mni

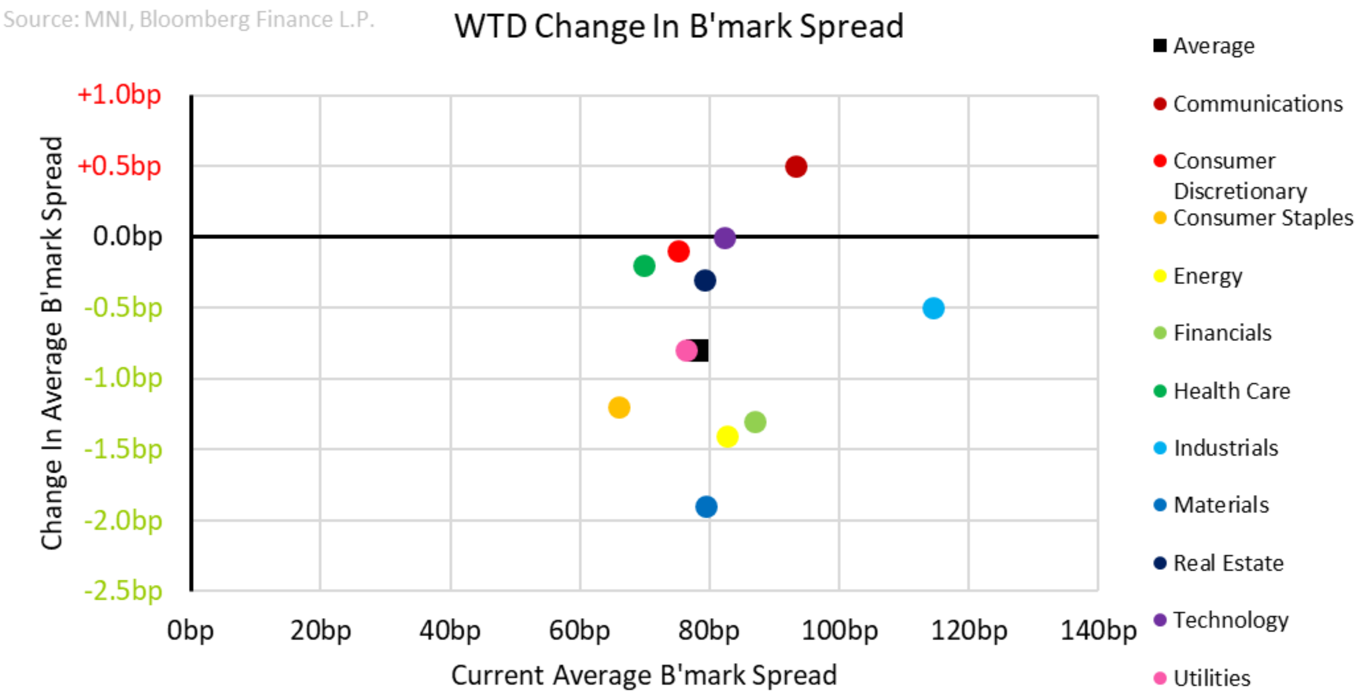
All Signal, No Noise

MARKET ANALYSIS

MNI US Credit Weekly - 24 April 2026

Executive Summary

- **Spreads** modestly rallied in the week as the market looked past the ceasefire back-and-forth.
- In **macro**, rate hike pricing reverted higher as US-Iran talks stuttered.
- **Fund flows** weakened for credit led by IG. US equity strength continued in face of outflows in other regions.
- **Supply** was at the low end of the $20-$25B estimates, with 15 issuers pricing $21B, led by AT&T's $6B.



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Developed Markets and Policy Summary

Ongoing uncertainty surrounding US-Iran negotiations set a bearish tone across FI markets, with recovery rallies limited and STIR markets fading the optimism that was seen at the tail end of last week.

European and UK PMI data underscored inflationary risks stemming from the conflict, although we don't expect this to trigger tightening from the ECB and BoE next week. Both central banks signaled that they would look for further evidence of price pressures before acting.

The Fed and BoJ add to the list of major central banks set to deliver decisions next week. Consensus is for both to remain on hold, meaning that details of the communique and US-Iran developments are set to be the major drivers for markets.

Pricing of Fed easing for this year has moderated to 5bp compared with 15bp late last week. Meanwhile pricing of tightening this year at both the ECB and BOE is at 60bp, up from 45bp and 25bp respectively last week.

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Further out the curve, UK 10-Year yields hover just below the psychological 5% level, while Bund yields trade back above 3%.

EGB spreads widened alongside the hawkish ECB repricing and sell off in DM bonds, but remain some distance off recent extremes, aided by resilient equity market performance and the general upholding of the US-Iran ceasefire.

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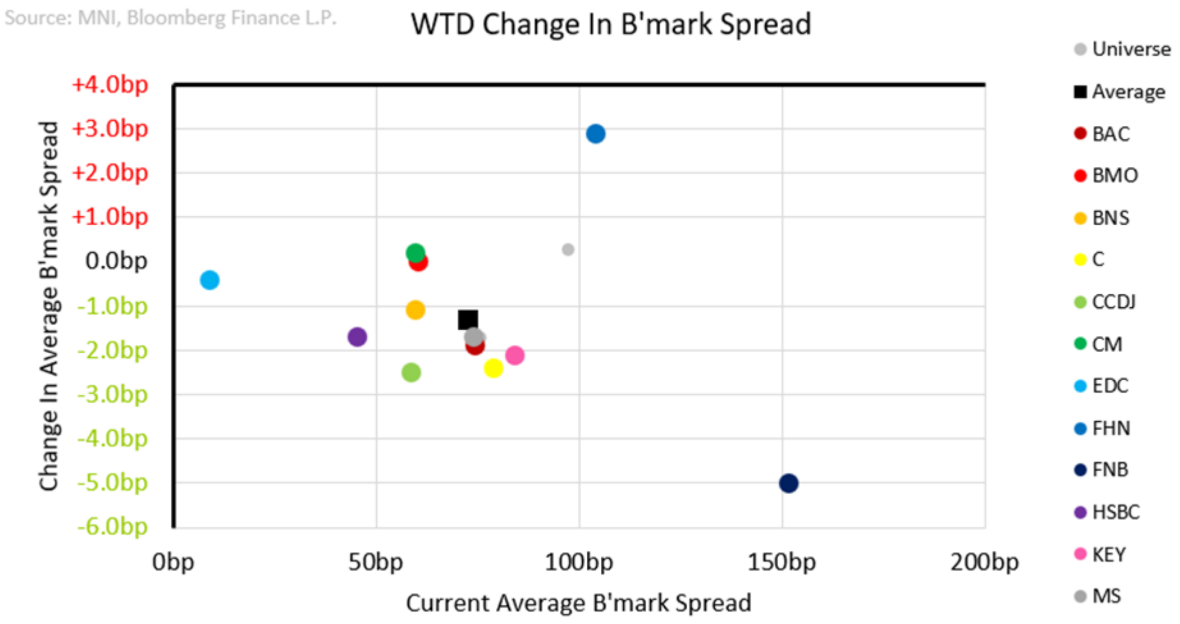
Banks: Week in Review

US Bank credit spreads moved tighter this week as market participants looked past the fragility of the ceasefire in Iran to focus on strong earnings performance from US banks and the rest of the corporate sector. USD senior and subordinated credit each tightened by 2-3bp this week to close at T+73bp and T+137bp, respectively. The US GSIBs kicked off Q1'26 earnings with blockbuster results and US regional banks have followed, with most reporting solid-to-strong results. Revenue and earnings generally beat expectations, credit quality metrics were broadly stable and capital ratios remain strong across the segment, though some banks reported lower CET1 after executing on their share buyback programs. Primary activity remained brisk with benchmark deals from State Street, Charles Schwab, Truist and Jeffries, among others. The deals were well subscribed and mostly tightened after break.

- State Street $1.5bn in Two Parts, 6NC5, 11NC10
- Charles Schwab $1.5bn PerpNC5 6.1%
- Truist Financial $2bn in Two Parts, 6NC5, 11NC10
- Jefferies $1.1bn 5Y Fixed

Bank Sr Spreads:



Bank Sub Spreads:

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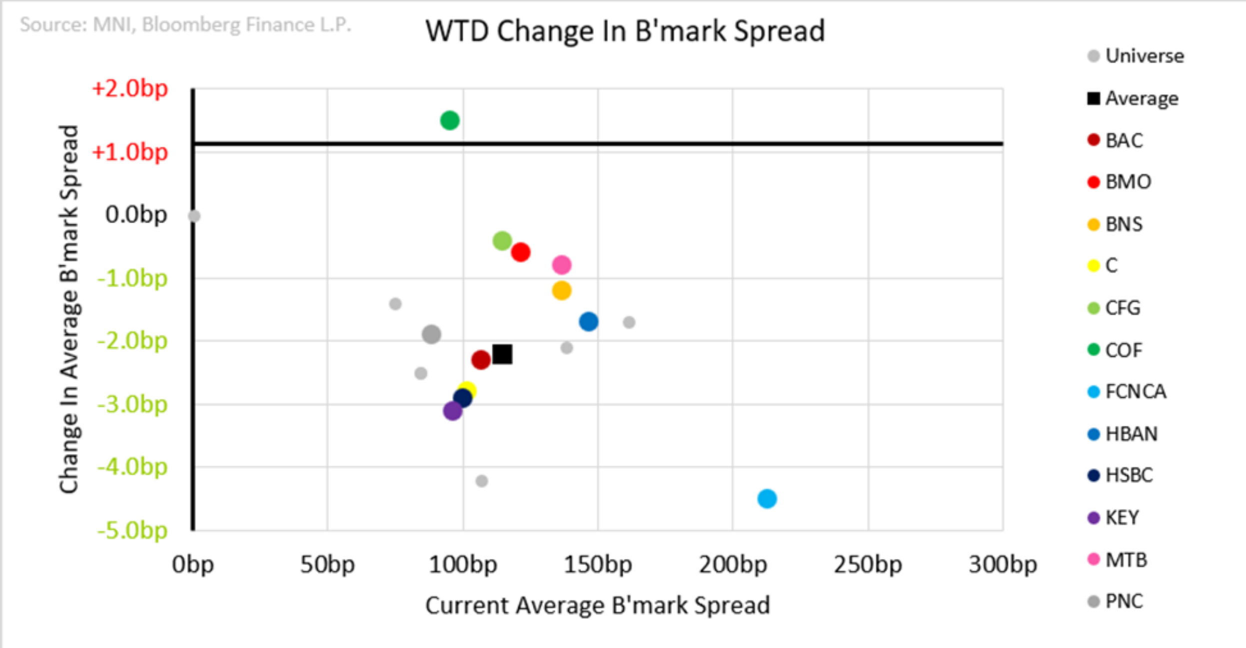

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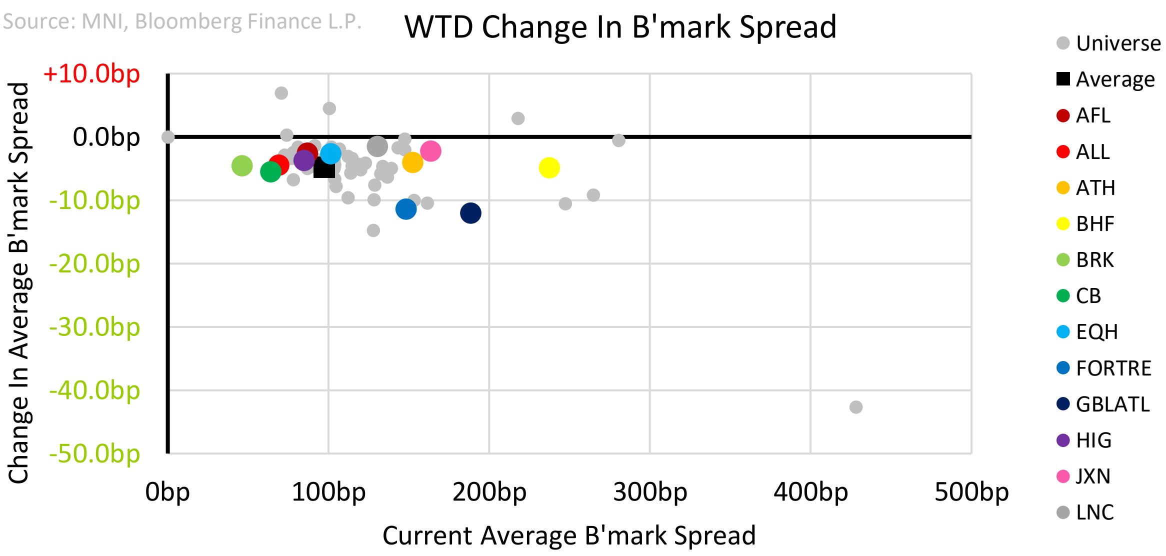
Insurers: Week in Review

Insurer Sr Unsecured and Secured spreads tightened 1-2 bps to +94 and +79 respectively. **Chubb**, **Principal Financial**, and **Hartford** reported earnings with no major surprises. In the primary market, there were 2 Sr Unsecured deals, and no FA-backed deals, which is a change from LTM trends, with Liberty Mutual and regional insurer Highmark both marketing new 10Y bonds.

- **Chubb** reported a mild 1Q EPS beat as CAT losses declined YY.
- **Principal** 1Q saw modest growth across all segments, helping drive adj op profit +10%YY
- **Hartford:** EPS miss with growth in Business Insurance offset by unfavorable prior year development cost
- **Liberty Mutual** new 5.25 2036 144A priced 10bps inside our FV.
- **Highmark** new 5.75 36 144A priced 5bps wide of our FV.

Insurer spreads (Sr Unsec):



Insurers (Secured):

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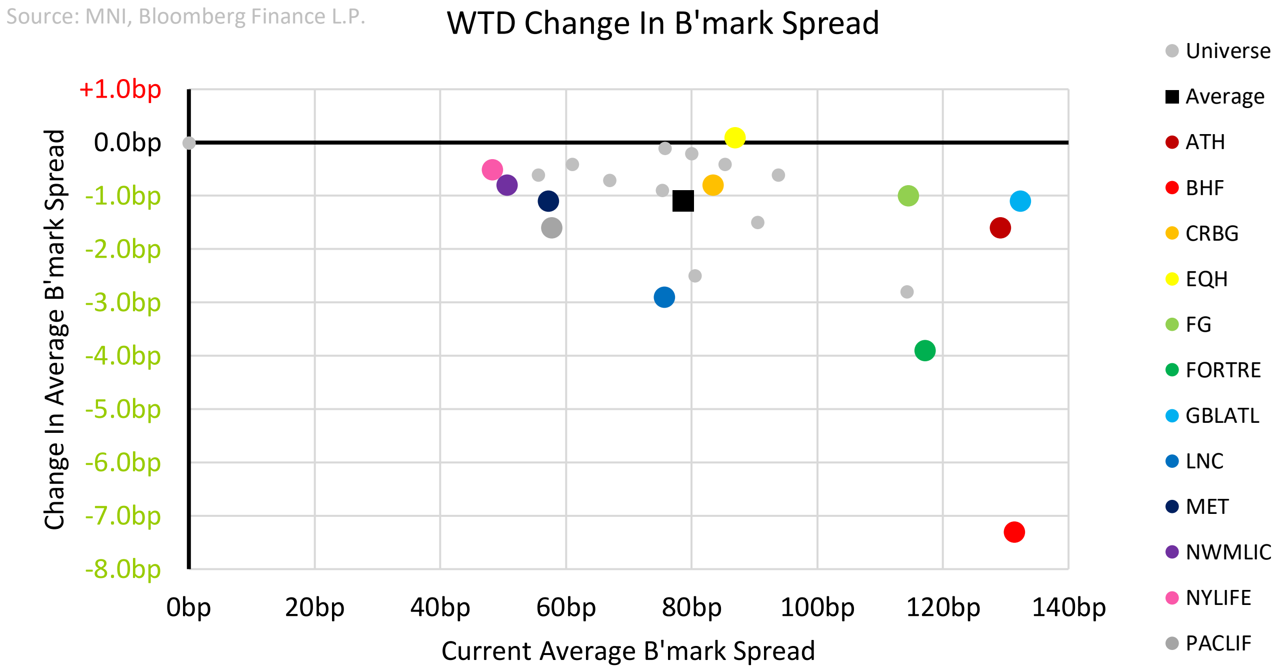

BDCs/AMs: Week in Review

The average spread of BDCs/Alt Mgrs in our coverage universe was 5.7bps tighter, better than the broader market index which tightened by 0.8bps. The S&P BDC Equities index (SPBDCUP) was up by 4.9% this week and is down 8.6% YTD.

- **Blackstone Private Credit Fund** (BCRED) released an 8k earlier today that disclosed the sale of $104m in new unregistered Class I common shares. In the release BCRED also included some preliminary results from Q1'26. Most of the disclosure does not contain any surprises though we do note that, as expected, nonaccruals rose but still remain at acceptable levels.
- **Blackstone Private Credit Fund** (BCRED) issued $850m of 5Y notes at +230, 5bps wider than our FV.
- **Blackstone Inc** (BX) announced Q1'26 results that beat BBG consensus. Performance, especially before the start of the Middle East conflict, was robust. Mngmt highlighted a strong pipeline for portfolio companies going public.

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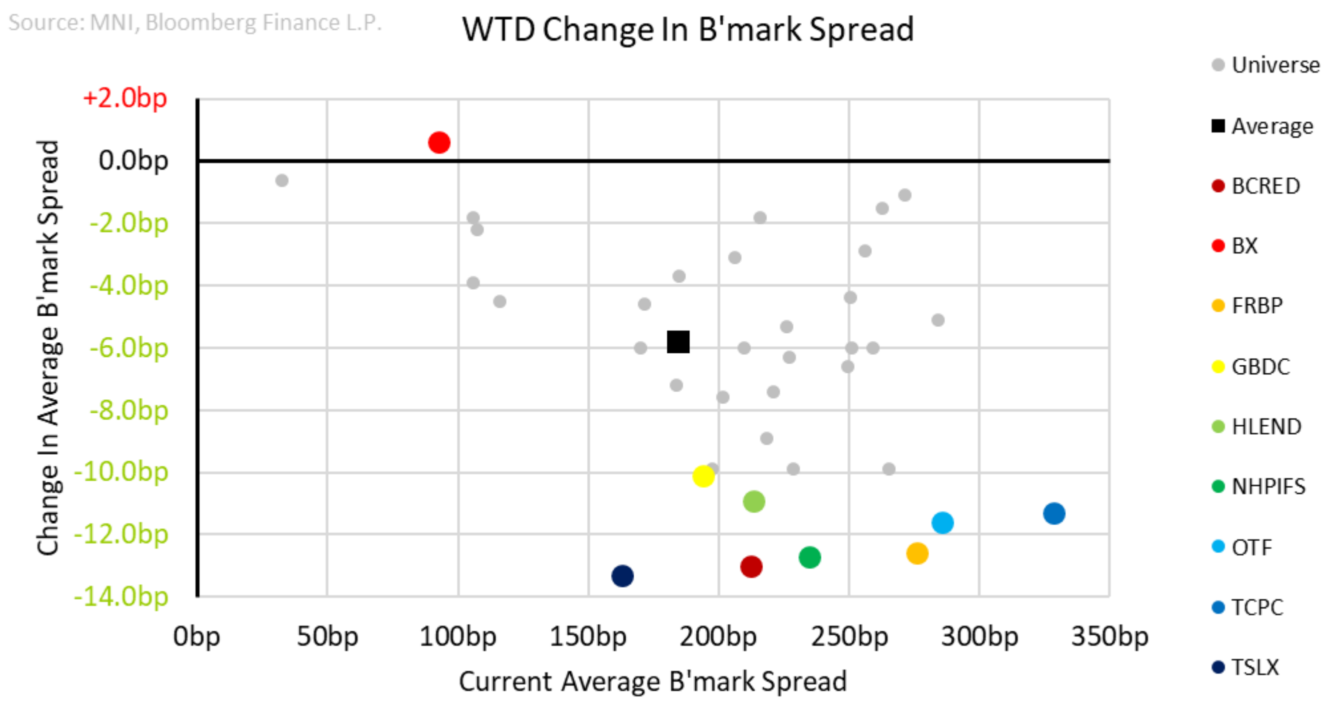

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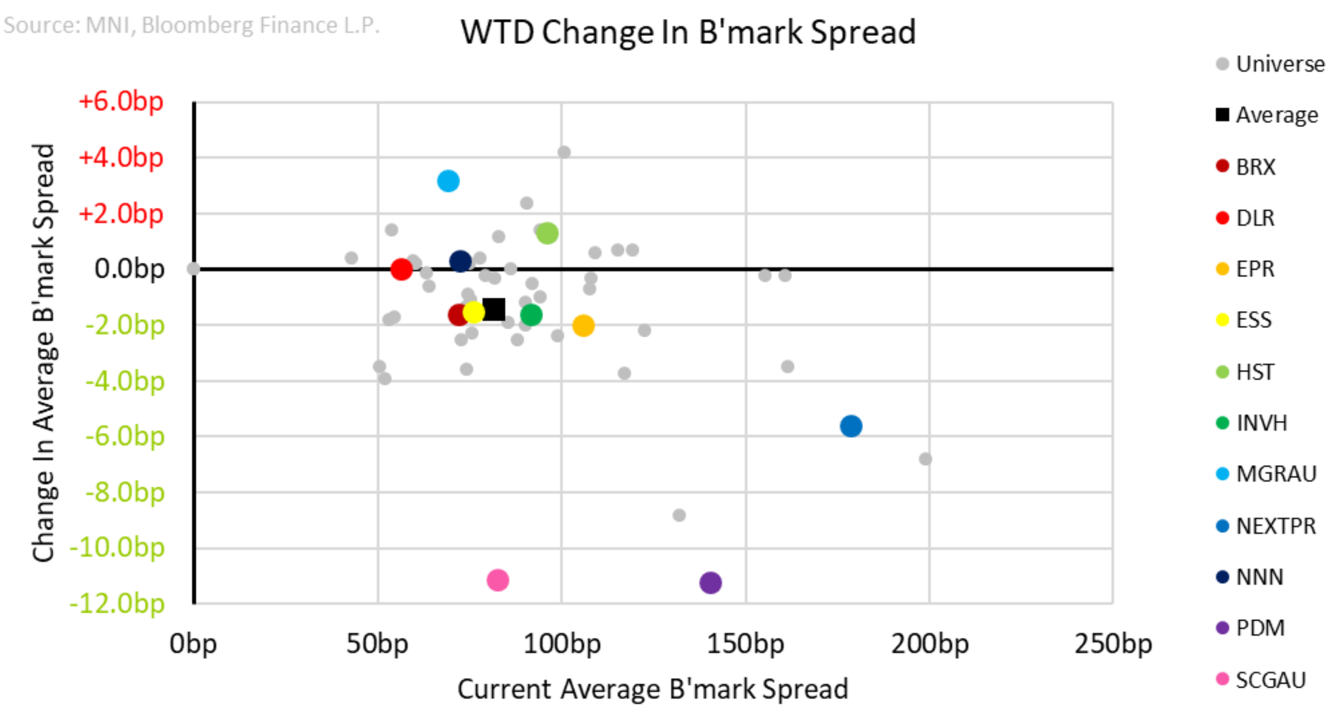
REITs: Week in Review

The average spread move by REITs in our coverage universe was -0.3bps, below the overall market movement of -0.8bps.

- **Prologis** (PLD) issued $500m of a 5Y note at +57, 2bps wide to our fair value and $750m of 10Y notes at +80, 5bps wide to our fair value.
- **Digital Realty** (DLR) and **Rexford Industrial** (REXR) released earnings that both beat Street estimates and raised guidance and the industrial REIT space continues to recover and show higher occupancy.



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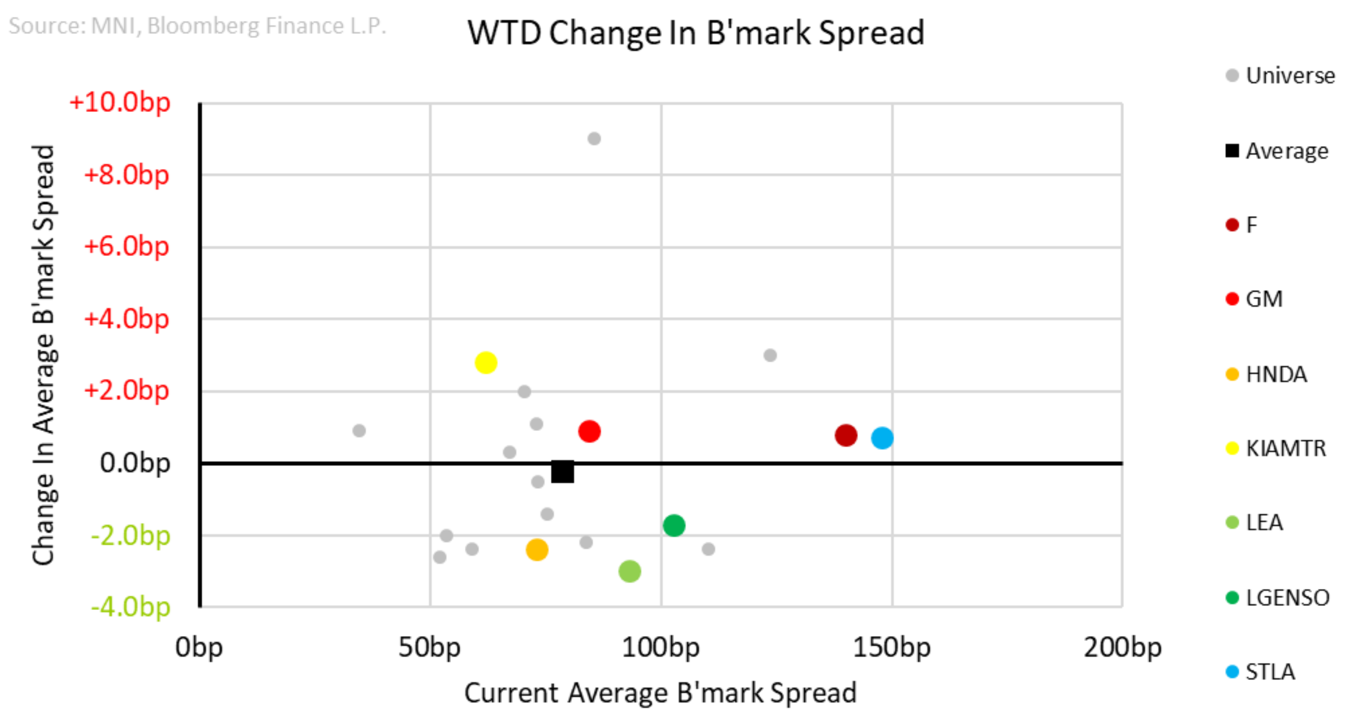
Autos: Week in Review

Spreads in our coverage universe of the Auto sector were 0.2bps tighter on average, underperforming the broader market move of -0.8ps on average.

- **Hyundai** reported soft 1Q results, with geopolitical risk weighing in the US while Europe remains highly competitive. It confirmed margin guidance, however.
- **Volkswagen** trimmed its 2030 China unit sales target by around 15%. **Mercedes**-**Benz** also signaled that conditions remain tough there.
- Reuters reported **Stellantis** would prioritize its four core brands at the upcoming strategy announcement.



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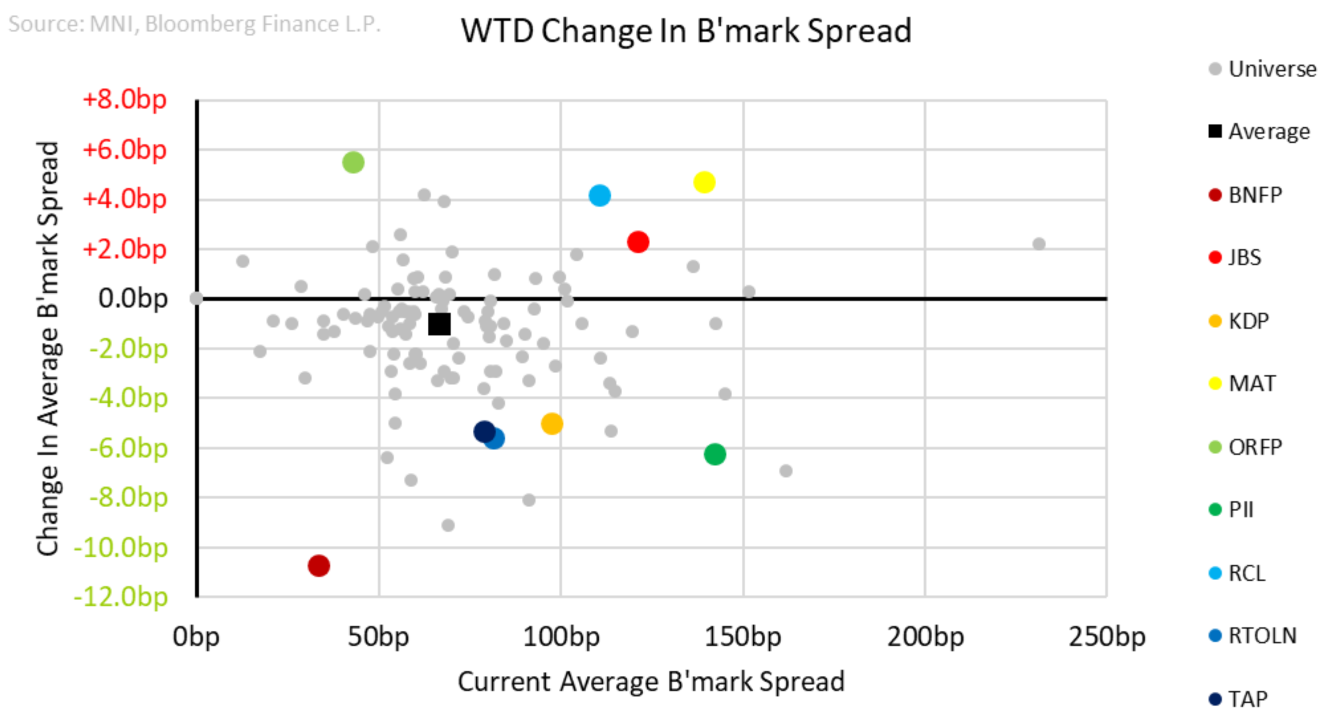
Consumers: Week in Review

Consumer names in our coverage universe on average were -1.0bps, better than the broader corporate index move of -0.8bps.

- **Best Buy Inc** (BBY) announced that Jason Bonfig, the company's Chief Customer, Product and Fulfilment Officer will succeed Corie Barry as the next Chief Executive Officer at the company.
- **Rentokil Terminix** (RTOLN) issued $500m of 5Y notes at +90, even with our FV.
- **Keurig Dr Pepper** reported a 21% fall in coffee earnings as it rolled over peak prices from last year. It sees profits improving through the year to leave FY coffee earnings down only "modestly".
- **Phillip Morris** offset MSD cigarette volume declines with HSD pricing while continuing smoke-free growth. Guidance is for a year of high-single digit earnings growth.
- **Japan Tobacco** was downgraded by S&P, who despite the low levered balance sheet, continues to have concerns on its 25% earnings exposure to Russia.
- **Loreal** reported 7% growth with an estimated 3ppt outperformance against the market. Similar to LVMH, it painted a positive picture on macro conditions.
- **Nestle** reported its third straight quarter of volume growth, now under the new CEO.
- **Heineken** reported still falling volumes in Europe and America but more than offset it with EM strength. Low and no-alcohol continued double digit growth.
- **Danone** reported positive volume growth across all categories while reaffirming FY margin expansion guidance.



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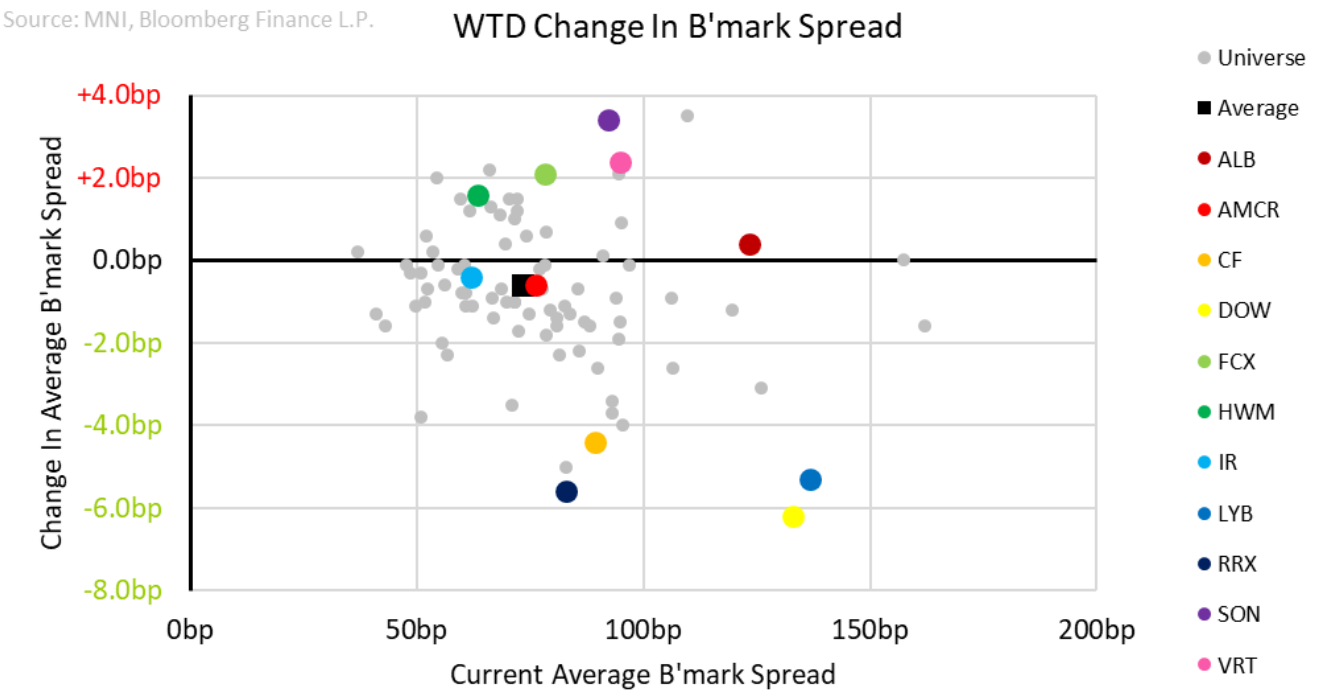
Industrials: Week in Review

Spreads modestly underperformed the broader index in the week at ~0.5bps tighter.

- Fitch changed **SWK's** outlook to stable from negative.
- **Westlake** announced Jonathan Bakst as its CFO.
- **Northrop Grumman** Aeronautics' margin drag continues to abate supporting FCF generation even with the modest increase in expected capex.
- Moody's upgraded **Caterpillar** to A1 with a stable outlook.
- **Boeing's** results showed a continuation in its turnaround as it reiterated its $1B-$3B FY26 FCF target.
- **GE Vernova's** results were modestly credit positive with FCF ahead of estimates and raised its FY26 guidance.
- **Dow's** results were solid, supported by tightened PE supply and sustained pricing impact, but FCF is unlikely to be used to reduce debt.
- **John Deere** issued $1B for GCP.
- **Lockheed Martin's** results showed margin and FCF pressure although FY26 FCF guidance was reiterated.
- Bloomberg reported **Anglo American**'s coal sale is progressing with interest from three potential bidders.
- **Freeport** cut its FY26 copper sales forecast by 9% to 3.1B lbs and gold sales by 19% to 650K oz on a slower recovery in GBC.
- **Honeywell's** results were slightly soft with supply chain disruption due to the Iran War impacting sales and leaving inventory elevated.



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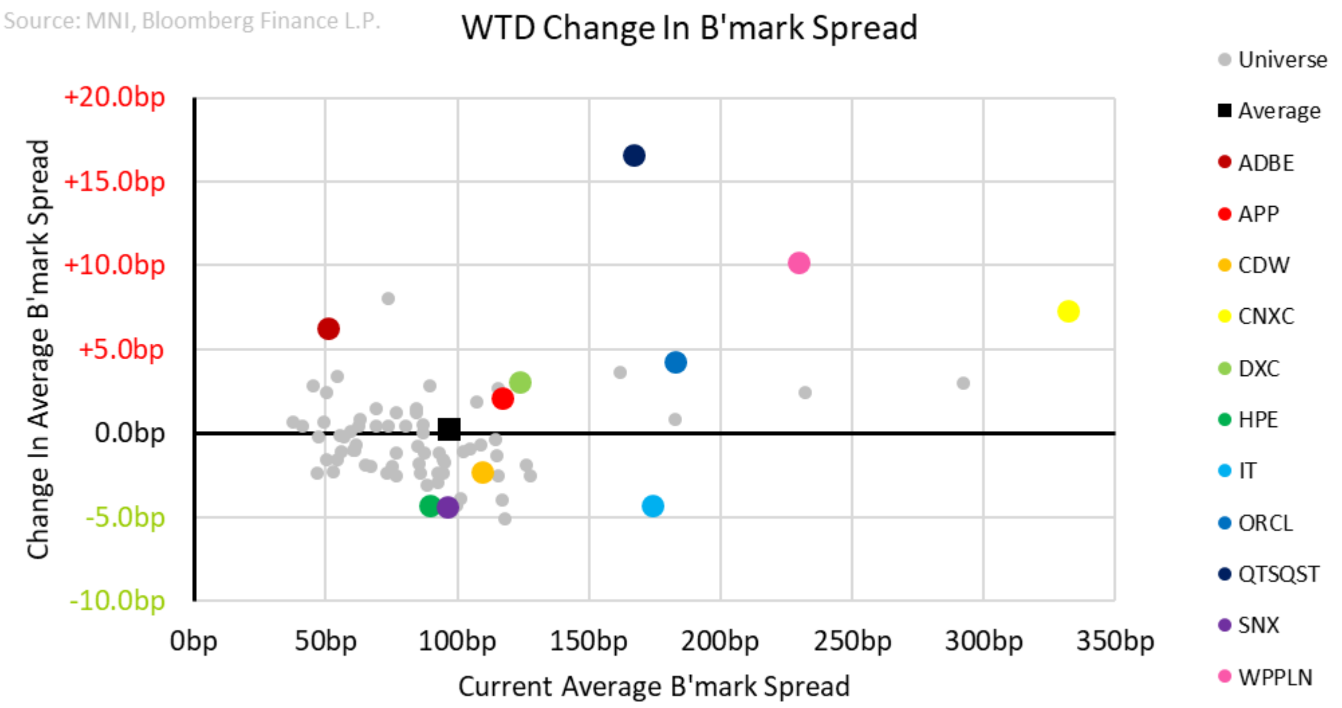
TMT: Week in Review

Spreads underperformed the corporate index, tightening by less than 1bp on the week. Outperformers of the week at the intermediate curve included HPE (-7bps), IT (-4), VRSN (-4), FLEX (-4) and CDW (-3) while underperformers included WPP (+12), ADBE (+9), IBM (+7), ACN (+6) and PARA (+6).

- **Apple** named John Ternus to succeed Tim Cook as CEO as expected.
- Moody's upgraded **American Tower** to Baa2.
- **Deutsche Telekom and T-Mobile US** were reported to be exploring an all-stock HoldCo merger.
- **ServiceNow** entered a $4B TL for its announced Armis M&A.
- **Texas Instruments'** results supported the anticipated analog recovery across end markets.
- **Netflix** authorized $25B in share repurchases.
- **IBM's** results were solid although the company's M&A rhetoric noticeably picked up.
- **Comcast** reported solid results with KPIs ahead of estimates and talked down sizable M&A, although we still see elevated event risk.
- **Expedia** announced Derek Anderson as its new CFO.
- **AT&T** issued $6B to fund its EchoStar spectrum purchase after reporting credit neutral results. We anticipate further issuance later in the year or early 2027.
- **Orange** reported Q1 numbers slightly ahead of consensus with guidance tweaked higher.
- **LSE Group** results were slightly above expectations. No announcements on capital allocation.
- **Intel** released strong results led by DCAI, with progress on 18A and 14A ahead of internal projection.
- **Charter** reported credit neutral results, but key KPI showed worse deterioration compared to Comcast.
- Anthropic announced investments of up to $20B from **Amazon** and up to $40B from **Google**.
- S&P upgraded **Analog Devices** to A last Friday.



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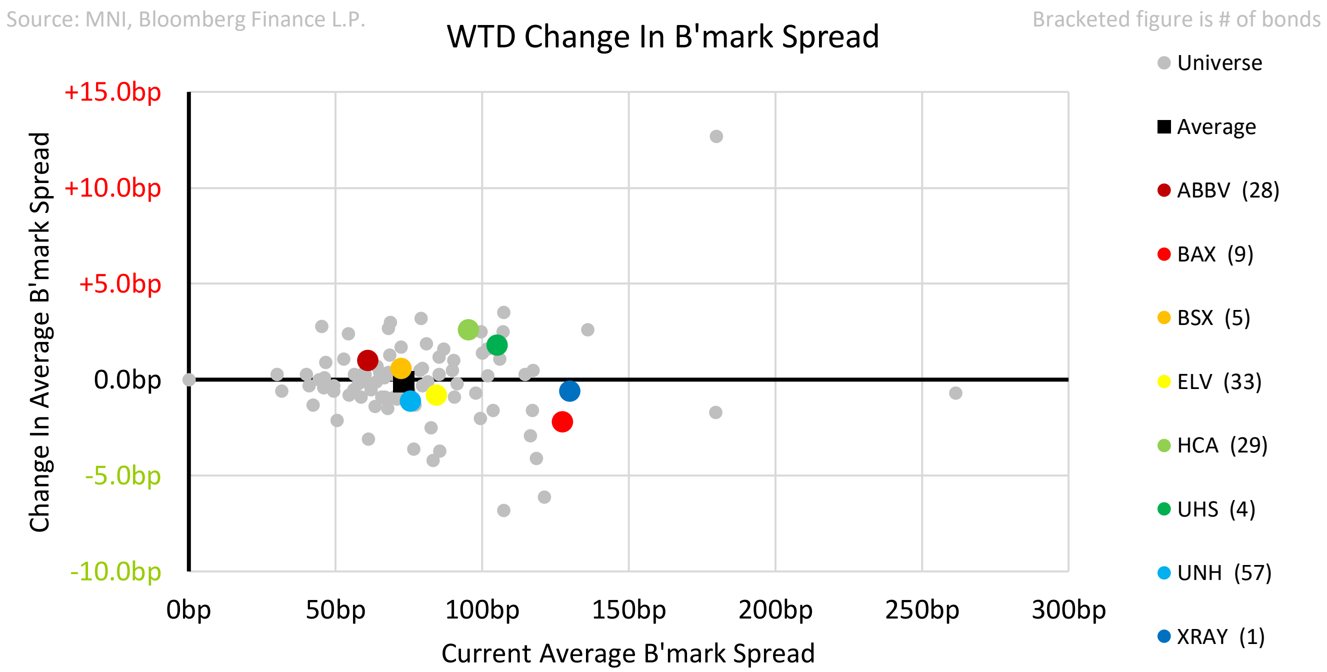
Healthcare: Week In Review

Healthcare spreads were flattish, ending the week at +74bps. In earnings, **United Healthcare**, **Elevance**, **Quest Diagnostics** and **HCA Healthcare** reported 1Q results, with details below. There was no new issue activity.

- **United Healthcare** reports growth across segments though margins mixed, and raises FY26 guide.
- **Elevance** reports improved profitability, with commercial business offsetting Medicare/Medicaid business, and raises FY26 guide.
- **HCA** reports 1Q with modest sales and EBITDA growth despite winter storm impact, strong CFO and solid liquidity.
- **Quest** reports 1Q growth in organic volume, operating income and margins, though leverage remains elevated though is expected to normalize down over time.



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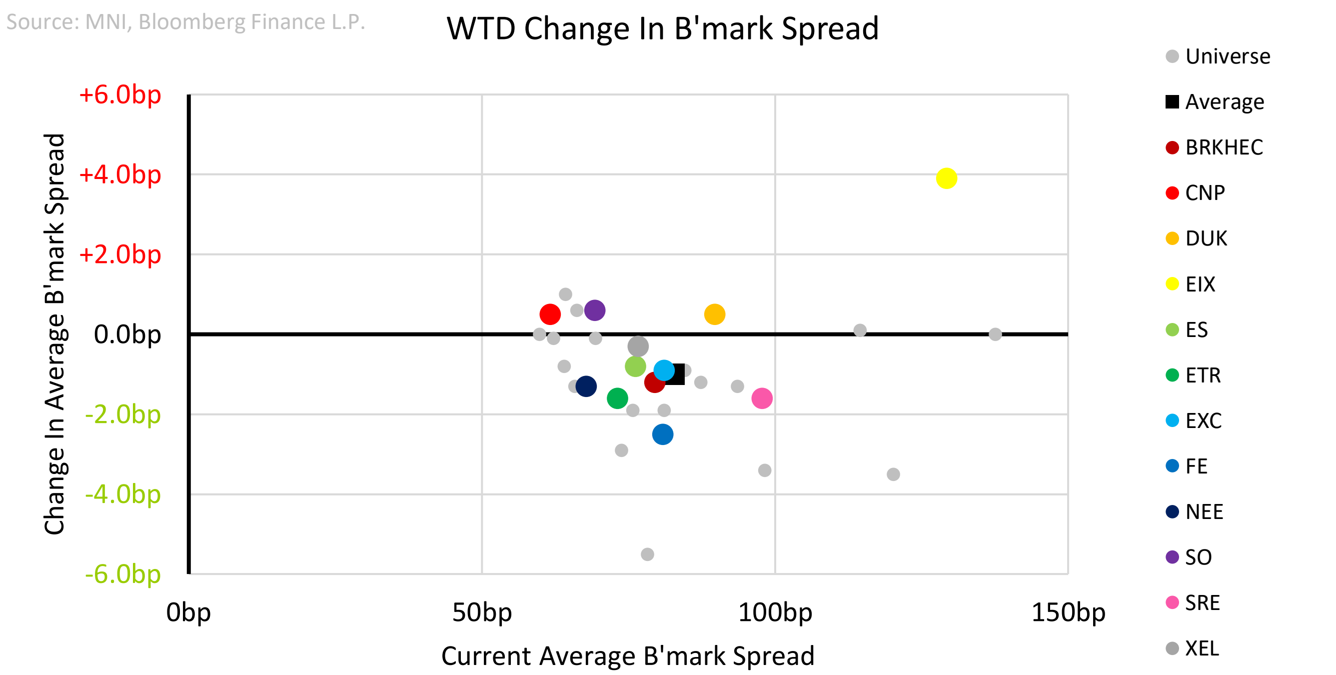
Utilities: Week in Review

Utility Holdco Sr Unsecured and Opco 1L tightened 0-1bps this week, to +83 and +81bps respectively. **NextEra**, **PG&E Corp**, and **Centerpoint Energy** reported 1Q results. There were no new issues.

- **NextEra** 1Q reflected steady positive regulated growth from FP&L, and renewables generation backlog growth in its unregulated division.
- **PG&E** reported a 1Q that reflects its continued progress in hardening equipment to manage wildfire risk, which will expand its regulated base.
- **Centerpoint Energy** reported 1Q in line with estimates, on regulated rate growth offset by weather and diverstitures.



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Ratings Actions

Ratings Actions - US Investment-Grade Last 7 Days

9 positive / 2 negative

Company Name	Date	Rating Type	Agency	Curr Rtg	Last Rtg
Occidental Petroleum	4/24/2026	Sr Unsecured Debt	Moody's	Baa3 *+	Baa3
NOVA Chemicals Corp	04/24/2026	LT Local Issuer Credit	S&P	BBB- *+	BB- *+
Natixis Securities Americas LLC	04/22/2026	Issuer Rating	Moody's	A2	A1
UL Solutions Inc	04/22/2026	Senior Unsecured Debt	Moody's	Baa2	Baa3
Cooperatieve Rabobank UA/NY	04/21/2026	Senior Unsecured Debt	Moody's	Aa3	Aa2
Neuberger Berman Group LLC	04/21/2026	Senior Unsecured Debt	Moody's	Baa1	Baa2
American Tower Corp	04/20/2026	Senior Unsecured Debt	Moody's	Baa2	Baa3
Caterpillar Inc	04/20/2026	Senior Unsecured Debt	Moody's	A1	A2
Life Time Inc	04/20/2026	Senior Secured Debt	Fitch	BBB-	BB+
Talen Energy Supply LLC	04/20/2026	Senior Secured Debt	Moody's	Baa3	Ba2
Analog Devices Inc	04/17/2026	LT Local Issuer Credit	S&P	A	A-

Source: MNI, Bloomberg Finance L.P.

Fund Flows

For the week ended Wednesday:

- Credit flows moderated from last week's strength. IG was flat in USD while $1bn of outflows hit EUR. HY remained on smaller inflows of $0.2bn (USD) and $0.5bn (EUR). USD Agg funds and USD loans both saw modest inflows of $0.9bn.
- USD Govt funds stayed weak with a $1.3bn outflow, while EUR reversed last week’s strength to join on a $0.9bn outflow.
- US equities extended a run of strong inflows with $18b this week while European equities continued to see outflows, this week at $1.1bn. Chinese equity outflows continued at $8.8bn, dragging broader EM to a $6.5bn outflow.
- Sources: TD, citing EPFR data; Bloomberg, citing BofA/EPFR.

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USD IG Primary Tracker

- Issuance was at the low end of the week's $20-$25B estimates with $21B priced across 15 issuers. MTD supply stands at $117B.
- Issuance was skewed towards Financials (59%) versus 41% towards non-financials.
- Yankee issuers made up 12% of new issuance.
- Average pricing compression from IPT was 29.0bps, compared to 28.9bps for the month.

Source: MNI, Bloomberg Finance L.P.				Deal Information					Pricing (bp)						
FX	Sector	CoR	Ticker	Issuer	Rank	Tenor	CPN	Amt (mn)	MNI FV	IPT	Final	vs. IPT	vs. FV	Recent Trade Level	vs. Final Px
USD	Communications	US	T	AT&T INC	Sr Unsecured	7.00	4.75%	2,000	75	105	75	-30	0	74	-1
USD	Communications	US	T	AT&T INC	Sr Unsecured	10.00	5.25%	1,750	95	125	97	-28	2	93	-4
USD	Communications	US	T	AT&T INC	Sr Unsecured	20.00	5.85%	1,350	112	140	112	-28	0	111	-1
USD	Communications	US	T	AT&T INC	Sr Unsecured	30.00	6.20%	2,000	125	155	127	-28	2	125	-2
USD	Communications	US	T	AT&T INC	Sr Unsecured	40.00	6.30%	1,000	135	167.5	140	-28	5	137	-3
USD	Industrial	US	DE	JOHN DEERE CAPITAL CORP	Sr Unsecured	3.00	4.13%	500	30	57.5	32	-26	2	29	-3
USD	Industrial	US	DE	JOHN DEERE CAPITAL CORP	Sr Unsecured	5.00	4.38%	500	40	67.5	45	-23	5	41	-4
USD	Financial	US	JEF	JEFFERIES FIN GROUP INC	Sr Unsecured	5.00	5.13%	1,100	120	160	135	-25	15	134	-1
USD	Financial	US	AYR	AIRCASTLE / IRELAND DAC	Sr Unsecured	5.00	5.00%	650	109	140	113	-27	4	111	-2
USD	Financial	US	BCRED	BLACKSTONE PRIVATE CRE	Sr Unsecured	5.00	5.95%	850	225	255	230	-25	5	227	-3
USD	Consumer, Non-cyclical	US	HIMARK	HIGHMARK INC	Sr Unsecured	10.00	5.75%	400	140	170	145	-25	5	141	-4
USD	Financial	US	STT	STATE STREET CORP	Sr Unsecured	6-NC5	4.56%	800	60	92.5	65	-28	5	63	-2
USD	Financial	US	STT	STATE STREET CORP	Sr Unsecured	11-NC10	5.09%	700	85	107.5	80	-28	-5	80	0
USD	Financial	US	TFC	TRUIST FINANCIAL CORP	Sr Unsecured	6-NC5	4.68%	1,000	85	110	83	-27	-2	86	3
USD	Financial	US	TFC	TRUIST FINANCIAL CORP	Sr Unsecured	11-NC10	5.28%	1,000	105	130	103	-27	-2	102	-1
USD	Financial	US	SCHW	CHARLES SCHWAB CORP	Jr Subordinated	PERP-NC5	6.10%	1,500	6.1	6.5	6.1	0	0	209	
USD	Financial	US	LIBMUT	LIBERTY MUTUAL GROUP INC	Sr Unsecured	10.00	5.25%	750	115	135	105	-30	-10	103	-2
USD	Financial	US	PLD	PROLOGIS LP	Sr Unsecured	5.00	4.25%	500	55	85	57	-28	2	53	-4
USD	Financial	US	PLD	PROLOGIS LP	Sr Unsecured	10.00	4.90%	750	75	105	80	-25	5	77	-3
USD	Consumer, Non-cyclical	GB	RTOLN	RENTOKIL TERMINIX PLC	Sr Unsecured	5.00	4.63%	500	70	120	90	-30	20	82	-8