

## U.S. Credit Update – March 4, 2025

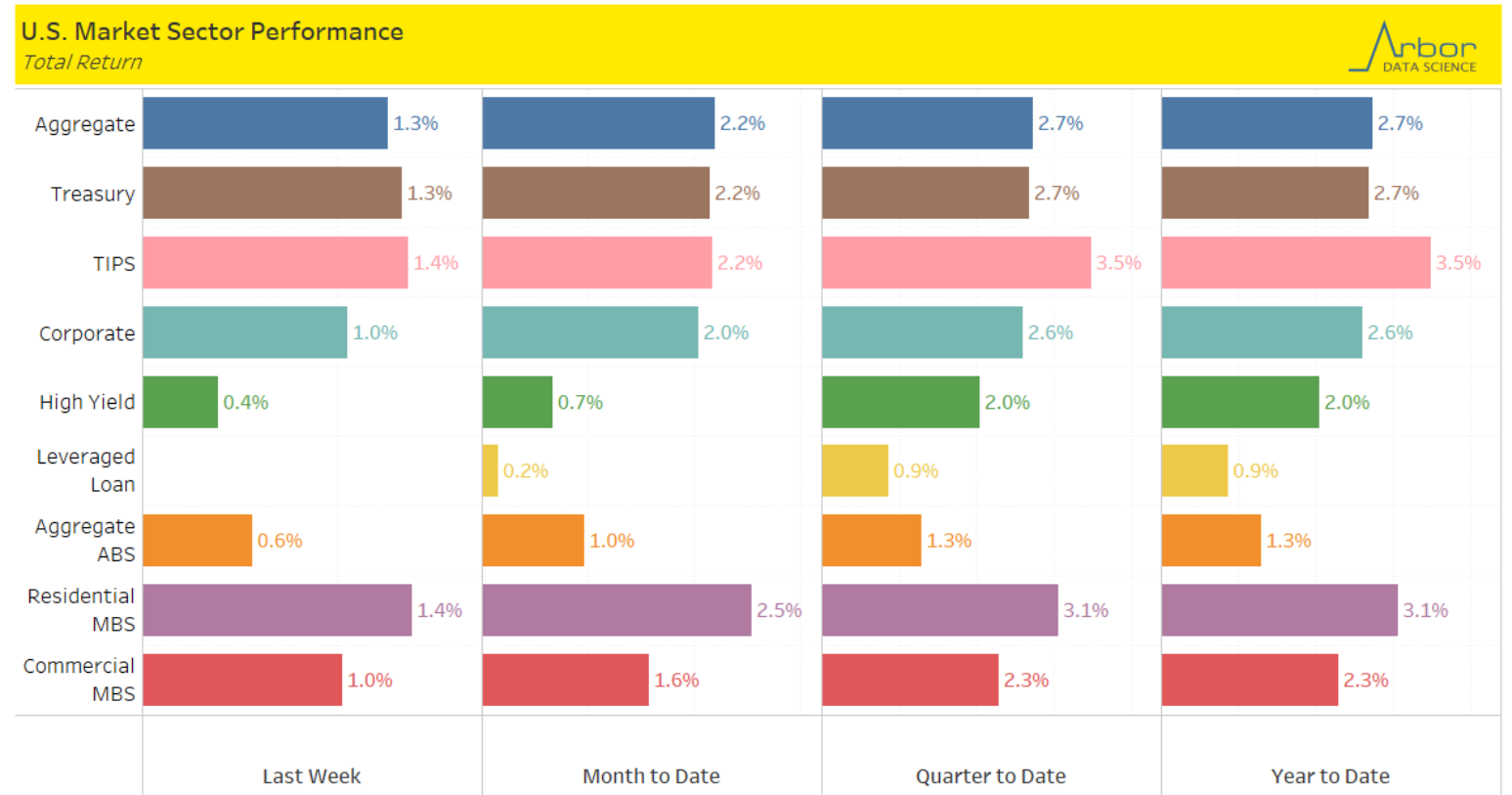
- Fixed Income and Corporate Sector Returns
- Options-Adjusted Spreads
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- Issuance Recap

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# Fixed Income Sector Unhedged Total Returns

**Treasury yields show significant decline.**  
Treasury yields fell notably last week , led by the belly of the curve. 5-10 year yields dropped 20-23 bps, while short and long maturities shed 16-19 bps. A flight to quality out of crypto and equities was cited as primary reasons.



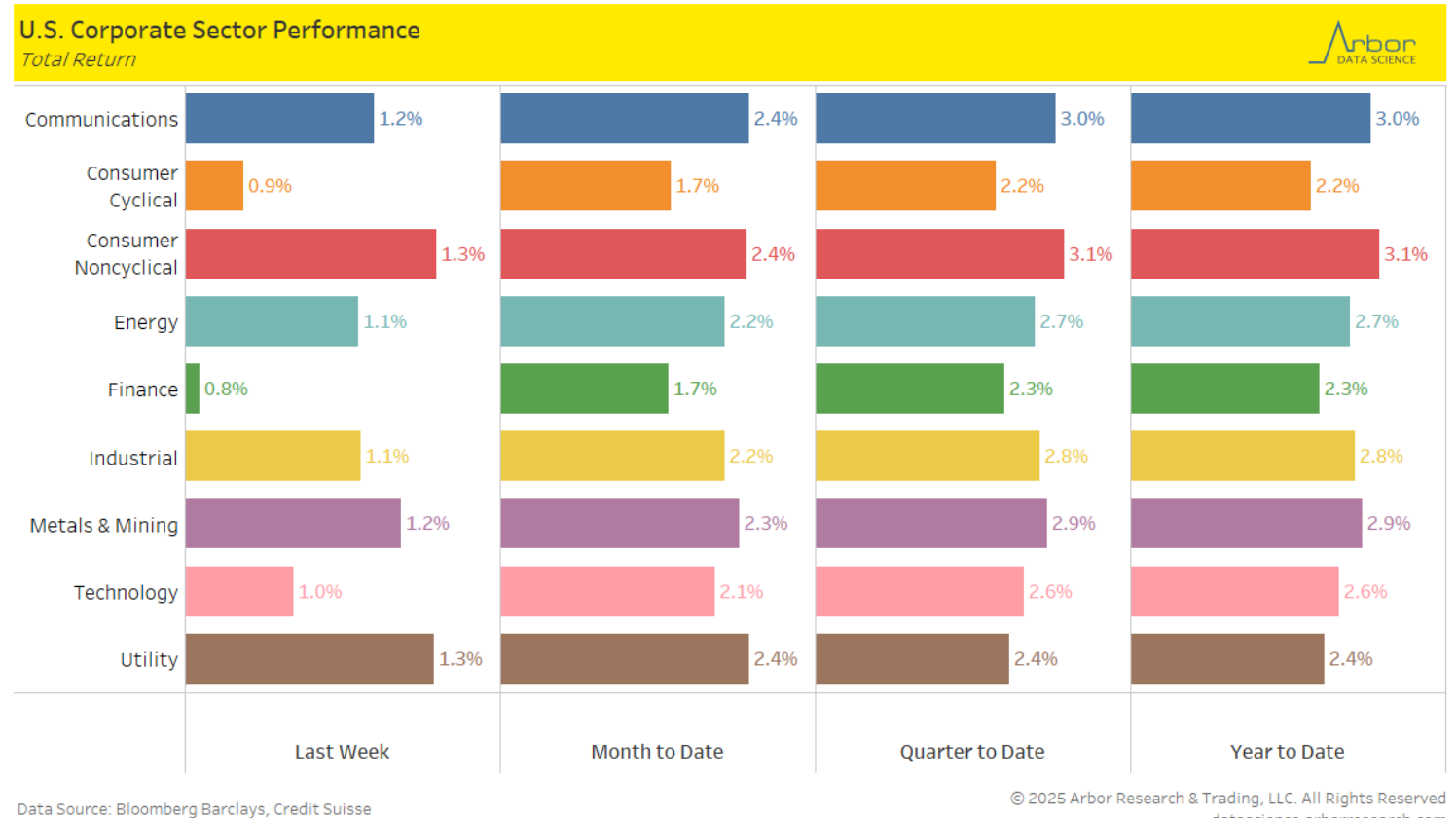
Data Source: Bloomberg Barclays, Credit Suisse

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# Corporate Sector Unhedged Total Returns

## Secondary spreads widen.

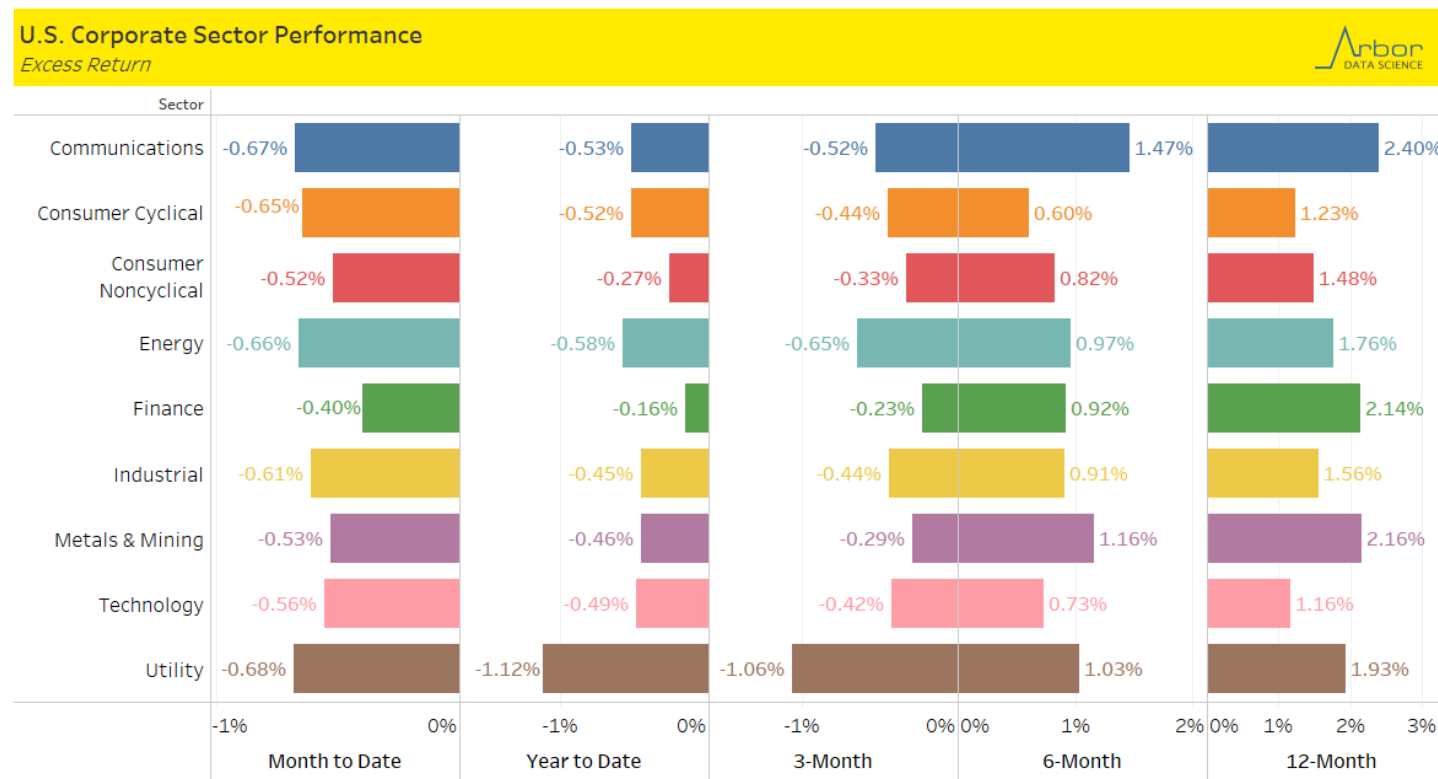
IG credit spreads closed the week wider by 3-8 bps to compensate for falling Treasury yields and a larger than expected new issue calendar. The Bank of America IG credit widened 7 bps to make a new YTD wide.



# Corporate Sector Excess Returns

## Autos underperform, tobacco and TMT outperform in February.

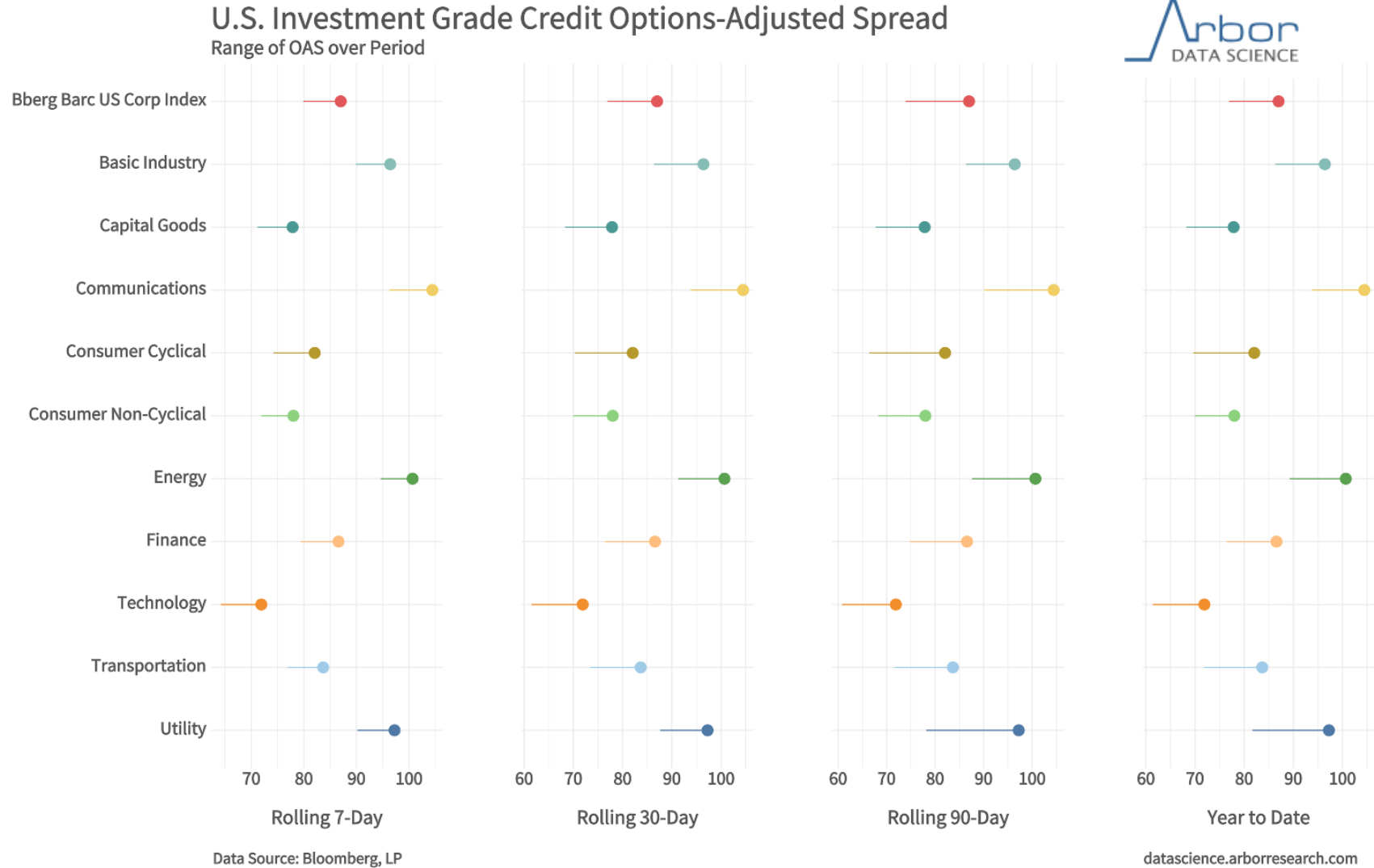
Auto spreads backed up 8 bps last week, and closed the month +18 bps. Tobacco and TMT finished the month +1-2 bps.



Data Sources: Bloomberg Barclays, Credit Suisse

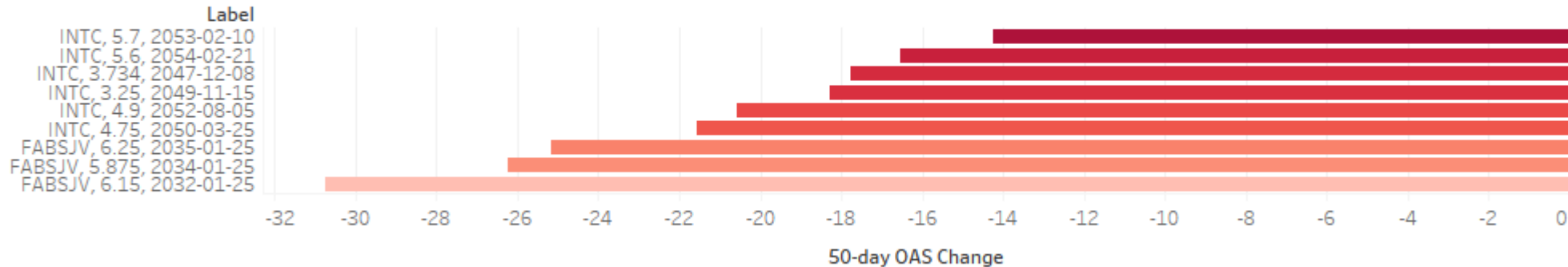
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# Corporate Sector OAS



## U.S. Investment Grade Corporates

Communications & Technology - Biggest Movers



Data Source: Bloomberg LP

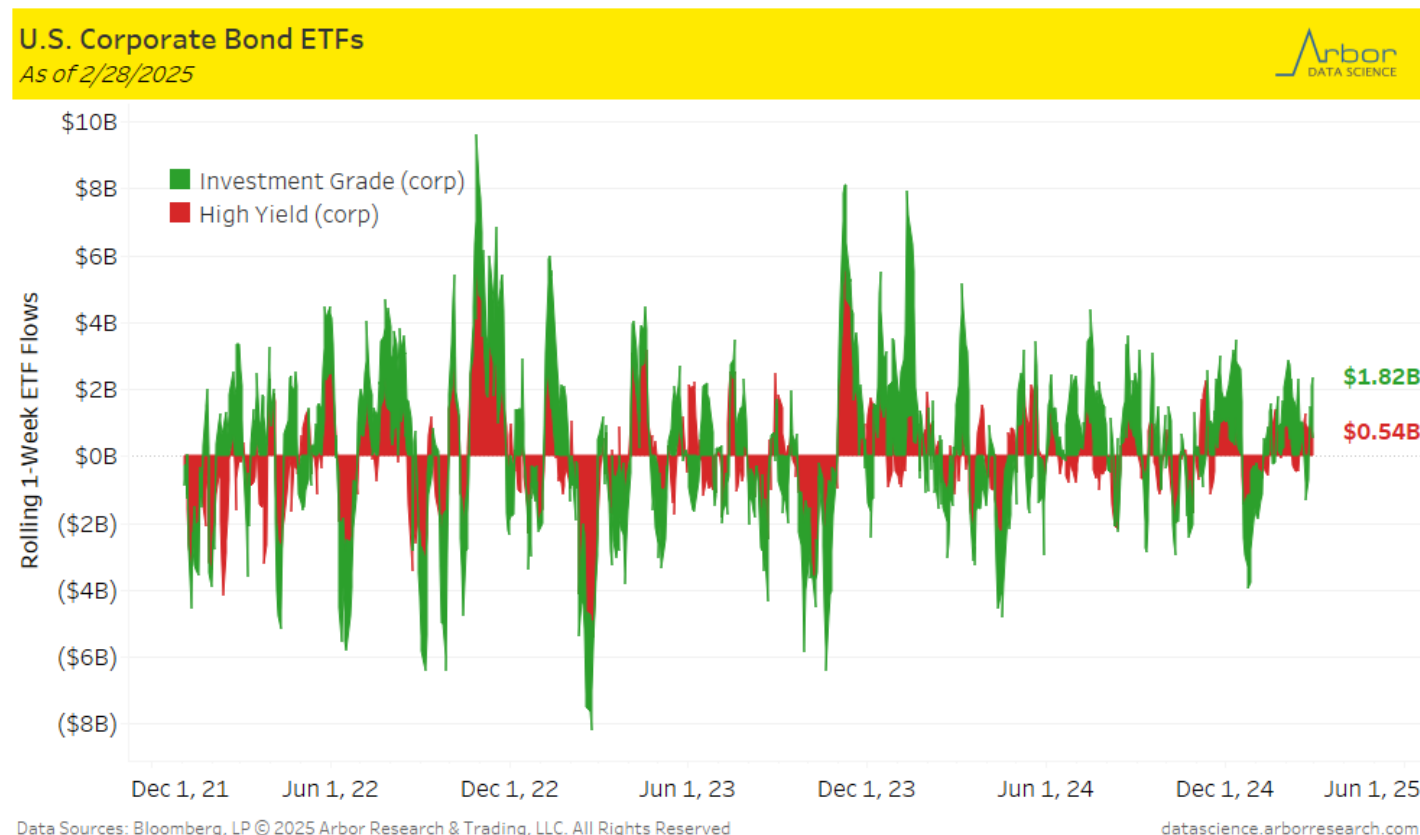
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IG funds saw inflows increase to \$5.24 billion from +\$2.95 billion last week. IG ETFs took on +\$4.61 billion of new money vs. +\$2.95 billion during the last survey period. IG mutual fund inflows moderated to +\$0.63 billion vs. +\$0.78 billion previously. High yield fund flows increased to +\$1.75 billion v. +\$1.49 billion last week, the largest in 5 months. Equity ETFs saw their largest week of inflows in 2025.

# Corporate Bond ETF Flows

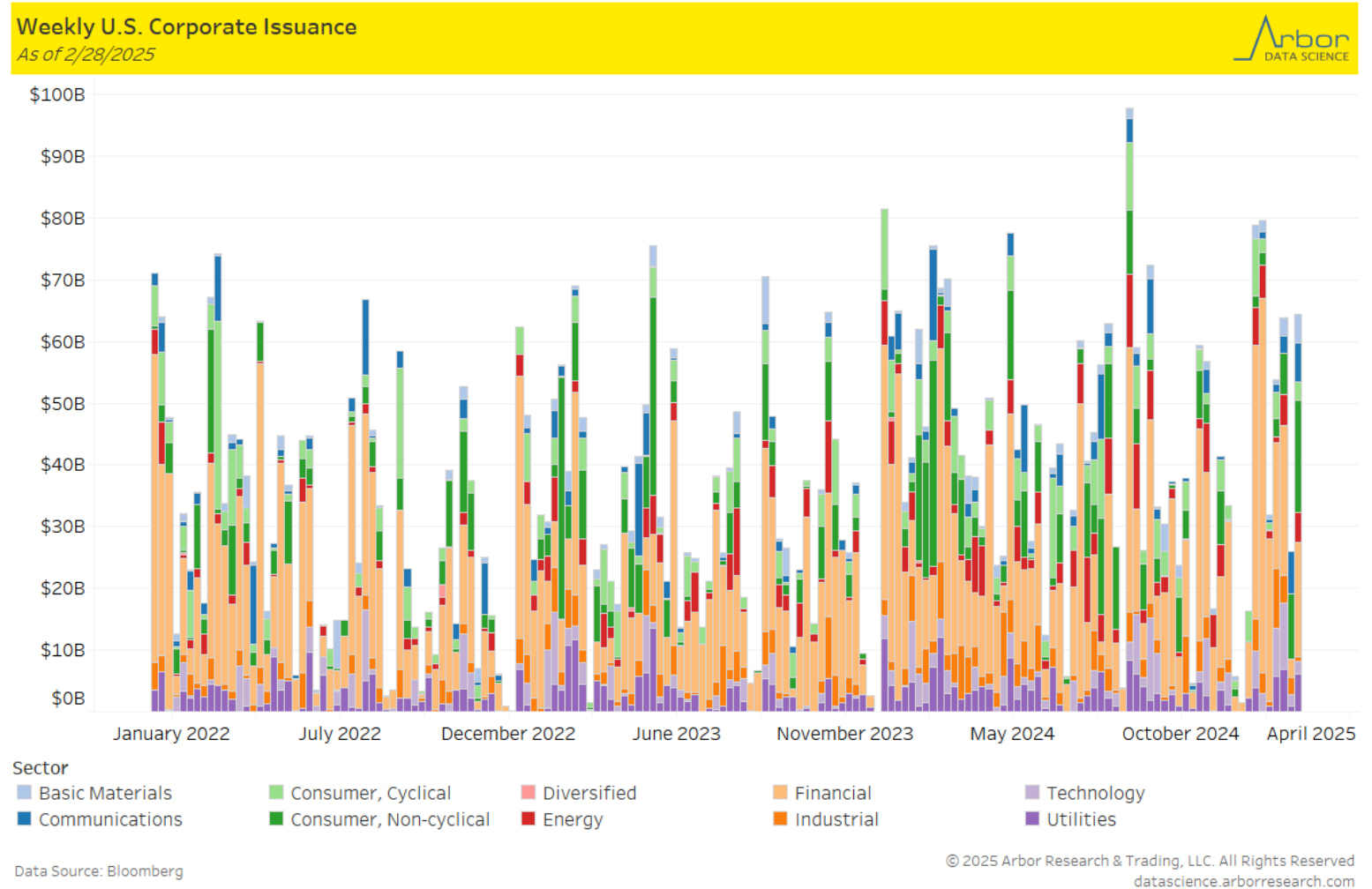
Corporate bond ETFs were positive last week, with investment-grade ETFs gaining \$1.82 billion and high-yield ETFs gaining \$0.54 billion.

*The chart shows stacked rolling one-week flows into corporate bond ETFs.*



# Issuance Recap

Primary issuance played a large role in spread movement last week. \$52 billion came to market v. \$30 billion estimates. This week we expect to see \$50+ billion priced, with the consensus for March in the \$165 billion area.





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