



## Better Tone in Corporates

- Investment grade corporates ground a few basis points (bps) tighter as supply retreated and investor sentiment improved, although we continued to see something of a slowdown in overseas demand, particularly out of the curve. There's still a wealth of demand for high quality front-end bonds and 2022-2023 bonds that are cheap for their ratings. We're now in a lull between earnings seasons, so supply should be relatively manageable and the news cycle light.
- Boeing was the big newsmaker last week after the Ethiopian crash caused most countries to ground their fleets of 737 max planes. Boeing spreads were 10-20 bps wider on the week.
- GE conducted its investor outlook call and, although the numbers still look a bit bleak, credit reaction was positive as it seems like the turnaround plan is on track and, perhaps, a bottom in the power business has been reached.
- Supply is still running about 5% behind last year's gross issuance pace and with \$15-20 billion per week expected over the next several weeks, that probably won't change much.

## Investment Grade Corporate Spreads



Source: Bloomberg

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