

Document 1624

[21624001]

Bond prices posted strong gains as investors went on a bargain hunt .

[21624002]

But while the overall market improved , the new-issue junk-bond market continued to count casualties , even as junk-bond prices rose .

[21624004]

And Donaldson , Lufkin & Jenrette Securities Corp. scrambled to restructure and improve the potential returns on a \$ 475 million debenture offering by Chicago & North Western Acquisition Corp. that was still being negotiated late last night .

[21624005]

The issue by Chicago & North Western is one of the so-called good junk-bond offerings on the new-issue calendar .

[21624006]

Some analysts said the restructuring of the railroad concern 's issue shows how tough it is for underwriters to sell even the junk bonds of a company considered to be a relatively good credit risk .

[21624007]

Since last week 's junk-bond market debacle , many new issues of high-yield , high-risk corporate bonds have either been scaled back , delayed or dropped .

[21624008]

On Wednesday , Drexel Burnham Lambert Inc. had to slash the size of Continental Airlines ' junk-bond offering to \$ 71 million from \$ 150 million .

[21624009]

Salomon Brothers Inc. has delayed Grand Union Co. 's \$ 1.16 billion junk-bond offering while it restructures the transaction .

[21624010]

Last week , the Grand Union offering was sweetened to include warrants that allow bondholders to acquire common stock .

[21624011]

Prudential-Bache said the York issue was delayed because of market conditions .

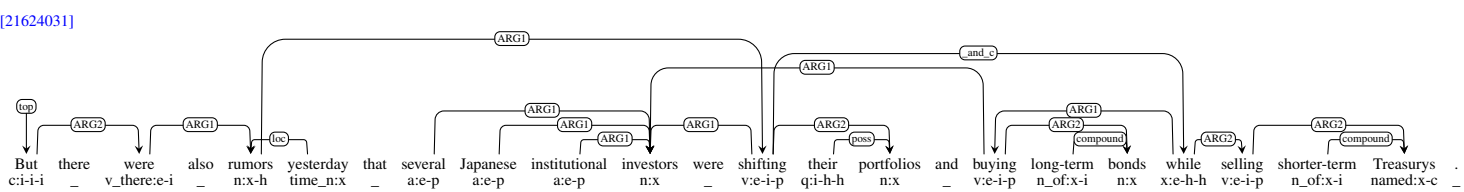
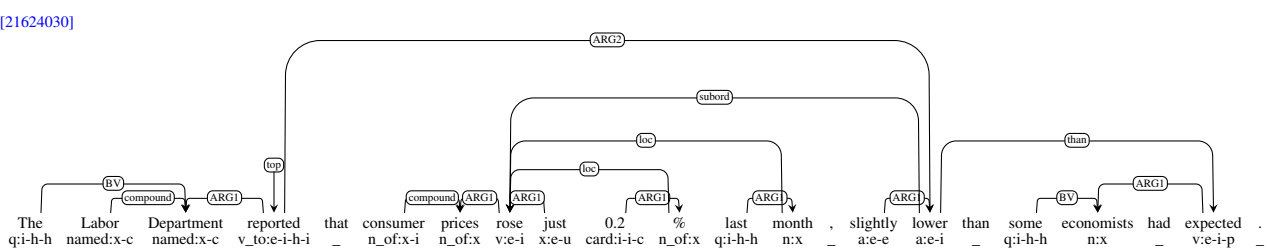
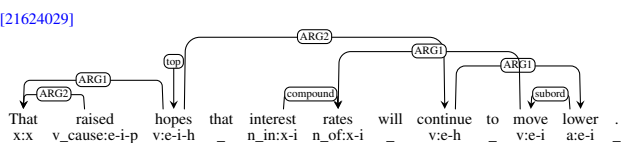
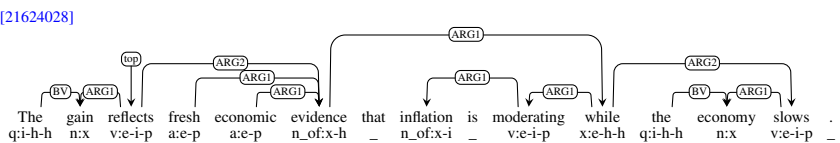
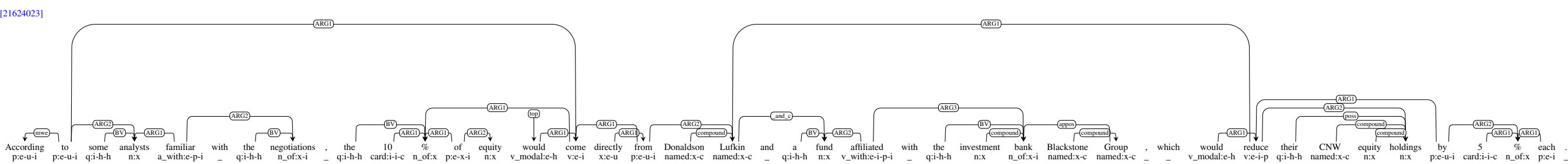
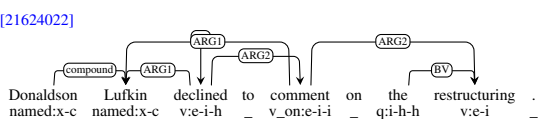
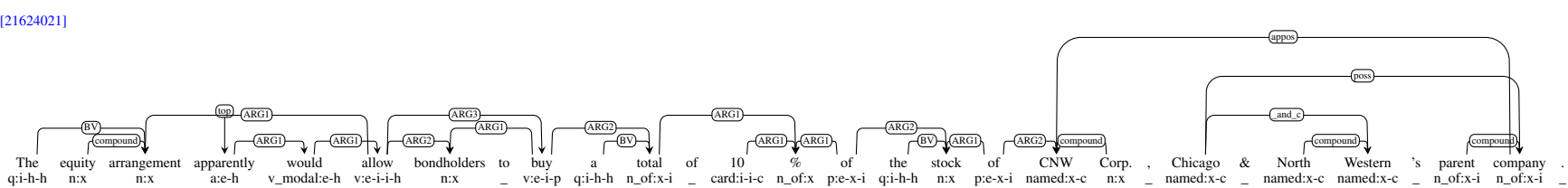
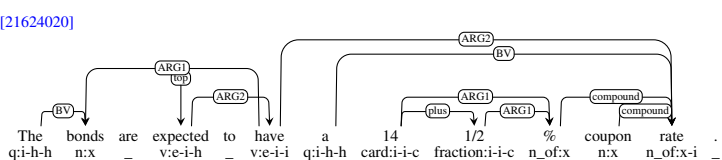
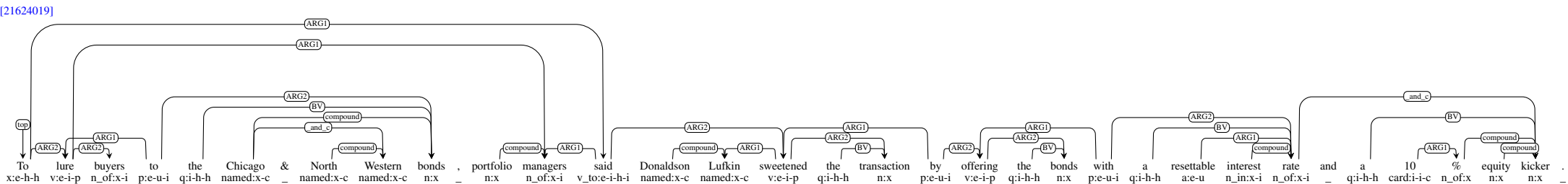
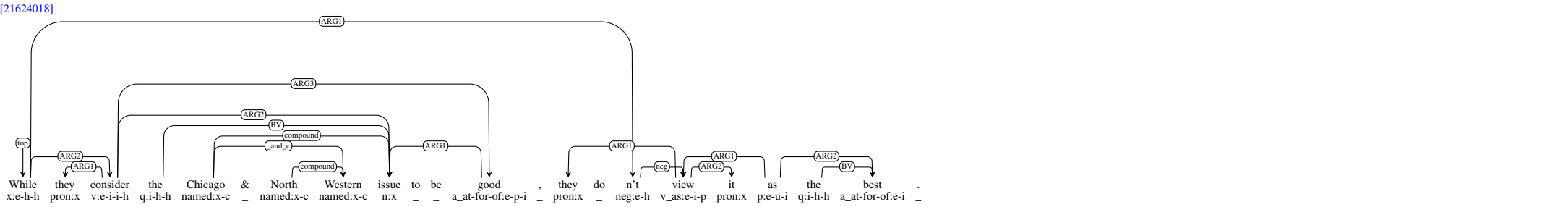
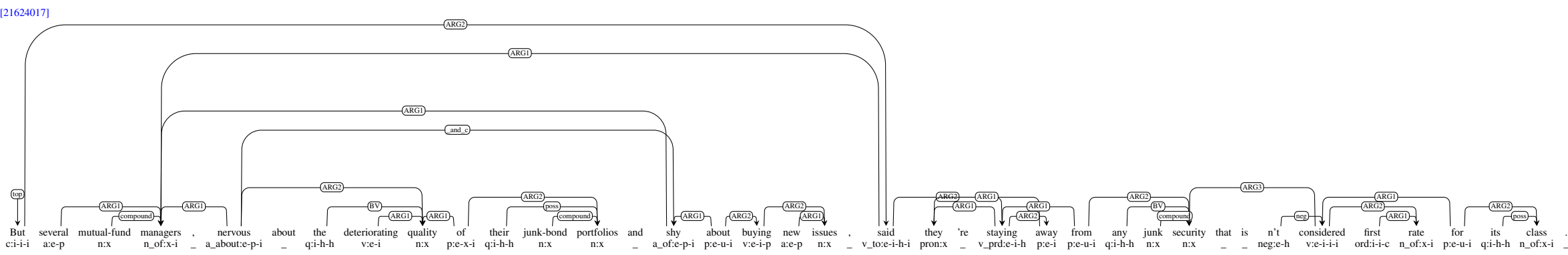
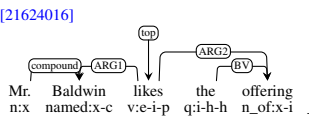
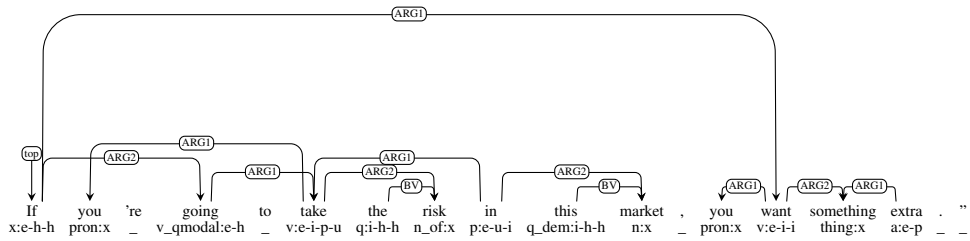
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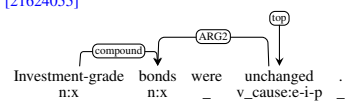
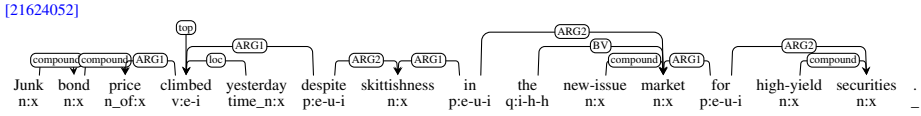
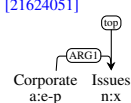
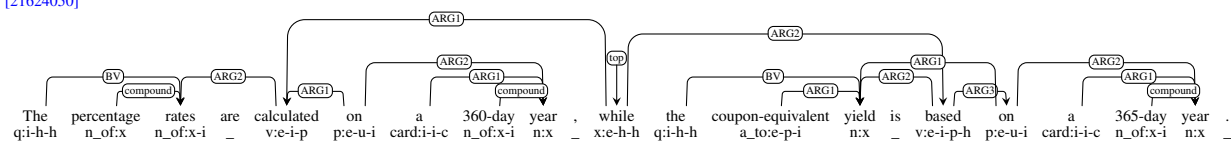
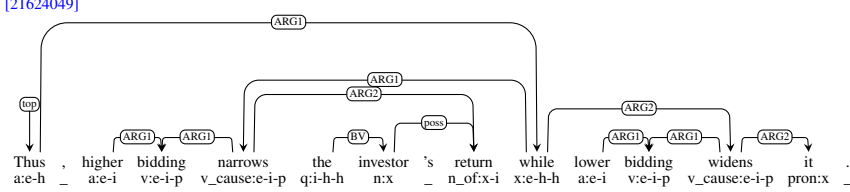
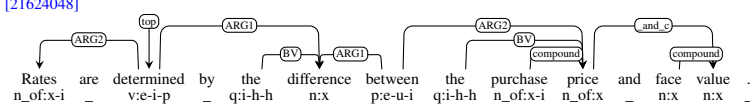
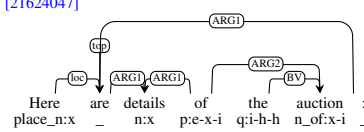
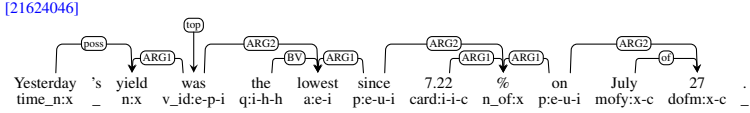
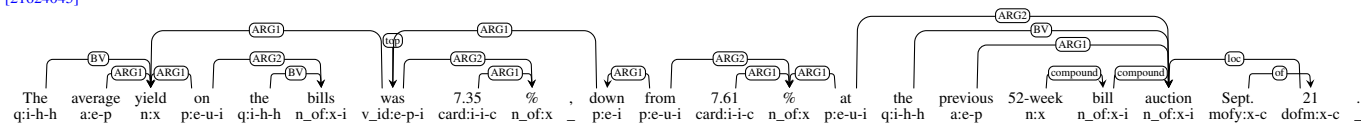
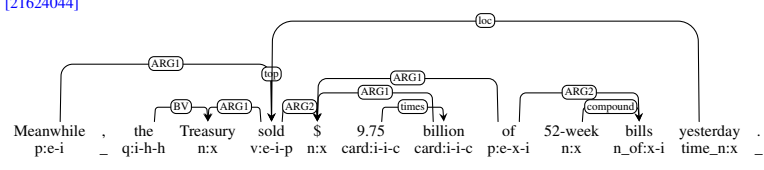
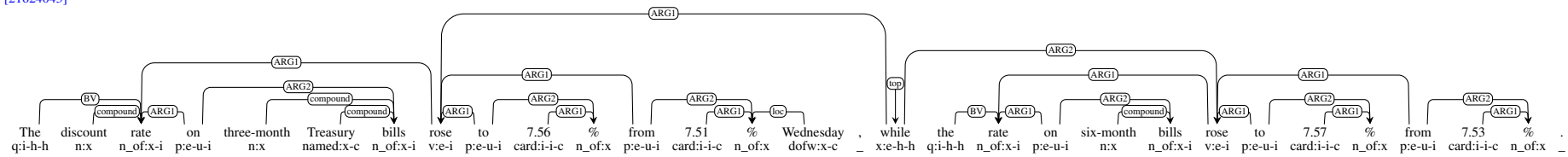
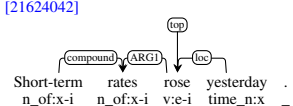
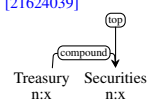
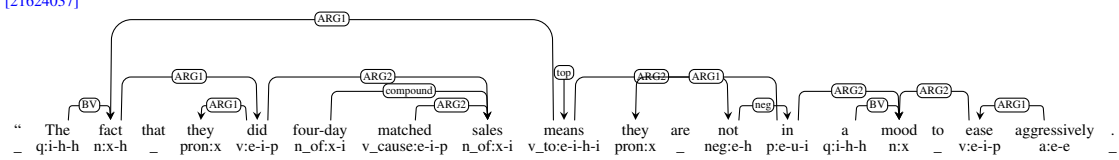
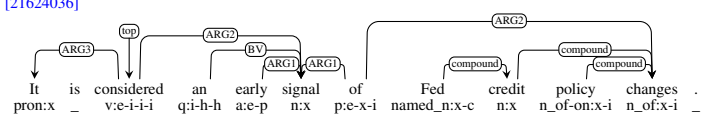
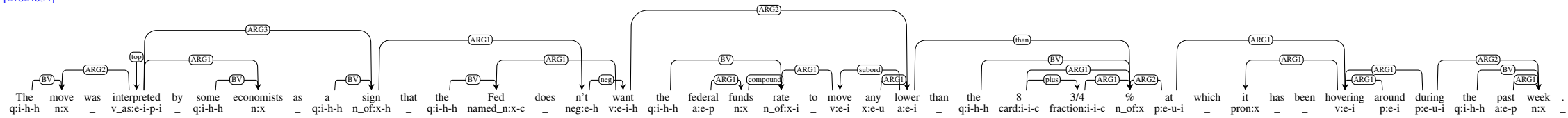
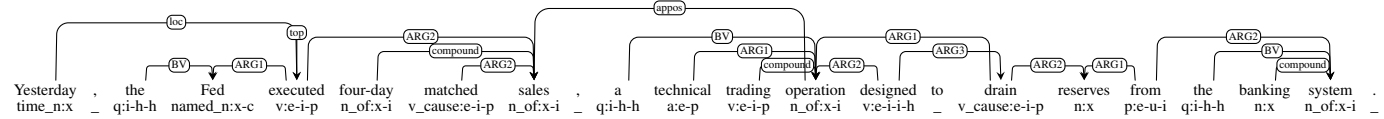
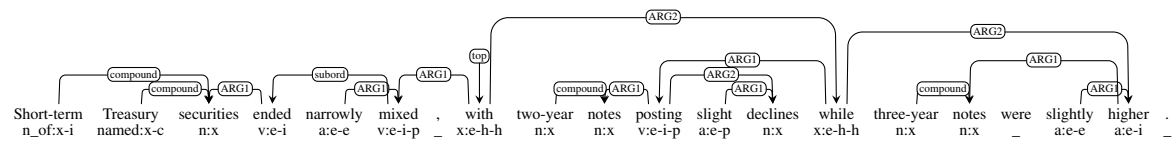
Portfolio managers say sweeteners like equity kickers and stricter protective covenants may increasingly be required to sell junk-bond deals .

[21624014]

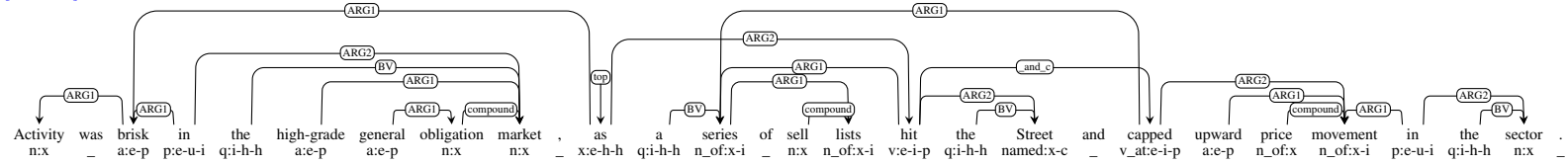
Dan Baldwin , managing director of high-yield investments at Chancellor Capital Management , said the Chicago & North Western offering was restructured in part because " several large insurance buyers right now are demanding equity as part of the package .

[21624015]

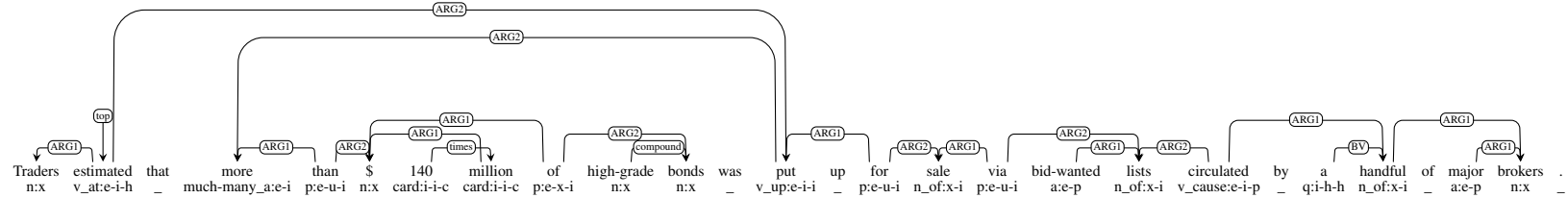




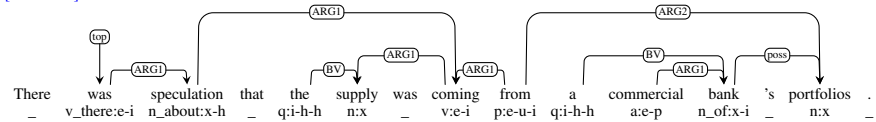
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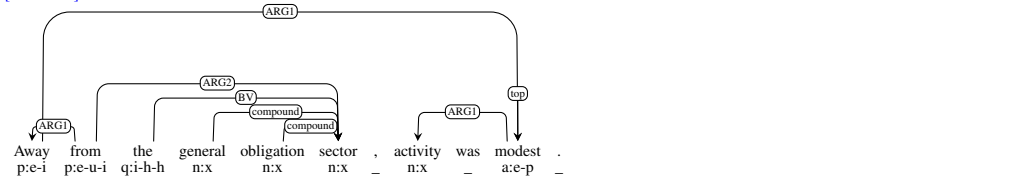
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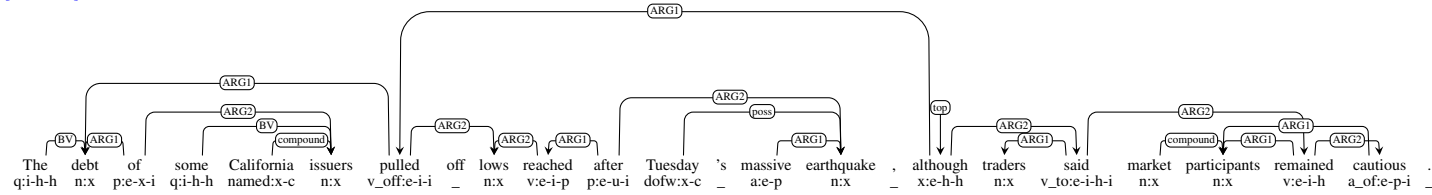
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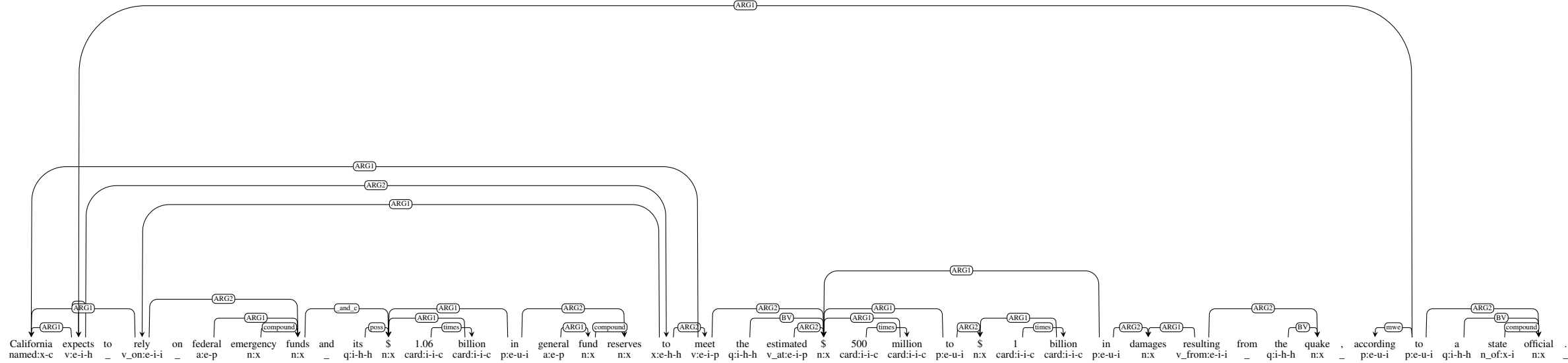
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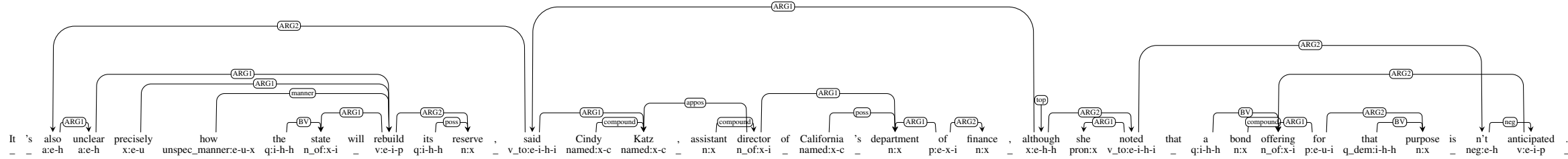
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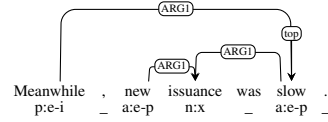
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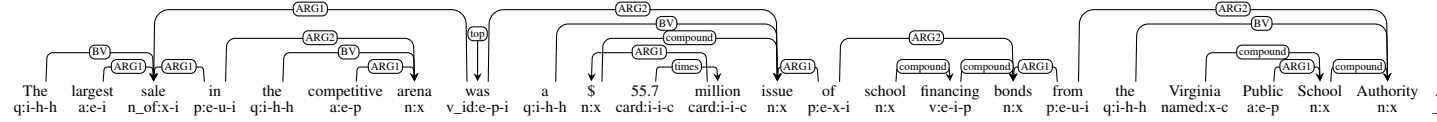
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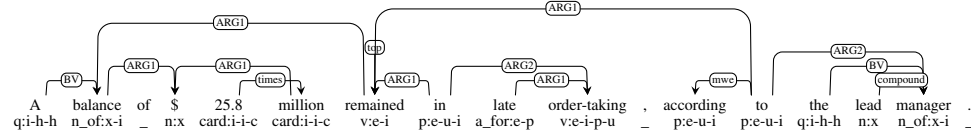
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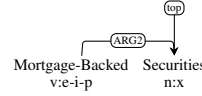
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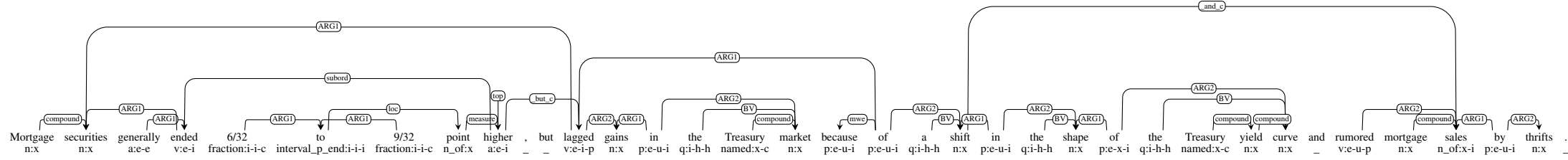
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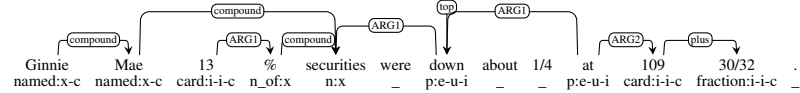
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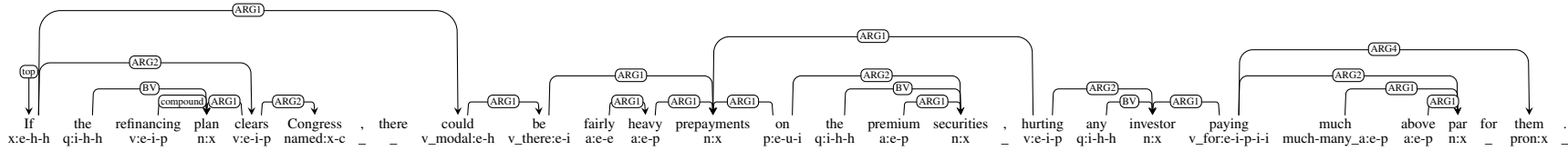
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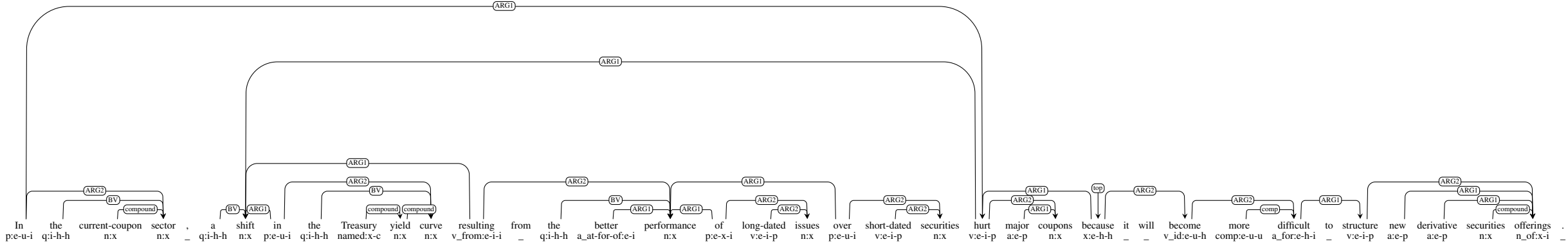
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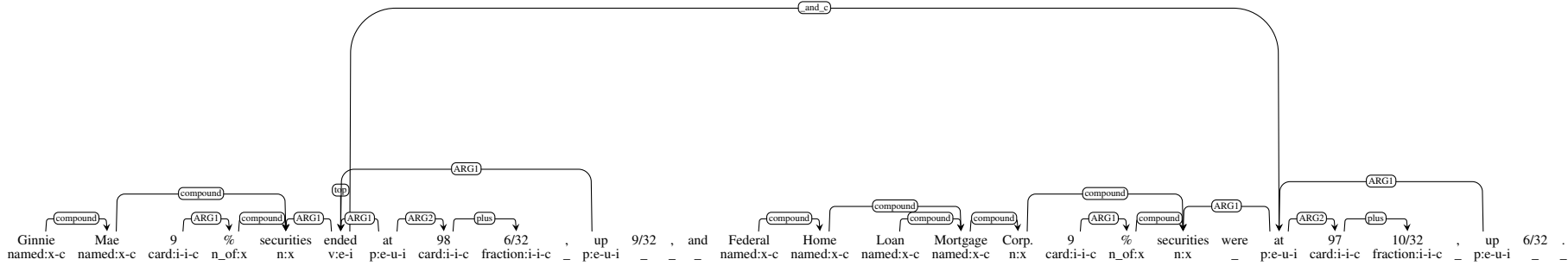
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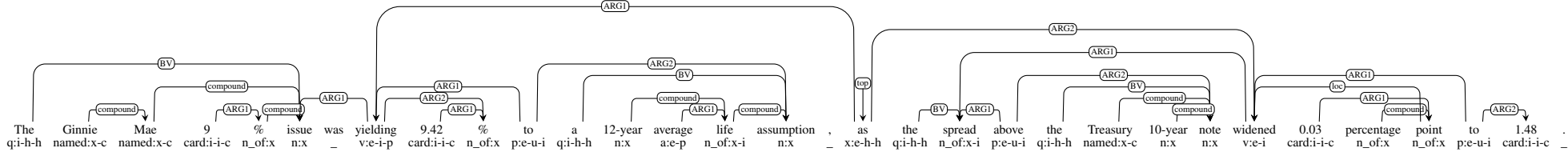
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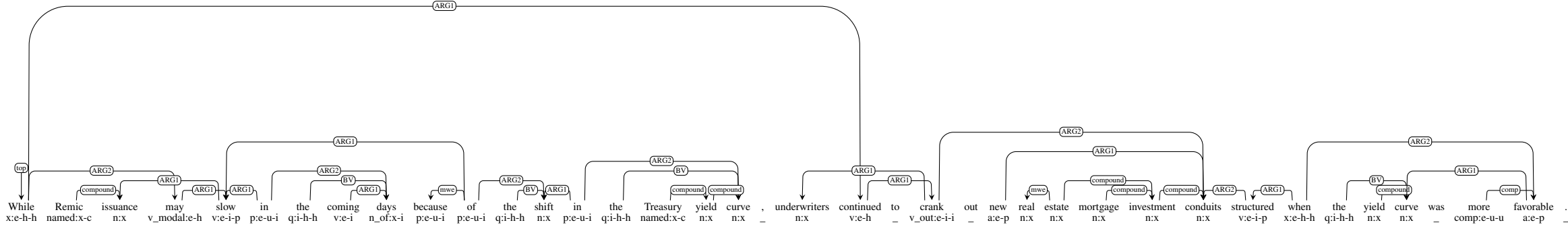
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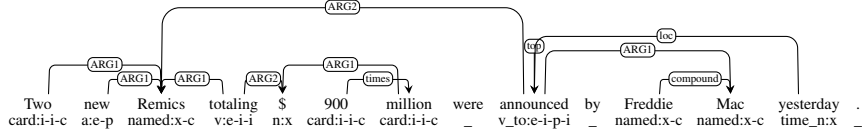
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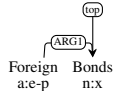
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