



Corporate Spreads at Tightest Levels of the Year

- Corporate spreads broke through the year-to-date tightness with everything looking positive from a technical and fundamental standpoint. Every sub-sector and industry moved tighter last week, with leaders like metals, cable, telecoms and autos 8 to 12 basis points (bps) tighter and laggards just 3 to 4 bps tighter.
- Energy remains a bit of a laggard, which is surprising given the apparent improvement in the global economic outlook. Perhaps this is due to concerns about the election or ESG issues, which are more prominent today.
- Newell Brands spreads blew out after S&P downgraded them to BB+, kicking them out of the investment grade indices and making it one of the largest fallen angels this year.

Corporate Spreads



Source: Bloomberg

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