



7 March 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: February 2016**

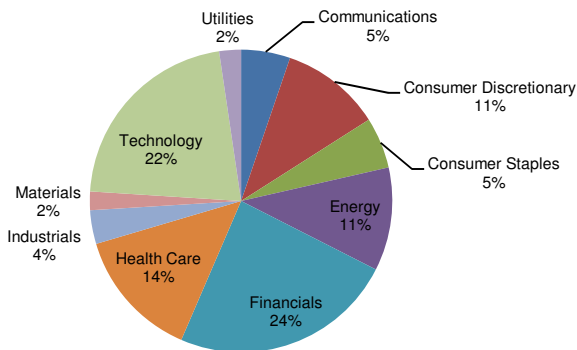
**KEY TAKEAWAY:**

Credit markets got off to a slow start in February as equity market volatility once again dominated market sentiment. An overly focused preoccupation with the price of oil, along with concerns about a potential Chinese devaluation and possible British exit from the Eurozone all conspired to bring equity markets to new lows for the year. As investors shunned risk assets globally, Treasury yields fell dramatically to levels not seen since last spring. Ten year Treasuries approached 1.50% and long bonds touched 2.50%. Additionally, by mid-month credit spreads had widened to their worst levels in 4 years as signs of stress in global financial markets gathered momentum.

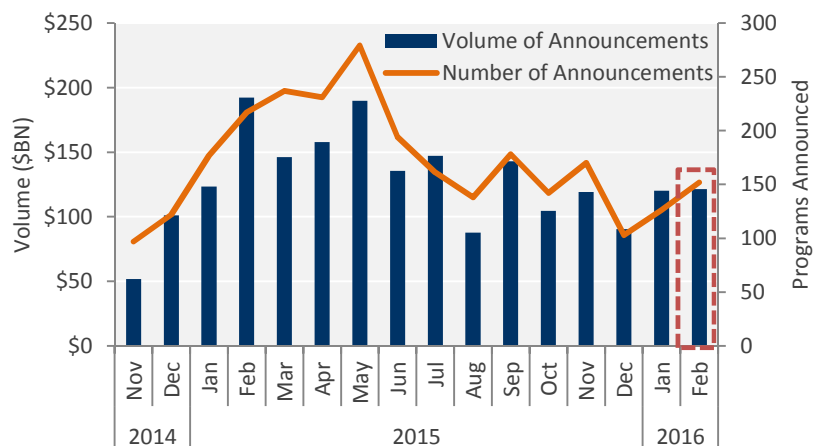
- Not surprisingly, spread sensitive issuers stepped away from the market, preferring to wait for sustained stability before moving forward. Relief finally came over the last two weeks of the month in the form of higher oil prices and a strong rebound in stock prices following well received earnings reports. As the underlying tone improved and spreads began to reverse course after widening for most of the month, issuers began to tip-toe back into the market. By month's end, new-issue IG volume approached \$110BN, up 6% from 2015 and the second busiest February on record.
- As we move into Spring, credit fundamentals remain strong, underpinned by a healthy US economy that appears capable of generating 2% growth. Additionally, investors worldwide are likely to allocate more money to credit as negative interest rates in Japan and Europe bolster demand for bonds that yield more than Sovereign debt. And finally, with long Treasuries anchored by global growth concerns, underlying yields are likely to remain range bound at levels that should continue to look enticing to many borrowers. All of which suggest a very favorable financing environment going forward.

**Volume of Announced Programs**

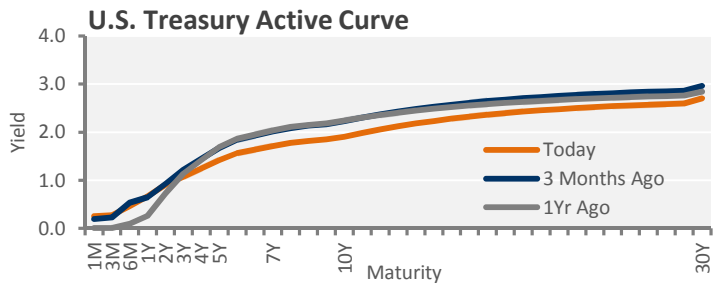
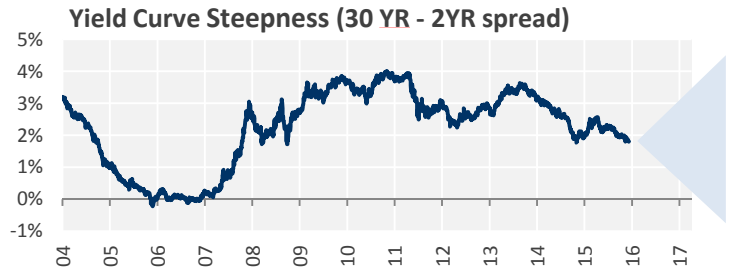
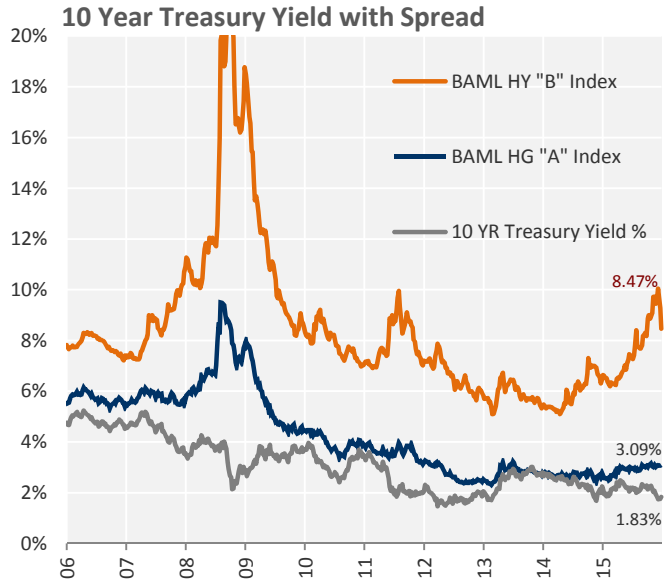
February 2016



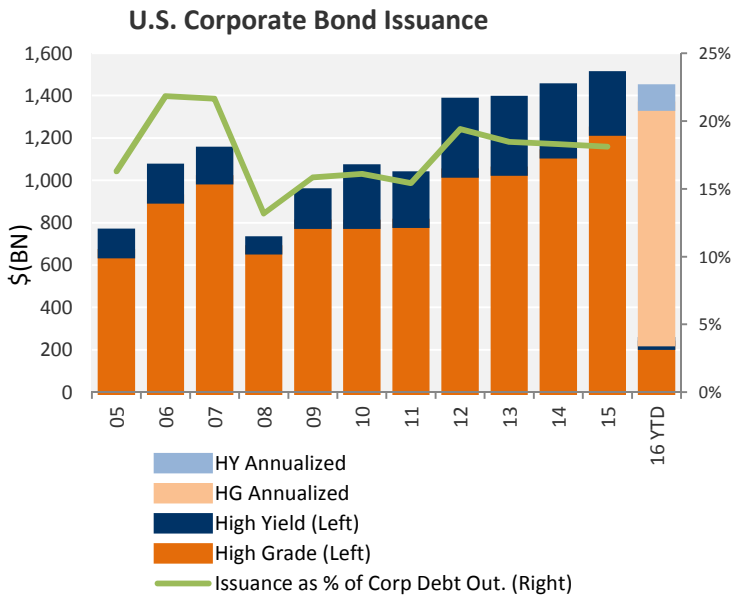
**Number and Volume of Announcements**



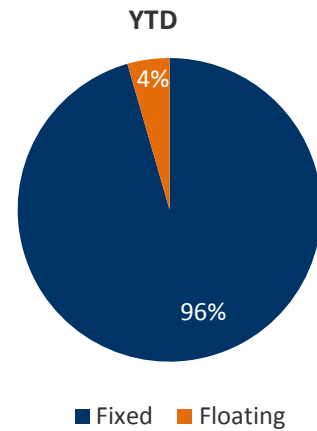
## YIELDS & SPREADS



## U.S. CORPORATE BOND ISSUANCE



### Fixed vs Floating Issuance 2016



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

Issuer	Coupon	Maturity	Size	Dated	Spread	Yield	Ratings
Wells Fargo & Co	2.50	3/4/2021	2,750	02/16	111	2.5	A2 / A
Apple Inc	4.65	2/23/2046	2,500	02/16	167	4.4	Aa1 / AA+
Cisco Systems Inc	2.20	2/28/2021	2,500	02/16	74	2.2	A1 / AA-
JPMorgan Chase & Co	2.55	3/1/2021	2,500	02/16	129	2.7	A3 / A-
Apple Inc	2.25	2/23/2021	2,250	02/16	60	2.0	Aa1 / AA+
Apple Inc	3.25	2/23/2026	2,000	02/16	104	3.0	Aa1 / AA+
Johnson & Johnson	3.70	3/1/2046	2,000	02/16	101	3.7	Aaa / AAA
Johnson & Johnson	2.45	3/1/2026	2,000	02/16	61	2.5	Aaa / AAA
Bank of America Corp	4.45	3/3/2026	2,000	02/16	253	4.4	Baa3 / BBB
The Goldman Sachs Group Inc	3.75	2/25/2026	1,750	02/16	184	3.7	A3 / BBB+
Apple Inc	2.85	2/23/2023	1,500	02/16	85	2.6	Aa1 / AA+
Comcast Corp	3.15	3/1/2026	1,500	02/16	100	2.9	A3 / A-
Express Scripts Holding Co	4.50	2/25/2026	1,500	02/16	246	4.4	Baa2 / BBB+
American International Group Inc	3.30	3/1/2021	1,500	02/16	167	3.1	Baa1 / A-
General Motors Financial Co Inc	4.20	3/1/2021	1,500	02/16	269	4.1	Ba1 / BBB-
The Home Depot Inc	2.00	4/1/2021	1,350	02/16	56	2.0	A2 / A
International Business Machines Corp	3.45	2/19/2026	1,350	02/16	130	3.2	Aa3e / A+
The Home Depot Inc	3.00	4/1/2026	1,300	02/16	78	2.7	A2 / A
Toyota Motor Credit Corp	1.70	2/19/2019	1,250	02/16	61	1.7	Aa3 / AA-
Apple Inc	4.50	2/23/2036	1,250	02/16	148	4.2	Aa1 / AA+
General Motors Co	6.60	4/1/2036	1,250	02/16	344	6.1	Ba1 / BBB-
US Bank NA/Cincinnati OH	1.068	8/23/2017	1,250	02/16	96	1.6	A1e / AA-
The Goldman Sachs Group Inc	2.875	2/25/2021	1,250	02/16	154	3.0	A3 / BBB+
Cisco Systems Inc	1.40	2/28/2018	1,250	02/16	38	1.3	A1 / AA-
General Motors Financial Co Inc	5.25	3/1/2026	1,250	02/16	320	5.1	Ba1 / BBB-
International Business Machines Corp	1.80	5/17/2019	1,200	02/16	68	1.7	Aa3e / A+
Apple Inc	1.70	2/22/2019	1,000	02/16	20	1.3	Aa1 / AA+
The Bank of New York Mellon Corp	2.50	4/15/2021	1,000	02/16	95	2.4	A1 / A
UnitedHealth Group Inc	3.10	3/15/2026	1,000	02/16	119	3.1	A3 / A+
Cisco Systems Inc	1.60	2/28/2019	1,000	02/16	41	1.5	A1 / AA-
Roche Holdings Inc	2.625	5/15/2026	1,000	02/16	89	2.8	A1 / AA
Cisco Systems Inc	1.236	2/21/2018	1,000	02/16	36	1.0	A1 / AA-
Roche Holdings Inc	2.625	5/15/2026	1,000	02/16	87	2.8	A1 / AA
Johnson & Johnson	1.65	3/1/2021	1,000	02/16	35	1.8	Aaa / AAA
Johnson & Johnson	3.55	3/1/2036	1,000	02/16	87	3.6	Aaa / AAA
Wells Fargo & Co	1.975	3/4/2021	1,000	02/16	127	1.9	A2 / A
SunTrust Banks Inc	2.90	3/3/2021	1,000	02/16	149	2.9	Baa1 / BBB+

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