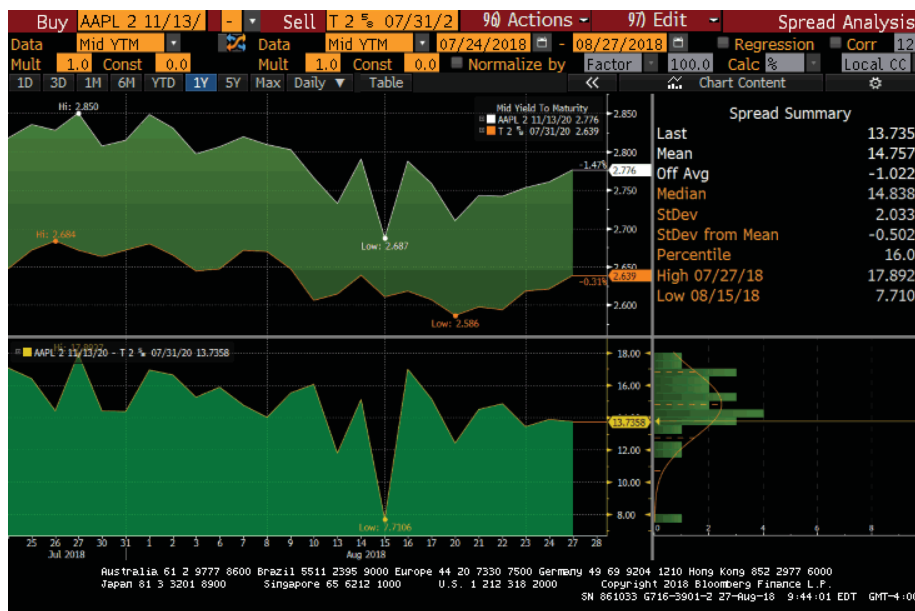




Corporate New Issuance Slows

- New issuance volume slowed as we head into what will likely be the quietest week of the year thus far. With little volatility and little supply, investor activity was heavily tilted toward buying and dealers lost about \$2.6 billion in inventory.
- Traders are calling long-term corporate spreads a touch wider last week. After last month's rally it's tough to find anyone willing to take risk in longer maturity credit.
- High quality, short-term corporate bonds are a completely different story. Credit spreads for 2-year AA-rated bonds are approaching single digits as demand remains incredibly strong for short duration.

2-Year AAPL Spread



Source: Bloomberg

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