



7 April 2016

# FIXED INCOME MONTHLY INVESTMENT BANKING

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## FIXED INCOME MARKET UPDATE: March 2016

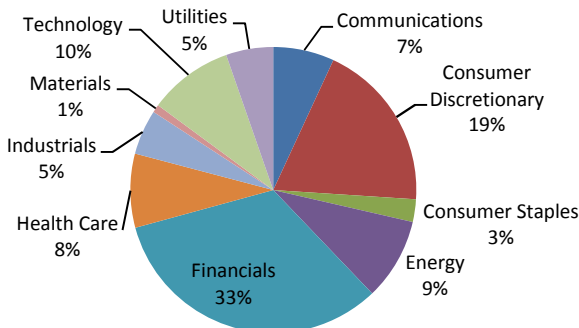
### KEY TAKEAWAY:

**Risk-On became the order of the day in March as Central Bank actions sparked a global reflation trade that brought most asset classes back into positive territory for the year. The initial spark came early in the month from the ECB in the form of a stimulus package that far exceeded market expectations and included a surprise provision for the purchase of Euro-denominated corporate bonds. Following the announcement, stock indexes soared and credit risk fell around the world on hopes that these actions would eventually feed into the real economy.**

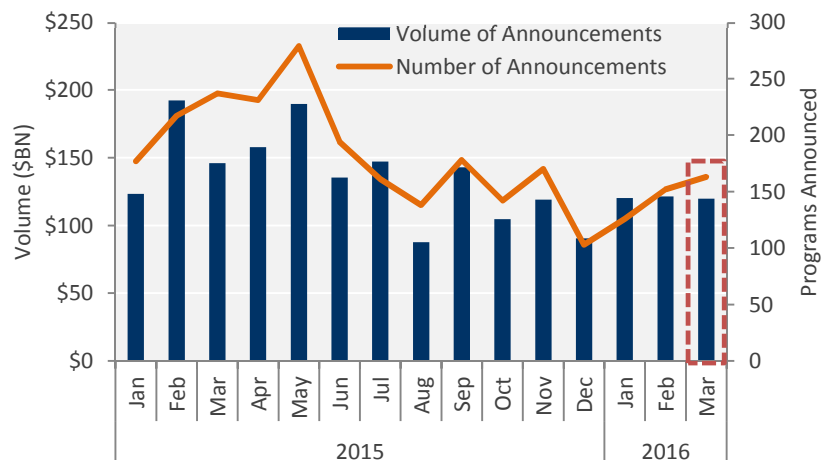
- This positive sentiment prevailed as we moved through March with icing on the cake coming late in the month when Yellen, in a much anticipated speech, unexpectedly signaled the Fed would not be raising rates in the near future. To most, that meant July as the earliest possibility, with June off the table in front of the British "Brexit" vote on June 23. Equity markets resumed their move higher on a weaker \$USD while IG credit spreads contracted to their lowest levels of the year, touching +172 by month's end, down from +220 on Feb. 11. High yield bond funds saw some of their largest inflows on record, reflecting a significant upswing in investor confidence and new-issue IG volume topped \$135BN, the highest monthly volume this year.
- With Treasuries range bound and European and Japanese sovereign yields negative out to 10 years, credit is now the sweet spot for many investors. Fueled by a voracious appetite from pension funds and insurers for investment grade securities, US corporate bonds were one of the best performers for the quarter, up over 3.1%, the best Q1 performance in 20 years. Against this backdrop, issuance is likely to remain robust as we move into the new quarter. Most of the macro concerns that plagued us at the start of the year seem to have subsided and have now given way to a new optimism, however temporary that may be.

### Volume of Announced Programs

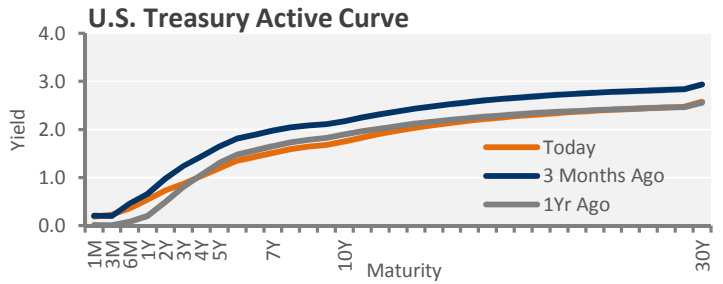
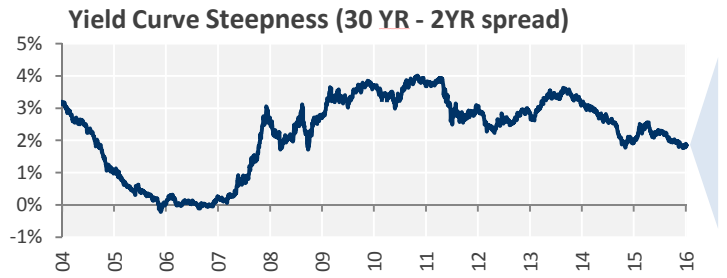
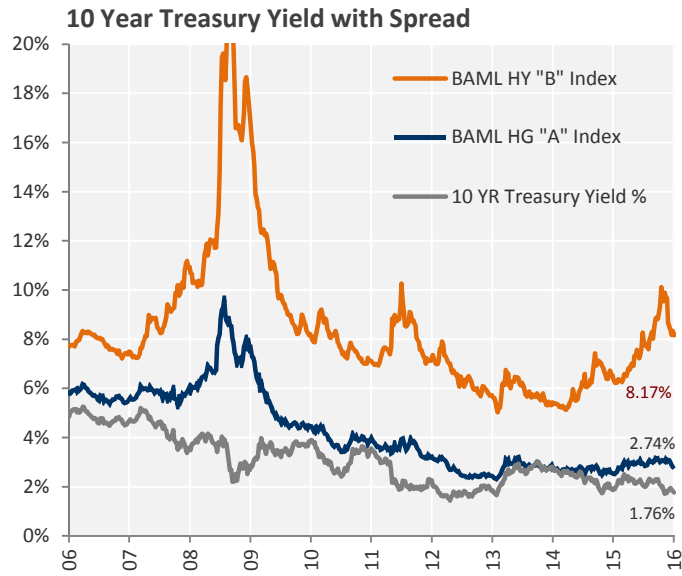
March 2016



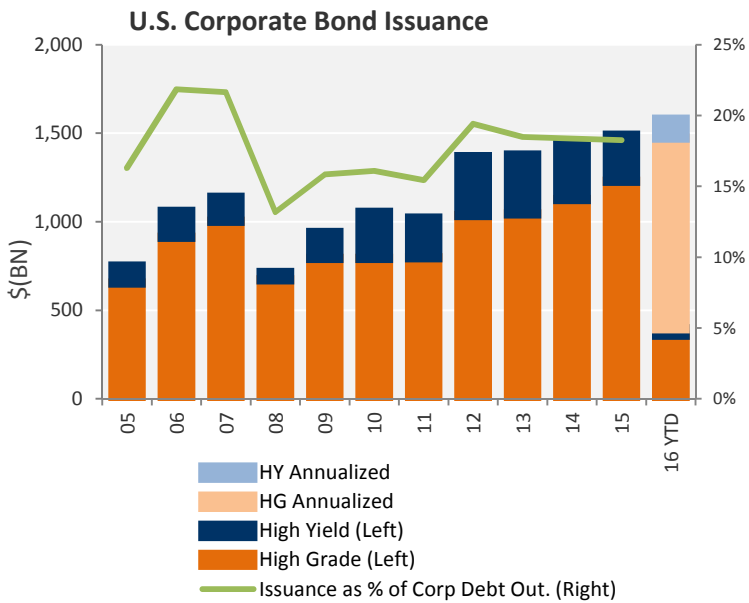
### Number and Volume of Announcements



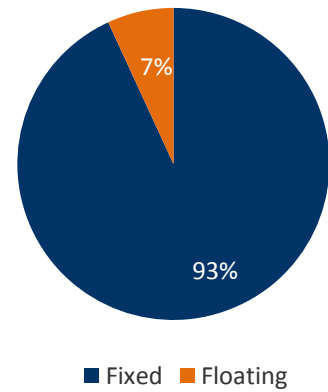
## YIELDS & SPREADS



## U.S. CORPORATE BOND ISSUANCE



### Fixed vs Floating Issuance 2016 YTD



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

Issuer	Coupon	Maturity	Size	Dated	Spread	Yield	Ratings
Berkshire Hathaway Inc	3.125	3/15/2026	2,500	03/16	99	2.8	Aa2 / AA
JPMorgan Chase & Co	3.30	4/1/2026	2,500	03/16	141	3.2	A3 / A-
Berkshire Hathaway Inc	2.75	3/15/2023	2,000	03/16	85	2.4	Aa2 / AA
Wells Fargo Bank NA	1.175	9/7/2017	2,000	03/16	49	1.1	Aa2 / AA-
Newell Rubbermaid Inc	4.20	4/1/2026	2,000	03/16	181	3.6	Baa3 / BBB-
Western Digital Corp	7.375	4/1/2023	1,875	03/16	565	7.0	Ba1 / BBB-
Western Digital Corp	7.375	4/1/2023	1,875	03/16	546	6.8	Ba1 / BBB-
Ford Motor Credit Co LLC	3.336	3/18/2021	1,750	03/16	150	2.7	Baa2 / BBB
Newell Rubbermaid Inc	5.50	4/1/2046	1,750	03/16	231	4.9	Baa3 / BBB-
Newell Rubbermaid Inc	3.85	4/1/2023	1,750	03/16	168	3.2	Baa3 / BBB-
Citigroup Inc	4.60	3/9/2026	1,500	03/16	248	4.2	Baa3 / BBB
HCA Inc	5.25	6/15/2026	1,500	03/16	305	4.8	Ba1 / BBB-
American International Group Inc	3.90	4/1/2026	1,500	03/16	187	3.6	Baa1 / A-
Citigroup Inc	2.70	3/30/2021	1,500	03/16	131	2.5	Baa1 / BBB+
Omnicom Group Inc	3.60	4/15/2026	1,400	03/16	148	3.2	Baa1 / BBB+
Berkshire Hathaway Finance Corp	1.70	3/15/2019	1,250	03/16	30	1.2	Aa2 / AA
FedEx Corp	4.55	4/1/2046	1,250	03/16	157	4.1	Baa2 / BBB
Occidental Petroleum Corp	4.40	4/15/2046	1,200	03/16	178	4.4	A3 / A
Occidental Petroleum Corp	3.40	4/15/2026	1,150	03/16	151	3.3	A3 / A
Anadarko Petroleum Corp	5.55	3/15/2026	1,100	03/16	376	5.5	Ba1 / BBB
Anadarko Petroleum Corp	6.60	3/15/2046	1,100	03/16	393	6.5	Ba1 / BBB
JPMorgan Chase & Co	1.85	3/22/2019	1,100	03/16	72	1.6	A3 / A-
Wells Fargo Bank NA	0.787	9/2/2016	1,037	03/16	25	0.7	Aa2 / AA-
PNC Bank NA	1.95	3/4/2019	1,000	03/16	72	1.6	A2 / A
Stryker Corp	3.50	3/15/2026	1,000	03/16	121	3.0	Baa1 / A
KeyBank NA/Cleveland OH	2.35	3/8/2019	1,000	03/16	111	2.0	A3 /*- / A-
Stryker Corp	4.625	3/15/2046	1,000	03/16	155	4.1	Baa1 / A
Berkshire Hathaway Inc	2.20	3/15/2021	1,000	03/16	54	1.7	Aa2 / AA
Berkshire Hathaway Finance Corp	1.184	3/7/2018	1,000	03/16	33	1.0	Aa2 / AA
Huntington Bancshares Inc/OH	3.15	3/14/2021	1,000	03/16	143	2.6	Baa1 / BBB
Newell Rubbermaid Inc	3.15	4/1/2021	1,000	03/16	130	2.5	Baa3 / BBB-
Newell Rubbermaid Inc	2.60	3/29/2019	1,000	03/16	116	2.0	Baa3 / BBB-
Sysco Corp	3.30	7/15/2026	1,000	03/16	131	3.1	A3 / BBB+
Citigroup Inc	2.009	3/30/2021	1,000	03/16	126	1.9	Baa1 / BBB+

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