

# [THE ENDGAME:] Close But No Cigar

By Ken Jacques | February 28 2024

IGM

Just yet that is. There's still tomorrow. Forget the highest weekly ex-SSA estimate of \$45bln. Forget the highest monthly ex-SSA estimate of \$175bln. For that matter, forget all the overall (SSA-inclusive) estimates for the week and month as well, since all have gone the way of the dodo bird. All that remains in this record-setting February is whether high grade issuers can muster up another \$3.5bln before the close of business tomorrow to bring ex-SSA issuance for the month to over \$200bln, for only the sixth time in history.

Nine more ex-SSA high grade borrowers tapped the primary market today for \$15.375bln, bringing issuance for the week to \$51.2bln, topping all weekly estimates, including the highest one of \$45bln. It also brought ex-SSA issuance for the month to a staggering, at least by February standards, to \$196.525bln, making it the sixth busiest ex-SSA issuance month of all-time, while also topping all monthly estimates including the highest one of \$175bln.

It's worth mentioning that ex-SSA issuance has exceeded \$200bln in a single month only five times in history, and three of those instances came during the COVID pandemic when everyone, and their mother, were fortifying their balance sheets at near zero interest rates. Even last month's record setting January (\$195.62bln) failed to crack the \$200bln mark.

As a matter of fact, whether we make it to \$200bln or not, it will still be only the third time in the last decade that more debt was raised in February, a month not known for prolific issuance (\$103.663bln 10yr average), than the previous January, a month that is prone to yielding massive amounts of issuance (\$130.648bln 10yr average).

A good portion of today's haul came from the seventh M&A-related transaction of the year. AON North America raised \$6bln via a 5-pt offering to pay the cash consideration for the \$13.4bln NFP acquisition and repay the existing debt of NFP. That brings the M&A-related total raised thus far this year to \$51.15bln, or roughly 13% of this year's total issuance. M&A-related transactions accounted for 8.5% (\$128.4bln) of last year's total issuance of \$1.209.655bln.

The parade of subordinated debt issuance continued today with NatWest Group, in its second trip to the market this week - earlier this week NWG raised \$2.8bln via a 3-pt conventional offering of 4nc3 fixed and floating rate notes, and 5yr fixed rate securities - raising \$1bln via a 10.25nc5.25 Tier 2 note offering, while Standard Chartered raised \$1bln through perpnc6 AT 1 fixed rate resetting subordinated contingent convertible security issue. On the week, there have been five such deals that raised \$5.3bln, and nine this month alone, raising \$11.8bln.

Which doesn't happen very often, utility issuance has outpaced FIG issuance this week. Eight utility companies have raised \$6.575bln this week compared to only 6 FIGs who raised \$4.775bln. Giving equal time to overall (SSA-inclusive) issuance, two more deals were priced today, bringing overall issuance for the week to \$58.05bln, topping estimates as previously mentioned. That brings overall issuance for the month to \$227.475bln, the seventh busiest overall issuance month on record.

While investor appetite for corporate bonds may not have been as voracious as earlier in the week, today's deals still contracted 28.3bp from IPT/PX, though they were 3.81x covered, but priced with an average NIC of 5.87bp, whereas, coming into today's session, the average compression from IPT/PX stood at 24.6bp, while earlier deals were 3.21x covered and priced with an average NIC of 1.38bp.

As for the general market, all three major indices closed lower on the day ahead of tomorrow's PCE reading. This week, the market has struggled to maintain their record high closes. The major indexes are on pace for their second negative week in the last three. Treasury yields closed lower following a modest downward revision to a reading on Q4 GDP. While the benchmark 10yr note and the long bond yields dropped 4bp to close at 4.27% and 4.40%, respectively, the 2yr note saw its yield closed 6bp lower at 4.64%. Despite the decline, most seem to believe that the broader markets are simply marking time until after tomorrow's data release.

Baa2/BBB/BBB	Tyson Foods Inc (TSN)
	\$1.5bln [Tyson Foods Inc] (TSN) 2-pt (5yr (3/15/29) & 10yr (3/15/34)) SEC registered senior unsecured notes. Baa2/BBB/BBB. BofA/MS. UOP: The net proceeds from this offering for general corporate purposes, which is expected to include the retirement of the outstanding 3.95% Notes due August 2024 (the 2024 Notes ). Pending application of the proceeds, the Issuer intends to use the proceeds to pay down other outstanding debt, which may include amounts under their revolving credit facility or their commercial paper program, and/or invest the proceeds in bank deposit accounts, certificates of deposit, U.S. government securities or other interest bearing securities. MWC. Par call 1mos (5yr), 3mos (10yr) prior to mat. COC @101. Denoms 2k x 1k. ISINs: US902494BL61, US902494BM45. S/D 3/08 (I)
IPT(s):	+145 area, +175 area.
GUIDANCE:	5yr +115#, 10yr +145#
LAUNCHED:	\$600m 3/15/29 +115, \$900m 3/15/34 +145
PRICED:	\$600m 5.40% 3/15/29 99.838 5.437% +115 MW T+20 (TSY 4.25% 2/28/29) \$900m 5.70% 3/15/34 99.817 5.724% +145 MW T+25 (TSY 4.00% 2/15/34)
BOOKS:	\$3.4bln, \$3.5bln
NIC(s):	+12, +10
COMP(s):	TSN 3.550 06/02/27 \$94.89 ~T+83 G+85 TSN 4.350 03/01/29 \$96.19 ~T+93 G+94 TSN 4.875 08/15/34 \$94.71 ~T+126 G+125 TSN 5.15 08/15/44 \$89.82 ~T+147 G+148

A1/A	Public Service Electric & Gas Co (PEG)
	\$1bln [Public Service Electric & Gas Co] (PEG) 2-pt (10yr (3/1/34) & 30yr(3/1/54)) SEC registered first mortgage bonds. A1/A (s/s). BKNY/BNP/CIBC/MUFG(B&D)/PNC. UOP: To repay at maturity \$250 million aggregate principal amount of the Company's 3.75% Secured Medium-Term Notes, Series I, due March 15, 2024, including accrued but unpaid interest thereon, and to repay indebtedness outstanding under the Company's commercial paper

	program. The remainder of the net proceeds will be used for general corporate purposes. MWC. Par call 3mo prior to mat (10yr), 6mo prior to mat (30yr). CUSIPs: 10yr: 74456QCQ7 30yr: 74456QCR5 ISINs: 10yr: US74456QCQ73 30yr: US74456QCR56. Sales to Canada: YES. Denoms 2k x 1k. S/D 3/1 (U)
IPT(s):	+105 area, +125 area
GUIDANCE:	10yr +95 area (+/-2), 30yr +110 area (+/-2).
LAUNCHED:	\$450m 3/1/34 +95, \$550m 3/1/54 +110
PRICED:	\$450m 5.20% 3/1/34 99.969 5.204% +93 MW T+15 (TSY 4.00% 2/15/34) \$550m 5.45% 3/1/54 99.40 5.491% +108 MW T+20 (TSY 4.75% 11/15/53)
BOOKS:	\$1.1bln, \$1.3bln
NIC(s):	+09, +03
COMP(s):	PEG 4.90 12/15/32 \$98.99 ~T+76 G+75 PEG 5.20 08/01/33 \$101.36 ~T+73 G+73 PEG 3.00 03/01/51 \$67.27 ~T+87 G+83 PEG 5.45 08/01/53 \$100.82 ~T+98 G+96

Baa1/BBB- /BBB+	NatWest Group PLC (NWG)
	\$1bln [NatWest Group PLC] (NWG) 10.25nc5.25 (6/1/34) SEC registered subordinated Tier 2 notes. Baa1/BBB-/BBB+. BofA/NWM(B&D)/RBC/UBS/TD. UOP: GCP. Par call 3mos prior to mat. Tax changes call, regulatory / capital disqualification call. Denoms 200k x 1k. S/D 3/01 (YF).
IPT(s):	+250 area. <b>REVISED IPT:</b> +245 area
GUIDANCE:	+220#
LAUNCHED:	\$1bln 6/1/34 +220
PRICED:	\$1bln 6.475% 6/1/34 100.00 6.475% +220 (TSY 4.00% 1/31/29)
BOOKS:	\$3bln
NIC(s):	+10
COMP(s):	NWG 3.754 11/01/29 \$98.10 ~T+203 G+150 NWG 3.032 11/28/35 \$82.57 ~T+207 G+207

Baa2/A- /BBB+	AON North America Inc (AON)
	\$6bln [AON North America Inc] (AON) 5-pt (3yr(3/1/27), 5yr(3/1/29), 7yr(3/1/31), 10yr (3/1/34) & 30yr(3/1/54))SEC registered senior unsecured notes. Baa2/A-/BBB+ (s/n/n). CITI(B&D)/HSBC/JPM/MS. UOP: General corporate purposes, including, together with the net proceeds of the \$2.0 billion delayed draw term loan facility established on February 16, 2024, to (i) pay the cash consideration for the NFP acquisition, (ii) repay existing debt of NFP and (iii)

	<p>pay fees, premiums and expenses in connection with the foregoing. MWC. Par call 1mo prior to mat (3yr, 5yr), 2mo prior to mat (7yr), 3mo prior to mat (10yr), 6mo prior to mat (30yr). Tax changes call. Special mandatory redemption: If the acquisition of NFP is not consummated on or before the outside date in the merger agreement (i.e., December 19, 2024, subject to six-month extension for failure to obtain regulatory approvals), the 3yr/5yr/7yr/10yr notes are being redeemed at 101%. Guarantors: Aon plc, Aon Corporation, Aon Global Holdings plc and Aon Global Limited. CUSIPs:            3yr: 03740MAA8 5yr: 03740MAB6 7yr: 03740MAC4 10yr: 03740MAD2 30yr: 03740MAF7 ISINs:            3yr: US03740MAA80 5yr: US03740MAB63 7yr: US03740MAC47 10yr: US03740MAD20 30yr: US03740MAF77. Marketing: <a href="https://dealroadshow.com">https://dealroadshow.com</a> Passcode: AON2024. Sales to Canada: YES. Denoms 2k x 1k. S/D 3/1 (YF) (M&amp;A)</p>
IPT(s):	+100 area, +115 area, +125 area, +140 area, +165 area
GUIDANCE:	3yr +75#, 5yr +90#, 7yr +105#, 10yr +120#, 30yr +140#
LAUNCH DATE:	\$600m 3/1/27 +75, \$1bln 3/1/29 +90, \$650m 3/1/31+105, \$1.75bln 3/1/34 +120, \$2bln 3/1/54 +140
PRICED:	<p>\$600m 5.125% 3/1/27 99.805 5.196% +75 MW T+15 (TSY 4.125% 2/15/27)            \$1bln 5.15% 3/1/29 99.861 5.182% +90 MW T+15 (TSY 4.00% 1/31/29)            \$650m 5.30% 3/1/31 99.74 5.345% +105 MW T+20 (TSY 4.00% 1/31/31)            \$1.75bln 5.45% 3/1/34 99.848 5.47% +120 MW T+20 (TSY 4.00% 2/15/34)            \$2bln 5.75% 3/1/54 99.392 5.793%+140 MW T+25 (TSY 4.75% 11/15/53)</p>
BOOKS:	\$2.1bln, \$1.95bln, \$1.5bln, \$3.4bln, \$5bln
NIC(s):	+04, +03, +02, +04, +04
COMP(s):	<p>AON 2.85 05/28/27 \$93.17 ~T+72 G+74            AON 4.50 12/15/28 \$97.54 ~T+79 G+79            AON 3.75 05/02/29 \$93.87 ~T+82 G+83            AON 2.80 05/15/30 \$86.95 ~T+100 G+100            AON 2.05 08/23/31 \$80.24 ~T+100 G+98            AON 2.60 12/02/31 \$83.01 ~T+102 G+100            AON 5.00 09/12/32 \$97.58 ~T+108 G+106            AON 5.35 02/28/33 \$99.76 ~T+110 G+110            AON 2.90 08/23/51 \$62.35 ~T+119 G+115            AON 3.90 02/28/52 \$75.38 ~T+125 G+123</p>

NR/BBB/BBB	Raizen Fuels Finance S.A. (RAIZBZ)
	<p>\$1.5bln [Raizen Fuels Finance S.A.] (RAIZBZ) 144A/Reg S 2-part (10yr due March 5, 2034 / 30yr due March 5, 2054) sr unsec green bonds. NR/BBB/BBB. Via Citi (B&amp;D), Itau BBA, JPM, MS (glocos/active bookrunners), BNP Paribas, BofA, Bradesco, Santander (passive bookrunners). Guarantors: Raizen S.A., Raizen Energia S.A. UOP: Repay existing indebtedness, including through the repurchase and subsequent redemption, as the case may be, of Raizen's outstanding 5.300% notes due 2027 pursuant to the concurrent tender offer, subject to the terms and conditions thereof, and for general corporate purposes. Raizen intends to allocate an amount equal to the net proceeds for expenditures and investments in one or more Eligible Assets and Projects as described in its Green Financing Framework. Denoms: \$200k x \$1k. Listing: Luxembourg Stock Exchange. Governing Law: New York. Optional redemption: MWC, 3 months / 6 months par call. S/D: 3/5 (T+4) (YI).</p>

IPT(s):	10yr: +mid 200s; 30yr: +low 300s
GUIDANCE:	10yr: +220#, 30yr: +265#.
LAUNCHED:	\$1bln 3/5/2034, \$500m 3/5/2054
PRICED:	\$1bln 6.45% 3/5/2034 99.731 6.487% MW T+35 T+220 (TSY 4.00% 02/15/34) \$500m 6.95% 3/5/2054 98.489 7.072% MW T+40 T+265 (TSY 4.75% 11/15/53)
BOOKS:	\$4.7bln, \$3.9bln
NIC(s):	N/A
COMP(s):	N/A

Ba1/BB-/BBB-	Standard Chartered PLC (STANLN)
	<p>\$1bln [Standard Chartered PLC] (STANLN) 144a Reg S perpnc6 AT1 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities. Ba1/BB-/BBB-. BofA/BARC/CITI/GS/JPM/SCB(B&amp;D). UOP: The net proceeds from the issue of the Securities will be used for the general business purposes of the Group and to strengthen further the regulatory capital base of the Group. First Reset Date: 8 September 2030. Optional Redemption: At the Issuer s option, subject to certain conditions (including regulatory permission, where required), at par plus accrued and unpaid interest (such interest accruing up to (but excluding) the date fixed for redemption) in full on any day from (and including) 8 March 2030 to and including the First Reset Date or on any Reset Date thereafter. Interest: [ ] per cent. per annum, payable semi-annually in arrear on 8 March and 8 September in each year, commencing on 8 September 2024, until the First Reset DateThe interest rate will reset on 8 September 2030 (the First Reset Date ) and every 5-years thereafter (each a Reset Date ), to be the sum of the relevant Treasury Yield plus the Margin. Conversion Trigger Event: The Conversion Trigger Event shall occur at any time the CET1 Ratio is less than 7.00 per cent. The CET1 Ratio is calculated on a consolidated and fully loaded basis. Denoms 200k x 1k. LSE Listing. English Law. S/D 3/08 (YF)</p>
IPT(s):	8.375% area (Books: \$3bln+)
GUIDANCE:	N/A
LAUNCHED:	\$1bln perpnc6 7.875%
PRICED:	\$1bln 7.875% perpnc6 100.00 7.875%
BOOKS:	\$4.85bln
NIC(s):	N/A
COMP(s):	N/A

Baa2/BBB/BBB	Coterra Energy Inc (CTRA)
	<p>\$500m [Coterra Energy Inc] (CTRA) 10yr (3/15/34) SEC registered senior unsecured notes. Baa2/BBB/BBB. BofA/JPM/TD/WFS. UOP: together with cash on hand, to fund the repayment at, or prior to, maturity of the \$575 million outstanding principal amount (and</p>

	any other amounts due thereon) of our 3.67% Series L Senior Notes due September 18, 2024 (the Series L Notes ), issued pursuant to that certain Note Purchase Agreement, dated as of September 18, 2014 (such payment at, or prior to, maturity, as paid with net proceeds from the offering, together with cash on hand. MWC. Par call 3mos prior to mat. Denoms 2k x 1k. S/D 3/12 (I)
IPT(s):	+160 area
GUIDANCE:	N/A
LAUNCHED:	\$500m 3/15/34 +135
PRICED:	\$500m 5.60% 3/15/34 99.720 5.637% +135 MW T+25 (TSY 4.00% 2/15/34)
BOOKS:	\$1.2bln
NIC(s):	+12
COMP(s):	CTRA 3.900 05/15/27 \$96.11 ~T+78 G+80 CTRA 4.375 03/15/29 \$96.28 ~T+93 G+94

A1/A	Sumitomo Mitsui Trust Bank, Limited (SUMITR)
	\$2.25bln [Sumitomo Mitsui Trust Bank, Limited] (SUMITR) 144a Reg S 3-pt (3yr (3/7/27), 5yr (3/7/29) & 10yr (3/7/34)) global MTNs. A1/A. CITI/DWA/GS(B&D)/JPM. UOP: GCP. Denoms 200k x 1k. ISINs: US86563VBP31, US86563VBP31 (144a); USJ7771YSW86 (Reg S), US86563VBQ14 (144a); USJ7771YSX69 (Reg S), US86563VBR96 (144a); USJ7771YSY43 (Reg S). SGX-ST Listing. S/D 3/7 (YF)
IPT(s):	+105 area, +120 area, +135 area
GUIDANCE:	3yr +80#, 5yr +95#, 10yr +110#
LAUNCHED:	\$1bln 3/7/27 +80, \$750m 3/7/29 +95, \$500m 3/7/34 +110
PRICED:	\$1bln 5.20% 3/7/27 99.907 5.234% +80 MW T+15 (TSY 4.125% 2/15/27) \$750m 5.20% 3/7/29 99.909 5.221% +95 MW T+15 (TSY 4.00% 1/31/29) \$500m 5.35% 3/7/34 99.908 5.362% +110 MW T+20 (TSY 4.00% 2/15/34)
BOOKS:	\$3.25bln, \$4bln, \$3.5bln
NIC(s):	+0, +02, +05
COMP(s):	SUMITR 5.65 09/14/26 \$100.96 ~T+57 G+71 SUMITR 1.35 09/16/26 \$90.76 ~T+61 G+75 SUMITR 4.95 09/15/27 \$99.07 ~T+80 G+85 SUMITR 5.55 09/14/28 \$101.57 ~T+87 G+85

Baa3/BBB-	Radian Group Inc (RDN)
	\$625m [Radian Group Inc] (RDN) 5yr (5/15/29) SEC registered senior unsecured notes. Baa3/BBB-. GS/RBC. UOP: GCP. MWC. Par call 1mos prior to mat. Denoms 2k x 1k. S/D 3/04 (F).
IPT(s):	+230 area

GUIDANCE:	+195#
LAUNCHED:	\$625m 5/15/29 +195
PRICED:	\$625m 6.20% 5/15/29 99.813 6.237% +195 MW T+30 (TSY 4.25% 2/28/29)
BOOKS:	\$2.25bln
NIC(s):	+08
COMP(s):	RDN 6.625 03/15/25 \$100.52 ~T+61 G+33 RDN 4.875 03/15/27 \$97.03 ~T+151 G+151

Aaa/AAA	Kommunalbanken AS (KBN)
	\$600m (upped from \$500m) [Kommunalbanken AS] (KBN) 144a Reg S 4yr (3/3/28) floating rate notes. Aaa/AAA. BMO/SCOT/HSBC. Denoms 200k x 1k. Luxembourg Listing. English Law. S/D 3/05 (SSA)
IPT(s):	SOFR+40 area
GUIDANCE:	SOFR+40 (Books: \$475m)
LAUNCHED:	\$600m (upped from \$500m) 3/3/28 SOFR+40 (Books: \$690m+)
PRICED:	\$600m (upped from \$500m) SOFR+40 3/3/28 100.00 SOFR+40
BOOKS:	\$690m
NIC(s):	N/A
COMP(s):	N/A

Ba1/BBB-	Finance Department Government of Sharjah (SHJGOV)
	\$750m [Finance Department Government of Sharjah] (SHJGOV) 144a Reg S 12yr (3/6/36) "sustainability" bond. Ba1/BBB-. ENDB(GC)/HSBC(GC/B&D)/CA-CIB/CITI/SCB/ASCB/SHARJA/FAB. UOP: An amount equivalent to the net proceeds will be used to finance and/or refinance, in whole or in part, Eligible Expenditures as set out in the Issuer s Sovereign Sustainable Financing Framework. Denoms 200k x 1k. ISIN: US38381CAF95 (144a); XS2775892065 (Reg S). Target Market: Eligible counterparties and professional clients only (all distribution channels). S/D 3/06 (SSA).
IPT(s):	+235 area
GUIDANCE:	+205-210 (Books: \$3.5bln+)
LAUNCHED:	\$750m 3/6/36 +195 (Books: \$4bln+)
PRICED:	\$750m 6.125% 3/6/36 99.089 6.234% +195 (TSY 4.00% 2/15/34)
BOOKS:	\$4bln
NIC(s):	N/A

COMP(s):	N/A
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