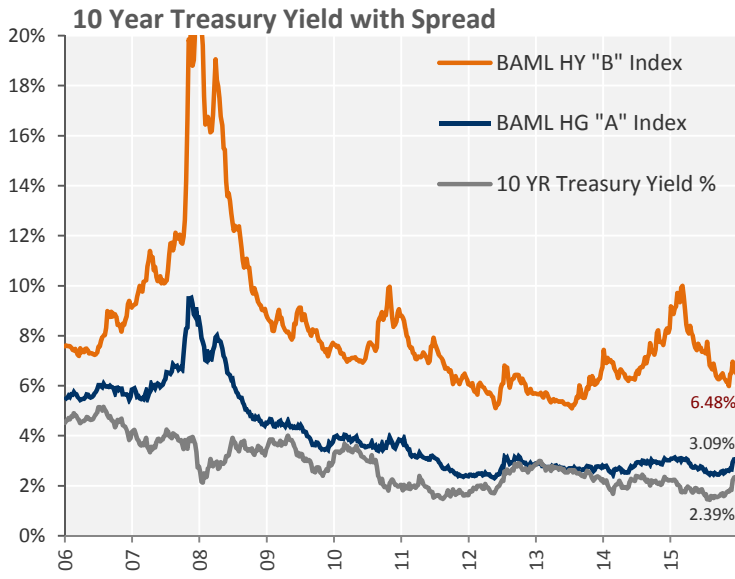
November 2016



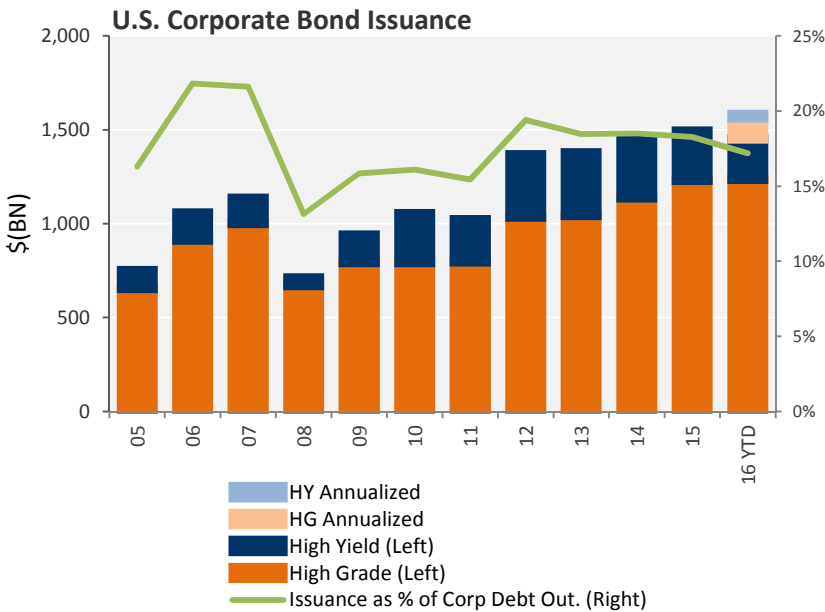
Number and Volume of Announcements



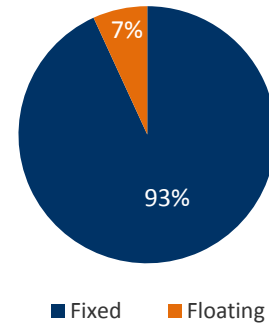
YIELDS & SPREADS



U.S. CORPORATE BOND ISSUANCE



Fixed vs Floating Issuance 2016 YTD



NOVEMBER 2016 ANNOUNCEMENTS (>\$1BN)

Issuer	Coupon	Maturity	Size	Dated	Spread	Yield	Ratings
Morgan Stanley	2.625	11/17/2021	3,250	11/16	102	2.9	A3 / BBB+
Abbott Laboratories	4.90	11/30/2046	3,250	11/16	174	4.8	Baa3 / A+
Abbott Laboratories	3.75	11/30/2026	3,000	11/16	146	3.9	Baa3 / A+
Abbott Laboratories	2.90	11/30/2021	2,850	11/16	108	2.9	Baa3 / A+
Abbott Laboratories	2.35	11/22/2019	2,850	11/16	86	2.3	Baa3 / A+
The Goldman Sachs Group Inc	3.50	11/16/2026	2,750	11/16	133	3.7	A3 / BBB+
Bank of America Corp	4.183	11/25/2027	2,000	11/16	183	4.2	Baa3 / BBB
State Street Bank & Trust Co	0.984	5/25/2017	1,990	11/16	39	1.1	NR
Pfizer Inc	3.00	12/15/2026	1,750	11/16	74	3.2	A1
Abbott Laboratories	4.75	11/30/2036	1,650	11/16	157	4.7	Baa3 / A+
Abbott Laboratories	3.40	11/30/2023	1,500	11/16	130	3.5	Baa3 / A+
Time Warner Inc	3.80	2/15/2027	1,500	11/16	148	3.9	Baa2 / BBB
Toyota Motor Credit Corp	1.192	12/5/2017	1,500	11/16	27	1.2	AA-
Pfizer Inc	4.125	12/15/2046	1,250	11/16	103	4.1	A1
JPMorgan Chase & Co	3.625	12/1/2027	1,100	11/16	153	3.9	Baa1 / BBB+
Bank of America Corp	2.151	11/9/2020	1,000	11/16	62	2.5	Baa1 / BBB+
Pfizer Inc	2.20	12/15/2021	1,000	11/16	47	2.3	A1
Pfizer Inc	4.00	12/15/2036	1,000	11/16	87	4.0	A1
Pfizer Inc	1.70	12/15/2019	1,000	11/16	34	1.8	A1
SunTrust Banks Inc	2.70	1/27/2022	1,000	11/16	84	2.7	Baa1 / BBB+

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