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WEEKLY BRIEF: CREDIT

– BIG PICTURE –

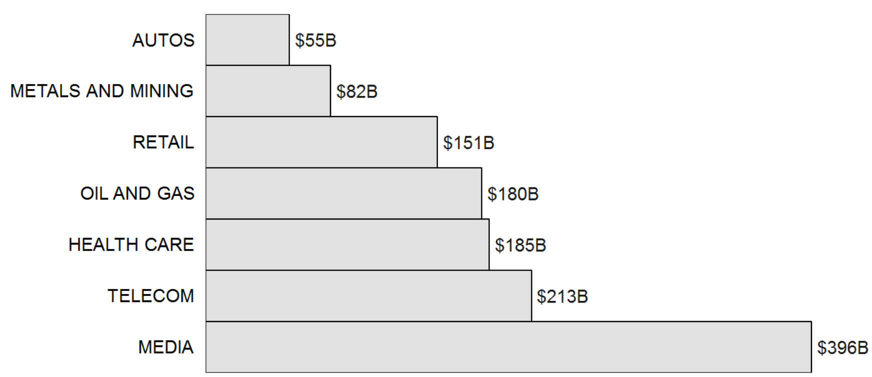
More Industries Face Debt Trouble in 2018

BY ELIZA RONALDS-HANNON AND EMMA ORR

With credit spigots wide open, there hasn't been much for distressed-debt specialists to pounce on. But some are seeing signs of more opportunities ahead, as cases of troubled companies show up in a broader range of industries.

Almost 40% of industries are weakened or stressed this year, up from just 9% in 2015, loan market data from Highland Capital show. Issuers with junk ratings are also spread across a wider range of industries, rather than clustered in the usual suspects for struggling companies such as retail and energy, according to S&P.

SECTORS IN DISTRESS
STRESSED INDUSTRIES HAVE MORE THAN $1 TRILLION OF SPECULATIVE-GRADE DEBT



SOURCE: S&P GLOBAL RATINGS

Trey Parker, CIO for Highland, which has $13.9 billion under management, says the breadth of industry troubles mean a "domino effect" could come into play. "I'm not saying that our perspective on the credit markets is pointing us towards a negative outlook for 2018," Parker said, but contagion across an industry could be sparked if a handful of its companies run into trouble, as happened in energy in 2015, he said.

Steve Zelin, who leads the restructuring practice at PJT Partners, said advisers are looking broadly across sectors to see what companies haven't kept up with technology-induced turmoil. "We'll see a fair amount of disruption because of technology across all sectors exposing the weaker players," Zelin said.

The following names were culled from Bloomberg's data on companies with pending debt maturities. Unless otherwise noted, companies declined to comment or didn't respond to messages.

Media and Telecom

The lion's share of current distressed debt comes from broadcast and media companies, according to a Dec. 21 report by Fitch Ratings. Radio broadcaster iHeartMedia makes up nearly a third of deeply distressed performing debt, according to Bloomberg Intelligence. Landline phone companies are seeing consumers shift to wireless and online phone services, while media companies are also facing competition from online music and video.

Names to watch: iHeartMedia; Frontier Communications; Centurylink; Windstream Holdings

Health Care

Technology, rising costs and regulatory changes affect hospital chains, specialty pharmaceutical companies and other medical sectors. Health-care bankruptcy filings more than tripled in 2017, according to data compiled by Bloomberg.

Names to watch: Endo International; Community Health Systems; HCR ManorCare; New Trident Holdcorp

Oil and Gas

Despite rebounding oil prices, the energy rout isn't over. Clean energy, new drilling processes and swings in commodity prices continue to put pressure on the sector.

Names to watch: Jones Energy; Sheridan Energy; EP Energy; Calumet Specialty Products Partners

Retail

Disruption from online shopping, "fast fashion" and changing consumer habits will continue to roil the industry. U.S. retailers closed 6,800 stores last year, and more chains became distressed or filed bankruptcy in 2017 than during the financial crisis.

Names to watch: Claire's Stores; Bon-Ton; Sears; Nine West; J. Crew; Neiman Marcus

Metals and Mining

Shifting global demand patterns, prolonged price routs and innovation in recycling are putting pressure on mining companies from copper to coal. A White House plan that would've bolstered coal producers was shot down by regulators, which could lead to more power plant closures, according to Murray Energy CEO Bob Murray.

"It's not good for coal, obviously, but we'll weather the storm," Murray said regarding the regulatory shift.

Names to watch: Murray Energy; Sheritt International.; Imperial Metals

Autos

The effect of ride-share services like Uber and Lyft and developments like electric and driverless cars are all being felt across the industry. Traditional rental car companies have been among the first impacted, with earnings pressure and declining debt prices.

Names to watch: Hertz Global; Avis Budget

Hertz "has the ability to support a variety of customers' transportation needs," spokeswoman Karen Drake said by email.

— WITH ASSISTANCE FROM AUSTIN WEINSTEIN.

– HEADLINES –

Hedge fund Solus sued Blackstone's GSO and homebuilder Hovnanian over a debt refinancing deal, accusing them of manipulating the credit-default swaps market. GSO stands to lose "massive sums of money on an ill-fated CDS investment" unless Hovnanian creates an artificial default on its existing debt and issues new debt designed to trade below par, Solus said in the complaint.

Cable operator Altice USA is tapping the U.S. leveraged-loan and high-yield bond markets for two issues of $500 million each as soon as the end of this week through its Cablevision Systems unit, according to people familiar. It's part of billionaire Patrick Drahi's plan to spin off the U.S. cable-television arm of his telecommunication empire.

Sears raised $100 million in new financing and is in talks to get $200 million more after failing to stem sliding sales during the crucial holiday season. The retailer is borrowing from ESL Investments, the hedge fund run by Edward Lampert. The interest rate is 12.5 percentage points above Libor, and the company can defer cash payment in the first year.

KKR collected $2.24 billion for a private credit fund, exceeding its $1 billion target. KKR Private Credit Opportunities II will focus on private corporate debt and mezzanine lending, financial assets, hard assets and structured credit.

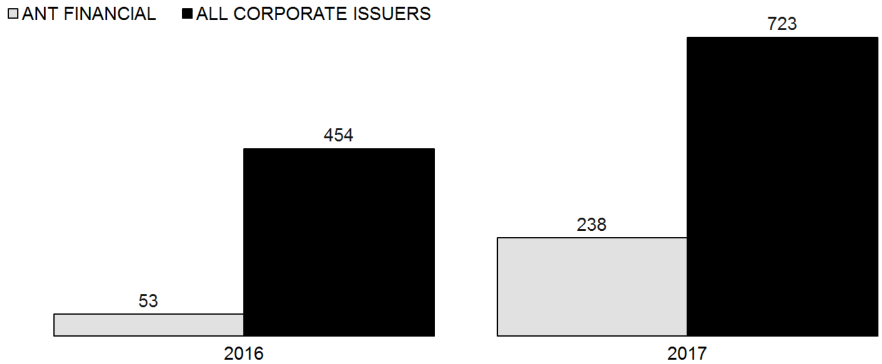
Intesa Sanpaolo is in talks to sell its credit-servicing platform and a portfolio of bad loans to Swedish debt-collection agency Intrum Justitia as the Italian bank accelerates its disposal of soured debt, people familiar said. Intrum is having an "ongoing dialogue" with the bank about buying the assets. The loans have a face value of about 10 billion euros ($12 billion).

U.K. retailer New Look is prepared for a cut of credit insurance to its suppliers as it struggles to turn around the business, according to a statement sent to its investors on Jan. 9. The company said it has adequate liquidity and credit facilities in place to face a reduction or withdrawal of insurance. Insurers including Euler Hermes had withdrawn coverage from many of New Look's suppliers, a report in last weekend's Sunday Times said.

L Brands sold $500 million of junk bonds to refinance borrowings, finding strong demand even after the parent of Victoria's Secret had posted disappointing December sales. The company sold senior unsecured notes due 2028, it said in a statement Jan. 8.

Jack Ma's Ant Financial is pausing the sale of debt backed by consumer loans as the government steps up curbs on micro lending. It hasn't sold any ABS since early December, according to data compiled by Bloomberg and China Securitization Analytics. That marks an abrupt shift after it issued a record 238 billion yuan ($37 billion) in 2017 of such securities backed by consumer loans.

DEBT GIANT
ANT'S ABS SALES ACCOUNT FOR A THIRD ISSUED BY ALL CHINESE COMPANIES



SOURCE: BLOOMBERG AND CHINA SECURITIZATION ANALYTICS

Monte Paschi received orders for more than triple the subordinated debt it offered today, as an indicative Moody's rating eight levels below IG proved no hurdle to investors. The 750 million-euro ($903 million) sale brought more daylight to a bank that was Italy's most unstable only a year ago.

Bohai Capital, a unit of HNA Group, plans to tap the onshore bond market after cancelling an offering last month. The leasing firm with AAA local ratings plans to sell 1 billion yuan ($153 million) of 270-day notes on Jan. 12, according to the Shanghai Clearing House's website.

Export-Import Bank of Korea, a state-run lender to Korean shipbuilders, issued a 250 million franc ($256 million) note in June. That was its first in the Swiss currency in three years, according to data compiled by Bloomberg. The bank is interested in selling more franc-denominated debt this year, Treasurer Yoon Hee-sung said in an interview.

Adani Abbot Point Terminal in Australia's Queensland state has to refinance about A$326 million ($256 million) of a loan due in November, S&P said. The credit assessor currently has a BBB- credit score and stable outlook on the port's rated debt securities.

– PEOPLE MOVES –

Lynette Vanderwarker has joined Angel Island Capital, a San Francisco-based alternative investment adviser and credit manager, as chief strategy officer, according to a company statement.

Alcentra named **Leland Hart** as head of U.S. loans and high yield. The firm is an arm of BNY Mellon Investment Management that focuses on alternative fixed income.

Phil Yeates has been appointed managing director at Investcorp Credit Management and will head its European Credit Funds business, according to a company statement.

Jonathan Lupo, **John Heffers**, **Barry Connolly** and **Jonathan Knepper** have left Stifel Financial's leveraged finance sales and trading team and are in discussions to join Mizuho, according to people familiar.

AlixPartners named six new managing directors in its turnaround and restructuring services. They include **Dan Coen**, **Jeff Drake**, **Glen Fietta** and **Stelios Fragkos** in London. **Pilar Tarry** was promoted in the Chicago office and **Kent Percy** in New York.

– VOICES –

Rate Volatility Is High-Yield Credit's Biggest Risk

Srinivas Dhulipala, founder of credit hedge fund Kildonan Castle Asset Management, said rate volatility presents the single-biggest risk to the high-yield credit market.

Dhulipala, who manages $350 million and was the former head of the prop trading desk at Bank of America, spoke with Sridhar Natarajan on Dec. 14. Comments have been edited and condensed.

What's your outlook for high-yield debt in 2018?
My base case is the market returns 3%; the bull case is that it returns maybe 6% and the bear case is that it returns a negative 9% or 10%.

What's the single biggest risk in the market right now?
Rate volatility. We are very close to all-time tights in both yield and spread terms. You don't have to believe that rates will sell off but just pause and think about the rally not continuing. The daily liquidity money that you have in the market to a large extent is controlled by sentiment. If that changes and if outflows commence, you don't really have the cushion of credit spreads to protect you.

What are the political risks for markets?
North Korea is what I would consider to be an exogenous event that has repercussions across asset classes. Alternatively, corporate tax reform that increases deficits and causes rates to rise even though it's a tax cut, could have a negative impact on credit.

Anything that accelerates that process, any political action that causes inflation to rise, is something I am worried about.

How do you hedge that risk and place those bets?
By being ultra cautious. With credit yields and spreads so tight, hedging now has become rather cheap. We are trying to find sectors that potentially have a negative impact from rising rates. We find the names of those sectors and some companies with fundamental issues within them and we short them.

We use bonds mostly to short and we will use CDS every once in a while. A lot of the bonds are rather easy to borrow. The amount of shorts in the marketplace is also at the lows and the size of the market is double what it was in 2008.

Where's the next wave of distressed?
My bearishness in credit doesn't come because I think fundamentally things are bad, it comes from the fact that the upside is completely limited. There will be idiosyncratic dispersions within the sectors.

There are a lot of companies out there that should have defaulted and haven't because refinancing has not been a risk. As we go forward, some of these marginal names that are highly levered, that depend on the capital markets, become highly susceptible.

Where are the pockets of value?
Mid-cap and small-cap credits are generally undervalued. Money managers have become larger and larger and in the hunt for being liquid, they all gravitate towards names that are index eligible and theoretically they are all large cap structures. So that leaves small cap capital structures. They are under owned and provide good value.

One of those sectors that provides decent value is shipping; it has been abandoned entirely. That sector has not been without its fundamental flaws. The fact that these tend to be all mid-cap and small-cap companies presents a unique pocket of value, especially at a time when global growth is supposed to be pointing to 4%, which directly speaks to global trade being robust.

– MARKET CALLS –

Man Group is turning wary on emerging-market dollar bonds after the securities rallied the most since the global financial crisis. Investors have plunged into riskier assets in their hunt for yield, and now face mounting risks, according to the firm, which managed $103.5 billion of assets as of Sept. 30.

Deutsche Bank expects a heavy supply of dollar bond offerings from Chinese borrowers as Beijing's deleveraging campaign is likely to keep yuan yields elevated. Still, valuations on dollar securities from Chinese borrowers are cheaper compared with the rest of Asia, and the bank is keeping an "overweight" recommendation on them.

Asian credit's upside is limited amid rich valuations, according to research firm Bondcritic. "Investors have gone down the credit spectrum in search of higher yield and there have been a clearly greater tactical allocation to credits, or what we define as 'froth' which would not otherwise have found buyers in risk-averse markets," according to a Jan. 7 report.

– MIFID INSIGHT –

The Early Enforcers of MiFID Bond Reporting

BY KATIE LINSELL

A week after regulators introduced trade reporting rules to European bond markets, there are early signs that some investors are going even further than required.

Twentyfour Asset Management, a London-based investment firm overseeing 10 billion pounds ($13.5 billion), now executes all bond trades electronically, even those that don't need to be reported, because the platforms take care of the requirement. Until last week, about a quarter of the firm's trades were done over the phone, according to portfolio manager Gordon Shannon.

The revised Markets in Financial Instruments Directive requires details on transactions to be published within 15 minutes, and sometimes before the trade has gone through in an effort to make the traditionally opaque bond market more transparent. Excluding all non-electronic trading is the best way for investors to avoid falling foul of the rules, and brokers sticking to the old ways risk being left out in the cold, Shannon said.

"We want to trade electronically because that way the details definitely get pushed through," he said. "If a broker can't do that, they're on pause for us until they do. We're being especially cautious at the moment."

Impact Isolated

Bloomberg LP, which competes to provide multilateral trading facilities for bonds and derivatives, is the parent company of Bloomberg News.

The impact of the shift remains isolated for now. The European Securities and Markets Authority said last month that 561 bond instruments out of 61,656 it analyzed – less than 1% – were sufficiently liquid to fall under the pre- and post-trade transparency rules.

The European Union's new regulations were partly designed to shift trading on to exchanges where it's more easy to track.

Mint Partners, a division of brokerage BGC Partners, has also heard requests from clients for trades to be carried out electronically.

"Investors are saying it's going to be easier if they have an electronic record on every trade so we're making sure we deal electronically where necessary," said Bill Blain, head of capital markets and alternative assets at Mint Partners.

Going Public

Since the rules came into effect on Jan. 3, more than 12,800 trades in sovereign bonds and 2,500 in corporate debt have been made public, according to post-trade data from Bloomberg's trading platform and trade report service.

Post-trade reports have been published on about 160 companies including troubled drugmaker Teva Pharmaceutical and Volkswagen, according to the data. Junk-rated borrowers such as Italian telecom company Wind Tre, construction company Astaldi and U.K. travel agency Thomas Cook Group were also among trades reported.

Some brokerages are still executing trades on the phone just like they've always done and sending the relevant information to trading platforms to report.

Specialist investment bank Chalkhill Partners is one of those, though it may adapt further to the new trading environment,CEO Stewart Booth said. That may mean registering as a systematic internalizer, a MiFID-compliant trading venue that's responsible for trade reporting, he said.

"Everyone is finding their feet," said Booth. "We expect to do more electronic trading in the future."

– DATA WATCH –

Junk Spreads

With junk spreads at 2007 lows, investors who've built up heavy credit positioning need to time their exits carefully: too soon and they've missed out on what could be the last gasp of the bull run. Too late, and they risk being saddled with outsize losses just as global monetary stimulus fades.

"It came pretty damn quickly," said Ken Monaghan, co-head of high yield at Amundi Pioneer. "Spreads can crank a bit tighter – 20 to 25 basis points -– and then we're in coupon-clipping mode." Monaghan is "more nervous" for 2H18, "especially if there's a concerted effort by central banks to put their foot on the brake."

Others are more bearish. There will be a crossover point, likely in 3Q, where global QE turns into global tightening, said Zachary Chavis, bond portfolio manager at Sage Advisory Services, referring to IG credit.

POST-CRISIS TIGHTS
JUNK BOND SPREAD AT LOWEST SINCE 2007 (OAS)

SOURCE: BLOOMBERG

– U.S. IG INDEX –

SECTOR	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
INDEX	**89.63**	**7.50**	**3.34**	**-0.35**	**-0.64**
BASIC MATERIALS	111.28	8.64	3.64	-0.37	-0.56
COMMUNICATIONS	119.85	8.91	3.73	-0.15	-0.59
CONSUMER, CYCLICAL	86.12	6.85	3.27	-0.28	-0.56
CONSUMER, NON-CYCLICAL	81.85	8.16	3.29	-0.39	-0.73
ENERGY	111.96	7.90	3.62	-0.13	-0.31
FINANCIAL	82.11	5.80	3.16	-0.37	-0.59
INDUSTRIAL	77.18	8.27	3.25	-0.45	-0.74
TECHNOLOGY	75.12	7.68	3.20	-0.33	-0.75
UTILITIES	89.77	10.01	3.47	-0.74	-1.05

BIGGEST WEEKLY GAINERS/LOSERS

	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
HRS 6.15 12/15/40	142	13.52	4.17	2.33	2.77
HES 5.8 04/01/47	211	14.57	4.98	2.10	1.96
TE 4.35 05/15/44	117	15.65	3.98	-2.83	-2.64
SCG 4 1/2 06/01/64	137	19.81	4.21	-2.43	1.60

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (LUACTRUU)

– U.S. HY INDEX –

SECTOR	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
INDEX	**323.63**	**3.82**	**6.07**	**0.25**	**0.60**
BASIC MATERIALS	207.18	4.27	5.48	0.21	0.46
COMMUNICATIONS	395.7	3.99	6.73	-0.04	0.34
CONSUMER, CYCLICAL	303.06	3.72	5.89	0.19	0.54
CONSUMER, NON-CYCLICAL	357.03	3.68	6.31	0.33	0.68
ENERGY	353.53	4.16	6.28	0.76	1.44
FINANCIAL	256.43	4.06	5.16	0.09	0.22
INDUSTRIAL	286.75	3.41	0.00	0.22	0.46
TECHNOLOGY	255.56	2.82	0.00	0.19	0.37
UTILITIES	283.43	3.66	0.00	0.39	0.92

BIGGEST WEEKLY GAINERS/LOSERS

	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
JCP 7 5/8 03/01/97	812	8.91	10.63	20.72	21.04
JNY 8 1/4 03/15/19	46224	0.26	297.49	14.29	15.97
INTEL 7 3/4 06/01/21	3093	2.42	34.86	-13.86	-13.36
ACOSTA 7 3/4 10/01/22	1516	3.46	17.02	-5.13	-4.73

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (LF98TRUU)

– EUROPE IG INDEX –

SECTOR	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
INDEX	**82.19**	**5.28**	**0.72**	**0.02**	**0.09**
BASIC MATERIALS	74.62	5.53	0.67	0.05	0.10
COMMUNICATIONS	89.18	6.04	0.90	0.11	0.16
CONSUMER, CYCLICAL	81.55	4.91	0.66	0.03	0.09
CONSUMER, NON-CYCLICAL	78.46	5.89	0.76	-0.03	0.04
ENERGY	74.4	5.57	0.70	0.00	0.10
FINANCIAL	86.78	4.74	0.69	0.02	0.14
INDUSTRIAL	73.7	5.81	0.71	-0.03	0.00
TECHNOLOGY	54.97	6.02	0.56	0.04	0.09
UTILITIES	78.99	5.46	0.72	-0.06	-0.03

BIGGEST WEEKLY GAINERS/LOSERS

	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
VW 3 1/2 PERP	212	9.57	3.24	0.98	1.41
TELEFO 5 7/8 02/14/33	118	10.74	2.01	0.98	0.93
JPM 0 01/21/27	124	8.86	1.79	-1.51	-1.96
ENGIFP 5.95 03/16/11	203	26.52	3.38	-1.17	-1.42

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (LECPTREU)

– EUROPE HY INDEX –

				TOTAL RETURN %	
SECTOR	**OAS**	**DURATION**	**YTW**	**1 WEEK**	**YTD**
INDEX	**256.67**	**3.76**	**2.34**	**0.12**	**0.43**
BASIC MATERIALS	201.65	3.23	1.69	0.15	0.31
COMMUNICATIONS	277.14	4.84	2.73	-0.24	0.31
CONSUMER, CYCLICAL	252.78	3.42	2.25	0.16	0.38
CONSUMER, NON-CYCLICAL	259.57	3.53	2.35	0.11	0.44
ENERGY	278.52	4.04	2.54	0.47	0.78
FINANCIAL	208.44	3.74	1.83	0.33	0.59
INDUSTRIAL	346.36	3.30	3.20	0.24	0.52
TECHNOLOGY	320.9	3.19	3.05	-0.09	0.25
UTILITIES	198.97	3.35	1.66	0.14	0.27

BIGGEST WEEKLY GAINERS/LOSERS

				TOTAL RETURN %	
	OAS	**DURATION**	**YTW**	**1 WEEK**	**YTD**
ASTIM 7 1/8 12/01/20	1118	2.34	11.10	10.46	12.13
SHFSJ 1 7/8 01/24/25	1066	5.75	11.15	7.88	14.05
MOBYIT 7 3/4 02/15/23	894	3.79	9.23	-4.85	-2.31
WINTRE 3 1/8 01/20/25	369	6.06	3.96	-2.71	-2.42

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (LP02TREU)

– ASIA IG INDEX –

				TOTAL RETURN %	
SECTOR	**OAS**	**DURATION**	**YTW**	**1 WEEK**	**YTD**
INDEX	**2.17**	**8.65**	**0.58**	**-0.44**	**-0.42**
BASIC MATERIALS	60.23	2.01	2.13	-0.51	-0.56
COMMUNICATIONS	59.3	4.27	1.71	-0.30	-0.39
CONSUMER, CYCLICAL	39.79	3.80	0.58	-0.15	-0.15
CONSUMER, NON-CYCLICAL	32.9	3.79	0.70	-0.17	-0.20
ENERGY	61.21	2.13	2.65	-1.09	-0.92
FINANCIAL	#REF!	#REF!	#REF!	-0.67	-0.58
INDUSTRIAL	0.95	8.85	0.55	#REF!	#REF!
TECHNOLOGY	56.86	3.76	1.45	-0.30	-0.37
UTILITIES	38.61	3.60	1.39	-0.32	-0.40

BIGGEST WEEKLY GAINERS/LOSERS

				TOTAL RETURN %	
	OAS	**DURATION**	**YTW**	**1 WEEK**	**YTD**
THAIGB 3.6 06/17/67	26	23.74	3.35	1.27	2.33
WSTP 3.775 06/07/22	102	4.01	3.38	0.72	0.24
KTB 1 1/2 09/10/66	2	31.05	2.53	-4.92	-5.53
SIGB 2 3/4 03/01/46	0	19.53	2.58	-3.62	-3.83

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (LAPCTRJU)

– ASIA HY INDEX –

SECTOR	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
INDEX	**314.24**	**3.37**	**5.70**	**0.25**	**0.47**
BASIC MATERIALS	244.27	3.43	4.70	0.40	0.57
COMMUNICATIONS	166.48	5.26	4.04	-0.25	-0.29
CONSUMER, CYCLICAL	334.04	2.96	5.84	0.11	0.34
CONSUMER, NON-CYCLICAL	214.15	3.47	4.46	-0.05	0.06
ENERGY	294.7	3.36	5.22	0.17	0.31
FINANCIAL	308.84	3.04	5.74	0.24	0.50
INDUSTRIAL	310.03	3.34	5.12	0.24	0.39
TECHNOLOGY	284.3	2.38	4.97	0.21	0.62
UTILITIES	293.8	4.09	5.25	0.07	0.28

BIGGEST WEEKLY GAINERS/LOSERS

	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
PKSTAN 6 7/8 12/05/27	400	7.09	6.55	1.85	2.11
SHUION 6.4 PERP	317	3.81	5.55	1.10	1.34
NEWWOR 4 3/4 01/23/27	181	7.15	4.35	-0.54	-0.78
HUAWEI 4 02/21/27	140	7.45	3.94	-0.54	-0.75

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (BAHDTRUU)

– EM IG INDEX –

SECTOR	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
INDEX	**127.06**	**6.38**	**3.66**	**-0.21**	**-0.23**
BASIC MATERIALS	155.15	7.18	4.01	0.04	0.14
COMMUNICATIONS	111.32	6.77	3.52	-0.34	-0.57
CONSUMER, CYCLICAL	119.03	4.01	3.42	-0.04	-0.11
CONSUMER, NON-CYCLICAL	190.61	6.57	4.34	0.27	0.36
ENERGY	155.54	6.83	3.99	-0.32	-0.36
FINANCIAL	118.28	3.43	3.37	-0.08	-0.14
INDUSTRIAL	165.31	6.51	4.06	-0.09	-0.04
TECHNOLOGY	156.41	1.66	3.53	0.02	0.01
UTILITIES	129.74	6.43	3.72	-0.15	-0.21

BIGGEST WEEKLY GAINERS/LOSERS

	OAS	DURATION	YTW	TOTAL RETURN % 1 WEEK	TOTAL RETURN % YTD
GGBRBZ 7 1/4 04/16/44	341	12.25	6.15	2.96	5.30
OCPMR 6 7/8 04/25/44	286	12.95	5.62	1.90	2.30
MEX 4.6 02/10/48	189	15.84	4.75	-1.96	-2.14
OMAN 6 1/2 03/08/47	383	12.60	6.63	-1.91	-2.07

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (BEHGTRUU)

– EM HY INDEX –

				TOTAL RETURN %	
SECTOR	**OAS**	**DURATION**	**YTW**	**1 WEEK**	**YTD**
INDEX	**342.92**	**5.27**	**5.85**	**0.04**	**0.35**
BASIC MATERIALS	258.66	3.63	4.90	0.30	0.58
COMMUNICATIONS	291.38	3.48	5.35	0.26	0.51
CONSUMER, CYCLICAL	305.07	3.14	5.47	0.24	0.36
CONSUMER, NON-CYCLICAL	322.8	3.76	5.63	0.33	0.53
ENERGY	415.48	5.54	6.54	-0.37	0.48
FINANCIAL	283.94	3.34	5.25	0.28	0.54
INDUSTRIAL	295.63	3.34	5.25	0.53	0.76
TECHNOLOGY	213.6	6.28	6.05	0.03	0.05
UTILITIES	333.11	3.91	5.44	0.22	0.51

BIGGEST WEEKLY GAINERS/LOSERS

				TOTAL RETURN %	
	OAS	**DURATION**	**YTW**	**1 WEEK**	**YTD**
ODBR 7 1/8 06/26/42	1846	4.94	20.52	9.02	15.07
VENZ 7 03/31/38	3101	2.84	33.82	3.12	-0.65
VENZ 12 3/4 08/23/22	9105	1.11	95.72	-4.51	-8.65
YPFDAR 7 12/15/47	447	12.16	7.27	-2.59	-2.86

YTW IS BASED ON A WEIGHTED AVERAGE OF BONDS IN THE INDEX.
SOURCE: BLOOMBERG BARCLAYS U.S. CORPORATE INDEX (BEBGTRUU)

– CONTACT US –

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