

Consumer & Retail

Fuse burning...

Industry Overview

...but no fireworks yet; Consumer steady, rates rise

Consumer/Retail news was limited last week as many US consumers (and investors) were at the beach celebrating the US 4th of July holiday. In markets, the **ICE BofA IG Corporate Bond Index** tightened -2bps w/w and produced total returns of -1.28% w/w led by hawkish Fed minutes before the June nonfarm payrolls surprised to the downside (+209k vs. consensus +230k). Non-Cyclicals and Cyclicals spreads were in-line w/w with returns of -1.40% & 1.52% respectively. Rates continued to rally with the 10YR rising +22bps w/w and ending the week at 4.06% given robust economic data. Issuance last week was \$12.8bn with none in Consumer & Retail; we are calling for \$75bn in July and \$10-15bn this week. [See link here to our June returns piece](#), highlighting excess return strength from lower quality/higher beta credits across the sector.

Portfolio reshaping takes focus

In **Retail (-2bps)**, Costco's June comps missed consensus expectations given a -400bps drag on ticket from gas deflation y/y. Within the sub-sectors, food & sundries were steady m/m at +HSD% despite moderating food inflation. Non-food categories fell -LSD% hurt by toys & seasonal, home & sporting goods. In **Packaged Food (-1bps)**, Mars announced the acquisition of nutritious meal-company Kevin's Natural Foods for a reported near \$800mn, according to Reuters. The acquisition, adding sous-vide meals, sauces & sides, will operate as a standalone company within the Mars Food & Nutrition segment. In **Consumer Products (-3bps)**, Bloomberg reported that Haleon is exploring divesting its Nicotinell brand (nicotine gum, patches, and lozenges) with interest reportedly received from investment firms & consumer companies; the business could be valued at up to \$800mn. In **Tobacco (-5bps)**, JUUL Labs filed a complaint with the US International Trade Commission requesting that it block NJOY ACE sales & imports due to patent infringement. We note that similar prior patent suits have taken up to 2 years for a final decision to be made. Separately, Cronos Group confirmed news reports that it has received unsolicited indications of interest on a potential transaction (current market cap \$774mn). Altria holds a 41% stake in Cronos Group and invested \$1.8bn in the business in December 2018.

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High Grade Credit
United States
Retailing & Consumer

Brian Callen, CFA
Research Analyst
BofAS
+1 646 855 8987
brian.callen@bofa.com

Divya Kumaresan
Research Analyst
BofAS
+1 646 855 6636
divya.kumaresan@bofa.com

Exhibit 1: Market week ended 7/7/23

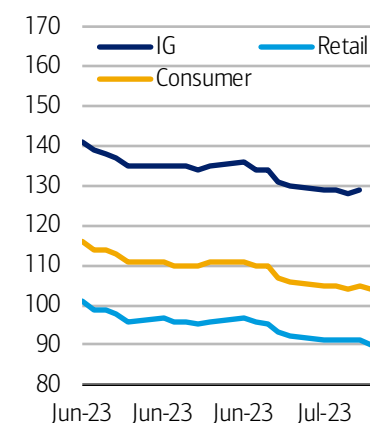
Last week's market performance

Market	Value	WoW
IG ICE BofA Index	128	(2)
IG ICE BofA Index (yld)	5.74	+18
HY ICE BofA Index	463	+3
HY ICE BofA Index (yld)	8.76	+20
CDX IG 5yr	70	+4
CDX HY 5yr	453	+23
Consumer Cyclicals	90	(2)
Consumer Non-Cyclicals	104	(2)
5yr Treasury (yld)	4.36	+20
10yr Treasury (yld)	4.06	+22
30yr Treasury (yld)	4.05	+18
S&P 500 (index)	4,399	-1.2%

Source: ICE Data Indices, LLC, Bloomberg
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Exhibit 2: Consumer/Retail Spreads

1mo spreads range-bound



Source: ICE Data Indices, LLC, Bloomberg
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m/m: month over month

HSD: high single digit

LSD: low single digit

Exhibit 3: Notable Weekly Movers

Kohl's gained the most last week

Active Cash Trading**Active CDS**

Active Cash Trading				Active CDS						
Issuer			Chg (G- spread)	Issuer			Chg (G- spread)	Entity	5y	Chg
RIFP	2.750%	10/1/2050	+8	KSS	4.625%	5/1/2031	-17	Kohl's	598	4
CAG	5.400%	11/1/2048	+5	KSS	5.550%	7/17/2045	-15	Best Buy	89	2
RKTLN	3.000%	6/26/2027	+5	TAP	3.000%	7/15/2026	-15	McDonald's	36	2
RIFP	1.625%	4/1/2031	+5	DLTR	4.200%	5/15/2028	-11	AutoZone	46	-1
SVELEV	1.800%	2/10/2031	+4	HAS	3.900%	11/19/2029	-11	Target	45	-2

Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 4: Upcoming Consumer/Retail Events Calendar

2-week calendar of events, subject to change

July 2023				
Mon, Jul-10	Tue, Jul-11	Wed, Jul-12	Thu, Jul-13	Fri, Jul-14
			CAG 4Q23 earnings PEP 2Q23 earnings	
Mon, Jul-17	Tue, Jul-18	Wed, Jul-19	Thu, Jul-20	Fri, Jul-21
		HAS 2Q23 earnings	KVUE 2Q23 earnings GPC 2Q23 earnings PM 2Q23 earnings	TSCO 2Q23 earnings

Source: Company filings, Bloomberg

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Notable Consumer & Retail credit news**Consumer Products**

According to *Bloomberg*, **Haleon (HLNLTN, Baa1/BBB/--)** is reportedly exploring divesting its Nicotinell brand (nicotine gum, patches, and lozenges) as it looks to offload its non-core businesses. Interest has reportedly been received from both investment firms and consumer companies and the business could be worth up to \$800mn. Deliberations are ongoing and no final decision regarding a sale has been made.

Tobacco

According to *Reuters*, Canadian cannabis producer Cronos Group Inc (CRON) is exploring options including a potential sale of the company. CRON is working with a financial advisor and has reportedly received acquisition interest from companies including Curaleaf Holdings. Discussions are ongoing and no transaction is certain. **Altria (MO, A3/BBB/BBB)** holds a 41% stake in Cronos and invested \$1.8bn in the company in December 2018.

Recent New Issuance

There was no USD issuance in Consumer & Retail last week

BofA Current Recommendations

Exhibit 9: Cash & CDS ratings

BofA cash & CDS ratings

Name	Ticker	Cash			CDS		
		Overweight	Marketweight	Underweight	Buy Protection	Neutral	Sell Protection
O'Reilly Automotive	ORLY	✓					
The Home Depot	HD		✓			✓	
Advance Auto Parts	AAP	✓					
McCormick & Co	MKC	✓					
Campbell Soup Co.	CPB	✓				✓	
Sysco Corp.	SYU	✓					
Keurig Dr. Pepper	KDP	✓					
Kohl's	KSS		✓		✓		
Lowe's	LOW	✓				✓	
Tyson Foods	TSN		✓			✓	
Conagra Brands	CAG		✓			✓	
Kellogg	K		✓				
Kraft Heinz	KHC	✓					✓
General Mills Inc.	GIS		✓			✓	
AutoZone	AZO		✓			✓	
Kroger	KR*		✓				✓
Nordstrom	JWN		✓				✓
Dollar General Corp.	DG		✓				
Mondelez International	MDLZ		✓				✓
Mondelez Int'l Holdings Netherlands	MDLZ		✓				
J.M. Smucker	SJM		✓				
The Coca-Cola Company	KO		✓				
The Hershey Co.	HSY		✓			✓	

Source: BofA Global Research;

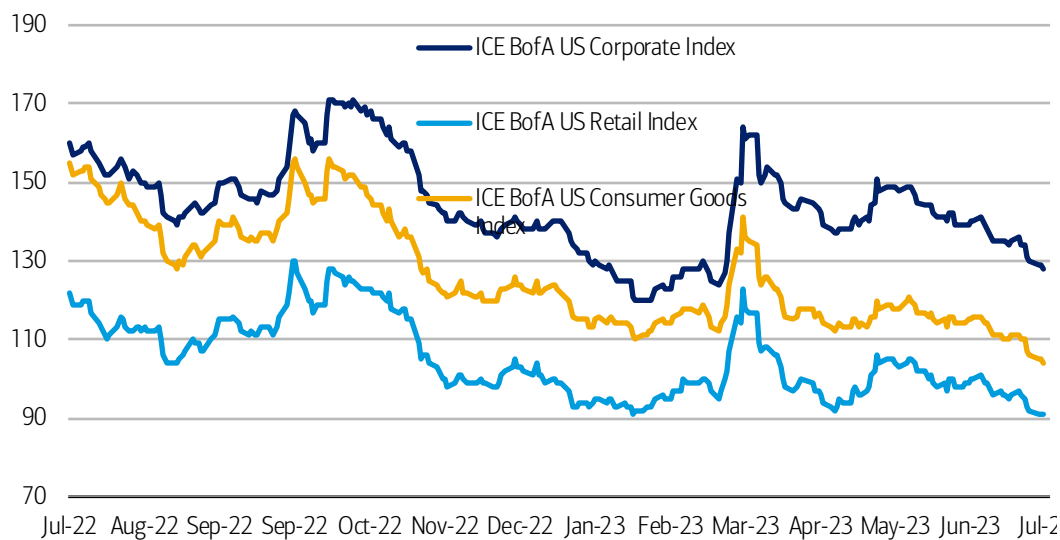
Notes (*): Overweight KR intermediates

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Market Snapshot

Exhibit 6: BofA HG Index vs. Consumer/Retail Sectors

Consumer/Retail 1-year spread performance tightens after rate volatility, inflation pressure



Source: ICE Data indices, LLC

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Exhibit 11: ICE Data Indices Investment Grade Index

Returns summary data

	Num of Issues	% of Index	Spreads (OAS)					Price	YTW	Modified Duration	Average Rating	Total Returns					Excess Returns				
			OAS	1 week	MTD	QTD	YTD					1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
US Corporate Index	10,020	100.0%	128 bps	-2 bps	-2 bps	-2 bps	-10 bps	\$89.4	5.74%	6.8	A3	-1.28%	-1.28%	-1.28%	1.91%	0.21%	10 bps	10 bps	10 bps	178 bps	440 bps
Rating Categories																					
AAA US Corporate Index	115	1.1%	51 bps	0 bps	0 bps	0 bps	-7 bps	\$85.6	4.89%	9.5	AAA	-1.89%	-1.89%	-1.89%	1.62%	-2.82%	1 bps	1 bps	1 bps	153 bps	339 bps
AA US Corporate Index	779	8.1%	69 bps	-2 bps	-2 bps	-2 bps	-8 bps	\$88.1	5.14%	7.7	AA3	-1.42%	-1.42%	-1.42%	1.45%	-1.52%	11 bps	11 bps	11 bps	130 bps	341 bps
Single-A US Corporate Index	4,040	43.3%	109 bps	-1 bps	-1 bps	-1 bps	-5 bps	\$89.9	5.56%	6.8	A2	-1.31%	-1.31%	-1.31%	1.53%	-0.63%	5 bps	5 bps	5 bps	143 bps	348 bps
BBB US Corporate Index	5,086	47.4%	158 bps	-3 bps	-3 bps	-3 bps	-14 bps	\$89.2	6.03%	6.7	BBB2	-1.21%	-1.21%	-1.21%	2.32%	1.30%	14 bps	14 bps	14 bps	217 bps	539 bps
Maturity																					
1-3 Year US Corporate Index	2,018	22.4%	82 bps	-4 bps	-4 bps	-4 bps	-6 bps	\$95.4	5.87%	1.9	A3	-0.03%	-0.03%	-0.03%	1.54%	1.67%	7 bps	7 bps	7 bps	64 bps	151 bps
3-5 Year US Corporate Index	1,770	18.8%	113 bps	1 bps	1 bps	1 bps	-7 bps	\$93.0	5.72%	3.6	A3	-0.62%	-0.62%	-0.62%	1.43%	0.98%	-5 bps	-5 bps	-5 bps	133 bps	297 bps
5-7 Year US Corporate Index	1,163	12.0%	132 bps	-2 bps	-2 bps	-2 bps	-16 bps	\$90.2	5.62%	5.3	A3	-1.07%	-1.07%	-1.07%	1.59%	0.81%	6 bps	6 bps	6 bps	182 bps	400 bps
7-10 Year US Corporate Index	1,476	15.0%	161 bps	-2 bps	-2 bps	-2 bps	-11 bps	\$87.6	5.75%	6.9	A3	-1.59%	-1.59%	-1.59%	1.91%	0.13%	4 bps	4 bps	4 bps	222 bps	497 bps
10-15 Year US Corporate Index	545	5.0%	168 bps	-2 bps	-2 bps	-2 bps	-10 bps	\$96.9	5.79%	8.8	A3	-1.93%	-1.93%	-1.93%	1.91%	-0.38%	17 bps	17 bps	17 bps	218 bps	561 bps
15+ Year US Corporate Index	3,048	26.8%	150 bps	-2 bps	-2 bps	-2 bps	-10 bps	\$82.1	5.70%	13.5	A3	-2.57%	-2.57%	-2.57%	2.41%	-1.81%	23 bps	23 bps	23 bps	248 bps	683 bps
Industry																					
US Corporate Index																					
Industrials	5,960	59.1%	120 bps	-2 bps	-2 bps	-2 bps	-13 bps	\$88.9	5.60%	7.6	A3	-1.42%	-1.42%	-1.42%	2.11%	0.25%	12 bps	12 bps	12 bps	202 bps	498 bps
Consumer Cyclical	355	3.7%	90 bps	-2 bps	-2 bps	-2 bps	-9 bps	\$88.4	5.29%	7.8	A2	-1.52%	-1.52%	-1.52%	1.57%	-1.08%	8 bps	8 bps	8 bps	149 bps	400 bps
US Corp Retail	267	3.0%	85 bps	-2 bps	-2 bps	-2 bps	-9 bps	\$88.4	5.25%	7.8	A2	-1.52%	-1.52%	-1.52%	1.53%	-1.37%	7 bps	7 bps	7 bps	146 bps	379 bps
US Corp Food & Drug Retail	44	0.3%	137 bps	-2 bps	-2 bps	-2 bps	-4 bps	\$86.2	5.79%	7.6	BBB2	-1.40%	-1.40%	-1.40%	1.54%	-0.05%	16 bps	16 bps	16 bps	136 bps	431 bps
US Corp Restaurants	44	0.4%	89 bps	-2 bps	-2 bps	-2 bps	-11 bps	\$90.1	5.28%	8.1	BBB1	-1.59%	-1.59%	-1.59%	1.81%	-0.14%	7 bps	7 bps	7 bps	171 bps	497 bps
Consumer Non-Cyclical	591	5.7%	104 bps	-2 bps	-2 bps	-2 bps	-19 bps	\$90.0	5.44%	7.4	A3	-1.40%	-1.40%	-1.40%	2.34%	1.31%	13 bps	13 bps	13 bps	224 bps	602 bps
US Corp Beverage	165	1.9%	85 bps	-1 bps	-1 bps	-1 bps	-21 bps	\$90.5	5.19%	8.7	A3	-1.74%	-1.74%	-1.74%	2.55%	0.67%	8 bps	8 bps	8 bps	257 bps	639 bps
US Corp Food Wholesale	227	1.9%	107 bps	-1 bps	-1 bps	-1 bps	-14 bps	\$89.5	5.48%	7.1	BBB1	-1.37%	-1.37%	-1.37%	1.72%	0.43%	8 bps	8 bps	8 bps	160 bps	486 bps
US Corp Tobacco	75	1.0%	152 bps	-5 bps	-5 bps	-5 bps	-31 bps	\$89.4	5.99%	6.6	BBB1	-1.00%	-1.00%	-1.00%	3.35%	5.50%	33 bps	33 bps	33 bps	309 bps	942 bps
US Corp Consumer Products	124	0.9%	83 bps	-3 bps	-3 bps	-3 bps	-13 bps	\$90.7	5.24%	6.5	A2	-1.19%	-1.19%	-1.19%	1.94%	0.07%	13 bps	13 bps	13 bps	186 bps	401 bps

Source: ICE Data Indices, LLC

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Exhibit 12: Recent Sector New Issuance

Consumer/Retail new issuance tracker in reverse chronological order

Issue Date	Ticker	Issuer	Rating (Moody's/S&P)	Size	Coupon	Maturity	New Issue Spread
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.250%	01/15/2029	140
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$700	5.400%	06/15/2033	175
06/06/2023	BACARD	BACARDI	Baa3/BBB-	\$400	5.900%	06/15/2043	190
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$500	5.200%	07/05/2028	137
06/05/2023	DG	DOLLAR GENERAL	Baa2/BBB	\$1,000	5.450%	07/05/2033	177
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.375%	05/15/2028	90
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$700	4.650%	05/15/2033	115
05/09/2023	EL	ESTEE LAUDER	A1/A+	\$600	5.150%	05/15/2053	135
05/01/2023	HSY	HERSHEY	A1/A	\$350	4.250%	05/04/2028	67
05/01/2023	HSY	HERSHEY	A1/A	\$400	4.500%	05/04/2033	97
05/01/2023	TSCO	TRACTOR SUPPLY	Baa1/BBB	\$750	5.250%	05/15/2033	175
04/27/2023	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$750	4.900%	05/01/2033	147
04/17/2023	MARS	MARS	A1/A	\$1000	4.550%	04/20/2028	87
04/17/2023	MARS	MARS	A1/A	\$500	4.650%	04/20/2031	105
04/17/2023	MARS	MARS	A1/A	\$1000	4.750%	04/20/2033	117
04/17/2023	CARGIL	CARGILL	A2/A	\$600	4.500%	06/24/2026	65
04/17/2023	CARGIL	CARGILL	A2/A	\$500	4.750%	04/24/2033	120
04/12/2023	WMT	WALMART	Aa2/AA	\$750	4.000%	04/15/2026	30
04/12/2023	WMT	WALMART	Aa2/AA	\$750	3.900%	04/15/2028	47
04/12/2023	WMT	WALMART	Aa2/AA	\$500	4.000%	04/15/2030	60
04/12/2023	WMT	WALMART	Aa2/AA	\$1500	4.100%	04/15/2033	70
04/12/2023	WMT	WALMART	Aa2/AA	\$1500	4.500%	04/15/2053	90
04/04/2023	PPC	PILGRIM'S PRIDE	Ba3/BBB-	\$1,000	6.250%	07/01/2033	300
04/03/2023	MKC	MCCORMICK & CO	Baa2/BBB	\$500	4.950%	04/15/2033	153
03/29/2023	ADM	ARCHER-DANIELS-MIDLAND	A2/A	\$500	4.500%	08/15/2033	105
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$1000	4.800%	04/01/2026	95
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$1000	5.150%	07/01/2033	160
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$500	5.750%	07/01/2053	200
03/28/2023	LOW	LOWE'S	Baa1/BBB+	\$500	5.850%	04/01/2063	210
03/27/2023	GIS	GENERAL MILLS	Baa2/BBB	\$1000	4.950%	03/29/2033	145
03/21/2023	BFB	BROWN FORMAN	A1/A-	\$650	4.750%	04/15/2033	120
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.500%	03/22/2025	45
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.350%	03/22/2026	60
03/08/2023	KVUE	KENVUE	A1/A	\$1000	5.050%	03/22/2028	75
03/08/2023	KVUE	KENVUE	A1/A	\$1000	5.000%	03/22/2030	85
03/08/2023	KVUE	KENVUE	A1/A	\$1250	4.900%	03/22/2033	95
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.100%	03/22/2043	100
03/08/2023	KVUE	KENVUE	A1/A	\$1500	5.050%	03/22/2053	120
03/08/2023	KVUE	KENVUE	A1/A	\$750	5.200%	03/22/2063	135
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$1000	5.250%	03/13/2026	55
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$850	5.000%	03/14/2028	70
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$500	4.950%	03/14/2030	80
03/07/2023	NESNVX	NESTLE HOLDINGS	Aa3/AA-	\$650	4.850%	03/14/2033	90
03/06/2023	AAP	ADVANCE AUTO PARTS	Baa2/BBB-	\$300	5.900%	03/09/2026	130
03/06/2023	AAP	ADVANCE AUTO PARTS	Baa2/BBB-	\$300	5.950%	03/09/2028	170
02/27/2023	CL	COLGATE-PALMOLIVE	Aa3/AA-	\$500	4.800%	03/01/2026	33
02/27/2023	CL	COLGATE-PALMOLIVE	Aa3/AA-	\$500	4.600%	03/01/2028	45
02/27/2023	CL	COLGATE-PALMOLIVE	Aa3/AA-	\$500	4.600%	03/01/2033	70
02/23/2023	K	KELLOGG	Baa2/BBB	\$400	5.250%	03/01/2033	140
02/14/2023	WHR	WHIRLPOOL	Baa1/BBB	\$300	5.500%	03/01/2033	175
02/13/2023	KMB	KIMBERLY CLARK	A2/A	\$350	4.500%	02/16/2033	80
02/13/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1500	5.375%	02/15/2033	170
02/13/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1500	5.125%	02/15/2030	145
02/13/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1000	4.875%	02/15/2028	110
02/13/2023	PM	PHILIP MORRIS INTERNATIONAL	A2/A-	\$1250	4.875%	02/13/2026	80
02/13/2023	PEP	PEPSICO	A1/A+	\$500	4.550%	02/13/2026	35
02/13/2023	PEP	PEPSICO	A1/A+	\$650	4.450%	02/15/2028	55
02/13/2023	PEP	PEPSICO	A1/A+	\$1000	4.450%	02/15/2033	75
02/13/2023	PEP	PEPSICO	A1/A+	\$500	4.650%	02/15/2053	88
02/07/2023	SBUX	STARBUCKS	Baa1/BBB+	\$1000	4.750%	02/15/2026	68
02/07/2023	SBUX	STARBUCKS	Baa1/BBB+	\$500	4.800%	02/15/2033	115
01/30/2023	STZ	CONSTELLATION BRANDS	Baa3/BBB	\$500	5.000%	02/02/2026	110
01/23/2023	AZO	AUTOZONE	Baa1/BBB	\$450	4.500%	02/01/2028	90
01/23/2023	AZO	AUTOZONE	Baa1/BBB	\$550	4.750%	02/01/2033	123
01/23/2023	PG	PROCTER & GAMBLE	Aa3/AA-	\$650	4.100%	01/26/2026	23
01/23/2023	PG	PROCTER & GAMBLE	Aa3/AA-	\$600	3.950%	01/26/2028	35
01/23/2023	PG	PROCTER & GAMBLE	Aa3/AA-	\$850	4.050%	01/26/2033	53

Source: BofA Global Research, Bloomberg Data excludes FRN

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Exhibit 13: Retail Historical Spread & Return Monitor

Benchmark spreads and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics			EV / EBITDAR
						Bid	YTW	G-spd	T-spd		Revenue	EBITDAR	Debt	Cash		Total Debt/ EBITDAR	Net Debt/ EBITDAR	EV	
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$95.3	4.70%	66	63	33	\$622,021	\$38,940	\$63,867	\$10,575	\$5,438	1.6x	1.4x	\$477,136	11.8x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$94.1	4.88%	82	83										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$82.0	4.73%	54	48	41	\$233,371	\$10,379	\$9,004	\$12,493	\$3,506	0.9x	-0.3x	\$229,372	22.9x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$79.0	4.69%	60	56										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$89.0	4.78%	59	52	72	\$50,626	\$7,674	\$12,566	\$6,955	(\$2,759)	2.0x	1.1x	\$163,483	23.1x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$77.6	4.89%	75	77										
Target Corp (TGT)	4.500%	9/15/2032	\$1,000	A2 / A / A	S / S / S	\$96.0	5.05%	98	93	45	\$109,272	\$6,902	\$18,831	\$1,321	(\$1,423)	2.7x	2.5x	\$78,002	13.3x
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$95.2	5.05%	99	95										
Target Corp (TGT)	2.950%	1/15/2052	\$1,000	A2 / A / A	S / S / S	\$67.8	5.11%	101	103										
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$92.5	5.30%	124	125										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$79.7	4.74%	57	54	42	\$50,312	\$9,767	\$3,360	\$5,025	\$751	1.3x	0.8x	\$103,439	13.2x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$90.5	5.16%	101	104										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$86.9	5.22%	103	98	--	\$6,444	\$925	\$2,882	\$1,529	(\$493)	3.1x	1.5x	\$9,691	7.0x
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa2 / BBB / --	S / S / --	\$81.3	6.38%	216	213	137	\$11,612	\$1,114	\$8,151	\$815	(\$1,527)	7.3x	6.6x	\$14,651	9.0x
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$77.5	5.47%	131	128	--	\$18,857	\$3,268	\$5,732	\$4,416	\$403	1.8x	0.4x	\$38,477	13.6x
Amazon.com Inc (AMZN)	2.100%	5/12/2031	\$3,000	A1 / AA / AA-	S / S / S	\$82.7	4.78%	67	59	45	\$524,897	\$68,116	\$154,972	\$49,343	(\$22,893)	2.3x	1.6x	\$1,397,748	15.0x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$91.6	4.79%	70	65										
Amazon.com Inc (AMZN)	3.100%	5/12/2051	\$3,250	A1 / AA / AA-	S / S / S	\$71.6	5.00%	90	91										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$83.8	5.02%	95	95										
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$79.1	5.50%	133	127	89	\$45,118	\$3,576	\$3,923	\$1,030	\$544	1.1x	0.8x	\$20,308	5.7x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$97.0	4.91%	84	79	30	\$155,752	\$27,882	\$49,428	\$1,260	(\$1,826)	1.9x	1.8x	\$357,814	13.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$95.8	5.23%	116	116										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$97.3	5.36%	132	128	45	\$95,747	\$15,449	\$40,528	\$3,373	(\$8,652)	2.6x	2.4x	\$169,912	10.8x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$97.1	5.83%	177	178										
Tractor Supply (TSCO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$77.7	5.50%	134	128	--	\$14,480	\$2,232	\$4,704	\$190	(\$482)	2.1x	2.0x	\$28,517	13.0x
AutoZone Inc (AZO)	1.650%	1/15/2031	\$600	Baa1 / BBB / BBB	S / S / S	\$76.8	5.45%	129	124	45	\$17,115	\$4,323	\$7,340	\$275	(\$1,162)	2.3x	2.3x	\$55,418	12.3x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$94.7	5.49%	141	137										
AutoZone Inc (AZO)	4.750%	2/1/2033	\$550	Baa1 / BBB / BBB	S / S / S	\$94.1	5.55%	150	146										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$77.6	5.34%	117	114	--	\$14,822	\$3,807	\$7,158	\$60	(\$1,054)	2.0x	1.9x	\$65,337	16.1x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$94.7	5.46%	138	133										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$80.7	5.62%	154	147	--	\$22,566	\$2,359	\$4,229	\$651	\$169	2.4x	2.1x	\$27,056	12.4x
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa2 / BBB- / --	N / N / --	\$85.4	6.61%	241	236	--	\$11,198	\$1,538	\$4,627	\$226	(\$638)	3.0x	2.8x	\$8,063	7.8x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa2 / BBB- / --	N / N / --	\$78.5	6.83%	266	268										
Dollar General Corp (DG)	5.000%	11/1/2032	\$700	Baa2 / BBB / --	S / S / --	\$95.3	5.65%	159	155	--	\$38,436	\$5,752	\$17,990	\$313	(\$2,415)	3.1x	3.1x	\$54,709	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$93.7	5.95%	186	189										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$80.5	5.59%	147	143	--	\$28,753	\$4,075	\$10,149	\$873	(\$284)	2.5x	2.3x	\$41,172	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$65.3	5.91%	181	183										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 / BBB / --	S / S / --	\$78.6	6.29%	218	215	--	\$6,666	\$1,653	\$3,293	\$637	(\$485)	2.0x	1.6x	\$12,725	5.6x
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	S / S / --	\$96.6	6.49%	152	154	--	\$9,059	\$1,455	\$3,788	\$374	(\$354)	2.6x	2.4x	\$8,841	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$80.7	6.09%	197	194	--	\$12,510	\$1,790	\$4,205	\$1,643	(\$64)	2.3x	1.4x	\$14,020	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$67.6	6.65%	256	257										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$77.0	8.21%	408	403	230	\$15,141	\$1,494	\$4,512	\$581	\$143	3.0x	2.6x	\$7,043	4.8x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$68.3	8.23%	399	397										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$69.5	10.43%	620	624	230	\$17,954	\$1,323	\$8,061	\$286	(\$889)	6.1x	5.9x	\$10,396	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$59.3	10.25%	596	602										

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 14: Restaurant, Food & Drug Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	LTM			Net FCF	Credit Metrics			EV / EBITDAR
						Bid	YTW	G-spd	T-spd			EBITDAR	Debt	Cash		Total Debt/ EBITDAR	Net Debt/ EBITDAR	EV	
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / WDS / S / --		\$83.6	5.19%	100	93	--	\$33,998	\$8,095	\$24,509	\$3,451	\$93	3.0x	2.6x	\$133,762	14.8x
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / WDS / S / --		\$84.1	5.17%	101	95										
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / WDS / S / --		\$85.4	5.12%	102	97										
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / -- S / S / --		\$97.1	5.19%	113	110										
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / WDS / S / --		\$70.8	5.44%	130	132										
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / WDS / S / --		\$73.3	5.38%	126	127										
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / -- S / S / --		\$91.8	5.00%	82	76	34	\$23,415	\$14,096	\$48,726	\$3,708	(\$1,286)	3.5x	3.3x	\$261,246	17.3x
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / -- S / S / --		\$97.3	4.96%	89	85										
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / -- S / S / --		\$83.4	5.38%	124	126										
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / -- S / S / --		\$96.4	5.40%	132	133										
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / -- N / N / --		\$77.3	5.42%	127	120	69	\$148,824	\$8,474	\$20,450	\$2,632	\$1,679	2.4x	2.1x	\$54,216	6.2x
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / -- N / N / --		\$95.3	5.75%	158	160										
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / -- N / N / --		\$77.5	5.59%	145	147										
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / -- S / S / --		\$77.6	5.44%	130	123	--	--	--	--	--	--	--	--	--	--
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / -- S / S / --		\$61.5	5.54%	144	144										
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB / -- S / S / --		\$85.0	5.74%	153	156	--	\$71,857	\$5,766	\$9,466	\$834	(\$229)	1.6x	1.5x	\$56,683	10.1x
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB / -- S / S / --		\$64.5	6.36%	225	226										
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBBS / S / S		\$95.2	5.25%	78	71	58	\$10,322	\$4,075	\$8,692	\$275	(\$248)	3.1x	2.9x	\$24,163	15.0x
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBBS / S / S		\$83.4	5.83%	166	166										
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 *+ / BB *+ / -- -- / -- / --		\$90.8	6.63%	238	236	127	\$77,650	\$4,114	\$15,036	\$456	(\$3,537)	3.7x	3.5x	\$28,980	5.5x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 15: Consumer Products Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

																Credit Metrics				
Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Total Debt/EBITDA	Net Debt/EBITDA	EV / EBITDA		
						Bid	YTW	G-Spd			Revenue	EBITDA	Debt	Cash						
								spd	T-spd											
Procter & Gamble (PG)	1.950%	4/23/2031	\$1,000	Aa3 / AA- / --	S / S / --	\$83.9	4.42%	28	23	34	\$80,968	\$20,919	\$36,591	\$7,596	(\$4,309)	1.7x	1.4x	\$382,288	17.6x	
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$85.4	4.37%	26	22											
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$82.7	4.75%	60	63											
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$90.3	4.56%	47	44	35	\$18,338	\$4,232	\$8,907	\$867	(\$252)	2.3x	2.1x	\$71,201	16.8x	
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$100.0	4.60%	56	52											
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$85.3	4.73%	53	55											
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$79.3	4.89%	75	71	22	\$60,073	\$10,350	\$29,386	\$4,326	(\$284)	2.8x	2.4x	\$143,639	12.7x	
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$65.7	4.88%	76	79											
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / N / --	\$81.4	4.74%	62	58	52	\$20,275	\$3,529	\$8,481	\$524	\$730	2.4x	2.3x	\$54,028	15.4x	
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / N / --	\$98.0	4.76%	70	68											
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / N / --	\$69.9	4.91%	76	79											
SC Johnson & Son Inc (SCJOHN)	4.750%	10/15/2046	\$850	A / A- / --	N / N / --	\$88.5	5.65%	143	145	--	--	--	--	--	--	--	--	--	--	
Estee Lauder Co Inc (EL)	1.950%	3/15/2031	\$600	A1 / A+ / --	S / N / --	\$81.2	4.93%	77	73	--	\$15,873	\$2,688	\$7,371	\$5,531	(\$418)	3.1x	1.3x	\$73,827	20.3x	
Estee Lauder Co Inc (EL)	3.125%	12/1/2049	\$650	A1 / A+ / --	S / N / --	\$71.2	5.13%	97	100											
Kenvue (KVUE)	5.000%	3/22/2030	\$1,000	A1 / A / --	S / S / --	\$99.2	5.15%	81	89	--	\$14,950	\$3,606	\$8,955	\$1,231	-	2.5x	2.1x	-	-	
Kenvue (KVUE)	4.900%	3/22/2033	\$1,250	A1 / A / --	S / S / --	\$99.4	4.98%	93	90											
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$98.5	5.15%	106	110											
Reckitt Benckiser TSY (RKTLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$93.1	4.95%	50	53	--	\$13,234	\$3,239	\$9,637	\$1,259	\$1,258	3.0x	2.6x	\$53,852	16.6x	
Clorox Company (CLX)	1.800%	5/15/2030	\$500	Baa1 / BBB+ / --	S / S / --	\$80.7	5.19%	100	94	69	\$7,171	\$1,037	\$2,702	\$242	\$275	2.8x	2.6x	\$22,514	16.3x	
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / S / --	\$96.1	5.16%	106	103											
Church & Dwight Co Inc (CHD)	2.300%	12/15/2031	\$400	A3 / BBB+ / --	S / S / --	\$81.2	5.06%	93	90	--	\$5,508	\$1,254	\$2,419	\$203	\$659	2.0x	1.9x	\$26,547	17.7x	
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$103.7	5.09%	101	97											
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$80.4	5.42%	121	124											
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$95.4	5.32%	123	125											
Whirlpool Corp (WHR)	2.400%	5/15/2031	\$300	Baa1 / BBB / BBB	S / N / N	\$79.9	5.59%	143	140	141	\$19,453	\$1,600	\$7,691	\$1,359	(\$90)	5.3x	5.2x	\$15,459	7.4x	
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa1 / BBB / BBB	S / N / N	\$93.6	5.62%	151	149											
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa1 / BBB / BBB	S / N / N	\$98.0	5.77%	172	169											
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa1 / BBB / BBB	S / N / N	\$80.4	6.09%	194	197											
Haleon Plc (HLNLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$88.2	5.34%	125	120	--	\$9,545	\$2,413	\$9,782	\$405	\$25	4.1x	3.9x	\$38,551	16.0x	
Haleon Plc (HLNLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$79.9	5.38%	127	131											
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	S / S / S	\$90.2	5.76%	154	148	147	\$5,695	\$1,080	\$3,926	\$386	(\$380)	3.7x	3.4x	\$12,685	7.7x	
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	S / S / S	\$87.4	6.18%	193	193											
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / S / S	\$75.9	6.24%	211	207	230	\$6,860	\$1,187	\$2,635	\$388	(\$361)	2.2x	1.9x	\$8,307	5.7x	
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / S / S	\$85.5	6.52%	243	241											
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / S / S	\$72.9	7.38%	327	331											
Newell Brands Inc (NWL)	4.700%	4/1/2026	\$2,000	Ba1 / BB+ / BB	N / N / N	\$93.0	7.59%	279	286	481	\$8,876	\$1,226	\$6,010	\$271	(\$1,294)	4.9x	4.7x	\$9,644	9.1x	
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba1 / BB+ / BB	N / N / N	\$94.6	7.73%	346	344											
Newell Brands Inc (NWL)	6.000%	4/1/2046	\$666	Ba1 / BB+ / BB	N / N / N	\$76.0	8.38%	411	417											
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB- / BB+	S / P / P	\$87.3	6.44%	217	212	287	\$5,208	\$661	\$2,672	\$462	\$256	4.0x	3.3x	\$9,635	7.8x	

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 16: Packaged Food Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	Revenue	EBITDA	Debt	Cash	Net FCF	Credit Metrics				
						Bid	YTW	G- T-								LTM	Net	Total Debt/	Net Debt/	EV /
								spd	spd											
EBITDA	EBITDA	EV	EBITDA																	
Nestle Holdings Inc. (NESNVX)	4.850%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$100.4	4.79%	71	70	30	CHF 94,780	CHF 15,867	CHF 53,501	CHF 5,511	(CHF 11,485)	3.4x	3.0x	\$329,416	18.5x	
Nestle Holdings Inc. (NESNVX)	4.700%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$96.3	4.94%	88	88											
Hershey Company (HSY)	1.700%	6/1/2030	\$350	A1 / A / --	S / S / --	\$81.7	4.86%	66	61	45	\$10,741	\$2,914	\$4,703	\$460	\$678	1.8x	1.6x	\$54,096	18.4x	
Hershey Company (HSY)	2.650%	6/1/2050	\$350	A1 / A / --	S / S / --	\$64.8	5.06%	92	94											
Mars Inc. (MARS)	1.625%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$75.8	5.00%	92	88	--	--	--	--	--	--	--	--	--	--	
Mars Inc. (MARS)	2.450%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$60.5	5.18%	106	107											
Hormel Foods (HRL)	1.800%	6/11/2030	\$1,000	A1 / A- / --	S / S / --	\$81.6	4.97%	72	73	--	\$12,386	\$1,521	\$3,421	\$580	\$298	2.2x	1.9x	\$24,267	18.1x	
Hormel Foods (HRL)	3.050%	6/3/2051	\$600	A1 / A- / --	S / S / --	\$68.1	5.24%	111	114											
Archer-Daniels-Midland Co (ADM)	4.500%	8/15/2033	\$500	A2 / A / A	S / S / S	\$96.2	4.98%	96	91	65	\$102,270	\$3,306	\$10,288	\$899	(\$190)	3.1x	2.8x	\$53,822	10.9x	
Archer-Daniels-Midland Co (ADM)	2.700%	9/15/2051	\$750	A2 / A / A	S / S / S	\$64.8	5.06%	96	97											
Cargill Inc (CARGIL)	4.000%	6/22/2032	\$650	A2 / A / A	S / S / S	\$91.5	5.20%	112	108	68	--	--	--	--	--	--	--	--	--	
Cargill Inc (CARGIL)	4.375%	4/22/2052	\$500	A2 / A / A	S / S / S	\$87.0	5.26%	115	118											
Danone SA (BNFP)	0.395%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$82.5	3.74%	102	106	49	\$27,661	\$4,787	\$14,799	\$1,051	\$853	3.1x	2.9x	\$47,524	10.1x	
Mondelez International Holdings Netherlands BV (MIHN)	1.250%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$87.7	5.49%	93	96											
Mondelez International (MDLZ)	3.000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$84.9	5.19%	107	104	52	\$32,885	\$6,275	\$22,202	\$1,917	(\$750)	3.8x	3.5x	\$119,648	17.8x	
Mondelez International (MDLZ)	2.625%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$62.1	5.26%	112	115											
Ingredion Inc (INGR)	2.900%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$85.8	5.40%	121	115	--	\$8,191	\$1,077	\$2,639	\$216	(\$384)	2.5x	2.4x	\$9,601	8.4x	
Ingredion Inc (INGR)	3.900%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$72.2	5.99%	185	188											
Sysco Corporation (SY)	2.450%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$80.4	5.38%	124	122	64	\$75,554	\$3,696	\$11,710	\$758	\$349	3.2x	3.0x	\$48,829	16.1x	
Sysco Corporation (SY)	3.150%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$66.4	5.50%	140	142											
McCormick & Co (MKC)	4.950%	4/15/2033	\$500	Baa2 / BBB / --	S / N / --	\$96.5	5.42%	140	134	--	\$6,394	\$1,269	\$5,206	\$357	\$38	4.1x	3.9x	\$27,325	24.0x	
McCormick & Co (MKC)	4.200%	8/15/2047	\$300	Baa2 / BBB / --	S / N / --	\$80.9	5.66%	147	148											
General Mills Inc (GIS)	4.950%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$97.5	5.28%	123	120	44	\$19,955	\$4,109	\$11,587	\$619	\$23	2.9x	2.8x	\$55,753	14.8x	
General Mills Inc (GIS)	3.000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$67.8	5.22%	109	112											
Kellogg Co (K)	5.250%	3/1/2033	\$400	Baa2 / BBB / --	S / N / --	\$98.0	5.52%	145	143	69	\$15,696	\$2,421	\$7,387	\$347	\$501	3.3x	3.1x	\$30,490	13.5x	
Kellogg Co (K)	4.500%	4/1/2046	\$650	Baa2 / BBB / WD	S / N / --	\$84.5	5.73%	145	152											
Flowers Foods Inc (FLO)	2.400%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$80.4	5.57%	140	137	--	\$4,904	\$571	\$1,175	\$28	(\$29)	2.1x	2.0x	\$6,469	12.5x	
JM Smucker Co (SJM)	2.125%	3/15/2032	\$500	Baa2 / BBB / --	P / P / --	\$78.1	5.30%	118	116	--	\$8,328	\$1,537	\$4,408	\$104	(\$53)	2.8x	2.7x	\$18,282	11.5x	
JM Smucker Co (SJM)	3.550%	3/15/2050	\$300	Baa2 / BBB / --	P / P / --	\$70.5	5.72%	157	160											
Tyson Foods Inc (TSN)	4.350%	3/1/2029	\$1,000	Baa2 / BBB+ / BBB	S / N / S	\$94.4	5.51%	124	119	67	\$53,625	\$3,559	\$8,930	\$543	(\$1,068)	2.5x	2.4x	\$26,803	5.5x	
Tyson Foods Inc (TSN)	5.100%	9/28/2048	\$1,500	Baa2 / BBB+ / BBB	S / N / S	\$87.9	6.04%	187	189											
Campbell Soup Co (CPB)	2.375%	4/24/2030	\$500	Baa2 / BBB / BBB	P / S / S	\$83.0	5.40%	119	115	61	\$9,177	\$1,748	\$4,570	\$158	\$286	2.8x	2.7x	\$18,565	11.5x	
Campbell Soup Co (CPB)	3.125%	4/24/2050	\$500	Baa2 / BBB / BBB	P / S / S	\$66.9	5.50%	137	139											
Conagra Brands Inc (CAG)	7.000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / N / S	\$105.9	5.68%	138	133	52	\$12,214	\$2,517	\$9,256	\$71	(\$2)	3.8x	3.8x	\$25,378	12.0x	
Conagra Brands Inc (CAG)	5.400%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / N / S	\$91.8	6.04%	187	189											
JBS USA (JBSSBZ)	3.000%	5/15/2032	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$76.3	6.58%	249	245	--	R\$ 370,669	R\$ 26,569	R\$ 101,338	R\$ 8,965	-R\$ 6,955	3.8x	3.5x	R\$ 134,659	4.0x	
JBS USA (JBSSBZ)	6.500%	12/1/2052	\$1,550	Baa3 / BBB- / BBB-	S / S / S	\$92.6	7.10%	303	304											
Smithfield Foods Inc (SFD)	2.625%	9/13/2031	\$500	Ba1 / BBB- / BBB	P / S / S	\$72.7	7.08%	296	291	52	--	--	--	--	--	--	--	--	--	
Kraft Heinz Foods Co (KHC)	3.750%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$91.13	5.34%	110	108	58	\$26,929	\$6,141	\$20,105	\$827	(\$856)	3.3x	3.1x	\$63,328	10.3x	
Kraft Heinz Foods Co (KHC)	4.375%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$82.30	5.78%	157	157											
Kraft Heinz Foods Co (KHC)	4.875%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$88.45	5.73%	160	160											
Pilgrim's Pride (PPC)	6.250%	7/1/2033	\$1,000	Ba3 / BBB- / BBB-	S / S / S	\$95.8	6.84%	272	276	--	\$17,394	\$1,205	\$3,596	\$151	(\$17)	3.0x	2.9x	\$8,596	5.2x	
Pilgrim's Pride (PPC)	3.500%	3/1/2032	\$889	Ba3 / BBB- / BBB-	S / S / S	\$78.3	6.88%	271	274											

Source: BofA Global Research, Bloomberg

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Exhibit 17: Beverages Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Mdy/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics			
						Bid	YTW	G-spd	T-spd		Revenue	EBITDA	Debt	Cash		Total Debt/ EBITDA	Net Debt/ EBITDA	EV	EV / EBITDA
The Coca-Cola Co. (KO)	1.375%	3/15/2031	\$1,300	A1 / A+ / Au	S / S / S	\$78.8	4.71%	55	50	52	\$43,503	\$15,359	\$42,400	\$12,004	\$2,098	2.8x	1.8x	\$288,284	21.5x
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / Au	S / S / S	\$83.3	4.66%	55	51										
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / Au	S / S / S	\$72.8	4.79%	67	69										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$87.8	5.35%	84	77	--	\$17,320	\$2,902	\$11,907	\$1,387	\$1,539	4.1x	3.6x	\$37,240	11.1x
PepsiCo Inc (PEP)	1.950%	10/21/2031	\$1,250	A1 / A+ / --	S / S / --	\$81.1	4.73%	60	57	52	\$88,038	\$16,076	\$41,767	\$5,204	(\$2,280)	3.0x	2.7x	\$291,583	18.2x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$98.1	4.69%	63	61										
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$68.5	4.80%	68	71										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$96.0	4.91%	81	85										
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$90.5	5.23%	100	101	--	\$4,148	\$1,343	\$3,028	\$428	\$94	2.3x	2.0x	\$34,491	25.2x
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$99.2	4.86%	84	78										
Diageo Investment Corp (DGELN)	2.000%	4/29/2030	\$1,000	A3 / A- / A-u	S / -- / --	\$82.9	5.00%	79	75	30	£16,915	£7,073	£18,316	£2,766	-£2,050	2.6x	2.2x	£77,061	10.9x
Diageo Investment Corp (DGELN)	5.500%	1/24/2033	\$750	A3 / A- / A-u	S / S / S	\$103.5	5.02%	97	91										
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$82.1	5.35%	106	108										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / WD	S / P / --	\$99.6	4.96%	79	75	60	\$57,786	\$19,842	\$79,686	\$9,973	\$5,408	4.0x	3.5x	\$192,870	9.7x
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,567	A3 / A- / WD	S / P / --	\$88.6	5.30%	117	118										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$86.3	3.85%	122	125	30	€ 28,694	€ 6,444	€ 19,780	€ 2,765	€ 1,151	3.1x	2.6x	€ 70,263	11.1x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$83.6	5.61%	142	144										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+S/S/S	S / S / S	\$77.3	5.24%	109	104	100	€ 11,858	€ 3,845	€ 10,797	€ 1,805	(€ 334)	2.8x	2.3x	€ 60,264	15.8x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+S/S/S	S / S / S	\$62.3	5.41%	126	131										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa1 / BBB+ / WD	S / S / --	\$103.9	5.73%	145	137	--	¥2,659	¥400	¥1,468	¥302	¥95	3.7x	2.9x		
JAB Holdings BV (JABHOL)	1.000%	7/14/2031	\$500	Baa1 / BBB+ / --	S / S / --	\$76.6	4.55%	192	196	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$65.3	6.45%	233	237										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$74.8	6.43%	233	238										
Keurig Dr Pepper (KDP)	2.250%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$81.0	5.29%	113	109	--	\$14,332	\$4,041	\$12,376	\$204	\$464	3.1x	3.0x	\$57,963	15.5x
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$91.0	5.35%	122	121										
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa2 / BBB / --	S / S / --	\$69.3	5.53%	141	144										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa2 / BBB / --	S / S / --	\$85.0	5.55%	148	148										
Constellation Brands Inc (STZ)	2.250%	8/1/2031	\$1,000	Baa3 / BBB / --	S / S / --	\$79.9	5.36%	122	118	96	\$9,453	\$3,295	\$12,461	\$134	(\$524)	3.6x	3.6x	\$58,717	15.8x
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$95.5	5.40%	130	126										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$75.0	5.55%	142	144										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa3 / BBB- / WD	S / S / --	\$93.5	5.36%	80	70	87	\$10,833	\$2,104	\$6,590	\$328	\$640	3.2x	3.1x	\$20,860	8.4x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa3 / BBB- / WD	S / S / --	\$79.8	5.81%	159	160										
Bacardi LTD (BACARD)	4.700%	5/15/2028	\$800	Baa3 / BBB- / BBB-S/S/S	S / S / S	\$96.2	5.60%	128	131	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB-S/S/S	S / S / S	\$91.4	5.97%	180	183										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB	S / S / S	\$76.3	5.95%	182	185	--	€ 8,151	€ 1,366	€ 4,967	€ 967	€ 522	3.6x	2.9x	€ 17,513	11.3x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 18: Tobacco Historical Return & Spread Monitor**

Benchmark spread and credit metrics by issuer

																Credit Metrics				
			Outstanding	Ratings	Current Pricing				5-yr	LTM			Net	Total Debt/Net Debt/			EV /			
Issuer	Coupon	Maturity	(\$mil)	Mdy/S&P/Fit	Outlook	Bid	YTW	G- spd	T- spd	CDS	Revenue	EBITDA	Debt	Cash	FCF	EBITDA	EBITDA	EV	EBITDA	
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$79.2	5.44%	131	126		¥2,741,605	¥868,627	¥1,018,639	¥665,152	¥136,212		1.2x	0.4x	¥329,416	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$61.1	6.26%	209	217											
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / S	\$77.8	5.49%	129	127	52	\$32,115	\$13,428	\$47,121	\$2,428	(\$244)		3.7x	3.5x	\$198,524	14.8x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / S	\$100.5	5.68%	159	156											
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / S	\$98.0	5.65%	159	156											
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / S	\$80.4	5.88%	162	163											
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / P / S	\$84.7	5.56%	294	297	52	\$20,632	\$12,291	\$25,387	\$3,913	\$64		2.1x	1.8x	\$103,216	8.4x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / P / S	\$76.5	6.00%	188	185											
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / P / S	\$89.8	6.27%	194	201											
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / P / S	\$64.6	6.47%	233	237											
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBBuS / N / S	\$78.63	6.27%	210	207	100	£26,378	£12,470	£44,875	£3,568	£3,339		3.6x	3.3x	\$96,863	7.8x	
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBBuS / N / S	\$108.3	6.52%	242	240												
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBBuS / N / S	\$89.6	6.31%	219	217												
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBBuS / N / S	\$79.1	7.02%	282	290												
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBBuS / N / S	\$65.4	6.79%	266	268												
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBBuS / N / S	\$84.0	6.94%	283	287												
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$88.3	6.24%	201	203	100	£7,961	£4,070	£10,249	£596	(£186)		2.5x	2.4x	£26,468	6.5x

Source: BofA Global Research, Bloomberg

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Disclosures

Important Disclosures

BofA Global Research Credit Opinion Key

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.

Issuer Recommendations: If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered. Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.

BofA Global Research credit recommendations are assigned using a three-month time horizon:

Overweight: Spreads and /or excess returns are likely to outperform the relevant and comparable market over the next three months.

Marketweight: Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.

Underweight: Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

BofA Global Research uses the following rating system with respect to **Credit Default Swaps (CDS)**:

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Neutral: No purchase or sale of CDS is recommended.

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