

Weekly U.S. Investment Grade Market Update

April 19, 2024



Table of contents

1	<u>U.S. Investment Grade Summary</u>	3
2	<u>U.S. Investment Grade Capital Market Overview</u>	6
3	<u>Weekly Issuance</u>	8



1: U.S. Investment Grade Summary



U.S. Investment Grade Summary

Benchmark Interest Rates

	Friday	12-Apr	Change	1-Month Ago	3-Months Ago
Fed Funds Rate	5.31%	5.31%	-	5.31%	5.31%
SOFR Index	5.30%	5.31%	-1 bps	5.31%	5.31%
3-Month Bill	5.44%	5.39%	5 bps	5.39%	5.37%
UST 2-Year	4.99%	4.90%	9 bps	4.60%	4.36%
UST 5-Year	4.67%	4.56%	11 bps	4.25%	4.05%
UST 10-Year	4.62%	4.52%	10 bps	4.27%	4.14%
UST 30-Year	4.71%	4.63%	8 bps	4.45%	4.37%
2s to 30s	-27 bps	-27 bps	-1 bps	-15 bps	1 bps

Interest Rate Swap Spreads^(a)

	Friday	52 Wk Hi	52 Wk Low	1-Month Ago	3-Months Ago
2-Year	-9 bps	10 bps	-23 bps	-10 bps	-17 bps
5-Year	-25 bps	-18 bps	-33 bps	-23 bps	-27 bps
10-Year	-38 bps	-23 bps	-42 bps	-37 bps	-38 bps
30-Year	-77 bps	-64 bps	-77 bps	-74 bps	-71 bps

Major Equity Indices

	Friday	1-Week Ago	% Change	1-Month Ago	1-Year Ago
Dow Jones Industrials	37,986.40	37,983.24	0.0%	39,512.13	33,786.62
S&P 500	4,967.23	5,123.41	-3.0%	5,224.62	4,129.79
Nasdaq	15,282.01	16,175.09	-5.5%	16,369.41	12,059.56
Nikkei	37,068.35	39,523.55	-6.2%	40,003.60	28,657.57
DAX	17,737.36	17,930.32	-1.1%	18,015.13	15,795.97
FTSE 100	7,895.85	7,995.58	-1.2%	7,737.38	7,902.61

Global Currency Markets (versus USD)

	Friday	52 Wk Hi	52 Wk Low	1-Month Ago	3-Months Ago
JPY	154.64	153.23	154.79	133.02	151.26
EUR	1.07	1.06	1.13	1.04	1.09
GBP	1.24	1.25	1.31	1.20	1.28
CHF	0.91	0.91	0.92	0.83	0.89

Upcoming Economic Calendar

Date	Time (ET)	Release	Period	Survey	Prior
23-Apr	8:30	S&P Global US Manufacturing PMI	Apr P	52	51.9
25-Apr	8:30	GDP Annualized QoQ	1Q A	2.50%	3.40%
25-Apr	8:30	Personal Consumption	1Q A	2.60%	3.30%
26-Apr	9:15	Personal Income	Mar	0.50%	0.30%
26-Apr	7:00	Personal Spending	Mar	0.60%	0.80%
26-Apr	8:30	PCE Deflator MoM	Mar	0.30%	0.30%
26-Apr	8:30	PCE Deflator YoY	Mar	2.60%	2.50%
26-Apr	8:30	PCE Core Deflator MoM	Mar	0.30%	0.30%
26-Apr	10:00	PCE Core Deflator YoY	Mar	2.70%	2.80%
26-Apr	10:00	U. of Mich. Sentiment	Apr F	77.9	77.9

Issuance Volume

	Last Week		YTD 2024		YTD 2023	
	\$MM	No. Deals	\$MM	No. Deals	\$MM	No. Deals
I-Grade	33,550	11	612,025	369	451,290	287

All data as of 5:00pm April 19, 2024.

Source: Bloomberg; MUFG and MCM CorporateWatch. Totals include only corporates – sovereigns and government excluded

(a) Spreads represent the difference between the respective SOFR Swap Index and the rate of the respective US Treasury.

Note: Referenced transactions are not an offer or sale of securities and are being provided for informational purposes only.



U.S. Investment Grade Summary (continued)

Economic & Market Highlights

Equities fell this week (DOW 0.0%, S&P -3.0%, NASDAQ -5.5%). US Treasury yields were higher with the 2-year UST yield closing today's session at 4.99% (from the previous Friday's close of 4.90%), the 10-year UST yield closing at 4.62% (from the previous Friday's close of 4.52%), and the long bond yield closing at 4.71% (from the previous Friday's close of 4.63%)

- Equities fell and Treasuries ended the session higher after a volatile week driven by retail data, Fed commentary, and continued conflict in the Middle East.
 - > **March retail sales came in hotter than expected** on Monday (04/15), growing 0.7% MoM (0.4% exp.), underscoring the resiliency of the US consumer and reinforcing the higher-for-longer dialogue
 - > Treasuries were volatile this week, **experiencing double-digit basis point moves** in response to hawkish fed comments and geopolitical concerns in the Middle East
 - > Initial Jobless Claims **came in line with expectations** at 212k (215k exp.)
 - > On Tuesday (04/16), Fed Chair Jerome Powell acknowledged that recent data has shown a lack of further progress on inflation and indicated that the Fed is willing to keep rates steady for **"as long as needed"**
 - Other Fed members expressed similar concerns over inflation progress and alluded to **rates remaining higher for longer** (Goolsbee, Bostic, Kashkari, Bowman, Williams)
- Brent crude climbed above \$90 per barrel briefly this morning before retracing its gains as the market remains sensitive to any potential escalation in the Middle East.

Primary IG Corporate Overview

In primary markets this week, 11 investment grade issuers priced \$33.55 billion across 24 tranches, above the consensus expectations of \$20 billion. Offerings on average saw new issue concessions of +4.5 bps, books 3.9x oversubscribed and movement from IPTs to final spread of -26.0 bps. Consensus estimates are calling for about \$20 billion in IG primary supply next week.

This week **MUFG** was a Bookrunner on the following transactions:

- **Eversource Energy (Baa2/BBB+)** priced \$1.4 billion across 2 tranches
- **Hana Bank (Aa3/A+)** priced \$600 million across 2 tranches
- **Royal Bank of Canada** priced \$1.0 billion of 60NC5s LRCN at 7.50%
- **Électricité de France SA (Baa1/BBB)** priced \$2.05 billion across 3 tranches

All data as of 5:00pm April 19, 2024.

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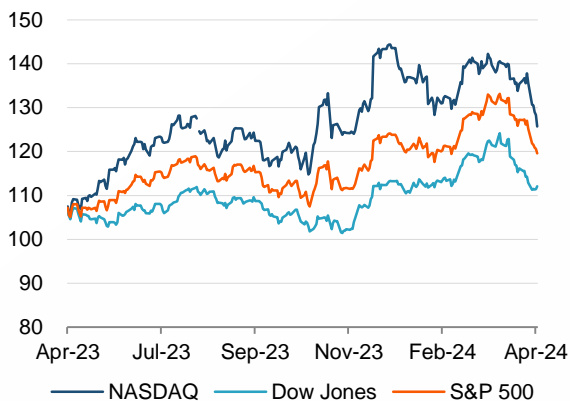
U.S. Investment Grade

2: Capital Market Overview

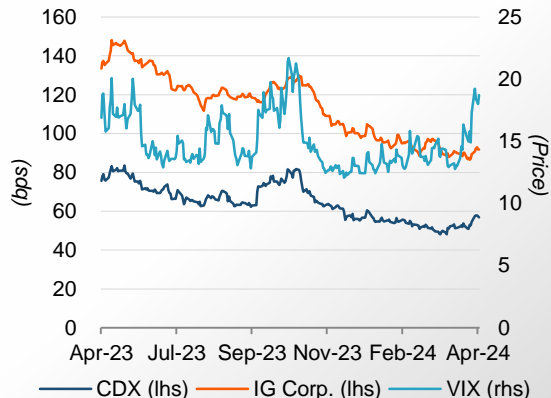


U.S. Investment Grade Capital Market Overview

Major Equity Indices



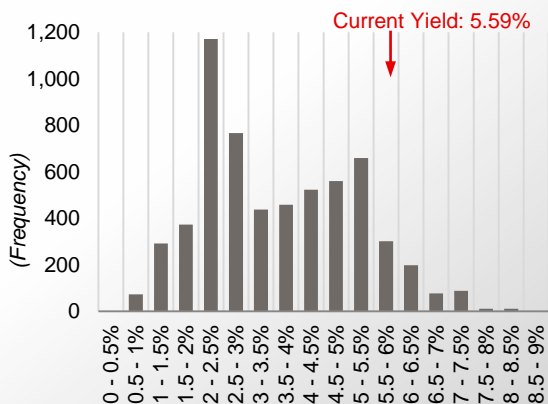
Credit and Risk Indices



10-Year UST Yield

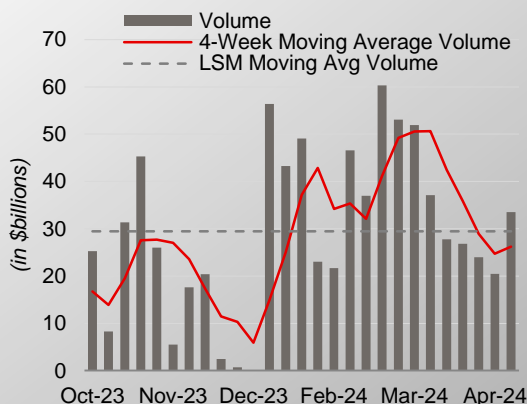


5-Year All-In Yield Distributions

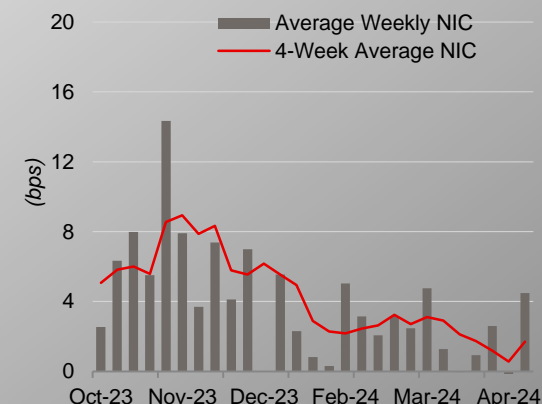


5-year Indicative Yields for Investment Grade Corporates since 9/9/2000

Weekly Volume



New Issue Concessions



All data as of 5:00pm April 19, 2024.

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3: Weekly Issuance



Last Week's Investment Grade Transactions

Date	Issuer	\$33.55 Billion		Tranche Size (\$MM)	Maturity	Coupon	Spread	NIC
		Total Deal Size (\$MM)	Ratings					
15-Apr-24	Electricite de France SA	\$2,050	Baa1/BBB	\$650	22-Apr-29	5.650%	+105 bps	+7 bps
				\$650	22-Apr-34	5.950%	+135 bps	+7 bps
				\$750	22-Apr-64	6.000%	+185 bps	+2 bps
	Eversource Energy	\$1,400	Baa2/BBB+	\$700	15-Apr-31	5.850%	+120 bps	+7 bps
				\$700	15-Jul-34	5.950%	+135 bps	+7 bps
	JPMorgan Chase & Co.	\$9,000	A1/A-	\$2,500	22-Apr-28	5.571%	+80 bps	+2 bps
				\$750	22-Apr-28	FRN	+92 bps	+2 bps
				\$2,750	22-Apr-30	5.581%	+95 bps	+5 bps
				\$3,000	22-Apr-35	5.766%	+115 bps	+5 bps
	Wells Fargo & Co.	\$4,250	A1/BBB+	\$1,000	22-Apr-28	FRN	+107 bps	+5 bps
				\$3,250	22-Apr-28	5.707%	+95 bps	+5 bps
16-Apr-24	Hana Bank	\$600	Aa3/A+	\$300	23-Apr-27	5.375%	+70 bps	+5 bps
				\$300	23-Apr-29	5.375%	+78 bps	+3 bps
	Johnson Controls International plc / Tyco Fire & Security Finance S.C.A.	\$700	Baa2/BBB+	\$700	19-Apr-29	5.500%	+88 bps	+10 bps
17-Apr-24	Morgan Stanley	\$8,000	A1/A-	\$1,000	13-Apr-28	FRN	+102 bps	+3 bps
				\$1,500	13-Apr-28	5.652%	+90 bps	+3 bps
				\$2,500	18-Apr-30	5.656%	+105 bps	+3 bps
				\$3,000	19-Apr-35	5.831%	+125 bps	+3 bps
	Royal Bank of Canada	\$1,000	NR/NR	\$1,000	2-May-84	7.500%	+289 bps	N/A
18-Apr-24	Citizens Financial Group Inc.	\$750	Baa1/BBB+	\$750	25-Apr-35	6.645%	+200 bps	+3 bps
	Goldman Sachs Group, Inc.	\$5,000	A2/BBB+	\$2,500	25-Apr-30	5.727%	+105 bps	+3 bps
	\$2,500			25-Apr-35	5.851%	+122 bps	+4 bps	
	LG Electronics Inc.	\$800	Baa2/BBB	\$500	24-Apr-27	5.625%	+95 bps	N/A
				\$300	24-Apr-29	5.625%	+110 bps	N/A

Bold text denotes MUFG bookrunner transaction

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