

Consumer & Retail

Focus returns to costs & rates

Industry Overview

Food volumes create uncertainty, AAP holds negative outlook

Ahead of the May Consumer Price Index (CPI) print and June Federal Open Market Committee (FOMC) meeting, the **ICE BofA IG Corporate Bond Index** widened +1bp w/w and returned -0.21% w/w (total return). Non-Cyclicals and Cyclicals both underperformed, with spreads +2bps w/w and returns of -0.24% & -0.30%, respectively. This week, the BofA Global Research US Economics team expects the Fed to maintain its target fed funds rate of 5.0-5.25% but could hold an upward bias, with an additional +25bps rate hike by year-end given resilient data and stubborn inflation. Issuance was \$49.95bn last week, with Bacardi and Dollar General issuing \$1.5bn each in Consumer & Retail. JAB Holdings also issued €500mn versus our expectation for USD. We are calling for \$15bn+ this week, with notable focus on rates and financials.

In **Retail (+2bps)**, highly topical Advance Auto Parts saw both Moody's and S&P place ratings on negative outlook given the company's weak 1Q results and elevated leverage. This is in line with our expectation (see our comments in [last week's report](#)) and less than spreads reflect, having widened to near +300. The company also filed its 10-Q after needing additional time to complete a remediation plan related to out-of-period expenses. We remain Overweight on the credit given that we think that mis-execution is priced into spreads, now trading close to BB levels, management's commitment to IG given the large dependence of its supply-chain financing program, and upside potential if leverage can end the year $\leq 3.0x$, showing sequential improvement in demand, inventory, and cash conversion in 2H. S&P downgraded VF Corp from BBB+ to BBB with outlook stable as it expects elevated inventory and weakened consumer demand to weigh on results in FY24 and leverage is now expected to remain above 3x. In **Food Retail (+3bps)**, as a reminder, we will be hosting a meeting with 7-Eleven management this Wednesday at 12PM. Please reach out to register.

In **Packaged Food (+1bp)**, we believe that Mondelez International sold an additional portion of its stake in Keurig Dr Pepper, with proceeds potentially used for commercial paper or term loan repayment, in our view. J.M. Smucker reported 4Q results ahead of our estimates on favorable pricing; FY24 guidance was mostly ahead of our estimates, though the outlook for gross margin was light. Campbell Soup results were solid despite a small top-line miss and sequential volume deceleration (stoking 2H sector fears). FY23 guidance was reaffirmed, with management commenting that EPS is tracking towards the higher end of the guide. In **Beverages (+3bps)**, Diageo announced the sudden death of former CEO Ivan Menezes and appointed interim CEO Debra Crew (former Reynolds American) as the permanent replacement. In **Tobacco (+1bp)**, British American Tobacco released its 1H pre-close trading update and reiterated its FY guidance and commented on making "good progress towards deleveraging" toward 2.5x but called out weak US combustibles performance. Philip Morris International also reaffirmed its FY23 EPS outlook and commented that 2Q is expected toward the high end of its range driven by strong smoke-free portfolio volumes.

For a review of May performance and excess returns, see our [Tracking returns in Consumer & Retail](#) report, in which we highlight outperformers and underperformers by sub-sector.

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Refer to important disclosures on page 16 to 20. Analyst Certification on page 15.

Valuation & Risk on page 15.

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High Grade Credit
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Exhibit 1: Market week ended 6/9/23

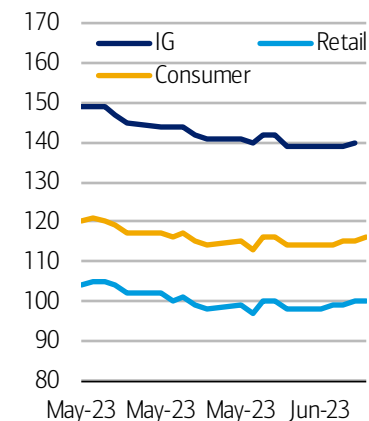
Last week's market performance

Market	Value	WoW
IG ICE BofA Index	140	+1
IG ICE BofA Index (yld)	5.54	+6
HY ICE BofA Index	429	(8)
HY ICE BofA Index (yld)	8.59	(3)
CDX IG 5-year	71	(1)
CDX HY 5-year	441	(9)
Consumer Cyclicals	100	+2
Consumer Non-Cyclicals	116	+2
5-year Treasury (yld)	3.91	+7
10-year Treasury (yld)	3.74	+5
30-year Treasury (yld)	3.88	(1)
S&P 500 (index)	4,299	0.4%

Source: ICE Data Indices, LLC, Bloomberg. yld = yield.
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Exhibit 2: Consumer/Retail Spreads

1-month spreads range-bound



Source: ICE Data Indices, LLC, Bloomberg
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Exhibit 3: Notable Weekly Movers

Department stores gained the most last week

Department stores gained the most last week									
Active Cash Trading								Active CDS	
	Issuer		Change(G- spread)		Issuer		Change (G- spread)	Entity	5y Change
AAP	3.900%	4/15/2030	+60	KSS	4.625%	5/1/2031	-61	Kohl's	647 -97
DG	3.500%	4/3/2030	+18	KSS	5.550%	7/17/2045	-46	Best Buy	91 -3
DG	4.125%	4/3/2050	+15	JWN	5.000%	1/15/2044	-26	Autozone	44 -2
GIS	2.250%	10/14/2031	+11	PM	0.800%	8/1/2031	-11	Target	52 2
STZ	2.250%	8/1/2031	+9	MO	3.125%	6/15/2031	-7	Kroger	70 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

June 2023				
Mon, Jun-12	Tue, Jun-13	Wed, Jun-14	Thu, Jun-15	Fri, Jun-16
	HD investor day		KR 1Q23 earnings	
Mon, Jun-19	Tue, Jun-20	Wed, Jun-21	Thu, Jun-22	Fri, Jun-23
	DLTR investor day		DRI 4Q23 earnings	

Source: Company filings, Bloomberg

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Notable Consumer & Retail credit news**Retail**

Advance Auto Parts (AAP, Baa2/BBB/--) rating outlook(s) were revised from Baa2/Stable to Negative at Moody's and from BBB-/Stable to Negative at S&P. The outlook revisions come after the company reported 1Q results that broadly missed expectations with operating performance impacted by inventory availability and pricing in a competitive environment, with peers AutoZone (AZO) and O'Reilly Automotive (ORLY) cited as having surpassed AAP in expanding market share and managing product availability. Moody's expects revenue and margin pressure over the next 12-18 months that will result in leverage rising to around 3x, with the potential for ratings to be downgraded if leverage is sustained at this level. S&P projects adjusted leverage to be around 4x at year-end 2023 but expects metrics to improve to the 3.5x area in 2024 as operational performance rebounds and EBITDA improves. S&P commented positively on the company's decision to cut the dividend and pause share repurchases in an effort to preserve financial flexibility.

- S&P adjusts AAP's debt for payable payment terms that are considered beyond normal (this adjustment adds ~1x turn to its leverage calculation).
- For our recent commentary on AAP, see our [Retail wraps up](#) report, and for competitive commentary, see our recent ORLY [Bondholder meeting takeaways](#) report.

Packaged food

J.M. Smucker (SJM, Baa2/BBB/--) ended FY23 with momentum across each of its business units and 4Q sales, EBITDA, and margins all ahead of our expectations, led by favorable pricing. The greatest attention was on FY24 guidance, which despite being noisy due to lapping the Jif recall and pet divestiture was largely ahead of our forecast. Gross margins in both 4Q and the FY24 outlook were lower than estimates but are expected to improve substantially y/y on mix alone. Stranded overhead from the divestiture was also slightly elevated but can be offset with SG&A savings over FY24-25, providing SJM with some expense leeway.

Exhibit 5: J.M. Smucker 4Q23

SJM financial summary

	4Q23	BofA est.	Consensus
Revenue	+9.9%	+7.2%	+7.2%
Adj. EBITDA	+15.1%	+3.4%	+8.9%
Adj. EBITDA margin	21.2%	19.5%	20.2%
Adj. EPS	\$2.64	\$2.36	\$2.43

	4Q23	BofA est.	Q/Q
Debt	\$4,314	\$4,223	\$1
Gross leverage	2.7x	2.7x	-0.1x
Net leverage	2.3x	2.6x	-0.4x

Source: BofA Global Research, Company filings, Visible Alpha

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Revenue-related commentary

- Organic sales were +11% composed entirely of price versus (vs.) flat volume/mix.
- Organic sales by segment were as follows: (a) U.S. Retail Coffee sales were +7% y/y (volume/mix -3% via roast & ground, pricing +10%). (b) U.S. Consumer Foods sales were +14% y/y (volume/mix +2%, pricing +12%). (c) U.S. Pet Food sales were +11% y/y (volume/mix -1% via cat, pricing +12%), with strong growth across all categories; strategic brands Meow Mix (+7%) and Milk-Bone (+20%) grew. (d) International and Away from Home net sales were +12% y/y.
- Cat food is experiencing capacity constraints.
- Pet food brand divestiture was completed at the end of the quarter; the pet portfolio is now 60% pet snacks and 40% cat foods—which should help improve profit margin (notably gross margin in FY24) and product mix over time.

Profit & margin-related commentary

- Adj. EBITDA margin increased +96bps (vs. our -73bps estimate). Adj. gross margin expanded +232bps, below our +300bps estimate on the favorable impact from higher price realization and volume/mix. Higher costs (commodities, ingredients, packaging, and manufacturing) were a drag. SD&A leveraged was -51bps (vs. our +90bps estimate) on higher sales leverage to offset incentive comp.
- FY23 costs increased +high-teens %.

FY24 guidance

- FY24: (a) Net sales to decline -10-11% (vs. our -13.8% estimate) or organic sales +8.5-9.5%, driven by +7% volume mix and +2% pricing benefit; (b) gross margin 36.5-37.0% (vs. our 37.1% estimate); (c) SD&A expenses to decrease -5% y/y; (d) net interest expense ~\$140mn; (e) effective tax rate 24.2%; (f) adj. EPS \$9.20-9.60 vs. our \$9.17 est.; (g) 102.5mn shares; and (h) free cash flow (FCF) \$650mn, including capex of \$550mn.
- Stranded overhead costs from divested pet food brands are included as a \$0.60 net headwind (~7% to EPS growth).
- Within the organic sales guidance, +4% is organic growth, +3% from lapping Jif recall, +3% from co-manufacturer agreements (pet divestiture).
- 1Q24 organic sales and adj EPS are expected to increase +20% on lapping the impact of the Jif peanut butter recall and continued business momentum; pricing should be up +5% vs. volume/mix +15%.



Campbell Soup (CPB, Baa2/BBB/BBB) 3Q EBITDA & margins beat our estimates, despite a slight top-line miss, driven by pricing benefits, supply-chain productivity efficiencies, and lower SG&A spend (including marketing). Sales performance was low-quality as volume/mix underperformed at -7% (sequentially lower even as pricing eased), and even excluding the tough comparison to retailer's rebuilding inventory last year, volumes were -MSD%. Meals & Beverages lagged offset by solid performance from Snacks. This stoked greater fears across Packaged Food regarding the ability to recover volumes as pricing wanes in the coming quarters. Leverage rose +0.1x q/q as CPB repaid a \$566mn maturity using term loan and commercial paper. FY23 guidance was reaffirmed, with management commenting that adj EPS is currently tracking towards the high end of the outlook inclusive of planned investments in 4Q (in line with our estimate at the high end).

Exhibit 6: Campbell Soup 3Q23

CPB financial summary

	3Q23	BofA est.	Consensus
Revenue	+4.6%	+5.0%	+5.1%
Adj. EBITDA	+3.7%	-3.6%	-2.9%
Adj. EBITDA margin	18.9%	17.5%	17.6%
Adj. EPS	\$0.68	\$0.64	\$0.65

	3Q23	BofA est.	Q/Q
Debt	\$4,759	\$4,504	\$189
Adj. Gross leverage	2.9x	2.8x	+0.1x
Adj. Net leverage	2.8x	2.7x	+0.1x

Source: BofA Global Research, Company filings, Visible Alpha

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Revenue-related commentary

- Net sales +4.6% y/y and organic net sales +5% was slightly behind our +5.3% estimate, driven by inflation-driven pricing up +12%, partially offset by volume/mix down -7%; both sequentially decelerated.
- Excluding the impact from lapping retailer inventory rebuild y/y, volume/mix declined by a mid-single-digit %.
- Meals & Beverages (M&B) missed: -1% organic sales, with volume/mix -11%, primarily due to declines in U.S. Soup (sales -11%) and lapping the prior-year retailer inventory rebuild, partially offset by gains in foodservice.
- Snacks beat: +12% organic sales driven by power brands (+16%) and overall price +15% against volume/mix -3%.
- Elasticities remain below historical levels.
- Consumer is seeing migration in purchases away more expensive items towards shelf-stable and more purchases at the beginning of the month, stretching the dollar.

Profit & margin-related commentary

- Adj. EBITDA margins declined -17bps (well ahead of our -156bps estimate). Adj. gross margin was -59bps, slightly missing our -40bps estimate driven by net price realization (+880bps) and productivity improvements (+180bps). This was offset by inflation (-1,080bps) and volume/mix (-180bps). Adj. SG&A deleveraged was +44bps y/y (versus our +115bps estimate), helped by increased benefits from cost-savings initiatives and less marketing expense.
- It is back to pre-COVID service levels, in the mid- to high 90s.

- Cost inflation increased by +8% in 3Q, down from +14% in 2Q; all raw materials are covered for the rest of the year. It continues to see FY23 inflation +low-teens %.

Capital allocation

- The company drew on \$500mn term loan to repay 3.65% 2023 Notes (\$566mn) and issued \$243mn commercial paper.
- It repurchased \$75mn stock
- The company thinks that tuck-in, strategically aligned M&A makes sense—it sees sauces as a good opportunity.
- It raised capex guidance \$35mn to accelerate key manufacturing investments.

FY23 outlook reaffirmed, EPS tracking toward high end

- FY23: (a) net and organic sales +8.5-10% (vs. our +9.2% estimate); (b) adj. EBIT +4.5-6.5% (vs. our +6.4% estimate); (c) adj. EPS +3.5-5% or \$2.95-3.00 and currently tracking towards the higher end (vs. our \$3.01 estimate); (d) interest expense ~\$190mn; (e) capital expenditure ~\$360mn (+\$35mn); (f) adj. effective tax rate of ~24%.
- The company expects marketing and selling expenses at the low end of 9-10% of net sales (closer to 10% in 4Q).
- It expects volume trends to improve into FY24 as it fully cycles pricing actions.
- It expects FY23 Snacks margin to be roughly in line with 3QTD (14.5%).
- Pension & postretirement income should create a headwind of 3.5% to adj. EBIT and 4% to EPS.

Recent New Issuance

Dollar General (DG, Baa2/BBB/--) issued a total of \$1,500mn across \$500mn 5-year Notes (5.200% '28) and \$1,000mn 10-year Notes (5.450% '33). The use of proceeds is for reducing commercial paper outstanding and for general corporate purposes.

Bacardi (BACARD, Baa3/BBB-/BBB-) issued a total of \$1,500mn across \$400mn long 5-year Notes (5.250% '29), \$700mn 10-year Notes (5.400% '33), and \$400mn 20-year Notes (5.900% '43). The use of proceeds is for repayment under the existing bridge facility, commercial paper, term loan, and euro notes in addition to eligible green projects.

BofA Current Recommendations

Exhibit 7: 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.	SYT	✓					
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;

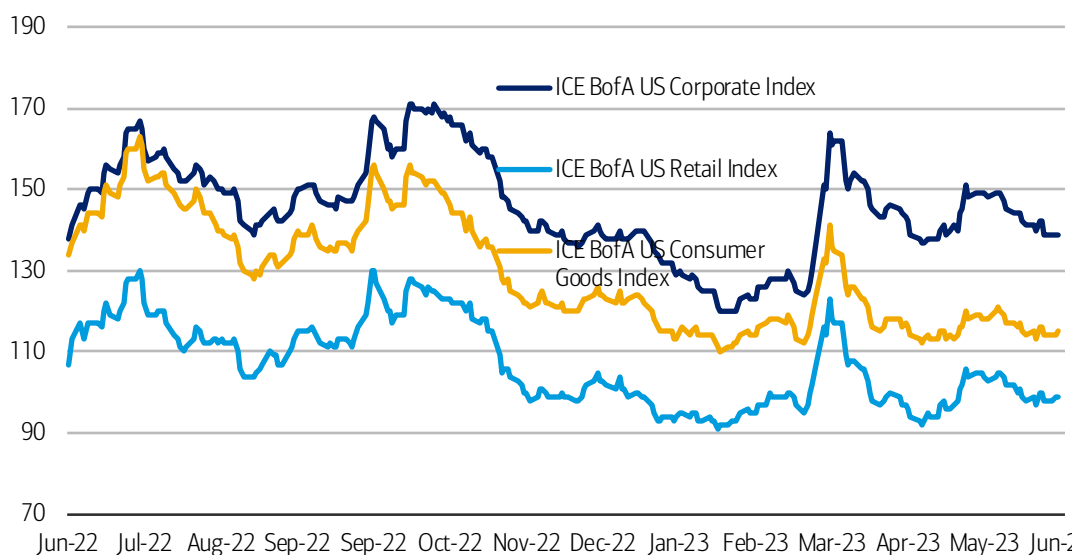
Notes (*): Overweight KR intermediates

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Market Snapshot

Exhibit 8: 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 9: 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	10,001	100.0%	140 bps	1 bps	-2 bps	-5 bps	2 bps	\$90.2	5.54%	6.9	A3	-0.21%	-0.35%	-0.84%	2.58%	-0.55%	-2 bps	24 bps	53 bps	85 bps	198 bps
Rating Categories																					
AAA US Corporate Index	113	1.1%	56 bps	3 bps	2 bps	-1 bps	-2 bps	\$86.8	4.66%	9.7	AAA	-0.32%	-0.60%	-1.58%	2.89%	-1.85%	-17 bps	7 bps	40 bps	95 bps	240 bps
AA US Corporate Index	771	8.1%	77 bps	2 bps	0 bps	-3 bps	0 bps	\$89.0	4.91%	7.8	AA3	-0.24%	-0.43%	-1.10%	2.45%	-1.38%	-6 bps	17 bps	44 bps	63 bps	184 bps
Single-A US Corporate Index	4,046	43.2%	118 bps	2 bps	-1 bps	-4 bps	4 bps	\$90.9	5.33%	6.8	A2	-0.26%	-0.41%	-0.87%	2.36%	-0.88%	-7 bps	18 bps	49 bps	69 bps	161 bps
BBB US Corporate Index	5,071	47.6%	173 bps	0 bps	-3 bps	-4 bps	1 bps	\$89.8	5.86%	6.7	BBB2	-0.15%	-0.29%	-0.76%	2.77%	-0.09%	4 bps	30 bps	57 bps	102 bps	230 bps
Maturity																					
1-3 Year US Corporate Index	2,003	22.1%	96 bps	3 bps	2 bps	-12 bps	8 bps	\$95.7	5.68%	1.9	A3	-0.10%	-0.20%	0.22%	1.51%	1.15%	-7 bps	-1 bps	51 bps	31 bps	100 bps
3-5 Year US Corporate Index	1,762	18.9%	124 bps	1 bps	-3 bps	-8 bps	4 bps	\$93.8	5.41%	3.6	A3	-0.22%	-0.41%	-0.09%	2.08%	0.91%	0 bps	13 bps	74 bps	83 bps	181 bps
5-7 Year US Corporate Index	1,133	11.8%	145 bps	0 bps	-4 bps	-1 bps	-3 bps	\$91.6	5.37%	5.3	A3	-0.28%	-0.50%	-0.60%	2.54%	0.66%	3 bps	24 bps	50 bps	97 bps	185 bps
7-10 Year US Corporate Index	1,516	15.4%	171 bps	1 bps	-4 bps	2 bps	-1 bps	\$88.5	5.51%	7.0	A3	-0.36%	-0.50%	-0.87%	3.06%	-0.21%	-6 bps	29 bps	56 bps	127 bps	220 bps
10-15 Year US Corporate Index	541	5.0%	176 bps	2 bps	0 bps	0 bps	-2 bps	\$98.3	5.59%	8.9	A3	-0.43%	-0.68%	-1.45%	3.18%	-0.60%	-17 bps	7 bps	31 bps	117 bps	282 bps
15+ Year US Corporate Index	3,046	26.8%	162 bps	1 bps	-2 bps	1 bps	2 bps	\$83.1	5.61%	13.6	A3	-0.11%	-0.25%	-2.27%	3.20%	-3.63%	3 bps	50 bps	36 bps	78 bps	247 bps
Industry																					
US Corporate Index																					
Industrials	5,955	59.3%	132 bps	1 bps	-2 bps	0 bps	-1 bps	\$89.7	5.42%	7.6	A3	-0.21%	-0.37%	-1.15%	2.75%	-0.61%	-2 bps	26 bps	37 bps	94 bps	230 bps
Consumer Cyclical	354	3.7%	100 bps	2 bps	0 bps	2 bps	1 bps	\$89.4	5.08%	7.9	A2	-0.30%	-0.52%	-1.37%	2.39%	-1.22%	-11 bps	12 bps	21 bps	55 bps	200 bps
US Corp Retail	265	3.0%	95 bps	2 bps	0 bps	2 bps	1 bps	\$89.4	5.03%	7.9	A2	-0.32%	-0.53%	-1.38%	2.33%	-1.48%	-13 bps	11 bps	20 bps	52 bps	182 bps
US Corp Food & Drug Retail	44	0.3%	148 bps	3 bps	0 bps	-5 bps	7 bps	\$87.4	5.57%	7.8	BBB2	-0.22%	-0.40%	-0.88%	2.55%	-0.35%	-2 bps	22 bps	68 bps	64 bps	222 bps
US Corp Restaurants	45	0.4%	100 bps	2 bps	0 bps	4 bps	0 bps	\$91.2	5.08%	8.1	BBB1	-0.24%	-0.48%	-1.68%	2.58%	-0.24%	-5 bps	16 bps	-5 bps	65 bps	295 bps
Consumer Non-Cyclical	589	5.7%	116 bps	2 bps	0 bps	0 bps	-7 bps	\$90.9	5.25%	7.5	A3	-0.24%	-0.45%	-1.16%	3.06%	0.41%	-5 bps	17 bps	33 bps	122 bps	328 bps
US Corp Beverage	161	1.8%	95 bps	3 bps	1 bps	1 bps	-11 bps	\$91.5	4.99%	8.8	A3	-0.38%	-0.60%	-1.51%	3.47%	0.32%	-17 bps	8 bps	25 bps	155 bps	397 bps
US Corp Food Wholesale	229	1.9%	116 bps	1 bps	-1 bps	-3 bps	-5 bps	\$90.6	5.27%	7.1	BBB1	-0.22%	-0.42%	-1.14%	2.54%	-0.03%	-2 bps	20 bps	28 bps	74 bps	262 bps
US Corp Tobacco	75	1.0%	173 bps	1 bps	-2 bps	-1 bps	-10 bps	\$89.8	5.88%	6.6	BBB1	-0.05%	-0.23%	-0.85%	3.38%	1.59%	13 bps	33 bps	45 bps	156 bps	390 bps
US Corp Consumer Products	124	0.9%	92 bps	1 bps	-1 bps	2 bps	-4 bps	\$91.8	5.02%	6.4	A2	-0.25%	-0.50%	-0.87%	2.79%	0.10%	-4 bps	11 bps	42 bps	108 bps	231 bps

Source: ICE Data Indices, LLC

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Exhibit 10: 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 11: Retail Historical Spread & Return Monitor**

Benchmark spreads and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings	Moody's/S&P/Fit	Outlook	Current Pricing				5-year CDS	Revenue	LTM EBITDA	Debt	Cash	FCF	Net Debt/EBITDA	Net Debt/EBITDA	EV/EBITDA
							Bid	YTW	G-spd	T-spd									
Walmart Inc (WMT)	4.100%	4/15/2033	\$1,500	Aa2 / AA / AA	S / S / S	\$96.5	4.54%	75	79	33	\$611,289	\$37,853	\$58,923	\$8,885	(\$3,790)	1.6x	1.3x	\$474,322	11.8x
Walmart Inc (WMT)	4.500%	4/15/2053	\$1,500	Aa2 / AA / AA	S / S / S	\$94.2	4.87%	94	98										
Costco Wholesale Corp (COST)	1.600%	4/20/2030	\$1,750	Aa3 / A+ / --	S / S / --	\$83.3	4.45%	56	60	45	\$233,363	\$10,182	\$9,139	\$12,970	\$3,229	0.9x	-0.4x	\$224,865	22.9x
Costco Wholesale Corp (COST)	1.750%	4/20/2032	\$1,000	Aa3 / A+ / --	S / S / --	\$80.4	4.45%	61	67										
Nike Inc (NKE)	2.850%	3/27/2030	\$1,500	A1 / AA- / --	S / S / --	\$90.4	4.51%	62	66	74	\$49,107	\$7,671	\$12,525	\$6,490	(\$4,418)	2.0x	1.2x	\$163,547	23.1x
Nike Inc (NKE)	3.375%	3/27/2050	\$1,500	A1 / AA- / --	S / S / --	\$78.1	4.84%	83	90										
Target Corp (TGT)	4.500%	9/15/2032	\$1,000	A2 / A / A	S / S / S	\$97.5	4.83%	102	107	53	\$109,120	\$6,946	\$18,777	\$2,229	(\$6,168)	2.7x	2.4x	\$76,022	13.3x
Target Corp (TGT)	4.400%	1/15/2033	\$500	A2 / A / A	S / S / S	\$96.6	4.84%	104	108										
Target Corp (TGT)	2.950%	1/15/2052	\$1,000	A2 / A / A	S / S / S	\$68.7	5.02%	105	111										
Target Corp (TGT)	4.800%	1/15/2053	\$1,150	A2 / A / A	S / S / S	\$92.5	5.31%	136	142										
TJX Companies Inc (TJX)	1.600%	5/15/2031	\$500	A2 / A / --	S / S / --	\$80.6	4.54%	67	73	39	\$49,936	\$7,746	\$3,359	\$5,477	(\$646)	1.6x	0.9x	\$99,463	13.2x
TJX Companies Inc (TJX)	4.500%	4/15/2050	\$385	A2 / A / --	S / S / --	\$91.7	5.07%	106	113										
Ralph Lauren Corp (RL)	2.950%	6/15/2030	\$750	A3 / A- / --	S / S / --	\$87.7	5.05%	115	122	--	\$6,444	\$925	\$2,882	\$1,529	(\$493)	3.1x	1.5x	\$9,028	7.0x
VF Corp (VFC)	2.950%	4/23/2030	\$750	Baa2 / BBB / --	S / S / --	\$81.8	6.24%	238	240	156	\$11,612	\$1,114	\$8,151	\$815	(\$1,527)	7.3x	6.6x	\$14,876	9.0x
Ross Stores Inc (ROST)	1.875%	4/15/2031	\$500	A2 / BBB+ / --	S / S / --	\$78.6	5.24%	136	142	--	\$18,696	\$3,238	\$5,706	\$4,552	(\$370)	1.8x	0.4x	\$37,377	13.6x
Amazon.com Inc (AMZN)	2.100%	5/12/2031	\$3,000	A1 / AA / AA-	S / S / S	\$84.0	4.53%	70	72	47	\$524,897	\$68,116	\$154,972	\$49,343	(\$22,893)	2.3x	1.6x	\$1,372,200	15.0x
Amazon.com Inc (AMZN)	3.600%	4/13/2032	\$2,500	A1 / AA / AA-	S / S / S	\$93.1	4.56%	76	78										
Amazon.com Inc (AMZN)	3.100%	5/12/2051	\$3,250	A1 / AA / AA-	S / S / S	\$72.7	4.91%	96	99										
Amazon.com Inc (AMZN)	3.950%	4/13/2052	\$2,500	A1 / AA / AA-	S / S / S	\$84.2	4.99%	106	109										
Best Buy Co Inc (BBY)	1.950%	10/1/2030	\$650	A3 / BBB+ / --	S / S / --	\$79.8	5.34%	144	151	91	\$46,298	\$3,726	\$3,978	\$1,874	(\$893)	1.1x	0.6x	\$19,484	5.7x
Home Depot Inc (HD)	4.500%	9/15/2032	\$1,250	A2 / A / A	S / S / S	\$98.3	4.72%	91	96	31	\$157,403	\$28,143	\$50,364	\$2,757	(\$2,725)	1.9x	1.8x	\$350,344	13.1x
Home Depot Inc (HD)	4.950%	9/15/2052	\$1,000	A2 / A / A	S / S / S	\$96.4	5.19%	124	130										
Lowe's Companies Inc (LOW)	5.000%	4/15/2033	\$1,250	Baa1 / BBB+ / --	S / S / --	\$98.4	5.21%	145	146	49	\$97,059	\$15,569	\$37,994	\$1,732	(\$9,583)	2.4x	2.4x	\$161,201	10.8x
Lowe's Companies Inc (LOW)	5.625%	4/15/2053	\$1,500	Baa1 / BBB+ / --	S / S / --	\$97.0	5.84%	190	195										
Tractor Supply (TSKO)	1.750%	11/1/2030	\$650	Baa1 / BBB+ / --	S / S / --	\$78.3	5.35%	146	152	--	\$14,205	\$2,212	\$4,276	\$203	(\$501)	1.9x	1.8x	\$28,397	13.0x
AutoZone Inc (AZO)	1.650%	1/15/2031	\$600	Baa1 / BBB / BBB	S / S / S	\$77.6	5.27%	139	145	44	\$16,890	\$4,225	\$7,042	\$301	(\$1,084)	2.3x	2.2x	\$53,883	12.3x
AutoZone Inc (AZO)	4.750%	8/1/2032	\$750	Baa1 / BBB / BBB	S / S / S	\$95.8	5.33%	149	156										
AutoZone Inc (AZO)	4.750%	2/1/2033	\$550	Baa1 / BBB / BBB	S / S / S	\$95.4	5.36%	154	161										
O' Reilly Automotive (ORLY)	1.750%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$78.5	5.15%	126	133	--	\$14,410	\$3,734	\$6,545	\$109	(\$618)	1.8x	1.8x	\$62,492	16.1x
O' Reilly Automotive (ORLY)	4.700%	6/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$95.9	5.28%	146	151										
Genuine Parts Co. (GPC)	2.750%	2/1/2032	\$500	Baa1 / BBB / --	S / S / --	\$80.9	5.56%	172	177	--	\$22,096	\$2,312	\$4,165	\$653	\$391	2.4x	2.1x	\$25,566	12.4x
Advance Auto Parts (AAP)	3.900%	4/15/2030	\$500	Baa2 / BBB- / --	N / N / --	\$84.6	6.75%	286	290	--	\$11,155	\$1,684	\$4,066	\$269	(\$657)	2.4x	2.3x	\$7,976	7.8x
Advance Auto Parts (AAP)	3.500%	3/15/2032	\$501	Baa2 / BBB- / --	N / N / --	\$78.5	6.79%	289	301										
Dollar General Corp (DG)	5.000%	11/1/2032	\$700	Baa2 / BBB / --	S / S / --	\$96.0	5.55%	174	178	--	\$37,845	\$5,713	\$17,661	\$382	(\$2,818)	3.1x	3.0x	\$51,094	11.9x
Dollar General Corp (DG)	5.500%	11/1/2052	\$300	Baa2 / BBB / --	S / S / --	\$94.2	5.92%	195	203										
Dollar Tree Inc (DLTR)	2.650%	12/1/2031	\$800	Baa2 / BBB / --	S / S / --	\$80.9	5.50%	165	170	--	\$28,332	\$4,345	\$10,127	\$643	(\$271)	2.3x	2.2x	\$38,540	9.2x
Dollar Tree Inc (DLTR)	3.375%	12/1/2051	\$400	Baa2 / BBB / --	S / S / --	\$66.0	5.84%	185	193										
Tapestry Inc (TPR)	3.050%	3/15/2032	\$500	Baa2 / BBB- / --	S / P / --	\$79.4	6.12%	227	233	--	\$6,594	\$1,611	\$3,303	\$830	(\$905)	2.1x	1.5x	\$12,697	5.6x
PVH Corp. (PVH)	4.625%	7/10/2025	\$499	Baa3 / BBB- / --	S / S / --	\$96.9	6.27%	165	171	--	\$8,965	\$1,511	\$3,640	\$457	(\$628)	2.5x	2.2x	\$8,561	5.7x
Dick's Sporting Goods (DKS)	3.150%	1/15/2032	\$750	Baa3 / BBB / --	S / S / --	\$80.4	6.13%	228	234	--	\$12,510	\$1,790	\$4,205	\$1,643	(\$64)	2.3x	1.4x	\$14,231	5.2x
Dick's Sporting Goods (DKS)	4.100%	1/15/2052	\$750	Baa3 / BBB / --	S / S / --	\$66.7	6.74%	277	283										
Nordstrom Inc (JWN)	4.250%	8/1/2031	\$425	Ba1 / BB+ / BB+	N / N / S	\$77.0	8.18%	426	437	245	\$15,529	\$1,482	\$4,640	\$687	\$321	3.1x	2.7x	\$7,235	4.8x
Nordstrom Inc (JWN)	5.000%	1/15/2044	\$966	Ba1 / BB+ / BB+	N / N / S	\$67.0	8.39%	430	435										
Kohl's Corporation (KSS)	4.625%	5/1/2031	\$500	Ba3 / BB / BBB-	N / N / N	\$67.3	10.93%	692	712	245	\$18,098	\$1,318	\$7,566	\$153	(\$1,440)	5.7x	5.6x	\$10,345	8.3x
Kohl's Corporation (KSS)	5.550%	7/17/2045	\$427	Ba3 / BB / BBB-	N / N / N	\$57.0	10.64%	642	662										

Source: BofA Global Research, Bloomberg. Fit = Fitch. YTW = yield to worst. Spd = spread. LTM = last 12 months.

Exhibit 12: Restaurant, Food & Drug Retail Historical Spread & Return Monitor

Benchmark spreads and credit metrics by issuer

																	Credit Metrics			
Issuer	Coupo n	Maturity	Outstanding (\$mil)	Ratings Moody's/S&P/Fi t	Outlook	Current Pricing				5-yr CDS	Revenue	LTM EBITDAR	Debt	Cash	Net FCF	Total Debt/ EBITDAR	Net Debt/ EBITDAR	EV EV / EBITDA R		
						Bid	YTW	G-spd	T-spd											
Starbucks Corp (SBUX)	2.250%	3/12/2030	\$750	Baa1 / BBB+ / WD S / S / --		\$84.6	4.95%	107	111	--	\$32,914	\$7,863	\$23,819	\$3,310	(\$695)	3.0x	2.6x	\$132,956	14.8x	
Starbucks Corp (SBUX)	2.550%	11/15/2030	\$1,250	Baa1 / BBB+ / WD S / S / --		\$85.2	4.96%	109	113											
Starbucks Corp (SBUX)	3.000%	2/14/2032	\$1,000	Baa1 / BBB+ / WD S / S / --		\$86.7	4.90%	106	111											
Starbucks Corp (SBUX)	4.800%	2/15/2033	\$500	Baa1 / BBB+ / -- S / S / --		\$98.5	5.00%	119	124											
Starbucks Corp (SBUX)	3.350%	3/12/2050	\$500	Baa1 / BBB+ / WD S / S / --		\$71.6	5.36%	135	142											
Starbucks Corp (SBUX)	3.500%	11/15/2050	\$1,250	Baa1 / BBB+ / WD S / S / --		\$74.2	5.29%	131	136											
McDonald's Corp (MCD)	3.600%	7/1/2030	\$1,000	Baa1 / BBB+ / -- S / S / --		\$92.8	4.82%	94	98	31	\$23,183	\$13,812	\$48,038	\$2,584	(\$2,329)	3.5x	3.3x	\$255,467	17.3x	
McDonald's Corp (MCD)	4.600%	9/9/2032	\$750	Baa1 / BBB+ / -- S / S / --		\$99.0	4.74%	93	97											
McDonald's Corp (MCD)	4.200%	4/1/2050	\$750	Baa1 / BBB+ / -- S / S / --		\$84.3	5.30%	130	136											
McDonald's Corp (MCD)	5.150%	9/9/2052	\$750	Baa1 / BBB+ / -- S / S / --		\$97.5	5.32%	137	143											
Kroger Co (KR)	1.700%	1/15/2031	\$500	Baa1 / BBB / -- N / N / --		\$78.0	5.24%	136	142	69	\$148,259	\$8,340	\$20,412	\$828	(\$308)	2.5x	2.4x	\$52,383	6.2x	
Kroger Co (KR)	5.400%	1/15/2049	\$600	Baa1 / BBB / -- N / N / --		\$95.4	5.74%	171	178											
Kroger Co (KR)	3.950%	1/15/2050	\$750	Baa1 / BBB / -- N / N / --		\$78.1	5.53%	151	159											
7-Eleven Inc. (SVELEV)	1.800%	2/10/2031	\$1,700	Baa2 / A / -- S / S / --		\$78.5	5.24%	138	142	--	--	--	--	--	--	--	--	--	--	
7-Eleven Inc. (SVELEV)	2.800%	2/10/2051	\$1,250	Baa2 / A / -- S / S / --		\$61.8	5.50%	154	158											
Alimentation Couche-Tard (ATDBCN)	2.950%	1/25/2030	\$750	Baa1 / BBB / -- S / S / --		\$85.7	5.57%	168	171	--	\$72,027	\$5,557	\$9,440	\$1,134	\$108	1.7x	1.5x	\$55,556	10.4x	
Alimentation Couche-Tard (ATDBCN)	3.625%	5/13/2051	\$350	Baa1 / BBB / -- S / S / --		\$66.1	6.19%	221	227											
Darden Restaurant Inc (DRI)	3.850%	5/1/2027	\$500	Baa2 / BBB / BBB S / S / S		\$95.6	5.11%	100	102	55	\$10,322	\$4,345	\$8,677	\$275	(\$248)	3.2x	3.1x	\$25,342	11.1x	
Darden Restaurant Inc (DRI)	4.550%	2/15/2048	\$300	Baa2 / BBB / BBB S / S / S		\$82.0	5.95%	192	198											
Albertson Cos Inc (ACI)	4.875%	2/15/2030	\$1,000	Ba3 + / BB *+ / -- -- / -- / --		\$92.1	6.34%	240	249	121	\$77,650	\$4,114	\$15,036	\$456	(\$3,537)	3.7x	3.5x	\$28,288	5.5x	

Source: BofA Global Research, Bloomberg

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Exhibit 13: Consumer Products Historical Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Moody's/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Credit Metrics			
						Bid	YTW	spd	T-spd		Revenue	EBITDA	Debt	Cash		Total Debt/	Net Debt/	EV /	
G-																			
Procter & Gamble (PG)	1.950%	4/23/2031	\$1,000	Aa3 / AA- / --	S / S / --	\$85.2	4.19%	31	37	32	\$80,968	\$20,919	\$36,591	\$7,596	(\$4,309)	1.7x	1.4x	\$372,424	17.6x
Procter & Gamble (PG)	2.300%	2/1/2032	\$850	Aa3 / AA- / --	S / S / --	\$86.8	4.13%	29	35										
Procter & Gamble (PG)	3.600%	3/25/2050	\$491	Aa3 / AA- / --	S / S / --	\$84.1	4.64%	63	70										
Colgate-Palmolive Co (CL)	3.250%	8/15/2032	\$500	Aa3 / AA- / --	S / N / --	\$91.5	4.39%	56	61	35	\$18,338	\$4,232	\$8,907	\$867	(\$252)	2.3x	2.1x	\$70,643	16.8x
Colgate-Palmolive Co (CL)	4.600%	3/1/2033	\$500	Aa3 / AA- / --	S / N / --	\$101.2	4.44%	63	68										
Colgate-Palmolive Co (CL)	3.700%	8/1/2047	\$500	Aa3 / AA- / --	S / N / --	\$86.8	4.61%	55	63										
Unilever Capital Corp (UNANA)	1.750%	8/12/2031	\$850	A1 / A+ / Au	S / S / S	\$80.5	4.64%	78	84	24	\$60,073	\$10,350	\$29,386	\$4,326	(\$284)	2.8x	2.4x	\$143,431	12.7x
Unilever Capital Corp (UNANA)	2.625%	8/12/2051	\$650	A1 / A+ / Au	S / S / S	\$66.9	4.77%	78	86										
Kimberly-Clark Corp (KMB)	2.000%	11/2/2031	\$600	A2 / A / --	S / N / --	\$82.4	4.56%	70	76	54	\$20,275	\$3,529	\$8,481	\$524	\$730	2.4x	2.3x	\$53,190	15.4x
Kimberly-Clark Corp (KMB)	4.500%	2/16/2033	\$350	A2 / A / --	S / N / --	\$99.1	4.62%	79	86										
Kimberly-Clark Corp (KMB)	2.875%	2/7/2050	\$500	A2 / A / --	S / N / --	\$70.7	4.84%	82	90										
SC Johnson & Son Inc (SJOHN)	4.750%	10/15/2046	\$850	A / A- / --	N / N / --	\$89.8	5.53%	146	153	--	--	--	--	--	--	--	--	--	--
Estee Lauder Co Inc (EL)	1.950%	3/15/2031	\$600	A1 / A+ / --	S / N / --	\$82.3	4.71%	83	89	--	\$15,873	\$2,688	\$7,371	\$5,531	(\$418)	3.1x	1.3x	\$68,470	20.3x
Estee Lauder Co Inc (EL)	3.125%	12/1/2049	\$650	A1 / A+ / --	S / N / --	\$72.3	5.03%	101	109										
Kenvue (KVUE)	5.000%	3/22/2030	\$1,000	A1 / A / --	S / S / --	\$100.7	4.88%	85	103	--	\$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 / --	\$101.0	4.77%	95	101										
Kenvue (KVUE)	5.050%	3/22/2053	\$1,500	A1 / A / --	S / S / --	\$100.0	5.05%	109	115										
Reckitt Bendkiser TSY (RKTLN)	3.000%	6/26/2027	\$2,500	A3 / A- / --	S / S / --	\$93.7	4.73%	62	66	--	\$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 / --	\$81.6	4.97%	109	113	73	\$7,171	\$1,037	\$2,702	\$242	\$275	2.8x	2.6x	\$22,171	16.3x
Clorox Company (CLX)	4.600%	5/1/2032	\$600	Baa1 / BBB+ / --	S / S / --	\$97.4	4.97%	112	119										
Church & Dwight Co Inc (CHD)	2.300%	12/15/2031	\$400	A3 / BBB+ / --	S / S / --	\$82.0	4.91%	106	112	--	\$5,508	\$1,254	\$2,419	\$203	\$659	2.0x	1.9x	\$25,238	17.7x
Church & Dwight Co Inc (CHD)	5.600%	11/15/2032	\$500	A3 / BBB+ / --	S / S / --	\$104.5	4.99%	116	121										
Church & Dwight Co Inc (CHD)	3.950%	8/1/2047	\$400	A3 / BBB+ / --	S / S / --	\$80.3	5.42%	136	144										
Church & Dwight Co Inc (CHD)	5.000%	6/15/2052	\$500	A3 / BBB+ / --	S / S / --	\$95.4	5.31%	135	141										
Whirlpool Corp (WHR)	2.400%	5/15/2031	\$300	Baa1 / BBB / BBB	S / N / N	\$81.0	5.39%	151	158	144	\$19,453	\$1,600	\$7,691	\$1,359	(\$90)	5.3x	5.2x	\$14,970	7.4x
Whirlpool Corp (WHR)	4.700%	5/14/2032	\$300	Baa1 / BBB / BBB	S / N / N	\$94.5	5.48%	164	171										
Whirlpool Corp (WHR)	5.500%	3/1/2033	\$300	Baa1 / BBB / BBB	S / N / N	\$99.4	5.59%	178	183										
Whirlpool Corp (WHR)	4.600%	5/15/2050	\$500	Baa1 / BBB / BBB	S / N / N	\$81.4	6.00%	199	207										
Haleon Plc (HLNLN)	3.625%	3/24/2032	\$1,998	Baa1 / BBB / --	S / -- / --	\$89.4	5.14%	131	136	--	\$9,545	\$2,413	\$9,782	\$405	\$25	4.1x	3.9x	\$39,567	16.4x
Haleon Plc (HLNLN)	4.000%	3/24/2052	\$1,000	Baa1 / BBB / --	S / -- / --	\$80.9	5.30%	138	140										
Hasbro Inc (HAS)	3.900%	11/19/2029	\$900	Baa2 / BBB / BBB-	S / S / S	\$90.4	5.71%	181	185	154	\$5,695	\$1,080	\$3,926	\$386	(\$380)	3.7x	3.4x	\$12,220	7.7x
Hasbro Inc (HAS)	5.100%	5/15/2044	\$300	Baa2 / BBB / BBB-	S / S / S	\$86.1	6.30%	221	226										
Brunswick Corp (BC)	2.400%	8/18/2031	\$550	Baa2 / BBB- / BBB	S / S / S	\$75.0	6.37%	252	256	245	\$6,860	\$1,187	\$2,635	\$388	(\$361)	2.2x	1.9x	\$8,257	5.7x
Brunswick Corp (BC)	4.400%	9/15/2032	\$450	Baa2 / BBB- / BBB	S / S / S	\$85.8	6.47%	264	270										
Brunswick Corp (BC)	5.100%	4/1/2052	\$300	Baa2 / BBB- / BBB	S / S / S	\$72.1	7.47%	349	357										
Newell Brands Inc (NWL)	4.700%	4/1/2026	\$2,000	Ba1 / BB+ / BB	N / N / N	\$92.3	7.83%	307	355	480	\$8,876	\$1,226	\$6,010	\$271	(\$1,294)	4.9x	4.7x	\$9,513	9.1x
Newell Brands Inc (NWL)	6.625%	9/15/2029	\$500	Ba1 / BB+ / BB	N / N / N	\$95.0	7.64%	373	378										
Newell Brands Inc (NWL)	6.000%	4/1/2046	\$666	Ba1 / BB+ / BB	N / N / N	\$74.0	8.62%	450	462										
Mattel Inc (MAT)	3.750%	4/1/2029	\$600	Baa3 / BBB- / BB+	S / P / P	\$87.0	6.47%	252	259	296	\$5,208	\$661	\$2,672	\$462	\$256	4.0x	3.3x	\$8,717	7.8x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 14: Packaged Food Spread & Return Monitor

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Moody's/S&P/Fit	Outlook	Current Pricing					5-yr CDS	Revenue	EBITDA	Debt	Cash	FCF	Credit Metrics			
						Bid	YTW	G- spd	T- spd	LTM							Net Debt/	Net Debt/	EV /	
EBITDA	EBITDA	EV	EBITDA																	
Nestle Holdings Inc. (NESNVX)	4.850%	3/14/2033	\$650	Aa3 / AA- / A+	S / S / S	\$101.3	4.67%	84	91	33	CHF 94,780	CHF 15,867	CHF 53,501	CHF 5,511	(CHF 11,485)	3.4x	3.0x	\$335,130	18.5x	
Nestle Holdings Inc. (NESNVX)	4.700%	1/15/2053	\$1,000	Aa3 / AA- / A+	S / S / S	\$97.8	4.84%	90	95											
Hershey Company (HSY)	1.700%	6/1/2030	\$350	A1 / A / --	S / S / --	\$82.6	4.66%	73	82	48	\$10,741	\$2,914	\$4,703	\$460	\$678	1.8x	1.6x	\$56,433	18.4x	
Hershey Company (HSY)	2.650%	6/1/2050	\$350	A1 / A / --	S / S / --	\$66.2	4.93%	93	100											
Mars Inc. (MARS)	1.625%	7/16/2032	\$700	A1 / A+ / --	S / S / --	\$76.6	4.84%	101	106	--	--	--	--	--	--	--	--	--	--	
Mars Inc. (MARS)	2.450%	7/16/2050	\$400	A1 / A+ / --	S / S / --	\$60.9	5.14%	115	121											
Hormel Foods (HRL)	1.800%	6/11/2030	\$1,000	A1 / A- / --	S / S / --	\$83.3	4.62%	77	79	--	\$12,386	\$1,521	\$3,421	\$580	\$298	2.2x	1.9x	\$25,023	18.1x	
Hormel Foods (HRL)	3.050%	6/3/2051	\$600	A1 / A- / --	S / S / --	\$68.6	5.19%	119	127											
Archer-Daniels-Midland Co (ADM)	4.500%	8/15/2033	\$500	A2 / A / A	S / S / S	\$97.2	4.85%	105	110	83	\$102,270	\$3,306	\$10,288	\$899	(\$190)	3.1x	2.8x	\$51,035	10.9x	
Archer-Daniels-Midland Co (ADM)	2.700%	9/15/2051	\$750	A2 / A / A	S / S / S	\$66.2	4.93%	96	101											
Cargill Inc (CARGIL)	4.000%	6/22/2032	\$650	A2 / A / A	S / S / S	\$92.8	5.01%	118	123	73	--	--	--	--	--	--	--	--	--	
Cargill Inc (CARGIL)	4.375%	4/22/2052	\$500	A2 / A / A	S / S / S	\$86.1	5.33%	134	142											
Danone SA (BNFP)	0.395%	6/10/2029	\$800	Baa1 / BBB+ / --	S / S / --	\$83.7	3.45%	106	108	46	\$27,661	\$4,787	\$14,799	\$1,051	\$853	3.1x	2.9x	\$46,678	10.1x	
Mondelez International Holdings Netherlands BV (MIHN)	1.250%	9/24/2026	\$350	A3 / BBB / --	S / S / --	\$88.3	5.19%	97	100											
Mondelez International (MDLZ)	3.000%	3/17/2032	\$750	Baa1 / BBB / --	S / S / --	\$85.9	5.01%	116	123	54	\$32,885	\$6,275	\$22,202	\$1,917	(\$750)	3.8x	3.5x	\$119,274	17.8x	
Mondelez International (MDLZ)	2.625%	9/4/2050	\$1,125	Baa1 / BBB / WD	S / S / --	\$62.8	5.20%	119	127											
Ingredion Inc (INGR)	2.900%	6/1/2030	\$600	Baa1 / BBB / BBB	S / S / S	\$86.0	5.34%	146	150	--	\$8,191	\$1,077	\$2,639	\$216	(\$384)	2.5x	2.4x	\$9,554	8.4x	
Ingredion Inc (INGR)	3.900%	6/1/2050	\$400	Baa1 / BBB / BBB	S / S / S	\$72.7	5.94%	193	201											
Sysco Corporation (SYI)	2.450%	12/14/2031	\$450	Baa1 / BBB / BBB	S / S / S	\$81.5	5.17%	131	138	64	\$75,554	\$3,696	\$11,710	\$758	\$349	3.2x	3.0x	\$47,509	16.1x	
Sysco Corporation (SYI)	3.150%	12/14/2051	\$800	Baa1 / BBB / BBB	S / S / S	\$66.4	5.50%	152	159											
McCormick & Co (MKC)	4.950%	4/15/2033	\$500	Baa2 / BBB / --	S / N / --	\$97.2	5.32%	155	158	--	\$6,394	\$1,269	\$5,206	\$357	\$38	4.1x	3.9x	\$29,189	24.0x	
McCormick & Co (MKC)	4.200%	8/15/2047	\$300	Baa2 / BBB / --	S / N / --	\$81.4	5.62%	158	164											
General Mills Inc (GIS)	4.950%	3/29/2033	\$1,000	Baa2 / BBB / --	S / S / --	\$99.4	5.03%	126	129	40	\$19,955	\$4,109	\$11,587	\$619	\$23	2.9x	2.8x	\$59,005	13.7x	
General Mills Inc (GIS)	3.000%	2/1/2051	\$605	Baa2 / BBB / --	S / S / --	\$68.3	5.17%	117	125											
Kellogg Co (K)	5.250%	3/1/2033	\$400	Baa2 / BBB / --	S / N / --	\$100.5	5.18%	140	143	69	\$15,696	\$2,421	\$7,387	\$347	\$501	3.3x	3.1x	\$29,841	13.5x	
Kellogg Co (K)	4.500%	4/1/2046	\$650	Baa2 / BBB / WD	S / N / --	\$85.6	5.63%	149	162											
Flowers Foods Inc (FLO)	2.400%	3/15/2031	\$500	Baa2 / BBB / BBB	S / S / S	\$81.5	5.34%	147	152	--	\$4,904	\$571	\$1,175	\$28	(\$29)	2.1x	2.0x	\$6,608	12.5x	
JM Smucker Co (SJM)	2.125%	3/15/2032	\$500	Baa2 / BBB / --	S / S / --	\$79.8	5.01%	117	122	--	\$8,328	\$1,537	\$4,408	\$104	(\$53)	2.8x	2.7x	\$19,284	11.9x	
JM Smucker Co (SJM)	3.550%	3/15/2050	\$300	Baa2 / BBB / --	S / S / --	\$72.0	5.58%	158	164											
Tyson Foods Inc (TSN)	4.350%	3/1/2029	\$1,000	Baa2 / BBB+ / BBB	S / N / S	\$95.1	5.36%	144	148	69	\$53,625	\$3,559	\$8,930	\$543	(\$1,068)	2.5x	2.4x	\$26,643	5.5x	
Tyson Foods Inc (TSN)	5.100%	9/28/2048	\$1,500	Baa2 / BBB+ / BBB	S / N / S	\$88.6	5.98%	194	201											
Campbell Soup Co (CPB)	2.375%	4/24/2030	\$500	Baa2 / BBB / BBB	P / S / S	\$84.3	5.11%	124	127	55	\$9,177	\$1,748	\$4,570	\$158	\$286	2.8x	2.7x	\$18,485	11.5x	
Campbell Soup Co (CPB)	3.125%	4/24/2050	\$500	Baa2 / BBB / BBB	P / S / S	\$67.4	5.45%	144	152											
Conagra Brands Inc (CAG)	7.000%	10/1/2028	\$382	Baa3 / BBB- / BBB-	S / N / S	\$106.8	5.50%	153	160	54	\$12,214	\$2,517	\$9,256	\$71	(\$2)	3.8x	3.8x	\$25,796	12.0x	
Conagra Brands Inc (CAG)	5.400%	11/1/2048	\$1,000	Baa3 / BBB- / BBB-	S / N / S	\$92.0	6.02%	199	206											
JBS USA (JBSSBZ)	3.000%	5/15/2032	\$1,000	Baa3 / BBB- / BBB-	S / S / S	\$77.0	6.43%	260	265	--	R\$ 370,669	R\$ 26,569	R\$ 101,338	R\$ 8,965	-R\$ 6,955	3.8x	3.5x	R\$ 135,058	4.0x	
JBS USA (JBSSBZ)	6.500%	12/1/2052	\$1,550	Baa3 / BBB- / BBB-	S / S / S	\$90.9	7.25%	330	336											
Smithfield Foods Inc (SFD)	2.625%	9/13/2031	\$500	Ba1 / BBB- / BBB	P / S / S	\$73.6	6.88%	303	308	54	--	--	--	--	--	--	--	--	--	
Kraft Heinz Foods Co (KHC)	3.750%	4/1/2030	\$741	Baa2 / BBB / BBB	S / P / S	\$92.38	5.09%	119	124	61	\$26,929	\$6,141	\$20,105	\$827	(\$856)	3.3x	3.1x	\$64,218	10.5x	
Kraft Heinz Foods Co (KHC)	4.375%	6/1/2046	\$2,786	Baa2 / BBB / BBB	S / P / S	\$83.35	5.68%	165	168											
Kraft Heinz Foods Co (KHC)	4.875%	10/1/2049	\$1,450	Baa2 / BBB / BBB	S / P / S	\$89.25	5.67%	166	172											
Pilgrim's Pride (PPC)	6.250%	7/1/2033	\$1,000	Ba3 / BBB- / BBB-	S / S / S	\$98.1	6.50%	273	276	--	\$17,394	\$1,205	\$3,596	\$151	(\$17)	3.0x	2.9x	\$8,867	5.2x	
Pilgrim's Pride (PPC)	3.500%	3/1/2032	\$889	Ba3 / BBB- / BBB-	S / S / S	\$80.0	6.55%	274	276											

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



**Exhibit 15: Beverages Historical Spread & Return Monitor**

Benchmark spread and credit metrics by issuer

Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Moody's/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	\$79.8	4.50%	65	68	54	\$43,503	\$15,359	\$42,400	\$12,004	\$2,098	2.8x	1.8x	\$289,642	21.5x
The Coca-Cola Co. (KO)	2.250%	1/5/2032	\$2,000	A1 / A+ / Au	S / S / S	\$84.5	4.45%	60	66										
The Coca-Cola Co. (KO)	3.000%	3/5/2051	\$1,700	A1 / A+ / Au	S / S / S	\$73.1	4.75%	77	83										
Coca-Cola European Partners (CCEP)	1.500%	1/15/2027	\$500	Baa1 / -- / BBB+	S / -- / S	\$88.6	5.03%	86	89	--	\$17,320	\$2,902	\$11,907	\$1,387	\$1,539	4.1x	3.6x	\$37,449	11.1x
PepsiCo Inc (PEP)	1.950%	10/21/2031	\$1,250	A1 / A+ / --	S / S / --	\$82.8	4.44%	58	65	54	\$88,038	\$16,076	\$41,767	\$5,204	(\$2,280)	3.0x	2.7x	\$286,293	18.2x
PepsiCo Inc (PEP)	4.450%	2/15/2033	\$1,000	A1 / A+ / --	S / S / --	\$100.0	4.45%	68	70										
PepsiCo Inc (PEP)	2.750%	10/21/2051	\$1,000	A1 / A+ / --	S / S / --	\$69.4	4.72%	73	81										
PepsiCo Inc (PEP)	4.650%	2/15/2053	\$500	A1 / A+ / --	S / S / --	\$97.4	4.82%	86	93										
Brown-Forman Corp (BFB)	4.500%	7/15/2045	\$500	A1 / A- / WD	S / S / --	\$90.9	5.20%	112	118	--	\$4,148	\$1,343	\$3,028	\$428	\$94	2.3x	2.0x	\$33,558	24.4x
Brown-Forman Corp (BFB)	4.750%	4/15/2033	\$650	A1 / A- / --	S / S / --	\$99.6	4.80%	101	105										
Diageo Investment Corp (DGELN)	2.000%	4/29/2030	\$1,000	A3 / A- / A-u	S / -- / --	\$84.1	4.73%	88	90	31	£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	\$104.7	4.86%	108	110										
Diageo Investment Corp (DGELN)	3.875%	4/29/2043	\$500	A3 / A- / A-u	S / S / S	\$82.9	5.28%	115	122										
Anheuser-Busch InBev Fin (ABIBB)	4.900%	1/23/2031	\$750	A3 / A- / WD	S / P / --	\$101.1	4.72%	83	89	90	\$57,786	\$19,842	\$79,686	\$9,973	\$5,408	4.0x	3.5x	\$191,474	9.6x
Anheuser-Busch InBev Fin (ABIBB)	4.500%	6/1/2050	\$1,567	A3 / A- / WD	S / P / --	\$89.4	5.24%	125	130										
Heineken NV (HEIANA)	1.750%	3/17/2031	\$750	A3 / BBB+ / --	S / S / --	\$87.5	3.62%	127	130	35	€ 28,694	€ 6,444	€ 19,780	€ 2,765	€ 1,151	3.1x	2.6x	€ 69,722	11.1x
Heineken NV (HEIANA)	4.350%	3/29/2047	\$650	A3 / BBB+ / --	S / S / --	\$84.1	5.56%	152	155										
Pernod Ricard SA (RIFP)	1.625%	4/1/2031	\$900	Baa1 / BBB+ / BBB+ S/S/S		\$78.2	5.04%	119	123	90	€ 11,858	€ 3,845	€ 10,797	€ 1,805	(€ 334)	2.8x	2.3x	€ 62,060	15.8x
Pernod Ricard SA (RIFP)	2.750%	10/1/2050	\$500	Baa1 / BBB+ / BBB+ S/S/S		\$63.4	5.30%	129	137										
Suntory Holdings LTD (SUNTOR)	6.625%	7/15/2028	\$184	Baa2 / BBB / WD	P / P / --	\$102.6	6.02%	204	211	--	¥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 / --	\$76.9	4.46%	212	215	--	--	--	--	--	--	--	--	--	--
JAB Holdings BV (JABHOL)	3.750%	5/28/2051	\$500	Baa1 / BBB+ / --	S / S / --	\$64.8	6.50%	251	255										
JAB Holdings BV (JABHOL)	4.500%	4/8/2052	\$500	Baa1 / BBB+ / --	S / S / --	\$75.1	6.40%	243	247										
Keurig Dr Pepper (KDP)	2.250%	3/15/2031	\$500	Baa1 / BBB / --	S / S / --	\$81.9	5.11%	124	130	--	\$14,332	\$4,041	\$12,376	\$204	\$464	3.1x	3.0x	\$57,398	15.5x
Keurig Dr Pepper (KDP)	4.050%	4/15/2032	\$850	Baa1 / BBB / --	S / S / --	\$92.4	5.13%	130	135										
Keurig Dr Pepper (KDP)	3.350%	3/15/2051	\$500	Baa2 / BBB / --	S / S / --	\$70.0	5.46%	147	154										
Keurig Dr Pepper (KDP)	4.500%	4/15/2052	\$1,150	Baa2 / BBB / --	S / S / --	\$85.0	5.55%	162	165										
Constellation Brands Inc (STZ)	2.250%	8/1/2031	\$1,000	Baa3 / BBB / --	S / S / --	\$80.6	5.20%	139	140	96	\$9,453	\$3,295	\$12,461	\$134	(\$524)	3.6x	3.6x	\$57,480	15.8x
Constellation Brands Inc (STZ)	4.750%	5/9/2032	\$700	Baa3 / BBB / --	S / S / --	\$96.6	5.23%	140	145										
Constellation Brands Inc (STZ)	3.750%	5/1/2050	\$600	Baa3 / BBB / --	S / S / --	\$75.1	5.54%	152	160										
Molson Coors Brewing Co (TAP)	3.000%	7/15/2026	\$2,000	Baa3 / BBB- / WD	S / S / --	\$93.7	5.23%	96	101	102	\$10,833	\$2,104	\$6,590	\$328	\$640	3.2x	3.1x	\$21,110	8.4x
Molson Coors Brewing Co (TAP)	4.200%	7/15/2046	\$1,800	Baa3 / BBB- / WD	S / S / --	\$80.0	5.78%	171	178										
Bacardi LTD (BACARD)	4.700%	5/15/2028	\$800	Baa3 / BBB- / BBB- S/S/S		\$97.3	5.33%	138	140	--	--	--	--	--	--	--	--	--	--
Bacardi LTD (BACARD)	5.300%	5/15/2048	\$700	Baa3 / BBB- / BBB- S/S/S		\$90.3	6.06%	203	206										
JDE Peet's NV (JDEPNA)	2.250%	9/24/2031	\$500	Baa3 / BBB- / BBB S/S/S		\$77.0	5.79%	194	197	--	€ 8,151	€ 1,366	€ 4,967	€ 967	€ 522	3.6x	2.9x	€ 17,775	11.3x

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 16: Tobacco Historical Return & Spread Monitor

Benchmark spread and credit metrics by issuer

Credit Metrics																				
Issuer	Coupon	Maturity	Outstanding (\$mil)	Ratings Moody's/S&P/Fit	Outlook	Current Pricing				5-yr CDS	LTM				Net FCF	Total Debt/		Net Debt/	EV / EBITDA	
						Bid	YTW	G-spd	T-spd		Revenue	EBITDA	Debt	Cash		EBITDA	EBITDA			EV
Japan Tobacco (JAPTOB)	2.250%	9/14/2031	\$625	A2 / A+ / --	S / -- / --	\$80.1	5.26%	141	146		¥2,741,605	¥868,627	¥1,018,639	¥665,152	¥136,212		1.2x	0.4x	¥335,130	0.4x
Japan Tobacco (JAPTOB)	3.300%	9/14/2051	\$400	A2 / A+ / --	S / -- / --	\$63.5	6.00%	201	208											
Philip Morris Intl Inc (PM)	1.750%	11/1/2030	\$750	A2 / A- / A	S / S / S	\$78.4	5.33%	143	151	54	\$32,115	\$13,428	\$47,121	\$2,428	(\$244)		3.7x	3.5x	\$190,249	14.2x
Philip Morris Intl Inc (PM)	5.750%	11/17/2032	\$1,500	A2 / A- / A	S / S / S	\$101.4	5.56%	172	179											
Philip Morris Intl Inc (PM)	5.375%	2/15/2033	\$2,250	A2 / A- / A	S / S / S	\$99.3	5.47%	170	172											
Philip Morris Intl Inc (PM)	4.250%	11/10/2044	\$1,250	A2 / A- / A	S / S / S	\$79.9	5.92%	181	189											
Altria Group (MO)	3.125%	6/15/2031	\$1,250	A3 / BBB / BBB	S / S / S	\$85.6	5.39%	305	307	54	\$20,632	\$12,291	\$25,387	\$3,913	\$64		2.1x	1.8x	\$102,520	8.3x
Altria Group (MO)	2.450%	2/4/2032	\$1,750	A3 / BBB / BBB	S / S / S	\$78.2	5.67%	187	189											
Altria Group (MO)	5.375%	1/31/2044	\$1,800	A3 / BBB / BBB	S / S / S	\$88.6	6.37%	221	233											
Altria Group (MO)	3.700%	2/4/2051	\$1,250	A3 / BBB / BBB	S / S / S	\$64.1	6.52%	252	259											
British American Tobacco (BATSLN)	2.726%	3/25/2031	\$1,250	Baa2 / BBB+ / BBB	S / N / S	\$79.13	6.14%	226	233	105	£26,378	£12,470	£44,875	£3,568	£3,339		3.6x	3.3x	\$97,198	7.8x
British American Tobacco (BATSLN)	7.750%	10/19/2032	\$600	Baa2 / BBB+ / BBB	S / N / S	\$108.6	6.48%	264	271											
British American Tobacco (BATSLN)	4.742%	3/16/2032	\$900	Baa2 / BBB+ / BBB	S / N / S	\$90.4	6.18%	233	240											
British American Tobacco (BATSLN)	5.282%	4/2/2050	\$500	Baa2 / BBB+ / BBB	S / N / S	\$78.6	7.07%	301	313											
British American Tobacco (BATSLN)	3.984%	9/25/2050	\$1,000	Baa2 / BBB+ / BBB	S / N / S	\$65.2	6.81%	285	288											
British American Tobacco (BATSLN)	5.650%	3/16/2052	\$600	Baa2 / BBB+ / BBB	S / N / S	\$85.0	6.85%	292	294											
Imperial Brands Fin Plc (IMBLN)	3.875%	7/26/2029	\$1,000	Baa3 / BBB / BBB	S / S / S	\$88.7	6.11%	220	223	104	£7,961	£4,070	£10,249	£596	(£186)		2.5x	2.4x	£26,439	6.5x

Source: BofA Global Research, Bloomberg

BoFA GLOBAL RESEARCH



Valuation & risk

Advance Auto (AAP)

After a transformative acquisition in scale & improved growth exposures, we believe AAP has operating & margin improvement potential offset by a volatile execution track record. Management has brought noticeable expertise in supply chain and distribution but has less experience in auto parts retail relative to peers to navigate this disruptive environment. Our Overweight reflects the expectation of improving spread discount vs. peers. Upside risks: stronger than expected comps & faster margin improvement via quickly improving demand landscape, improved capital & cash generation efficiency, deleveraging via EBITDA growth back below 2.5x sustainably, and broader industry tailwinds. Downside risks are execution volatility (organic or related to virus resurgence), margins remaining well below peers, activist pressure to focus on shareholder returns, or disruption to independents (CARQUEST) given difficult operating environment.

Campbell Soup Co. (CPB)

Campbell Soup (CPB) is an iconic food manufacturer with market-leading brands in the soup, sauces, snacks, and beverages categories with the balance sheet bolstered by entrenched 41% family ownership. Its well-diversified portfolio of resilient brands is further aided by improving cash flow generation and strong margins. Following its acquisition of Snyder's Lance (LNCE), the competitive soup business takes a backseat to faster growing snacks, accounting for nearly half of revenue and improving the company's growth outlook. Rounding out our recommendation are strong realized productivity, cost savings, attractive spread opportunity vs. BBB food peers, and steady <3x leverage allowing CPB to position itself for mid-to-high BBB ratings. This leads us to our Overweight positioning in cash on a company and issuer level. On the downside, we remain cognizant of stale legacy brands and heavy investment spend required to support soup. In CDS, risk/reward is balanced due to tight trading levels offset by limited disruptive catalysts we see ahead.

JM Smucker (SJM)

Our Marketweight cash recommendation on J.M. Smucker is based on traction in its Consumer Foods portfolio, primarily snacking, and Retail Coffee stabilization after a multi-year investment period and benefits from changed at-home consumption behavior. SJM still operates in highly competitive categories of Pet and Coffee which we believe will remain volatile but the company has improved its cash productivity, FCF and reduced balance sheet leverage adding a cushion to bonds and mid-BBB ratings. Relative valuation within BBB packaged food has normalized and we see fewer catalysts going forward for underperformance vs. peers. Upside to our recommendation could be accelerating underlying growth via innovation, continued success with cost-savings programs and reducing debt toward the low end of their 2.5-3.0x leverage target. Downside risks are reemerging execution missteps, inflation pressuring margins, heightened volatility in underlying peanut or coffee commodities or intensified competition/share loss in the Pet segment. More aggressive shareholder returns or transformational M&A, an area of interest, could also weigh on spreads.

Analyst Certification

I, Brian Callen, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.



Security/Loan pricing

Advance Auto Parts, Inc. / AAP

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
3.9, Senior, USD, 2030:B	500	15-APR-2030	Baa2/BBB-/NR	84.92	09-Jun-2023	6.68	285
1.75, Senior, USD, 2027:B	350	01-OCT-2027	Baa2/BBB-/NR	83.43	09-Jun-2023	6.19	212
3.5, Senior, USD, 2032:B	350	15-MAR-2032	Baa2/BBB-/NR	78.93	09-Jun-2023	6.72	296

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Campbell Soup Company / CPB

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
4.15, Senior, USD, 2028:B	1,000	15-MAR-2028	Baa2/BBB/BBB	96.39	09-Jun-2023	5.01	100
2.375, Senior, USD, 2030:B	500	24-APR-2030	Baa2/BBB/BBB	84.28	09-Jun-2023	5.12	129
4.8, Senior, USD, 2048:B	700	15-MAR-2048	Baa2/BBB/BBB	89.45	09-Jun-2023	5.59	153
3.125, Senior, USD, 2050:B	500	24-APR-2050	Baa2/BBB/BBB	67.98	09-Jun-2023	5.40	140
Senior Unsecured, USD, Y5:CDS					10-Jun-2023		58

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

JM Smucker / SJM

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
3.5, Senior, USD, 2025:B	1,000	15-MAR-2025	Baa2/BBB/NR	96.80	09-Jun-2023	5.43	68
3.375, Senior, USD, 2027:B	500	15-DEC-2027	Baa2/BBB/NR	93.86	09-Jun-2023	4.91	87
2.375, Senior, USD, 2030:B	500	15-MAR-2030	Baa2/BBB/NR	85.00	09-Jun-2023	5.02	118
4.25, Senior, USD, 2035:B	650	15-MAR-2035	Baa2/BBB/NR	91.13	09-Jun-2023	5.27	150
4.375, Senior, USD, 2045:B	600	15-MAR-2045	Baa2/BBB/NR	85.46	09-Jun-2023	5.53	145
3.55, Senior, USD, 2050:B	300	15-MAR-2050	Baa2/BBB/NR	72.80	09-Jun-2023	5.50	151
2.125, Senior, USD, 2032:B	500	15-MAR-2032	Baa2/BBB/NR	80.04	09-Jun-2023	4.96	120

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Disclosures

Important Disclosures

Credit opinion history

Advance Auto Parts, Inc. / AAP

Advance Auto Parts, Inc. / AAP				
Company	Date ^{R1}	Action	Recommendation	
Advance Auto Parts, Inc. / AAP	31-May-2020		Overweight	
Security	Date ^{R1}	Action	Recommendation	Price
3.9, Senior, USD, 2030:B	31-May-2022		Overweight	
1.75, Senior, USD, 2027:B	31-May-2022		Overweight	
	21-Dec-2022	Added to iQ Model	Overweight	84.43
3.5, Senior, USD, 2032:B	31-May-2022		Overweight	
	21-Dec-2022	Added to iQ Model	Overweight	83.07

Table reflects credit opinion history as of previous business day's close.^{R1}First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap

Campbell Soup Company / CPB

Campbell Soup Company / CPB				
Company	Date^{R2}	Action	Recommendation	
Campbell Soup Company / CPB	31-May-2020		Overweight	
Security	Date^{R2}	Action	Recommendation	Price
4.15, Senior, USD, 2028:B	31-May-2022		Overweight	
2.375, Senior, USD, 2030:B	31-May-2022		Overweight	
	06-Sep-2022	Added to iQ Model	Overweight	83.28
4.8, Senior, USD, 2048:B	31-May-2022		Overweight	

Campbell Soup Company / CPB

Company	Date ^{R2}	Action	Recommendation
3.125, Senior, USD, 2050:B	31-May-2022		Overweight
	06-Sep-2022	Added to iQ Model	Overweight
Senior Unsecured, USD, Y5:CDS	31-May-2022		Neutral

Table reflects credit opinion history as of previous business day's close.^{R1}First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap

JM Smucker / SJM

Company	Date ^{R3}	Action	Recommendation	
JM Smucker / SJM	31-May-2020		Underweight	
	27-Oct-2020	Upgrade	Marketweight	
Security	Date ^{R3}	Action	Recommendation	Price
3.5, Senior, USD, 2025:B	31-May-2022		Marketweight	
3.375, Senior, USD, 2027:B	31-May-2022		Marketweight	
2.375, Senior, USD, 2030:B	31-May-2022		Marketweight	
4.25, Senior, USD, 2035:B	31-May-2022		Marketweight	
4.375, Senior, USD, 2045:B	31-May-2022		Marketweight	
3.55, Senior, USD, 2050:B	31-May-2022		Marketweight	
2.125, Senior, USD, 2032:B	31-May-2022		Marketweight	
	14-Sep-2022	Added to iQ Model	Marketweight	79.17

Table reflects credit opinion history as of previous business day's close.^{R1}First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

Pricing information in the table is provided for each action where available. In the case of bonds, loans, capital securities and equity preferreds, the price shown reflects the nominal cash price for the security; and in the case of CDS, the price shown reflects the spread, on the date of the relevant action.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); EP=Equity Preferred; CDS=Credit Default Swap

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.

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Buy Protection: Buy CDS, therefore going short credit risk.

Neutral: No purchase or sale of CDS is recommended.

Sell Protection: Sell CDS, therefore going long credit risk.

Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Mar 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R4}	Count	Percent
Buy	153	44.74%	Buy	123	80.39%
Hold	151	44.15%	Hold	125	82.78%
Sell	38	11.11%	Sell	30	78.95%

^{R4} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

Credit Opinion History Tables for the securities referenced in this research report are available on the Price Charts and Credit Opinion History Tables website, or call 1-800-MERRILL to have them mailed.

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