



Corporate Spreads Tighten

- Spreads moved broadly tighter last week as the postponement of the March 1 deadline for a China trade deal was viewed positively by the market. Recent underperformers like Kraft-Heinz and CVS were snapped up at tighter levels due to a more benign environment, month-end buying and solid overseas demand.
- Anheuser-Busch reported a solid quarter and reiterated their focus on delevering, while GE spreads rallied 15-25 basis points (bps) following the announcement of the sale of their biopharma business. Celgene underperformed after Starboard and Wellington Management came out against their proposed merger with Bristol Meyers Squibb.
- New issue supply was average. However, we did see several smaller deals that were heavily oversubscribed. The friendly tone to the market is giving access to more and more issuers these days.

Corporate Spreads



Source: Bloomberg

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