



Corporate Spreads Widen on Global Growth Concerns

- Spreads continue to leak wider as global growth concerns and the uncertainty around trade weighed on credit. The market found some footing after a delayed implementation of tariffs on certain Chinese goods was announced, however, much of this favorable sentiment soured quickly on weaker economic data out of Europe and China.
- The market has remained fairly orderly despite the increase in volatility with sellers focusing primarily on liquid securities in sectors sensitive to a global slowdown such as energy and cyclicals.
- GE had the biggest credit-specific news last week after the Madoff whistleblower accused the company of misrepresenting liabilities associated with its long-term-care business. GE long bonds were more than +50 bps wider on the news but retraced nearly half of that move by last Friday.

Corporate Bond Spreads



Source: Bloomberg

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