

## Situation Room

## Final 4Q23 IG fundamentals: steady

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Our close-to-final estimate of the 4Q-23 IG credit market fundamentals shows a relatively mixed picture. The positives during 4Q included higher cash, steady gross debt levels and a slowing decline in the coverage ratio. The negatives include a marginally higher gross leverage led by single-As, a lackluster EBITDA growth and shortening maturities. Currently the results are based on data for 85% of issuers in our sample that tracks public US IG issuers ex. Financials and Utilities. Finally, these latest estimates paint a less positive compared to our preliminary estimate (see [Situation Room: Preliminary 4Q23 IG fundamentals](#)).

## Hoarding cash

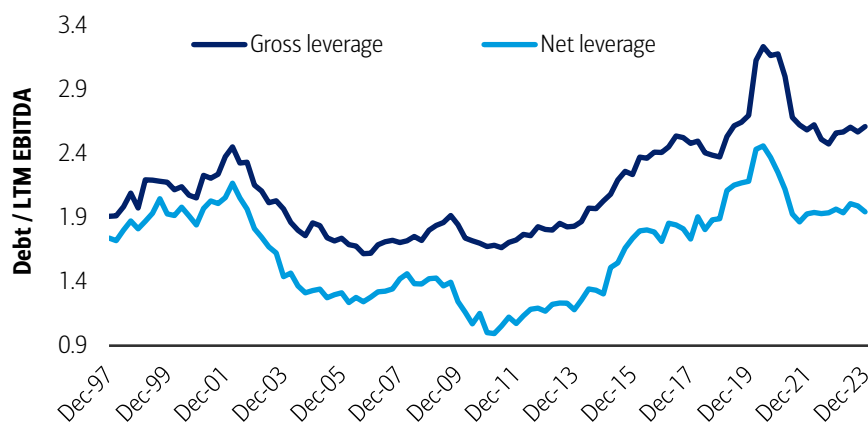
Gross leverage increased moderately to 2.61x in 4Q from 2.57x in 3Q, while net leverage declined to 1.94x from 1.99x over the same period. The divergence was driven by the drop in net debt (-3.1% YoY), while gross debt remained little changed (+0.1 YoY). That implies that cash accumulation remained robust in 4Q: cash & securities were up 7.5% YoY (Exhibit 8) and an unseasonably high +5.3% QoQ (Exhibit 10).

## Lackluster earnings growth

The median YoY EBITDA growth remained relatively subdued in 4Q at +2.6%, while revenues were up 1.1% YoY, similar to +0.7% in 3Q. Margins improved a bit in 4Q, with the EBITDA margin rising to 18.7% from 18.5% in the prior quarter (Exhibit 18).

**Exhibit 1: Median leverage: non-financial non-utility US IG issuers**

Gross leverage decreased to 2.52x, net leverage decreased to 1.88x in 4Q-23.



Note: based on medians for US investment grade non-financial non-utility issuers. 4Q23 values are preliminary. Net debt is gross debt minus cash and marketable securities.

Source: BofA Global Research

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26 February 2024

Credit Strategy  
United States  
Cross Product

**Yuri Seliger**  
Credit Strategist  
BofAS  
+1 646 855 7209  
yuri.seliger@bofa.com

**Jean-Tiago Hamm**  
Credit Strategist  
BofAS  
jean-tiago.hamm@bofa.com

**Srini Talagadeevi**  
Credit Strategist  
BofAS  
sreenivasa.rao@bofa.com

## In this report

March 2024 US IG cash index roll

Daily credit snapshot

Daily dealer inventories update

Daily foreign demand tracker

Please see page 13 for abbreviations

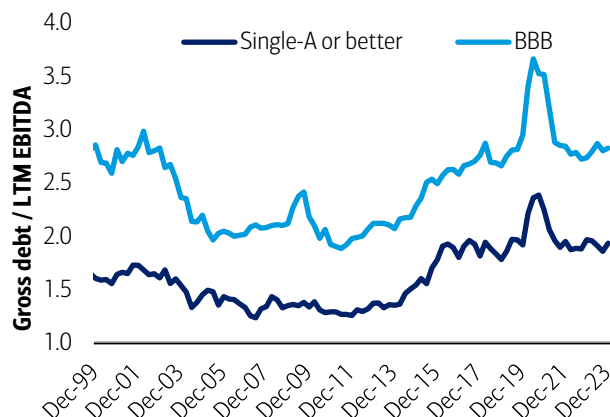
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Timestamp: 26 February 2024 11:05PM EST

**Exhibit 2: Gross leverage for BBB and single-A or better issuers**

Gross leverage increased in 4Q to 2.834x for BBBs and to 1.94x for A-rated issuers.



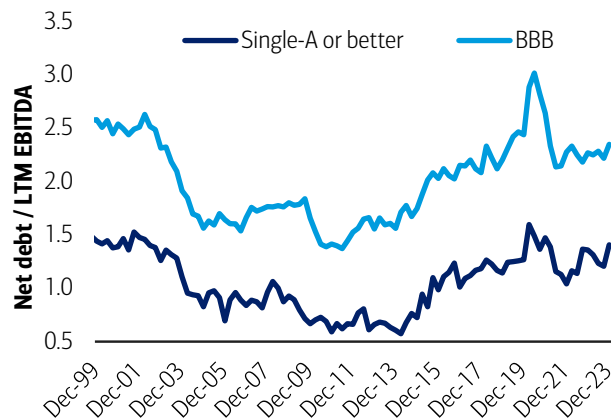
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 3: Net leverage for BBB and single-A or better issuers**

Net leverage weakened in 4Q to 2.35x for BBBs and to 1.40x for single-As.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

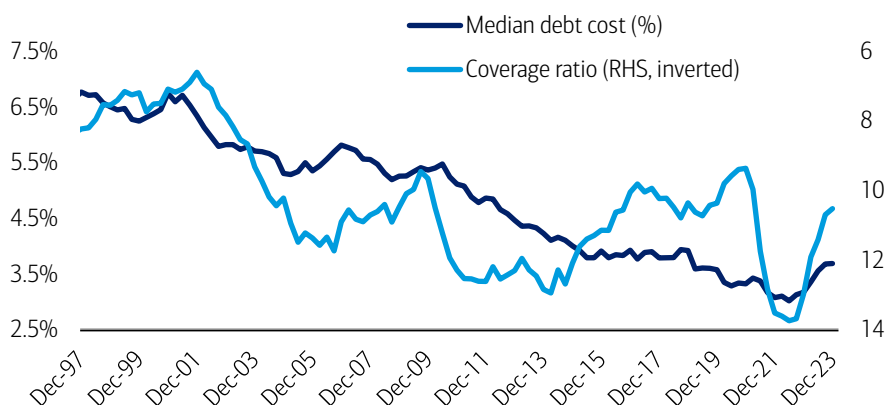
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**A smaller drop in coverage**

After declining rapidly from the peak in 2Q-2022 the coverage ratio was more stable in 4Q-2023. In other words, the pace of decline slowed materially over the past few quarters (Exhibit 5). We estimate the coverage ratio declined to 10.51x in 4Q from 10.69x in 3Q and 11.40 in 2Q-2023. The slowing pace of declines was in part due to a pause in the increase in median LTM borrowing cost. We estimate the median LTM borrowing cost (LTM interest expense / gross debt) was 3.69% in 4Q, unchanged from 3Q (Exhibit 4).

**Exhibit 4: Little changed debt costs, slightly higher coverage in 4Q**

The median coverage ratio increased to 10.51x in 4Q from 10.69x in 3Q. At the same time the median LTM debt cost (LTM interest expense / gross debt) was unchanged at 3.69%.



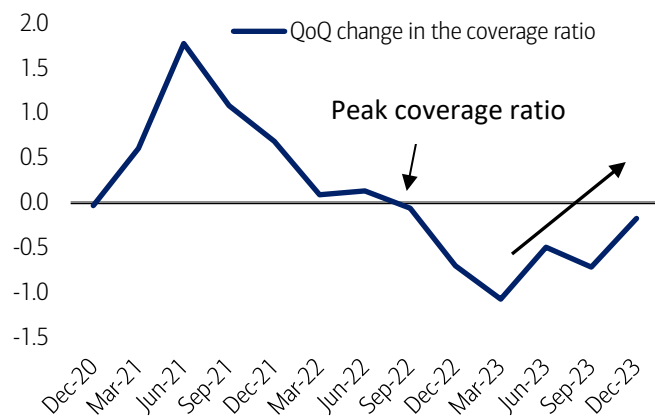
Note: Median debt cost is defined as LTM interest expense / current gross debt. 4Q23 values are preliminary.

Source: BofA Global Research

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**Exhibit 5: A slower pace of change in the coverage ratio**

The coverage ratio declined -0.17 in 4Q, notably slower than -0.72 in 3Q.

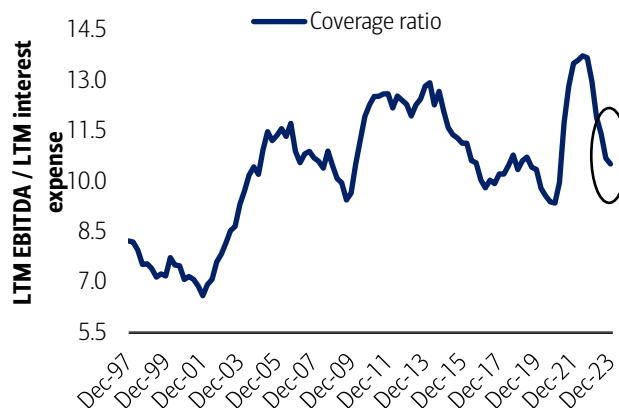


Source: BofA Global Research

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**Exhibit 6: Moderately lower coverage ratio in 4Q**

The coverage ratio declined to 10.51x in 4Q from 10.69x in 3Q and 11.40 in 2Q-2023.



Source: BofA Global Research

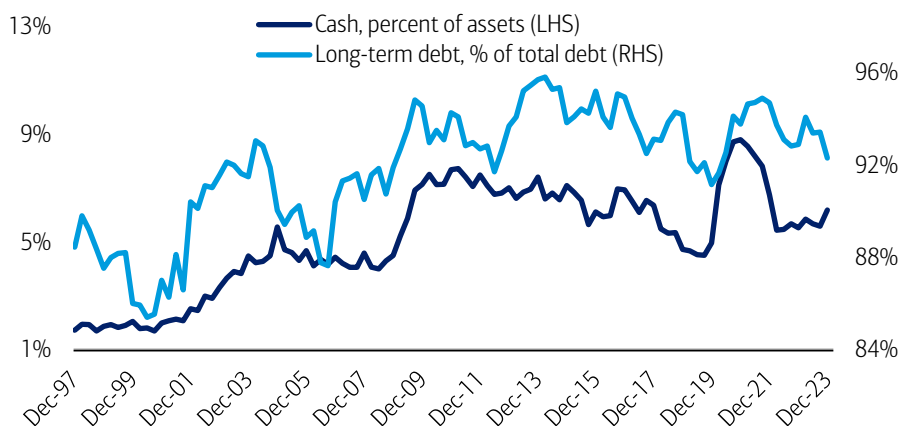
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**Liquidity metrics**

Liquidity metrics results were mixed, with cash as % of assets rising to 6.20% in 4Q from 5.60% in 3Q, while the share of long-term debt decreased to 92.3% in 4Q from 93.4% in 3Q (Exhibit 7).

**Exhibit 7: Liquidity metrics: non-financial non-utility US issuers**

Cash as % of assets rose in 4Q relatively to 3Q while the share of long-term debt decreased.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

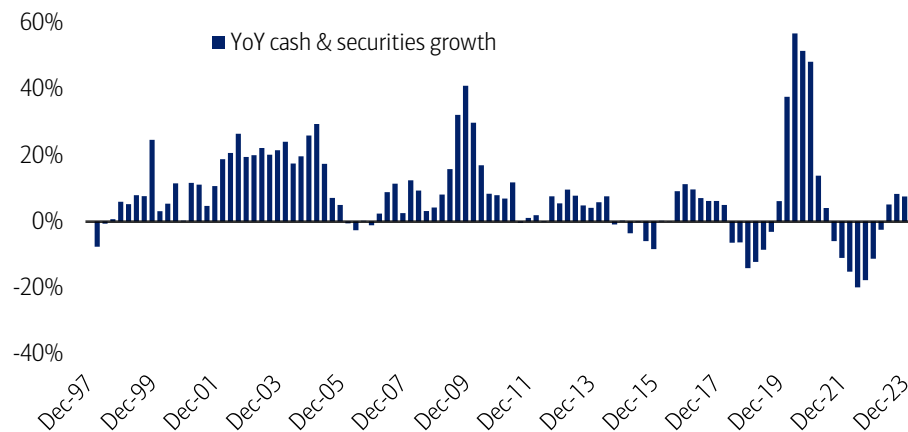
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**Cash and securities**

The YoY change in cash & securities increased +7.5% YoY in 4Q following a +8.3% YoY rise in 3Q-2023 (Exhibit 8). On a QoQ basis cash balanced grew +5.3%, notably above the +4.7% seasonal 4Q trend (Exhibit 9, Exhibit 10).

**Exhibit 8: YoY change in cash and securities increased further in 4Q**

YoY cash & securities growth remained robust at +7.5% YoY in 4Q, similar to +8.3% in 3Q.



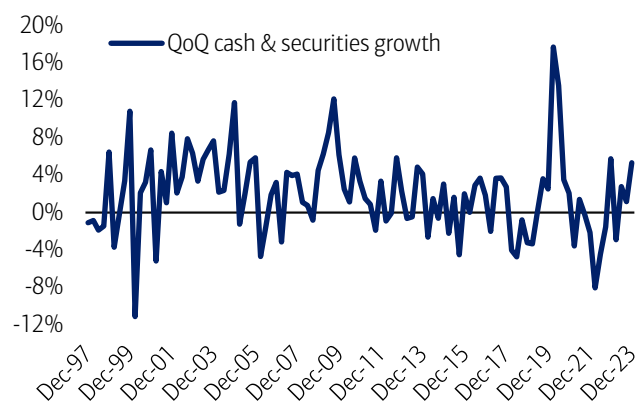
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 9: Cash increased QoQ in 4Q**

Cash and securities increased to +5.3% QoQ in 4Q.



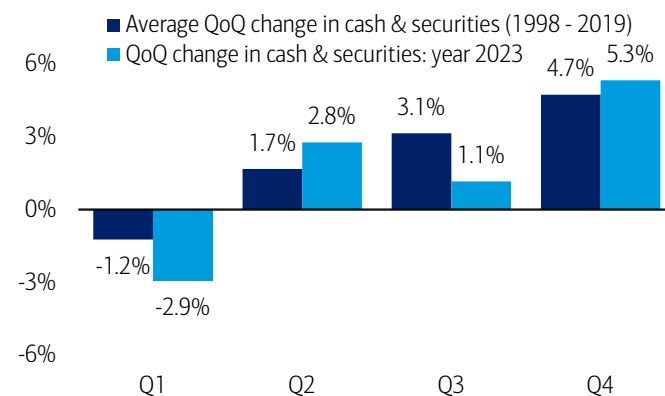
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 10: 4Q-23 QoQ cash growth was below seasonal averages**

Cash typically declines in 1Q and increases in 2Q through 4Q.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

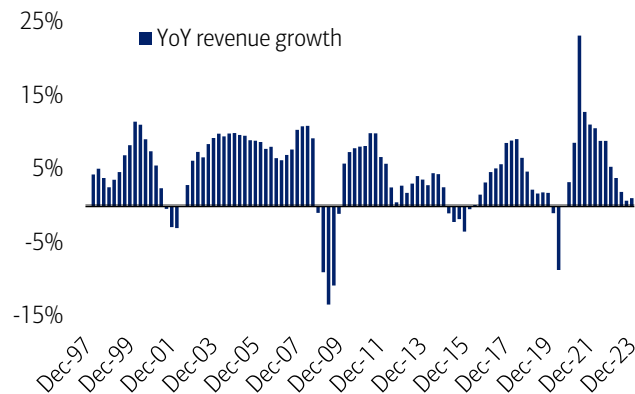
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**Revenue and EBITDA growth**

Median YoY revenue growth remained subdued at +1.1% in 4Q, similar to +0.7% in 3Q. The median YoY EBITDA growth accelerated a bit to 2.6% in 4Q from +1.1% in 3Q (Exhibit 11, Exhibit 12). Similarly LTM revenues growth rose to +0.5% QoQ in 4Q from +0.2% QoQ in 3Q, while LTM EBITDA growth jumped to +0.9% QoQ in 4Q from +0.5% in 3Q (Exhibit 13, Exhibit 14).

**Exhibit 11: Median YoY change in revenues**

YoY revenue growth remained subdued in 4Q.



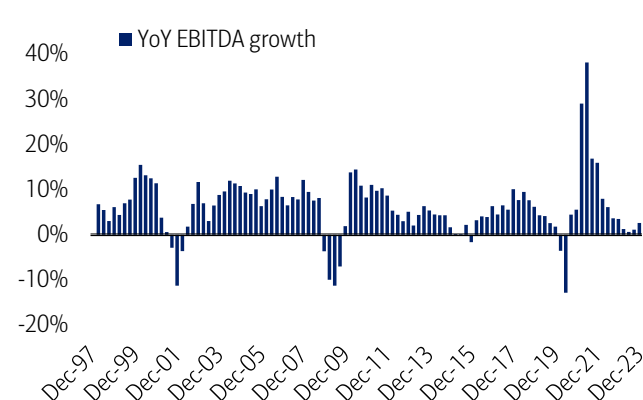
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 12: Median YoY change in EBITDA**

YoY EBITDA growth was +2.6% in 4Q.



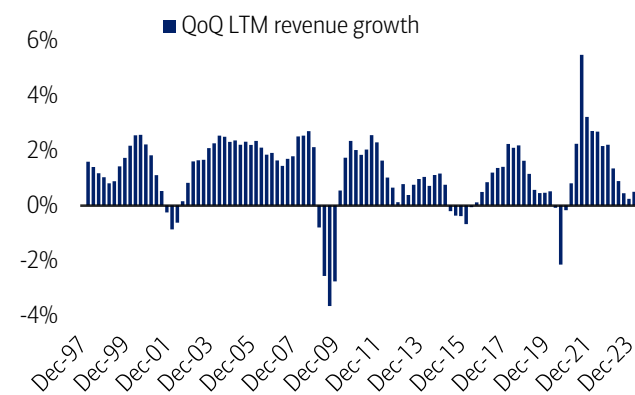
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 13: Median QoQ change in LTM revenues**

Median QoQ growth in LTM revenues increased in 4Q.



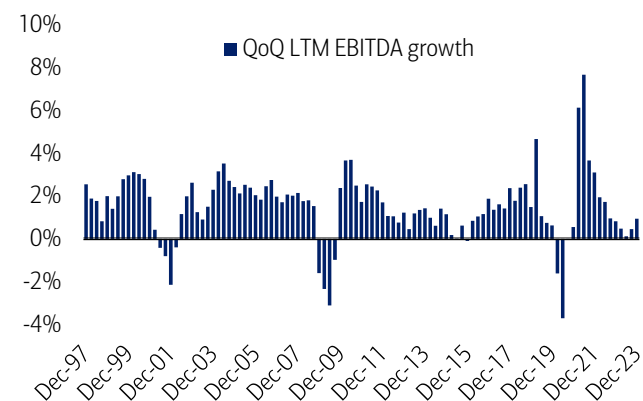
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 14: Median QoQ change in LTM EBITDA**

Median QoQ growth in LTM EBITDA was a bit higher in 4Q.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

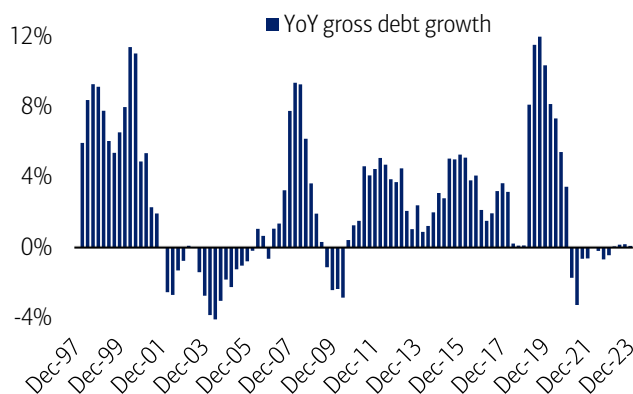
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**Debt growth**

On a YoY basis gross debt was little changed at +0.1% YoY in 4Q and +0.2% in 3Q (Exhibit 15). In contrast net debt growth dropped to -3.1% YoY in 4Q and -1.2% YoY in 3Q (Exhibit 16).

**Exhibit 15: YoY median change in gross debt**

Gross debt was little changed in 4Q-2023 (+0.1% YoY).



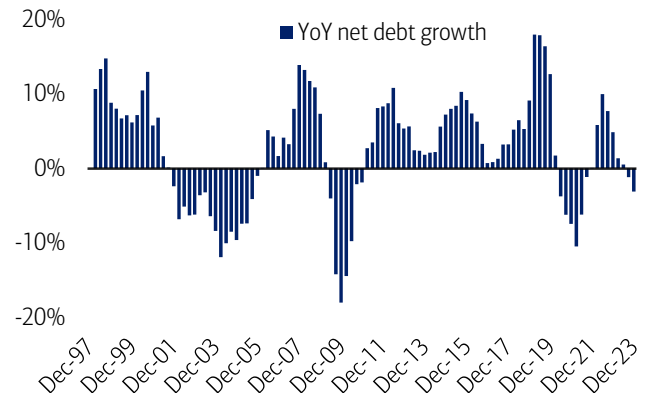
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate. Including leases in debt due to accounting rule ASC 842 inflated YoY debt growth values in 2019.

Source: BofA Global Research

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**Exhibit 16: YoY median change in net debt**

Net debt declined -3.1% YoY in 4Q-2023.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate. Including leases in debt due to accounting rule ASC 842 inflated YoY debt growth values in 2019.

Source: BofA Global Research

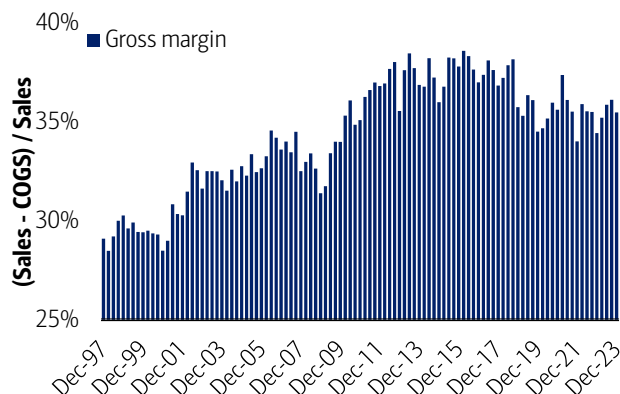
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**Profitability**

The median gross margin decreased to 35.5% in 4Q from 36.1% in 3Q. On the other hand, EBITDA margin rose to 18.7% in 4Q from 18.5% in 3Q (Exhibit 17, Exhibit 18).

**Exhibit 17: Median gross margin**

Gross margin weakened in 4Q.



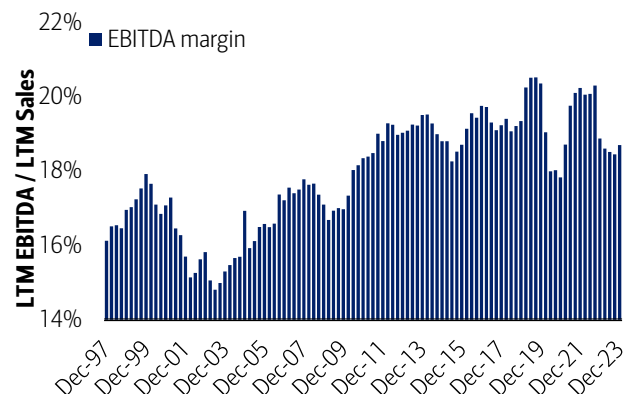
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 18: Median EBITDA margin**

EBITDA margin strengthened in 4Q.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

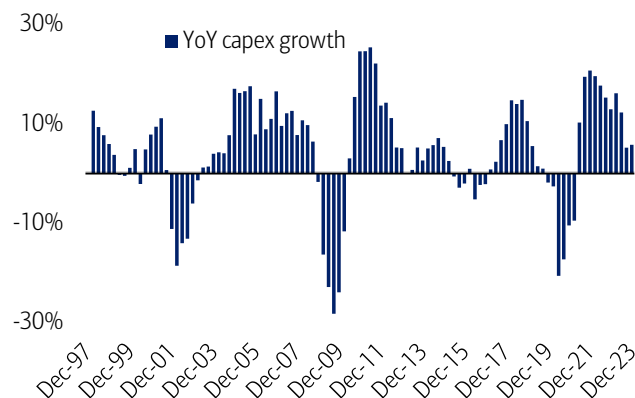
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**Capital spending**

The median YoY capex spending growth remained relatively steady at +5.7% YoY in 4Q, up from +5.1% YoY in 3Q and down from the recent peak of +20.7% in 4Q-2021 (Exhibit 19). LTM capex as a share of EBITDA increased modestly to 24.0% in 4Q from 23.5% in 3Q (Exhibit 20).

**Exhibit 19: Median YoY growth in capex**

YoY capex growth moderated in 3Q and 4Q 2023.



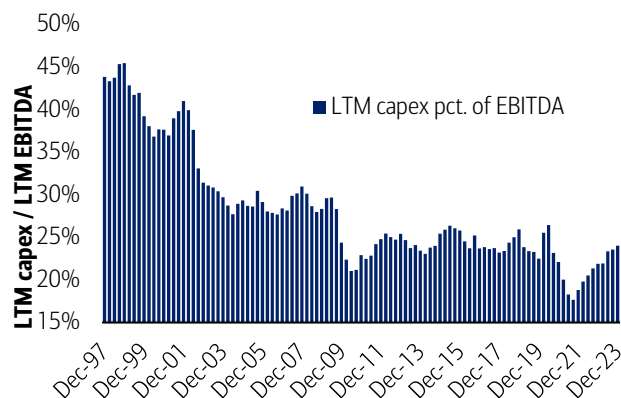
Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Exhibit 20: Median LTM capex as percent of LTM EBITDA**

LTM capex as a share of EBITDA declined to a record low level in 3Q-21 and have rebounded since then.



Note: based on US investment grade non-financial non-utility issuers. 4Q23 data is a preliminary estimate.

Source: BofA Global Research

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**Methodology**

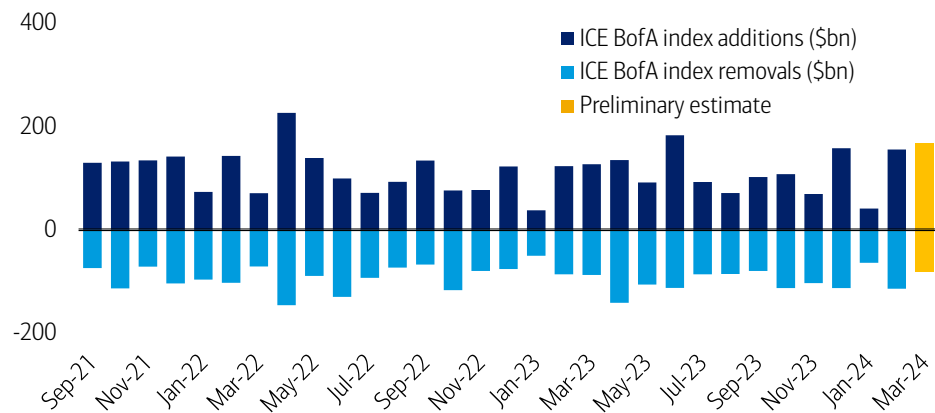
The estimates in this report are for US non-financial issuers in benchmark ICE BofA US Corporate Index COA0 with balance sheet data available on Bloomberg. We exclude companies with large captive finance subsidiaries (CAT, DE, F, GE, and GM) and high yield issuers with secured bonds in the IG index (DELL, CHTR). We further restrict the scope of the analysis in this report to issuers excluding Utilities, which tend to have higher leverage, especially for their rating. For these US non-financial non-utility issuers actual results are currently available for 85% of the total 346 issuers. All market fundamentals are median values using GAAP measures, based on actual results when available and estimates otherwise (estimated by applying the median QoQ change for the companies with available data to the prior quarter levels of companies where data is not yet available). We use a dynamic – as opposed to static – universe of issuers in our analysis based on the constituents in ICE BofA US IG index (COA0) at the end of each calendar quarter.

**March 2024 US IG cash index roll**

We provide a preliminary estimate of the March 2024 US IG corporate cash index roll with aggregate numbers and individual bond additions and removals for the ICE BofA index.

**Exhibit 21: Historical ICE BofA Index roll additions and removals**

The expected March removals average at 50% of expected additions average.



Source: BofA Global Research, ICE Data Indices, LLC

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**Exhibit 22: Preliminary March 2024 US IG corporate index estimated additions**

Estimated additions for Mar' 24.

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	IssueDate
US05526DBZ78	BATSLN	6.000	2/20/2034	850	BBB2	02/15/2024
US05526DBY04	BATSLN	5.834	2/20/2031	850	BBB2	02/15/2024
US06759LAD55	BBDC	7.000	2/15/2029	300	BBB3	02/07/2024
US0778FPAM16	BCECN	5.200	2/15/2034	700	BBB1	02/12/2024
US0778FPAN98	BCECN	5.550	2/15/2054	750	BBB1	02/12/2024
US075887CR80	BDX	4.874	2/8/2029	625	BBB2	02/05/2024
US075887CS63	BDX	5.110	2/8/2034	550	BBB2	02/05/2024
US110122ED68	BMV	4.950	2/20/2026	1,000	A2	02/14/2024
US110122EE42	BMV	4.900	2/22/2027	1,000	A2	02/14/2024
US110122EF17	BMV	4.900	2/22/2029	1,750	A2	02/14/2024
US110122EG99	BMV	5.100	2/22/2031	1,250	A2	02/14/2024
US110122EH72	BMV	5.200	2/22/2034	2,500	A2	02/14/2024
US110122EJ39	BMV	5.500	2/22/2044	500	A2	02/14/2024
US110122EK02	BMV	5.550	2/22/2054	2,750	A2	02/14/2024
US110122EL84	BMV	5.650	2/22/2064	1,750	A2	02/14/2024
US09659W2W33	BNP	5.497	5/20/2029	1,750	A3	02/12/2024
US09659W2X16	BNP	5.738	2/20/2034	1,500	A3	02/12/2024
US0641598V18	BNS	8.000	1/27/2029	750	BBB3	01/04/2024
US05611C2A02	BPCEGP	5.100	1/26/2026	350	A1	01/23/2024
US665501AN23	BRKHEC	5.625	2/1/2054	500	A3	01/29/2024
US096630AK44	BWP	5.625	8/1/2034	600	BBB2	02/08/2024
US172967PF20	C	5.174	2/13/2029	3,000	A3	02/06/2024
US172967PG03	C	5.827	2/13/2034	2,500	BBB2	02/06/2024
US14149YBN76	CAH	5.125	2/15/2029	650	BBB2	02/14/2024
US14149YBP25	CAH	5.450	2/15/2034	500	BBB2	02/14/2024
US00440FAA21	CB	9.700	4/1/2030	300	BBB1	03/29/2000
US12505BAH33	CBG	5.500	4/1/2029	500	BBB1	02/20/2024
US31429KAL70	CCDJ	5.250	4/26/2029	1,000	A1	01/22/2024
US125523CT57	CI	5.000	5/15/2029	1,000	BBB1	02/05/2024
US125523CU21	CI	5.125	5/15/2031	750	BBB1	02/05/2024
US125523CV04	CI	5.250	2/15/2034	1,250	BBB1	02/05/2024
US125523CW86	CI	5.600	2/15/2054	1,500	BBB1	02/05/2024
US200340AW72	CMA	5.982	1/30/2029	1,000	BBB1	01/25/2024
US231021AV82	CMI	4.900	2/20/2029	500	A2	02/14/2024
US231021AW65	CMI	5.150	2/20/2034	750	A2	02/14/2024
US231021AX49	CMI	5.450	2/20/2054	1,000	A2	02/14/2024
US210518DW33	CMS	4.600	5/30/2029	600	A1	01/02/2024
US126117AY60	CNA	5.125	2/15/2034	500	BBB1	02/06/2024
US14040HDE27	COF	5.700	2/1/2029	1,000	BBB1	01/29/2024
US14040HDF91	COF	6.051	2/1/2034	1,000	BBB1	01/29/2024
US03073EAU91	COR	5.125	2/15/2034	500	BBB1	02/05/2024



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Estimated additions for Mar' 24.

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	IssueDate
US224044CT25	COXENT	5.800	12/15/2053	850	BBB2	01/16/2024
US17275RBP64	CSCO	4.900	2/26/2026	1,000	AA3	02/21/2024
US17275RBQ48	CSCO	4.800	2/26/2027	2,000	AA3	02/21/2024
US17275RBR21	CSCO	4.850	2/26/2029	2,500	AA3	02/21/2024
US17275RBS04	CSCO	4.950	2/26/2031	2,500	AA3	02/21/2024
US17275RBT86	CSCO	5.050	2/26/2034	2,500	AA3	02/21/2024
US17275RBU59	CSCO	5.300	2/26/2054	2,000	AA3	02/21/2024
US17275RBV33	CSCO	5.350	2/26/2064	1,000	AA3	02/21/2024
US21037XAC48	CSUCN	5.158	2/16/2029	500	BBB2	02/07/2024
US21037XAD21	CSUCN	5.461	2/16/2034	500	BBB2	02/07/2024
US251526CV96	DB	5.706	2/8/2027	1,000	BBB1	02/05/2024
US260543DJ91	DOW	5.150	2/15/2034	600	BBB1	02/07/2024
US260543DK64	DOW	5.600	2/15/2054	650	BBB1	02/07/2024
US23338VAU08	DTE	4.850	12/1/2026	500	A1	02/20/2024
US23338VAV80	DTE	5.200	3/1/2034	500	A1	02/20/2024
US233331BK28	DTE	5.100	3/1/2029	1,200	BBB2	02/12/2024
US29736RAV24	EL	5.000	2/14/2034	650	A2	02/12/2024
US277432AY69	EMN	5.625	2/20/2034	750	BBB2	02/15/2024
US26884TAY82	ENTERP	5.000	2/15/2029	750	A3	02/05/2024
US26884TAZ57	ENTERP	5.200	10/30/2034	750	A3	02/05/2024
US89834JAA16	FUNOTR	7.375	2/13/2034	600	BBB3	02/07/2024
US38173MAE21	GBDC	6.000	7/15/2029	600	BBB3	01/29/2024
US37045XEQ51	GM	5.400	5/8/2027	1,200	BBB2	02/05/2024
US37045XER35	GM	5.750	2/8/2031	1,000	BBB2	02/05/2024
US446150BD56	HBAN	5.709	2/2/2034	1,250	BBB1	01/26/2024
US404119CT49	HCA	5.450	4/1/2031	1,000	BBB3	02/20/2024
US404119CU12	HCA	5.600	4/1/2034	1,300	BBB3	02/20/2024
US404119CV94	HCA	6.000	4/1/2054	1,500	BBB3	02/20/2024
US404119CW77	HCA	6.100	4/1/2064	700	BBB3	02/20/2024
US44920UUAU25	HYUCAP	5.125	2/5/2027	500	BBB1	01/29/2024
US44920UAV08	HYUCAP	5.125	2/5/2029	500	BBB1	01/29/2024
US449276AA20	IBM	4.700	2/5/2026	600	A3	01/29/2024
US449276AB03	IBM	4.600	2/5/2027	500	A3	01/29/2024
US449276AC85	IBM	4.600	2/5/2029	500	A3	01/29/2024
US449276AE42	IBM	4.900	2/5/2034	1,000	A3	01/29/2024
US449276AF17	IBM	5.250	2/5/2044	1,000	A3	01/29/2024
US449276AG99	IBM	5.300	2/5/2054	1,400	A3	01/29/2024
US449276AD68	IBM	4.750	2/5/2031	500	A3	01/29/2024
US458140CN85	INTC	5.000	2/21/2031	500	A3	02/15/2024
US458140CL20	INTC	5.150	2/21/2034	900	A3	02/15/2024
US458140CM03	INTC	5.600	2/21/2054	1,150	A3	02/15/2024
US50155QAN07	KD	6.350	2/20/2034	500	BBB2	02/15/2024
US50065RAP29	KHFC	4.875	8/27/2027	500	AA2	02/08/2024
US482480AP59	KLAC	4.700	2/1/2034	500	A2	01/30/2024
US494553AD27	KMI	5.000	2/1/2029	1,250	BBB2	01/29/2024
US494553AE00	KMI	5.400	2/1/2034	1,000	BBB2	01/29/2024
US532457CJ56	LLY	4.500	2/9/2027	1,000	A1	02/07/2024
US532457CK20	LLY	4.500	2/9/2029	1,000	A1	02/07/2024
US532457CL03	LLY	4.700	2/9/2034	1,500	A1	02/07/2024
US532457CM85	LLY	5.000	2/9/2054	1,500	A1	02/07/2024
US532457CN68	LLY	5.100	2/9/2064	1,500	A1	02/07/2024
US539830CC15	LMT	4.500	2/15/2029	650	A3	01/25/2024
US539830CD97	LMT	4.800	8/15/2034	600	A3	01/25/2024
US539830CE70	LMT	5.200	2/15/2064	750	A3	01/25/2024
US517834AE74	LVS	3.500	8/18/2026	1,000	BBB3	07/29/2019
US517834AF40	LVS	3.900	8/8/2029	750	BBB3	07/29/2019
US517834AH06	LVS	2.900	6/25/2025	500	BBB3	11/21/2019
US571903BP73	MAR	4.875	5/15/2029	500	BBB2	02/20/2024
US571903BQ56	MAR	5.300	5/15/2034	1,000	BBB2	02/20/2024
US609207BC87	MDLZ	4.750	2/20/2029	550	BBB2	02/15/2024
US58989V2G85	MET	4.850	1/16/2027	500	AA3	01/10/2024
US60687YDD85	MIZUHO	5.376	5/26/2029	750	A2	02/20/2024
US60687YDE68	MIZUHO	5.579	5/26/2034	750	A2	02/20/2024
US571748BW16	MMC	5.150	3/15/2034	500	A3	02/14/2024



**Exhibit 22: Preliminary March 2024 US IG corporate index estimated additions**

Estimated additions for Mar' 24.

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	IssueDate
US571748BX98	MMC	5.450	3/15/2054	500	A3	02/14/2024
US61747YFM21	MS	5.942	2/7/2034	1,500	BBB1	02/05/2024
US65339KCS78	NEE	4.950	1/29/2026	1,000	BBB1	01/29/2024
US65339KCT51	NEE	4.900	3/15/2029	900	BBB1	01/29/2024
US65339KCU25	NEE	5.250	3/15/2034	1,100	BBB1	01/29/2024
US65339KCV08	NEE	5.550	3/15/2054	800	BBB1	01/29/2024
US575634AV24	NGGLN	5.867	2/26/2054	400	BBB1	02/21/2024
US647551AF79	NMFC	6.875	2/1/2029	300	BBB3	01/25/2024
US666807CK64	NOC	4.600	2/1/2029	500	BBB1	01/29/2024
US666807CL48	NOC	4.900	6/1/2034	850	BBB1	01/29/2024
US666807CM21	NOC	5.200	6/1/2054	1,150	BBB1	01/29/2024
US756109BZ62	O	3.200	1/15/2027	292	A3	12/19/2023
US756109CB85	O	4.000	7/15/2029	392	A3	12/19/2023
US756109CC68	O	3.400	1/15/2030	485	A3	12/19/2023
US756109CD42	O	3.200	2/15/2031	445	A3	12/19/2023
US756109CE25	O	2.700	2/15/2032	348	A3	12/19/2023
US756109CA03	O	2.100	3/15/2028	444	A3	12/19/2023
US69120VAX91	OCINCC	6.650	3/15/2031	750	BBB3	01/29/2024
US68233JCQ58	ONCRTX	4.300	5/15/2028	600	A2	12/20/2023
US713466AA86	PEP	4.650	2/16/2027	550	A1	02/12/2024
US713466AB69	PEP	4.550	2/16/2029	450	A1	02/12/2024
US713466AD26	PEP	4.700	2/16/2034	450	A1	02/12/2024
US718172DF33	PM	4.750	2/12/2027	750	A2	02/09/2024
US718172DG16	PM	4.875	2/13/2029	1,000	A2	02/09/2024
US718172DH98	PM	5.125	2/13/2031	1,250	A2	02/09/2024
US718172DJ54	PM	5.250	2/13/2034	1,750	A2	02/09/2024
US775109DE81	RCICN	5.000	2/15/2029	1,250	BBB3	02/07/2024
US775109DF56	RCICN	5.300	2/15/2034	1,250	BBB3	02/07/2024
US780153BS09	RCL	8.250	1/15/2029	1,000	BBB3	09/22/2022
US855244BG38	SBUX	4.850	2/8/2027	1,000	BBB1	02/05/2024
US855244BH11	SBUX	4.900	2/15/2031	500	BBB1	02/05/2024
US855244BJ76	SBUX	5.000	2/15/2034	500	BBB1	02/05/2024
US373334KV25	SO	5.004	2/23/2027	500	BBB1	02/20/2024
US373334KW08	SO	5.250	3/15/2034	900	BBB1	02/20/2024
US84857LAC54	SR	5.300	3/1/2026	350	BBB2	02/05/2024
US875127BM30	TE	4.900	3/1/2029	500	A3	01/25/2024
US882508CE26	TXN	4.600	2/8/2027	650	A1	02/05/2024
US882508CG73	TXN	4.600	2/8/2029	650	A1	02/05/2024
US882508CH56	TXN	4.850	2/8/2034	600	A1	02/05/2024
US882508CJ13	TXN	5.150	2/8/2054	750	A1	02/05/2024
US92343VGV81	VZ	5.500	2/23/2054	1,000	BBB1	02/20/2024
US94106BAG68	WCNCN	5.000	3/1/2034	750	BBB1	02/15/2024
US96122FAB31	WSTPNZ	5.132	2/26/2027	750	AA3	02/20/2024
US96122FAC14	WSTPNZ	5.195	2/28/2029	750	AA3	02/20/2024
US83444MAA99	SOLV	5.450	2/25/2027	1,000	Baa3	02/23/2024
US83444MAC55	SOLV	5.400	3/1/2029	1,500	Baa3	02/23/2024
US83444MAE12	SOLV	5.450	3/13/2031	1,000	Baa3	02/23/2024
US83444MAG69	SOLV	5.600	3/23/2034	1,650	Baa3	02/23/2024
US83444MAJ09	SOLV	5.900	4/30/2054	1,250	Baa3	02/23/2024
US83444MAL54	SOLV	6.000	5/15/2064	500	Baa3	02/23/2024
US30161NBN03	EXC	5.450	3/15/2034	650	Baa2	02/22/2024
US963320BC98	WHR	5.750	3/1/2034	300	Baa2	02/22/2024
US665772CY38	XEL	5.400	3/15/2054	700	Aa3	02/22/2024
US00287YDR71	ABBV	4.800	3/15/2027	2,250	A3	02/22/2024
US00287YDS54	ABBV	4.800	3/15/2029	2,500	A3	02/22/2024
US00287YDT38	ABBV	4.950	3/15/2031	2,000	A3	02/22/2024
US00287YDU01	ABBV	5.050	3/15/2034	3,000	A3	02/22/2024
US00287YDV83	ABBV	5.350	3/15/2044	750	A3	02/22/2024
US00287YDW66	ABBV	5.400	3/15/2054	3,000	A3	02/22/2024
US00287YDX40	ABBV	5.500	3/15/2064	1,500	A3	02/22/2024
US14913UAF75	CAT	5.050	2/27/2026	800	A2	02/22/2024
US14913UAJ97	CAT	4.850	2/27/2029	600	A2	02/22/2024
US30161NBM20	EXC	5.150	3/15/2029	650	Baa2	02/22/2024
US46128MAT80	CMPCCI	6.125	2/26/2034	500	BBB	02/21/2024

**Exhibit 22: Preliminary March 2024 US IG corporate index estimated additions**

Estimated additions for Mar' 24.

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	IssueDate
US96122QAB95	WSTPNZ	5.132	2/26/2027	750	A1	02/20/2024
US96122QAC78	WSTPNZ	5.195	2/28/2029	750	A1	02/20/2024
USC0219CAM94	ATDBCN	5.267	2/12/2034	900	Baa1	02/06/2024
USC0219CAN77	ATDBCN	5.617	2/12/2054	600	Baa1	02/06/2024
USU29490AZ99	ENTERP	5.000	2/15/2029	750	A3	02/05/2024
USU29490BA30	ENTERP	5.200	10/30/2034	750	A3	02/05/2024
USY3815NBG52	HYUCAP	5.125	2/5/2027	500	A3	01/29/2024
USY3815NBH36	HYUCAP	5.125	2/5/2029	500	A3	01/29/2024
USU66480AL57	BRKHEC	5.625	2/1/2054	500	A2	01/29/2024
USU04503AN59	AHTLN	5.800	4/15/2034	850	Baa3	01/25/2024

Source: BofA Global Research, ICE Data Indices, LLC

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**Exhibit 23: Preliminary Mar 2024 US IG corporate index estimated removals**

Estimated removals for Mar' 24

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	Issue Date
US00182EBP34	ANZNZ	2.166	2/18/2025	500	A1	2/9/2022
US00217GAA13	APT	2.396	2/18/2025	700	BBB2	2/9/2022
US00724FAC59	ADBE	3.250	2/1/2025	1,000	A2	1/21/2015
US00724PAB58	ADBE	1.900	2/1/2025	500	A2	1/22/2020
US00751YAE68	AAP	3.900	4/15/2030	500	BBB3	6/24/2020
US00751YAF34	AAP	1.750	10/1/2027	350	BBB3	9/22/2020
US00751YAG17	AAP	3.500	3/15/2032	350	BBB3	3/1/2022
US00751YAH99	AAP	5.900	3/9/2026	300	BBB3	3/6/2023
US00751YAJ55	AAP	5.950	3/9/2028	300	BBB3	3/6/2023
US00914AAF93	AL	2.300	2/1/2025	750	BBB2	1/7/2020
US031162CV00	AMGN	1.900	2/21/2025	500	BBB1	2/18/2020
US037833AZ38	AAPL	2.500	2/9/2025	1,500	AA1	2/2/2015
US05252ADF57	ANZ	4.829	2/3/2025	600	AA3	1/26/2023
US05401AAH41	AVOL	2.875	2/15/2025	1,099	BBB3	1/9/2020
US06051GHY89	BAC	2.015	2/13/2025	1,500	A1	2/10/2020
US06406HDA41	BK	3.000	2/24/2025	750	A1	2/19/2015
US06407EAB11	BZLNZ	2.000	2/21/2025	750	A1	2/13/2020
US064159TF31	BNS	2.200	2/3/2025	1,250	A2	1/7/2020
US06675FAX50	BFCM	0.998	2/4/2025	500	AA3	9/28/2021
US084659AD37	BRKHEC	3.500	2/1/2025	400	A3	12/23/2014
US11120VAA17	BRX	3.850	2/1/2025	700	BBB2	1/13/2015
US13607GSA30	CM	1.878	2/3/2025	250	A1	1/27/2022
US136385AV34	CNQCEN	3.900	2/1/2025	600	BBB2	11/12/2014
US13645RAS31	CP	2.900	2/1/2025	700	BBB2	1/28/2015
US14040HBG92	COF	3.200	2/5/2025	1,000	BBB1	2/2/2015
US14448CAN48	CARR	2.242	2/15/2025	1,200	BBB2	11/6/2020
US15132HAF82	CENSUD	5.150	2/12/2025	524	BBB3	2/5/2015
US20030NBL47	CMCSA	3.375	2/15/2025	419	A3	8/5/2014
US224044CE55	COXENT	3.850	2/1/2025	700	BBB2	12/1/2014
US22550L2H39	UBS	3.700	2/21/2025	1,931	A2	4/4/2022
US23317HAD44	SITC	3.625	2/1/2025	457	BBB3	1/12/2015
US25159MBF32	DBJP	1.750	2/18/2025	700	A2	2/1/2022
US26835PAJ93	EDPPL	6.300	10/11/2027	133	BBB2	10/3/2022
US26884LAH24	EQT	6.125	2/1/2025	602	BBB3	1/15/2020
US29250NBL82	ENBCN	2.500	2/14/2025	500	BBB1	2/15/2022
US29379VBE20	EPD	3.750	2/15/2025	1,150	A3	10/2/2014
US30219GAM06	CI	4.500	2/25/2026	233	BBB1	2/22/2016
US302635AE72	FSK	4.125	2/1/2025	470	BBB3	11/13/2019
US30313RAA77	FSK	4.250	2/14/2025	475	BBB3	2/11/2020
US31429KAD54	CCDJ	2.050	2/10/2025	1,000	A1	2/3/2020
US345397B850	F	2.300	2/10/2025	1,250	BBB3	1/5/2022
US37045XCV64	GM	2.900	2/26/2025	1,250	BBB2	1/6/2020
US372460AB11	GPC	1.750	2/1/2025	500	BBB2	1/6/2022
US375558AZ68	GILD	3.500	2/1/2025	1,750	BBB1	11/12/2014
US37940XAA00	GPN	2.650	2/15/2025	1,000	BBB3	8/7/2019
US38141GXS82	GS	0.855	2/12/2025	800	A3	2/10/2021



**Exhibit 23: Preliminary Mar 2024 US IG corporate index estimated removals**

Estimated removals for Mar' 24

ISIN	Ticker	Coupon	Maturity	Face value (\$mn)	Rating	Issue Date
US38147UAC18	GSBD	3.750	2/10/2025	360	BBB3	2/6/2020
US384802AE44	GWW	1.850	2/15/2025	500	A2	2/21/2020
US404119BR91	HCA	5.375	2/1/2025	2,600	BBB3	1/13/2015
US40414LAM19	PEAK	3.400	2/1/2025	348	BBB1	1/13/2015
US44891ABF30	HYNMTR	2.650	2/10/2025	500	BBB1	2/5/2020
US46647PCV67	JPM	2.595	2/24/2025	1,450	A1	2/16/2022
US488401AB66	KMPR	4.350	2/15/2025	450	BBB3	2/19/2015
US49374JAC71	KIAMTR	2.375	2/14/2025	400	BBB1	2/8/2022
US49446RAU32	KIM	3.300	2/1/2025	500	BBB1	8/1/2017
US50050GAQ10	CITNAT	2.125	2/15/2025	400	A1	2/8/2022
US50540RAQ56	LH	3.600	2/1/2025	1,000	BBB2	1/21/2015
US52107QAG01	LAZ	3.750	2/13/2025	400	BBB2	2/10/2015
US524671AA21	LRFP	8.500	2/15/2025	393	A3	2/14/1995
US539439AV19	LLOYDS	2.438	2/5/2025	1,000	A3	1/29/2020
US55279HAK68	MTB	2.900	2/6/2025	750	A3	2/3/2015
US55336VAA89	MPLX	4.000	2/15/2025	500	BBB2	2/9/2015
US58933YAR62	MRK	2.750	2/10/2025	2,500	A1	2/5/2015
US594918BB90	MSFT	2.700	2/12/2025	2,250	AAA	2/9/2015
US606822BN36	MUFG	2.193	2/25/2025	2,600	A2	2/18/2020
US606822CV43	MUFG	5.719	2/20/2025	1,650	A2	2/15/2023
US61747YEM30	MS	2.630	2/18/2025	1,750	A2	2/16/2022
US63743HFC16	NRUC	1.875	2/7/2025	600	A2	1/31/2022
US64110LAL09	NFLX	5.875	2/15/2025	800	BBB2	2/2/2015
US66989HAP38	NOVNVX	1.750	2/14/2025	1,000	AA3	2/11/2020
US67401PAB40	OCSL	3.500	2/25/2025	300	BBB3	2/13/2020
US68233JCN28	ONCRTX	4.300	5/15/2028	0	A2	5/8/2023
US68233JCP75	ONCRTX	4.950	9/15/2052	0	A2	5/8/2023
US69353REK05	PNC	2.950	2/23/2025	750	A2	2/18/2015
US69371RQ664	PCAR	1.800	2/6/2025	400	A1	1/30/2020
US718547AD44	PSX	3.605	2/15/2025	438	BBB1	4/3/2023
US74005PBN33	LIN	2.650	2/5/2025	400	A2	1/29/2015
US806213AB00	SCGAU	3.500	2/12/2025	600	A2	11/6/2014
US82460P2A28	SHINFN	3.340	2/5/2025	500	BBB2	7/29/2019
US835495AM47	SON	1.800	2/1/2025	400	BBB2	1/11/2022
US85207UAJ43	S	7.625	2/15/2025	1,500	BBB2	2/19/2015
US854502AP61	SWK	2.300	2/24/2025	500	BBB1	2/22/2022
US857477BR39	STT	1.746	2/6/2025	300	A1	2/2/2022
US88032WAD83	TENCNT	3.800	2/11/2025	900	A1	2/4/2015
US88579YBH36	MMM	2.000	2/14/2025	750	A3	8/19/2019
US89236TGT60	TOYOTA	1.800	2/13/2025	1,400	A1	2/10/2020
US92277GAE70	VTR	3.500	2/1/2025	600	BBB1	1/7/2015
US92343VEN01	VZ	3.376	2/15/2025	1,331	BBB1	12/19/2017
US92564RAC97	VICI	3.500	2/15/2025	750	BBB3	1/21/2020
US92936UAC36	WPC	4.000	2/1/2025	450	BBB1	1/21/2015
US94974BGH78	WFC	3.000	2/19/2025	2,500	A2	2/11/2015
US95000U2K82	WFC	2.164	2/11/2025	3,000	A2	2/4/2020
US958667AB34	WES	3.100	2/1/2025	666	BBB3	1/9/2020
US961214EH28	WSTP	2.350	2/19/2025	1,250	AA3	11/12/2019
US961214EM13	WSTP	2.894	2/4/2025	1,500	BBB1	1/23/2020

Source: BofA Global Research, ICE Data Indices, LLC

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## Daily credit snapshot

US IG issuance totaled \$27.4bn across 18 deals today, \$27.4bn WTD and \$172.7bn MTD. The average new issue concession was 6.0bps, while the average break performance was 0.4bps today.

S&P 500 closed -0.38%, 10-year Treasury yields +3bps, CDX IG +0.9bps, CDX HY - \$0.14pts, and cash bond spreads quoted from 1 to 5bps today, LQD closed 1.58bps wider today.



**Exhibit 24: Recent new issue pricing and new issue concessions**

List of new issues in the IG corporate bond market today along with performance metrics.

Date	Ticker	Name	Tenor	Size (\$mm)	Moody's/S&P Rating	Coupon (%)	Px Spread (bps)	New Issue Conc. (bps)	* Break performance	Current spread (bps)
2024-02-26	BNCN	Brookfield Finance Inc	30	750	A3/A-	5.968	155	13	n.a.	n.a.
2024-02-26	BPLN	BP Capital Markets PLC	PERP NC10	1,300	A2/A-	6.45	n.a.	n.a.	n.a.	n.a.
2024-02-26	CNP	CenterPoint Energy Houston Electric LLC	10	400	A2/A	5.15	90	7	n.a.	n.a.
2024-02-26	DANBNK	Danske Bank A/S	4NC3	1,000	A3/A+	5.427	95	n.a.	n.a.	n.a.
2024-02-26	DANBNK	Danske Bank A/S	6NC5	1,250	Baa2/BBB+	5.705	140	n.a.	n.a.	n.a.
2024-02-26	DUK	Duke Energy Indiana LLC	10	300	Aa3/A	5.25	100	2	-1	99
2024-02-26	EXC	Potomac Electric Power Co	10	375	A2/A	5.2	95	n.a.	2	97
2024-02-26	EXC	Potomac Electric Power Co	30	300	A2/A	5.5	110	n.a.	2	112
2024-02-26	FI	Fiserv Inc	3	750	Baa2/BBB	5.15	68	n.a.	n.a.	n.a.
2024-02-26	FI	Fiserv Inc	7	500	Baa2/BBB	5.35	105	10	n.a.	n.a.
2024-02-26	FI	Fiserv Inc	10	750	Baa2/BBB	5.45	115	4	n.a.	n.a.
2024-02-26	HON	Honeywell International Inc	6	500	A2/A	4.875	55	n.a.	n.a.	n.a.
2024-02-26	HON	Honeywell International Inc	8	500	A2/A	4.95	65	n.a.	n.a.	n.a.
2024-02-26	HON	Honeywell International Inc	11	750	A2/A	5	75	n.a.	n.a.	n.a.
2024-02-26	HON	Honeywell International Inc	30	1,750	A2/A	5.25	85	n.a.	n.a.	n.a.
2024-02-26	HON	Honeywell International Inc	40	650	A2/A	5.35	95	n.a.	n.a.	n.a.
2024-02-26	HSBC	HSBC USA Inc	3	500	A2/A-	FRN	0	n.a.	n.a.	n.a.
2024-02-26	HSBC	HSBC USA Inc	3	1,000	A2/A-	5.294	80	n.a.	n.a.	n.a.
2024-02-26	HSBC	HSBC Holdings PLC	6NC5	1,500	A3/A-	5.546	123	n.a.	n.a.	n.a.
2024-02-26	HSBC	HSBC Holdings PLC	11NC10	1,250	A3/A-	5.719	143	n.a.	n.a.	n.a.
2024-02-26	KEY	KeyCorp	11NC10	1,000	Baa2/BBB	6.401	210	n.a.	n.a.	n.a.
2024-02-26	LYB	LYB International Finance III LLC	10	750	Baa2/BBB	5.5	130	n.a.	n.a.	n.a.
2024-02-26	NWG	NatWest Group PLC	4NC3	300	A3/BBB+	FRN	SOFR+125	n.a.	n.a.	n.a.
2024-02-26	NWG	NatWest Group PLC	4NC3	1,000	A3/BBB+	5.583	110	0	-2	108
2024-02-26	NWG	NatWest Group PLC	11NC10	1,500	A3/BBB+	5.778	150	16	1	151
2024-02-26	PCG	Pacific Gas and Electric Co	5	850	Baa2/BBB	5.55	125	n.a.	n.a.	n.a.
2024-02-26	PCG	Pacific Gas and Electric Co	10	1,100	Baa2/BBB	5.8	153	n.a.	n.a.	n.a.
2024-02-26	PCG	Pacific Gas and Electric Co	29	300	Baa2/BBB	6.75	170	n.a.	6	178
2024-02-26	PSX	Phillips 66 Co	7	600	A3/BBB+	5.25	100	n.a.	n.a.	n.a.
2024-02-26	PSX	Phillips 66 Co	9	400	A3/BBB+	5.3	110	n.a.	4	104
2024-02-26	PSX	Phillips 66 Co	30	500	A3/BBB+	5.65	125	2	n.a.	n.a.
2024-02-26	R	Ryder System Inc	3	350	Baa2/BBB+	5.3	83	n.a.	n.a.	n.a.
2024-02-26	R	Ryder System Inc	5	550	Baa2/BBB+	5.375	105	n.a.	n.a.	n.a.
2024-02-26	SO	Southern Co/The	5	400	Baa2/BBB	5.5	85	6	-5	80
2024-02-26	SO	Southern Co/The	10	400	Baa2/BBB	5.7	117	3	-2	116
2024-02-26	WAB	Westinghouse Air Brake Technologies Corp	10	500	Baa3/BBB	5.611	132	n.a.	n.a.	n.a.
2024-02-26	XEL	Xcel Energy Inc	10	800	Baa1/BBB+	5.5	125	n.a.	-1	124

Source: BofA Global Research, Bloomberg

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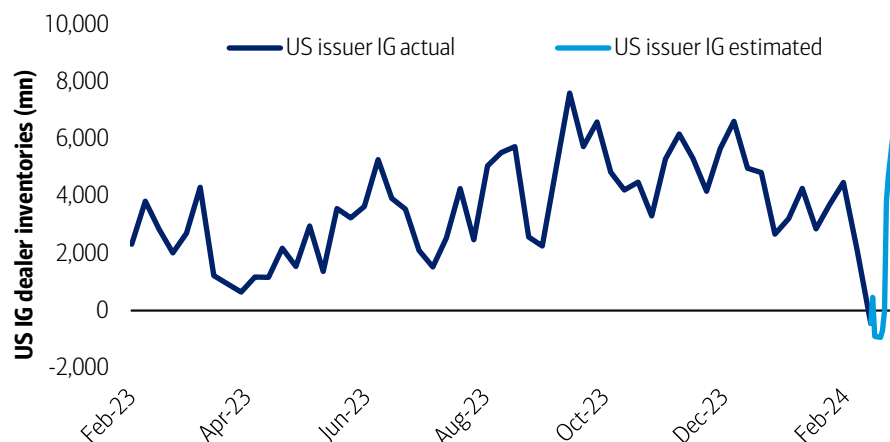
## Daily dealer inventories update

Below we estimate dealer inventories for the IG corporate bonds based on TRACE data. The actual inventories of US issuer bonds based on NY Fed survey, as well as the estimated change since the latest Fed report are plotted in Exhibit 25. We estimate the corresponding DV01 equivalent in Exhibit 26. More details by sector and maturity are available in Exhibit 27 and Exhibit 28. Finally, note that the data for the current date is through about 4:40 p.m. Eastern Standard Time.



**Exhibit 25: Estimated dealer inventories of IG corporate bonds.**

We estimate IG dealer inventories of US issuer bonds increased to \$6.5bn currently from -\$0.5bn on Feb-14.



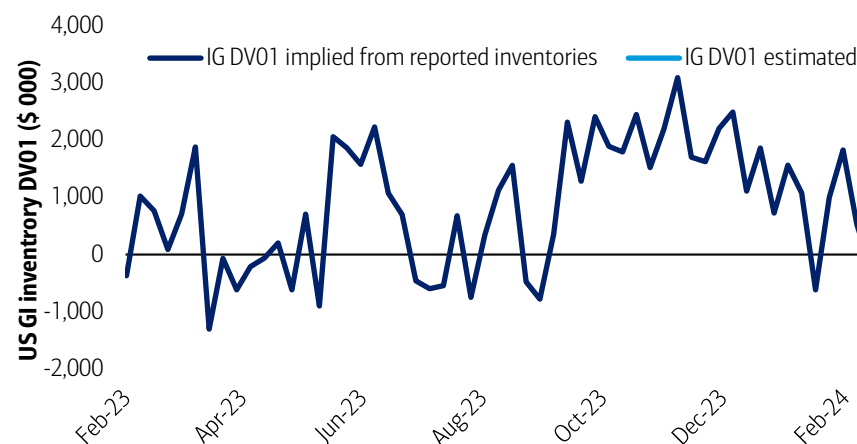
Note: data for US issuer bonds only, maturities 13M or longer. Actual dealer inventory data is from Primary Dealer Statistics survey by the NY Fed. The subsequent change in inventory is estimated based on TRACE.

Source: BofA Global Research, FINRA, TRACE, Federal Reserve

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**Exhibit 26: Estimated dealer inventory DV01 for IG corporate bonds.**

We estimate IG dealer inventory DV01 of US issuer bonds increased to \$3.4mn currently from -\$0.3bn on Feb-14.



Note: data for US issuer bonds only, maturities 13M or longer. Actual dealer inventory data is from Primary Dealer Statistics survey by the NY Fed. The subsequent change in inventory is estimated based on TRACE.

Source: BofA Global Research, FINRA, TRACE, Federal Reserve

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**Exhibit 27: Estimated changes in IG dealer inventories by maturity and broad sector.**

We estimate IG dealer inventories increased \$2,450mn today and increased \$9,415mn over the prior week.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 26-Feb-24 (\$mn)			
	26-Feb	23-Feb	1 W	2 W	4 W	26-Feb	23-Feb	1 W	2 W	4 W	Buy	Sell	Dealer	Total
High grade (13M+)	2,450	1,423	9,415	9,091	3,433	1,131	629	4,930	4,923	3,474	11,741	9,291	8,288	29,319
<3yr	912	473	2,205	2,221	43	147	76	387	364	-111	2,580	1,667	1,587	5,834
3-5yr	714	286	2,783	1,830	1,085	266	84	1,013	603	334	2,525	1,811	1,725	6,061
5-11yr	337	474	2,181	2,121	-2,515	189	313	1,291	1,171	-1,724	3,804	3,467	2,867	10,138
11+yr	487	189	2,247	2,918	4,820	530	155	2,239	2,786	4,975	2,832	2,345	2,109	7,286

**Exhibit 27: Estimated changes in IG dealer inventories by maturity and broad sector.**

We estimate IG dealer inventories increased \$2,450mn today and increased \$9,415mn over the prior week.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 26-Feb-24 (\$mn)			
	26-Feb	23-Feb	1 W	2 W	4 W	26-Feb	23-Feb	1 W	2 W	4 W	Buy	Sell	Dealer	Total
Fin	1,351	804	3,295	2,356	-2,138	483	307	1,403	939	-954	4,629	3,279	2,714	10,622
Non-Fin	1,099	619	6,120	6,735	5,572	649	322	3,527	3,984	4,427	7,111	6,012	5,574	18,697
Fixed	2,205	1,410	9,242	8,832	3,505	1,094	677	4,977	4,947	3,560	11,423	9,218	8,247	28,889
Floating	245	13	174	259	-71	37	-49	-47	-24	-86	317	73	41	430
US issuers	1,826	885	7,484	6,814	2,849	832	288	3,831	3,635	2,520	9,460	7,634	6,827	23,921
DM Yankees	594	529	1,471	1,792	-358	269	321	763	958	346	2,059	1,465	1,344	4,867
EM Yankees	30	9	461	485	942	31	20	336	331	608	222	192	118	531

Note: data for maturities 13M or longer. Changes in inventories are estimated based on TRACE.

Source: BofA Global Research, FINRA, TRACE.

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**Exhibit 28: Estimated changes in IG dealer inventories by sector.**

We estimate today IG dealer inventories increased \$1,035mn for Banks/Brokers and increased \$243mn for Energy.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 26-Feb-24 (\$mn)			
	26-Feb	23-Feb	1 W	2 W	4 W	26-Feb	23-Feb	1 W	2 W	4 W	Buy	Sell	Dealer	Total
Aerospace/Defense	31	42	222	493	481	47	33	145	242	285	162	132	165	459
Automobiles	93	158	511	604	53	20	61	207	305	-49	327	234	308	868
Banks/Brokers	1,035	754	2,390	2,121	-1,409	361	332	956	613	-1,050	3,420	2,385	1,950	7,755
Basic Materials	145	-61	539	483	326	85	-60	306	306	146	314	169	327	810
Commercial Services	-13	-14	79	32	-45	-8	-1	55	52	84	173	186	84	442
Energy	243	41	712	660	63	111	-39	386	416	210	738	496	640	1,874
Finance	201	71	562	393	-227	58	52	205	194	-175	709	507	400	1,616
Food, Bev, & Bottling	178	31	410	601	117	143	37	300	488	103	379	201	243	823
Health Care	313	46	573	637	716	116	7	-48	17	505	1,297	984	973	3,254
Industrial Products	-85	9	528	759	328	-63	-5	368	589	333	275	360	266	901
Insurance	50	-34	204	321	157	43	-70	177	392	533	222	172	173	568
Media & Entertainment	142	320	405	50	46	98	250	228	-129	-116	661	519	461	1,641
REITs	65	13	139	-478	-660	21	-7	65	-260	-261	279	214	190	682
Retail	39	-87	176	70	372	50	-45	193	92	445	394	355	393	1,142
Technology	208	107	971	786	903	174	33	627	390	751	640	432	530	1,602
Telecom	-365	-9	138	105	10	-262	59	107	81	81	546	911	409	1,866
Tobacco	7	-29	-4	78	302	-12	-16	-11	1	83	102	95	85	283
Transportation	77	7	119	316	504	69	16	169	379	565	159	82	81	322
Utilities	64	55	608	1,040	1,319	88	-5	431	718	929	794	730	475	1,998
Other	22	2	132	19	78	-7	-3	66	38	70	149	127	134	411

Note: data for maturities 13M or longer. Changes in inventories are estimated based on TRACE.

Source: BofA Global Research, FINRA, TRACE.

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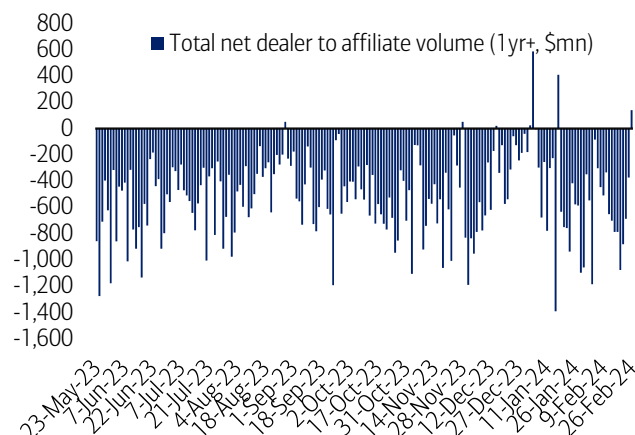
## Daily foreign demand tracker

We believe net dealer-to-affiliate volumes from Trace are correlated with foreign buying of US HG corporate bonds - i.e., negative numbers mean foreign investor buying (US dealers taking down inventory in favor of foreign affiliates). For supporting material see our “primer” on tracking foreign inflows. Exhibit 29 shows the overall daily dealer-to-affiliate volumes while Exhibit 30, Exhibit 31 and Exhibit 32 show subsets of this data. In particular Exhibit 30 shows net dealer-to-affiliate volumes for longer maturity (12+ years) bonds, Exhibit 31 displays volumes reported to Trace before 8am NY time (biased toward Asian buying) and Exhibit 32 shows the subset of net trades reported between 8am and noon (biased toward European buying).



**Exhibit 29: Net dealer buying from affiliate (1yr+)**

Exhibit shows inconsistent overall foreign buying of US IG corporate bonds for some time.



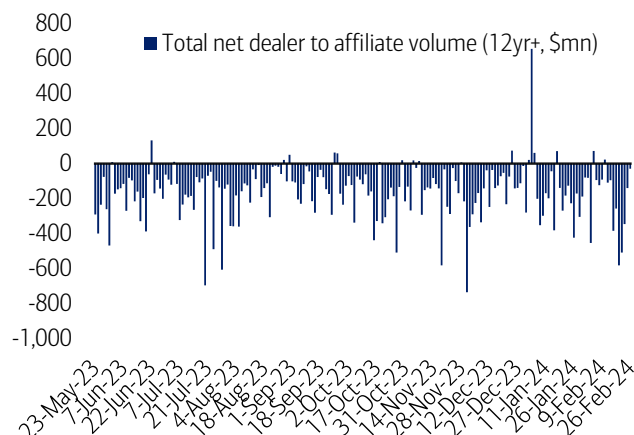
Note: Net dealer-to-affiliate volumes are correlated with foreign buying/selling. Negative numbers indicate foreign buying.

Source: Bloomberg, TRACE

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**Exhibit 30: Net dealer buying from affiliate (12yr+)**

Foreign buying of longer maturity US IG corporate bonds has been consistent this year



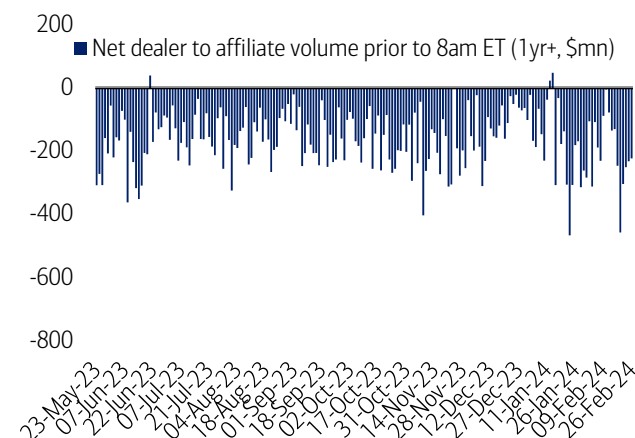
Note: Net dealer-to-affiliate volumes are correlated with foreign buying/selling. Negative numbers indicate foreign buying.

Source: Bloomberg, TRACE

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**Exhibit 31: Net dealer-to-affiliate trading volumes before 8am ET**

Foreign buying before 8am NY time is dominated by Asia and has been consistent this year



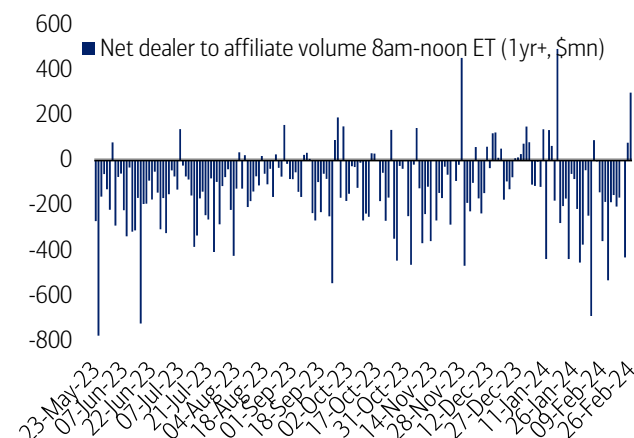
Note: Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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**Exhibit 32: Net dealer-to-affiliate trading volumes 8am - noon ET**

Foreign buying 8am-noon NY time is dominated by Europe and has been inconsistent this year



Note: Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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**Common abbreviations:**

IG: Investment Grade

HG: High Grade

LQD: iShares iBoxx \$ Investment Grade Corporate Bond ETF

DV01: Dollar value of a basis point

CDX IG: The Markit CDX North America Investment Grade Index

CDX HY: Markit CDX North America High Yield Index

ECB: European Central Bank

QE: Quantitative Easing

CSPP: corporate sector purchase programme

Unchd: Unchanged

CPI: Consumer Price Index

FOMC: The Federal Open Market Committee



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