



6 May 2016

# FIXED INCOME MONTHLY INVESTMENT BANKING

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## Investment Banking Contacts:

Coral Gables Office 305.374.3600  
New York Office 646.979.1169

**William Robertson**  
Senior Vice President  
Head of Syndicate  
wrobertson@guzman.com

**Greg Brown**  
Senior Vice President  
Debt Capital Markets  
gbrown@guzman.com

**Ruslan Magdeev**  
Managing Director  
rmagdeev@guzman.com

**Angela Terra**  
Vice President  
aterra@guzman.com

**Ethan Creo**  
Analyst  
ecreo@guzman.com

## FIXED INCOME MARKET UPDATE: April 2016

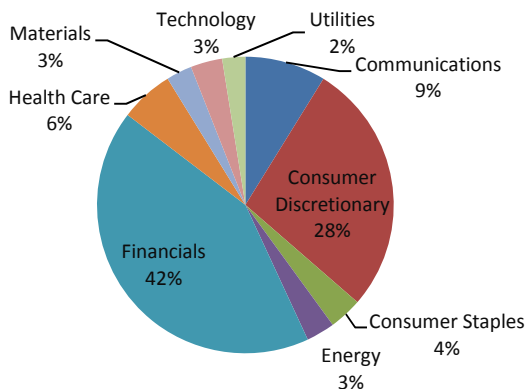
### KEY TAKEAWAY:

The risk-on rally that began in March continued into April, with most asset classes moving further into positive territory for the year. A slower projected path of Fed rate increases and additional bond buying from European and Japanese central banks pushed bond yields to record lows early in the month. The \$USD had its lowest close in almost a year on speculation the Fed wasn't in a rush to raise rates. The weaker \$USD in turn provided added lift to equities and proved to be a boon for commodities, with oil up over 20% in the month.

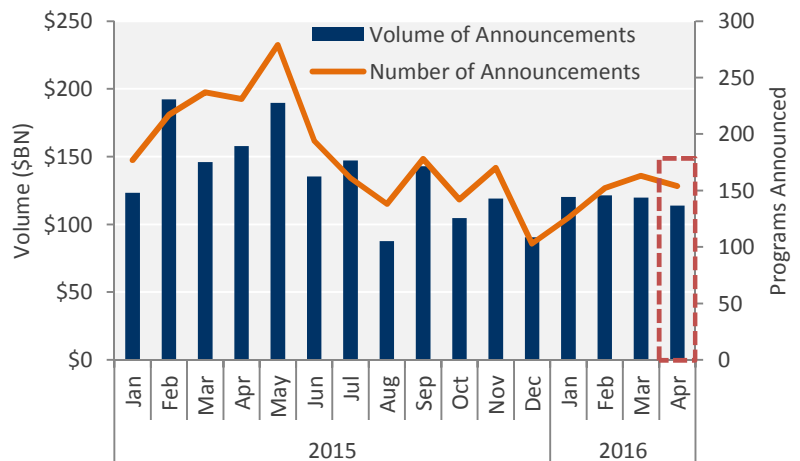
- Overall, bonds globally returned 3.3% through 4/30, the strongest start to a year since 1997. Investment grade corporates were by far the best performer in April, as spreads contracted to YTD lows by month end. High-yield has had an equally impressive run, having narrowed 1/3 in the last two and a half months from +844 to +566. We are definitely in a sweet spot in the bond market, and with Treasuries thought to be range bound over the balance of the year, credit is likely to continue to outperform.
- While earnings blackouts dampened April issuance, a very active calendar is expected for May. One noteworthy transaction in April was Argentina's (B3/B-) dramatic return to the international market after having been frozen out of global debt markets since defaulting in 2001. They received over \$70BN in orders for a \$16BN multi-tranche offering that priced well below initial expectations. The ongoing need for yield, coupled with a greater willingness to take on risk, suggests the financing environment will remain very favorable as we move through Q2.

## Volume of Announced Programs

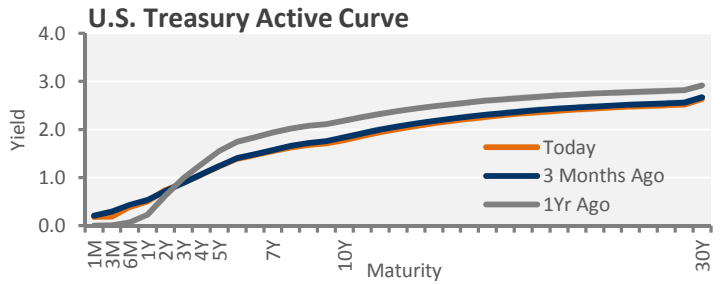
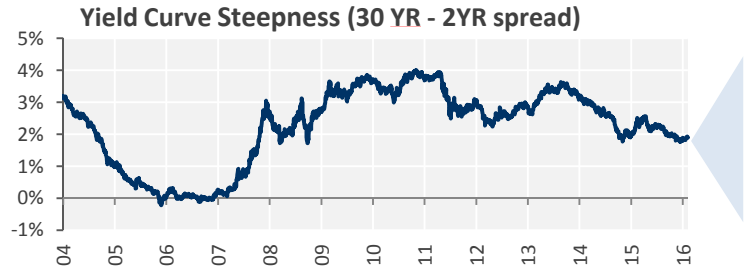
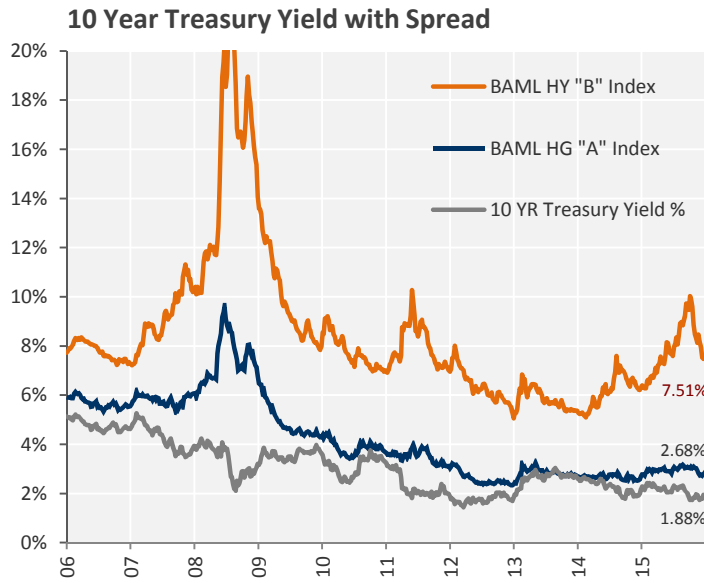
April 2016



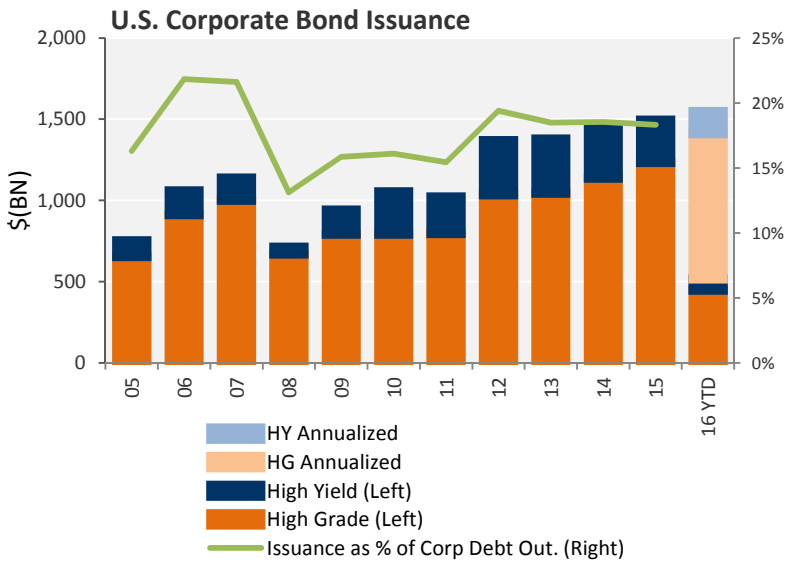
## Number and Volume of Announcements



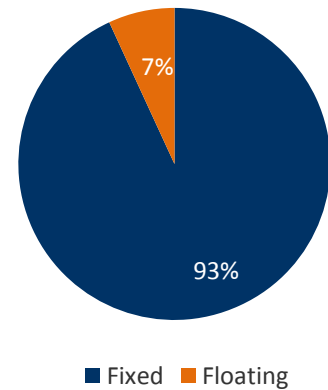
## YIELDS & SPREADS



## U.S. CORPORATE BOND ISSUANCE



### Fixed vs Floating Issuance 2016 YTD



**APRIL 2016 ANNOUNCEMENTS (>\$1BN)**

Issuer	Coupon	Maturity	Size	Dated	Spread	Yield	Ratings
Altice US Finance I Corp	5.50	5/15/2026	1,500	04/16	351	5.3	Ba3 / BB-
Altice US Finance I Corp	5.50	5/15/2026	1,500	04/16	355	5.4	Ba3 / BB-
Bank of America Corp	3.50	4/19/2026	2,500	04/16	153	3.3	Baa1 / BBB+
Bank of America Corp	2.625	4/19/2021	2,000	04/16	112	2.4	Baa1 / BBB+
The Bank of New York Mellon Corp	2.05	5/3/2021	1,250	04/16	46	1.7	A1e / A
BellSouth LLC	4.40	4/26/2017	1,000	04/16	63	1.4	Baa1 / BBB+
BMW US Capital LLC	2.80	4/11/2026	1,000	04/16	79	2.6	A2 / A+
BMW US Capital LLC	1.50	4/11/2019	1,500	04/16	41	1.3	A2 / A+
BMW US Capital LLC	2.00	4/11/2021	1,500	04/16	63	1.9	A2 / A+
BMW US Capital LLC	2.00	4/11/2021	1,500	04/16	60	1.9	A2 / A+
BMW US Capital LLC	2.80	4/11/2026	1,000	04/16	79	2.6	A2 / A+
BMW US Capital LLC	1.50	4/11/2019	1,500	04/16	51	1.4	A2 / A+
CCO Holdings LLC / CCO Holdings Capital Corp	5.50	5/1/2026	1,500	04/16	347	5.3	B1 / *+ / BB- / *+
CCO Holdings LLC / CCO Holdings Capital Corp	5.50	5/1/2026	1,500	04/16	337	5.2	B1 / *+ / BB- / *+
Citigroup Inc	6.25	Perp	1,500	04/16	411	5.6	Ba2 / BB+
Citigroup Inc	3.40	5/1/2026	2,000	04/16	152	3.3	Baa1 / BBB+
Ford Motor Credit Co LLC	3.096	5/4/2023	1,000	04/16	146	3.0	Baa2 / BBB
Ford Motor Credit Co LLC	2.021	5/3/2019	1,250	04/16	105	2.0	Baa2 / BBB
The Goldman Sachs Group Inc	2.625	4/25/2021	1,500	04/16	114	2.4	A3 / BBB+
The Goldman Sachs Group Inc	1.998	4/23/2021	1,000	04/16	130	1.9	A3 / BBB+
Lowe's Cos Inc	2.50	4/15/2026	1,350	04/16	63	2.4	A3 / A-
Lowe's Cos Inc	3.70	4/15/2046	1,350	04/16	111	3.7	A3 / A-
MGP Escrow Issuer LLC / MGP Escrow Co-Issuer Inc	5.625	5/1/2024	1,050	04/16	314	5.0	B+
MGP Escrow Issuer LLC / MGP Escrow Co-Issuer Inc	5.625	5/1/2024	1,050	04/16	318	5.0	B+
Micron Technology Inc	7.50	9/15/2023	1,250	04/16	540	6.9	Baa2 / BBB-
Micron Technology Inc	7.50	9/15/2023	1,250	04/16	491	6.5	Baa2 / BBB-
Morgan Stanley	2.50	4/21/2021	2,500	04/16	112	2.4	A3 / BBB+
Morgan Stanley	2.035	4/21/2021	1,000	04/16	128	1.9	A3 / BBB+
NBTY Inc	7.625	5/15/2021	1,075	04/16	593	7.3	Caa1 / CCC+
NBTY Inc	7.625	5/15/2021	1,075	04/16	611	7.4	Caa1 / CCC+
PNC Bank NA	2.15	4/29/2021	1,250	04/16	74	2.0	A2 / A
Prime Security Services Borrower LLC / Prime Finance Inc	9.25	5/15/2023	3,140	04/16	731	8.7	(P)B3 / *+ / B-
Prime Security Services Borrower LLC / Prime Finance Inc	9.25	5/15/2023	3,140	04/16	760	8.9	(P)B3 / *+ / B-
Springleaf Finance Corp	8.25	12/15/2020	1,000	04/16	610	7.4	B3 / B
Target Corp	2.50	4/15/2026	1,000	04/16	71	2.5	A2 / A
Target Corp	3.625	4/15/2046	1,000	04/16	105	3.7	A2 / A
Thermo Fisher Scientific Inc	3.00	4/15/2023	1,000	04/16	118	2.7	Baa3 / BBB
Toyota Motor Credit Corp	1.90	4/8/2021	1,250	04/16	59	1.8	Aa3 / AA-
Toyota Motor Credit Corp	0.965	4/24/2017	1,000	04/16	23	0.9	A / AA-
Tribune Media Co	5.875	7/15/2022	1,100	04/16	462	5.9	B2e / BB-
US Bancorp	3.10	4/27/2026	1,000	04/16	115	2.9	A1e / A-
US Bank NA/Cincinnati OH	1.40	4/26/2019	1,250	04/16	41	1.3	A1e / AA-
Wells Fargo & Co	3.00	4/22/2026	3,500	04/16	120	3.0	A2 / A
Wells Fargo Bank NA	1.028	4/13/2017	1,412	04/16	17	0.9	NR

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