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IG Credit Strategist

AI funding tantrum

AI funding tantrum

The equity and credit markets are sending conflicting signals. AI stocks are down in October on concerns about the availability of funding for the heavy capex spending. IG spreads are wider as investors are expecting even more AI-related supply. That's a reversal of the prior more logical relationship, when optimism on AI led to higher AI equity prices, higher capex expectations, heavier funding needs, and wider AI credit spreads.

We take the middle ground. The sensitivity of IG spreads to the supply outlook is naturally elevated given the still large uncertainty on the volume, format, and pricing of AI funding, including the GPU deals. On the other hand, given the fixed capacity for producing / delivering GPUs in 2027, capex expectations for next year should not be changing dramatically. Finally, the IG corporate market is still far from potential "breaking" points related to credit quality or issuer concentrations.

CP > bonds

IG issuers are able to tender their discount bonds and roll them into CP to 1) reduce debt and 2) reduce interest expense. Currently, $879bn of BBB-rated bonds ex. Financials, Utilities are trading at prices below $90. Rolling such bonds into CP should support low-dollar bond valuations, which are currently cheap by historical standards.

AI wobble credit aftershocks

Even as the AI selloff paused for stocks, it accelerated for credit on Monday. Hyperscaler spreads weakened +4bps even as Semiconductor Index SOX was up +3.2% on the day. IG spreads underperforming the broader market on weaker sentiment will eventually be a buying opportunity.

Volatility under the surface

IG credit remained volatile on Tuesday despite the calmer equity and rates markets. The intra-day range for IG was a big 3bps. That's 2.2 standard deviations of the liquid index daily spread move YtD. Volatility has been declining since early October for interest rates, but not for credit. Credit should catch up eventually.

IG market technicals, data and rel-value

Supply: $23.7bn of issuance this week, expect $25 – $40bn next week. **Flows:** +$1.2bn inflow this past week ending on Oct 21. **Weekly technicals details:** IG supply net demand at +$4.0bn this week, expect weaker +$14.5bn next week. **Dealer inventories**: +$4.6bn past week ended Thu. **Weekly data and charts** inside.

23 October 2026

Credit Strategy
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Recent credit strategy research

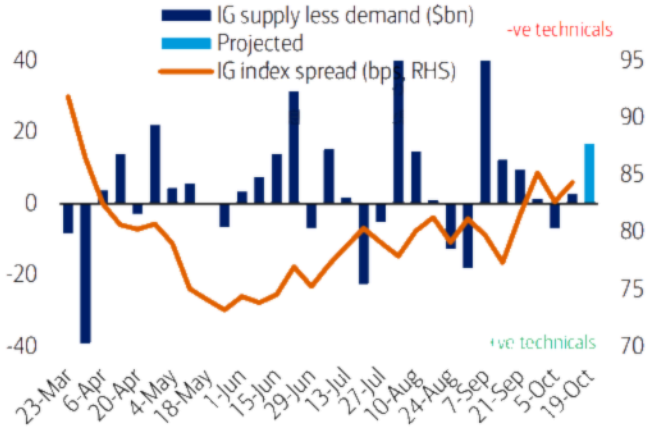
Publication	Name
Situation Room	Situation Room: Flows pause
Situation Room	Situation Room: CP > bonds
Situation Room	Situation Room: Volatility under the surface
Situation Room	Situation Room: AI wobble credit aftershocks
Monthly HG Market Review	Monthly HG Market Review: Sep '26: A big rate selloff
IG Credit Strategist	IG Credit Strategist: Oct '26 Credit Investor Survey: A buying opportunity
IG Credit Strategist	IG Credit Strategist: Summer '26 snapshot of the US IG market

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Refer to important disclosures on page 41 to 43.

Weekly technicals

We expect IG supply net demand at +$14.5bn next week, weaker than +$4.0bn this week (Exhibit 1). For more details, see Weekly technicals details.

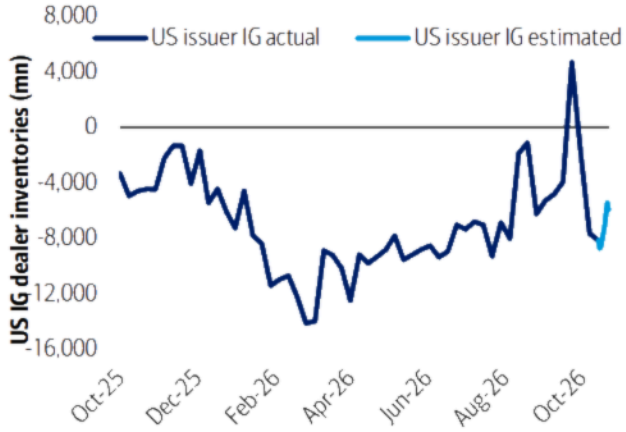
Exhibit 1: IG weekly net technicals ($bn)
We expect IG supply net demand at $17bn next week (the week of Oct-19), up from $2.9bn this week (Oct-12). IG supply: gross issuance + rising stars - fallen angels. IG demand: maturities + calls/tenders + coupons + IG ETF / fund flows. IG index spread was at 84bps as of Oct-15.



Source: BofA Global Research, ICE Data Indices, LLC, EPFR Global, Bloomberg

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Exhibit 2: Est. dealer inventories of IG corp bonds.
We estimate IG dealer inventories of US issuer bonds increased to -$6.0bn currently on Oct-22 from -$8.2bn on Oct-14. Since Oct-2025, dealer inventories have fluctuated but generally stayed negative.



Source: BofA Global Research, FINRA, TRACE, Federal Reserve

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Key views

- **US IG spread view.** Investor demand for bonds should be weaker in the environment of elevated interest rate volatility and AI supply uncertainties. Supply should slow down in October and potentially November given the volatile markets. Still, spreads are biased to remain a bit wider before yields stabilize into 2027. We hedge the Iran escalation risks by being long US over European Yankee issuers, and less cyclical sectors. We hedge M&A supply risks by being underweight Health Care and Food & Bev. Low recession risk / robust growth, and a strong credit quality should all remain supportive. Supply is seasonally slower in 2H, which should offset weaker demand. We look for less bank and hyperscale issuance in 2H, but heavier M&A supply (IG Credit Strategist: Supply matters).

- **Quality.** We move our BBB positioning to neutral to take down the beta of the portfolio in the environment of weaker spreads. Excluding AI, single-A / BBB spreads have de-compressed in October to more typical levels.

- **Sectors.** We seek to outperform with an overweight view on sectors with more spread (Pipelines). We hedge Iran risks with preference for less cyclical sectors with spread (Insurance, Utilities) and Energy. We are underweight tight sectors with elevated re-leveraging and M&A risks (Consumer Products, Health Care). For more details, see IG Credit Strategist: Sector outlook.

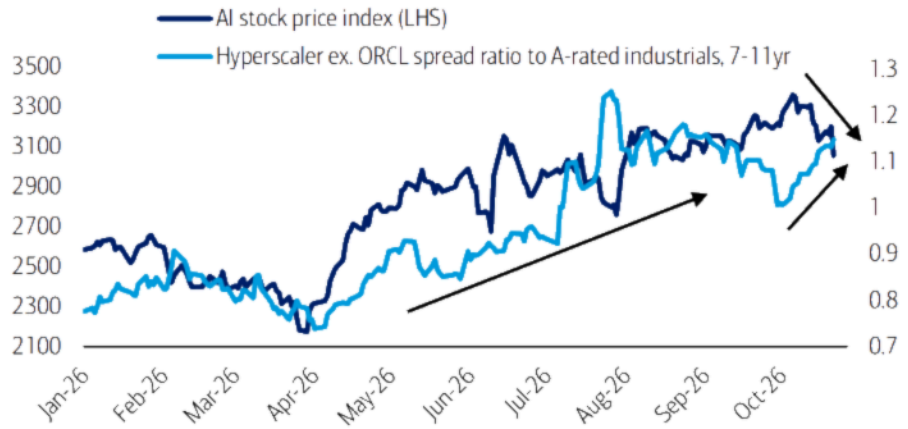
- **Curve.** The 10s30s spread curve should remain flat, supported by higher yields and less back-end supply. 5s10s should steepen on a more hawkish Fed outlook and a flatter US Treasury yield curve. 10yr spreads could be negatively impacted by weaker HG fund / ETF flows.

AI funding tantrum

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We take the middle ground. The sensitivity of IG spreads to the supply outlook is naturally elevated given the still large uncertainty on the volume, format, and pricing of AI funding, including the GPU deals. On the other hand, given the fixed capacity for producing / delivering GPUs in 2027, capex expectations for next year should not be changing dramatically. Finally, the IG corporate market is still far from potential "breaking" points related to credit quality or issuer concentrations.

Exhibit 3: Conflicting equity / credit signals
AI stocks are down in October on concerns about the availability of funding for the heavy capex spending. IG spreads are wider as investors are expecting even more AI-related supply.



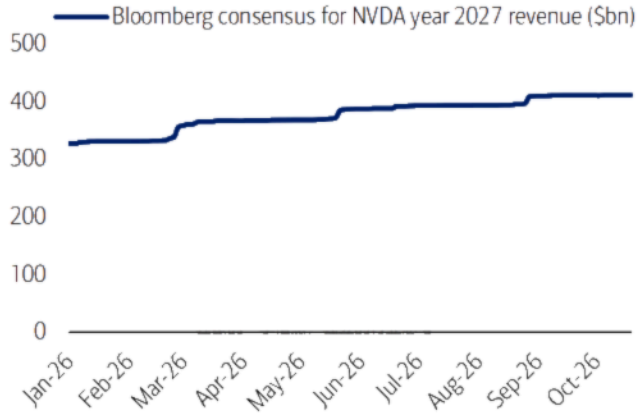
Source: BofA Global Research, Bloomberg, ICE Data Indices, LLC

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How high can capex go?

Hyperscaler capex expectations have been revised up significantly this year (see IG Credit Strategist: The ever-shifting AI outlook). However, the expectations for 2027 should stabilize as we get closer to the year-end. Hyperscaler AI capex is mostly for buying computers / GPUs. The year 2027 revenue outlook has changed little for both NVDA and AVGO since June of this year (Exhibit 4, Exhibit 5). With the revenues for chip manufacturers relatively fixed, AI capex expectations for 2027 should also be more predictable.

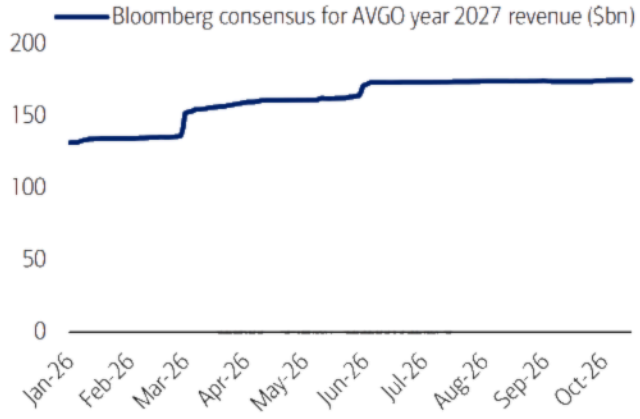
Exhibit 4: Bloomberg consensus for NVDA year 2027 revenue
The consensus for NVDA 2027 revenue is up +5% since June 29.



Source: Bloomberg

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Exhibit 5: Bloomberg consensus for AVGO year 2027 revenue
The consensus for AVGO 2027 revenue is up +1% since June 29.



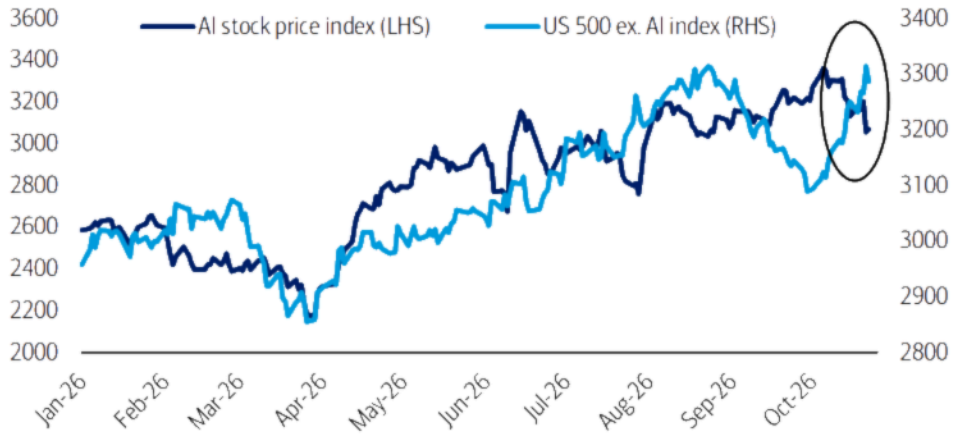
Source: Bloomberg

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It's all about AI

While much is going on, including wider France sovereign spreads and higher oil prices, the recent market moves are mostly driven by the outlook for AI. The US 500 stock index ex. AI is up +6% since October 7, while AI stocks are down -5% (Exhibit 6). In credit, AI spreads have been the biggest underperformer so far in October. Still, most IG sectors are also wider on the month despite higher stock prices ex. AI (Exhibit 7, Exhibit 8).

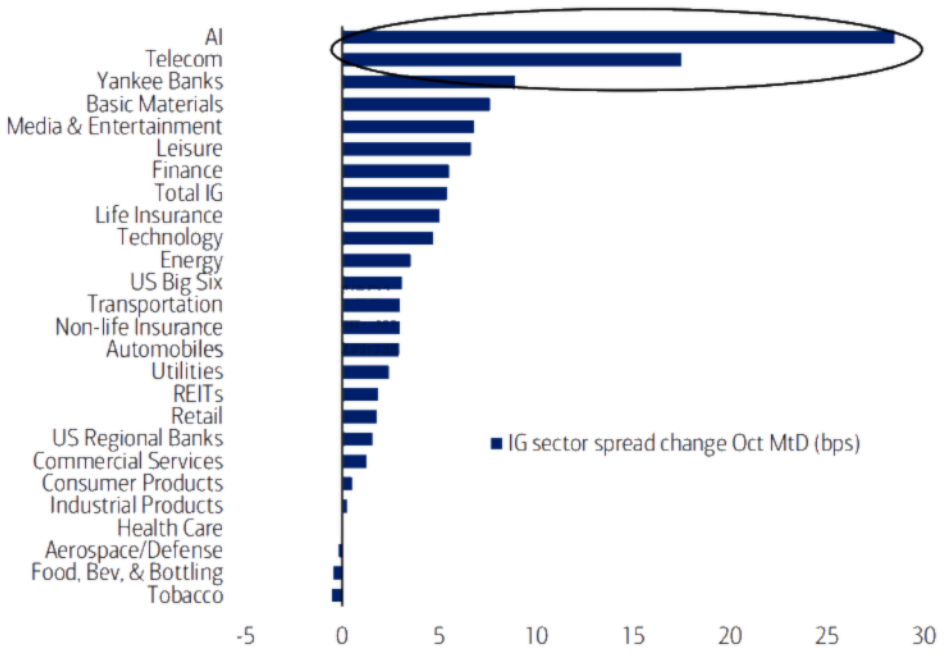
Exhibit 6: AI down, the rest is up
US 500 stocks ex. AI are up 6% since October 7, while AI stocks are down 5%.



Note: AI stocks include: AMD, AMZN, AVGO, GOOGL, META, MSFT, NVDA, ORCL, SPCX.
Source: BofA Global Research, Bloomberg

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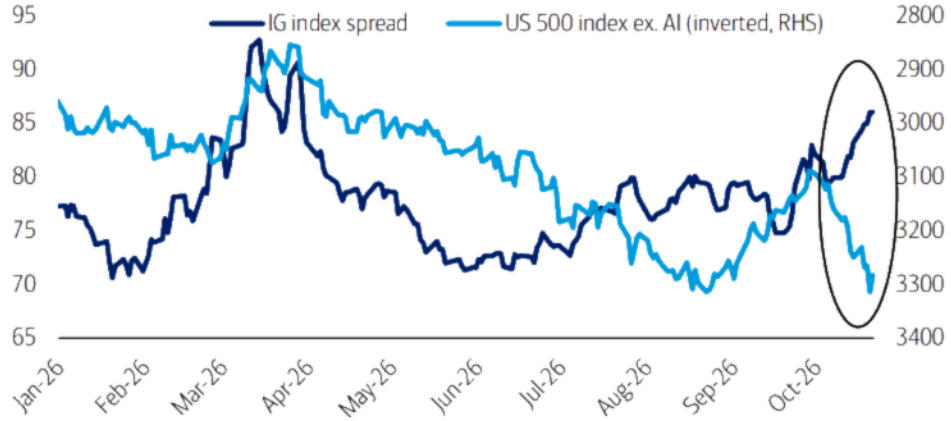
Exhibit 7: IG sector spread performance so far in October
The AI sector spreads have underperformed, trading +28bps wider MtD.



Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 8: Wider IG spreads, higher stocks ex. AI
US IG index spread is +6bps wider so far in October, even as the US 500 index ex. AI is up +6% over the same period.



Source: Bloomberg

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How close are we to "breaking" the IG market?

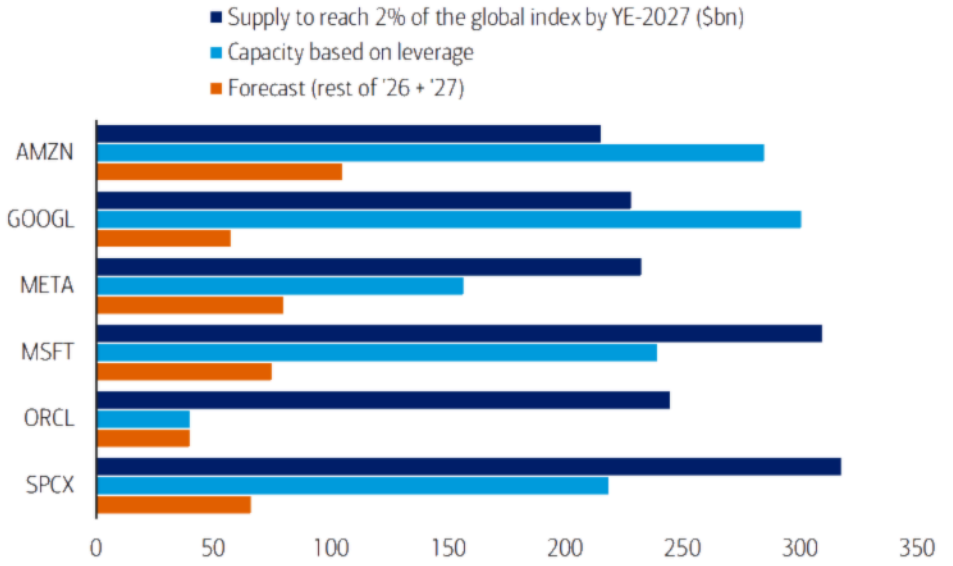
Clearly, the heavy AI supply volumes are challenging the IG credit market technicals. However, the expected supply for year 2027 remains far below the levels that could cause problems due to either issuer concentration or credit quality.

Issuer concentration limits vary across investors. Anecdotally, most mandates allow concentrations of up to 2%. Note that currently, the biggest issuer in the global IG corporate bond market is 1.3% of the total (Exhibit 10). Issuing enough bonds to reach 2% of the global IG corporate bond index by year-end 2027 would imply supply in the $230 - $320bn range each for the five hyperscalers + SPCX. Note that we include the data center debt backed by each hyperscaler into the total.

In terms of balance sheet capacity, we consider the following. For the high quality hyperscalers: AMZN, GOOGL, META and MSFT, we assume adding one turn of leverage, based on the consensus year 2027 EBITDA. We assume no additional balance sheet capacity for ORCL, as it is already rated low BBB. Finally, for SPCX we assume leverage of 2.5x by year-end 2027, based on the Bloomberg consensus EBITDA. The company targets leverage of 2-3x, according to Bloomberg Intelligence. Putting this together shows that balance sheet capacity allows for supply in the $160 - $300bn range by year-end 2027 for each of the five issuers ex ORCL.

Except for ORCL, these debt capacities are significantly larger than the expected supply by year-end 2027. Our analyst Tom Curcuruto (see High Grade Technology: DebtMaxxing to continue but valuations attractive; Initiate on hyperscaler) and Ronald Epstein (see Space Exploration Technologies Corp.: Paving the superhighway to the stars; Initiate at Buy, PO of $235) expect supply for the six issuers in the $40 - $100bn range for the remainder of 2026 and the full year 2027 (Exhibit 9).

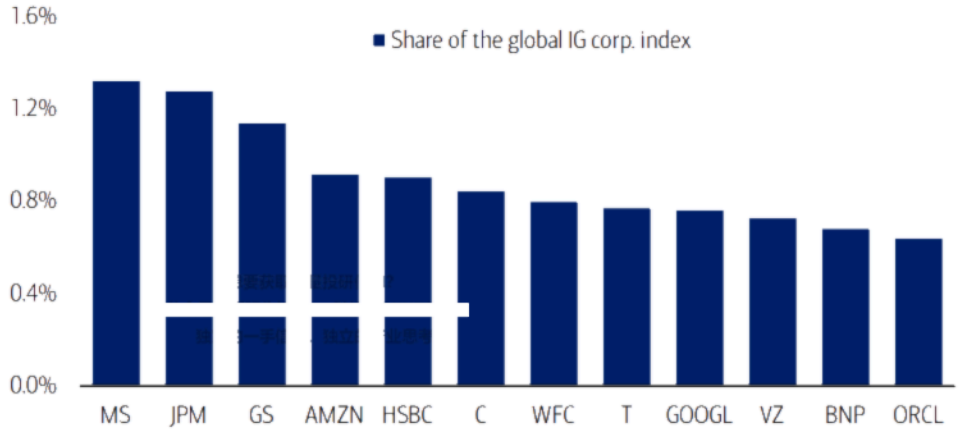
Exhibit 9: Expect hyperscaler supply vs. capacity
The expected supply through year-end 2027 is significantly below capacity based on either issuer concentration or credit quality for all issuers expect ORCL.



Source: BofA Global Research, Bloomberg, ICE Data Indices, LLC

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Exhibit 10: Largest issuers in the global IG corporate bond index
The largest issuer is currently 1.3% of the index.



Note: BAC is excluded.
Source: BofA Global Research, ICE Data Indices, LLC

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Previously published here:
Situation Room: AI wobble credit aftershocks 19 October 2026

AI wobble credit aftershocks

Even as the recent AI selloff paused for stocks, it accelerated for credit. Monday was a classic risk-on day with stocks higher (S&P 500 +0.4%, Nasdaq +1.1%), Treasury yields higher (10yr Treasury +7bps) and rates implied vol unchanged (MOVE3M index unch at 102). Yet liquid IG bonds closed +2bps wider, hyperscalers +4bps wider, and 10yr ORCL +13bps wider on the day.

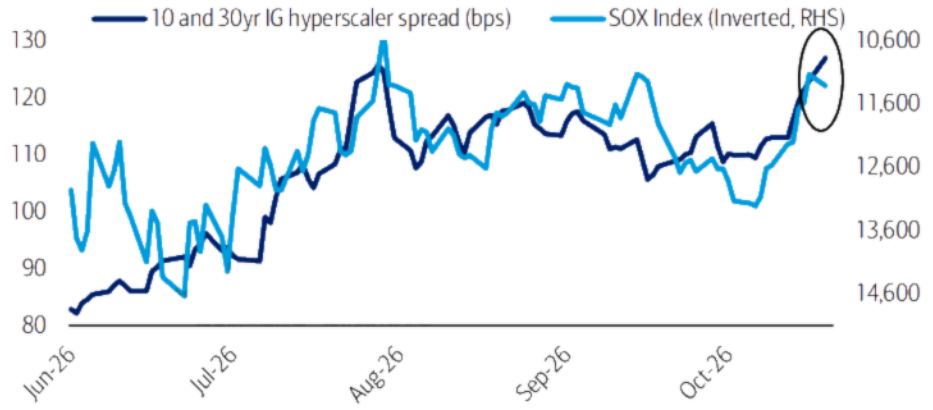
Hyperscaler spreads weakened even as Semiconductor Index SOX up +3.2% on the day (Exhibit 11). At the issuer level, all but one (MSFT) of the hyperscaler spreads were wider on Monday, while all but one (META) the stocks were higher (Exhibit 12, Exhibit 13).

Finally, we estimate dealers net bought $451bn of hyperscaler bonds on Monday. That's the highest net buy since September 17 (Exhibit 14). The relatively heavy client selling again suggests that the hyperscaler spreads were wider more on poor technicals rather than fundamentals.

Getting cheaper

IG spreads underperforming the broader market on weaker sentiment will eventually be a buying opportunity, in our view. Our credit investor survey from the first week of October showed IG investors already found yields / spreads attractive (IG Credit Strategist: Oct '26 Credit Investor Survey: A buying opportunity). The relatively attractive valuations should support stronger investor demand going forward.

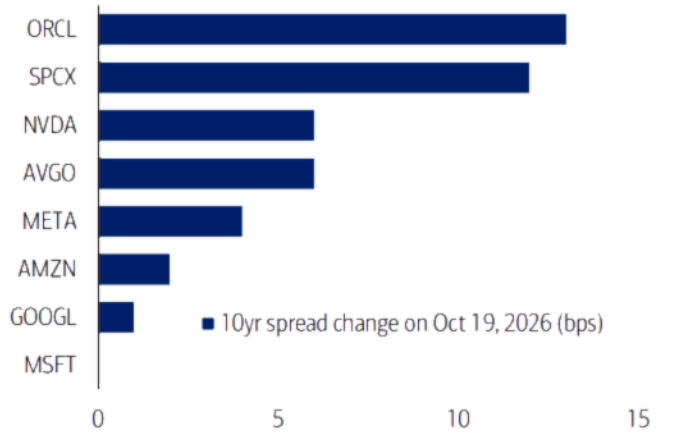
Exhibit 11: Stocks up, IG spreads wider on Monday
Hyperscaler spreads weakened even as Semiconductor Index SOX up +3.2% on the day.



Source: Bloomberg

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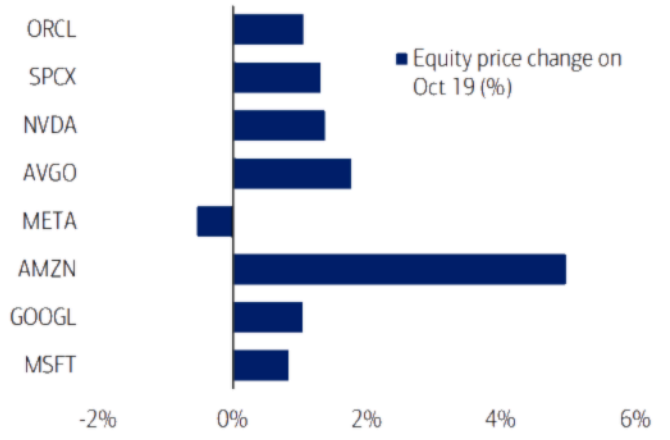
Exhibit 12: Hyperscaler spreads were significantly wider on Monday
ORCL and SPCX 10yr bonds were +13 and +12bps wider, respectively.



Source: Bloomberg

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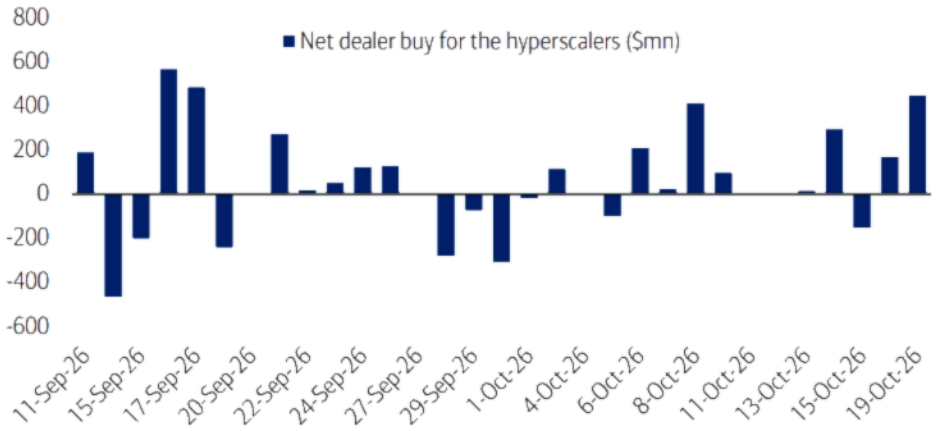
Exhibit 13: Hyperscaler equities were mostly up on Monday
All hyperscaler stocks were higher on Monday except META.



Source: Bloomberg

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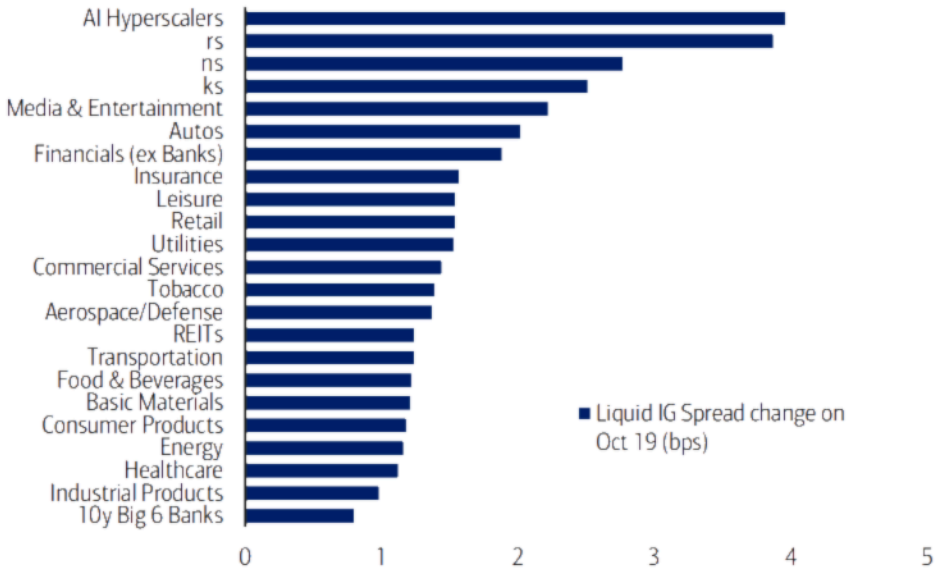
Exhibit 14: Net dealer buy of hyperscaler bonds
We estimate dealers net bought $451bn of hyperscaler bonds on Monday. That's the highest net buy since September 17.



Source: BofA Global Research, FINRA TRACE

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Exhibit 15: Liquid IG bond sector performance on Oct 19
Hyperscalers (+4bps) and data centers (+4bps) underperformed on Monday.



Source: BofA Global Research, Bloomberg

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Previously published here:
Situation Room: Volatility under the surface 20 October 2026

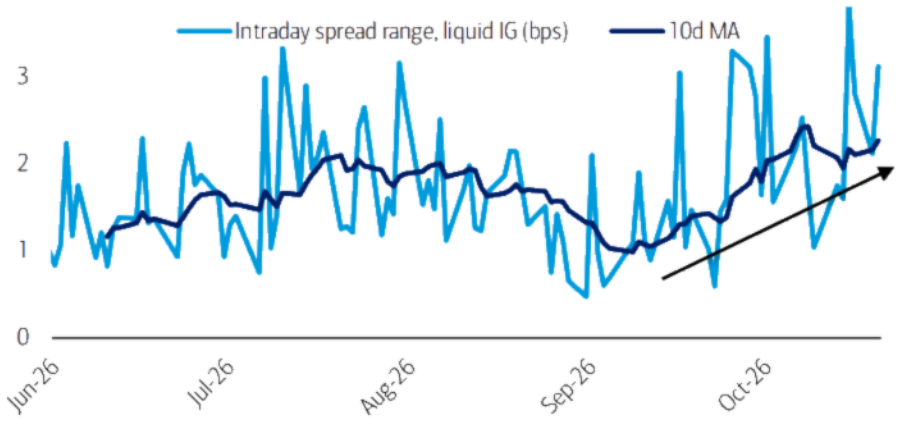
Volatility under the surface

Like on Monday, IG credit remained volatile on Tuesday despite the calmer equity and rates markets. The liquid IG index was little changed on the day. However, the intra-day range was a big 3bps. That's 2.2 standard deviations of the liquid index daily spread move so far in 2026 (the YtD std is 1.3bps). On a 10d MA basis, the intraday range for IG doubled from 1.0bps in early September to 2.3bps currently (Exhibit 16).

IG lagging

While volatility increased across the board over the past few months, it has been declining since early October for interest rates, but not credit. For example, both rates implied vol and the intra-day range for 10yr Treasury yields peaked around October 5th (Exhibit 19). The intra-day range for IG spreads, by contrast, remains near the recent peak levels (Exhibit 18). That's likely due to 1) poorer liquidity in IG, 2) market being driven by the very volatile AI sector where investors are not yet willing to step in, 3) upcoming potential hyperscaler supply. IG volatility is slowing down with a lag, but it should catch up to the broader markets eventually. A less volatile credit market would be bullish for spreads.

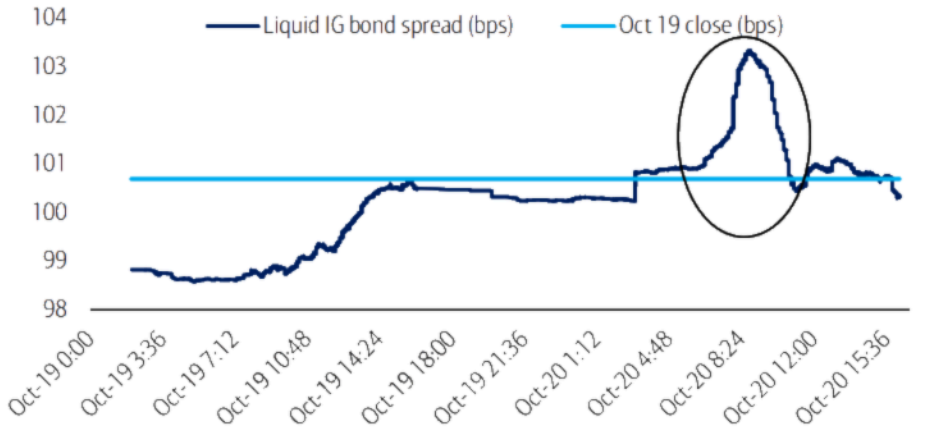
Exhibit 16: Higher intra-day volatility for IG
On a 10d MA basis, the intraday range for IG doubled from 1.0bps in early September to 2.3bps currently.



Source: BofA Global Research, Bloomberg

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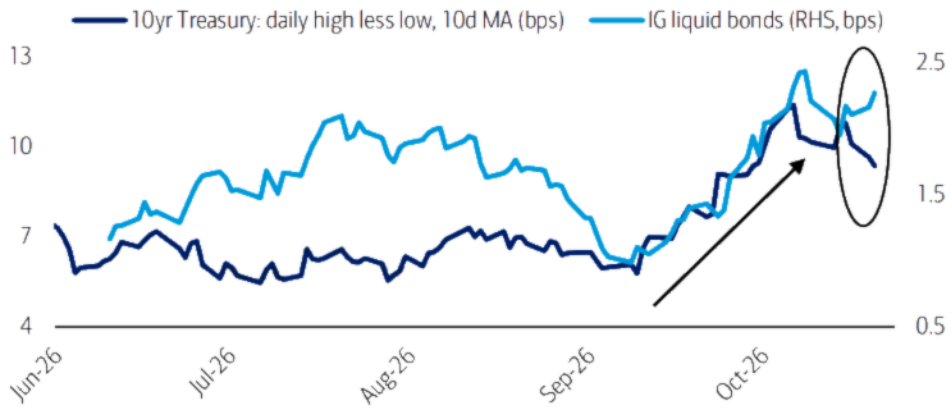
Exhibit 17: Big intra-day volatility for IG, despite an unchanged close
The intra-day range for the liquid IG index was a big 3bps on October 20th. That's 2.2 standard deviations of the liquid index daily spread move so far in 2026.



Source: BofA Global Research, Bloomberg

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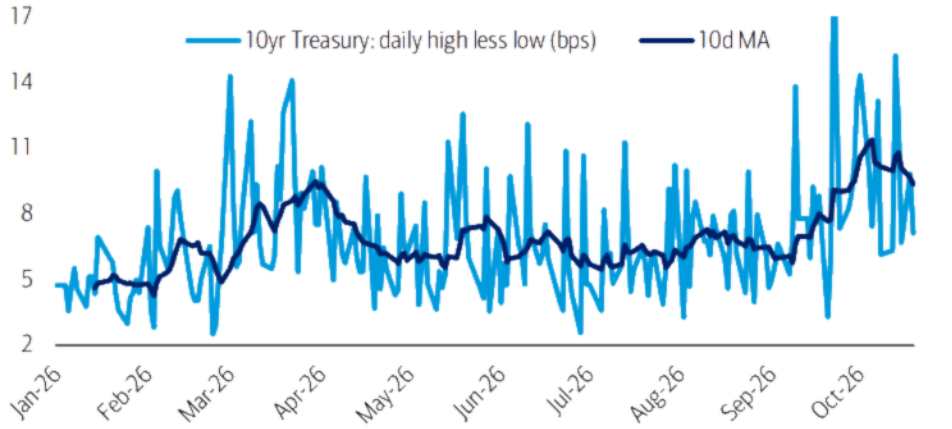
Exhibit 18: IG credit is lagging
The intra-day range for 10yr Treasury yields peaked around October 5th (Exhibit 4). The intra-day range for IG spreads, by contrast, remains near the recent peak levels.



Source: BofA Global Research, Bloomberg

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Exhibit 19: The intra-day range for 10yr Treasuries is compressing
The intra-day range for 10yr Treasury yields peaked around October 5th.



Source: BofA Global Research, Quick, Bloomberg

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Previously published here:
Situation Room: CP > bonds 21 October 2026

CP > bonds

IG issuers are currently able to tender their discount bonds and roll them into CP to 1) reduce balance sheet debt and leverage, and 2) reduce interest expense. The trade improves credit metrics, but at the cost of giving up cheap long-term funding. The tradeoff may be attractive for issuers that are not meeting their leverage targets, need to defend their ratings, or want to save on interest costs in the near term. The recent example is General Mills (GIS). The company announced a $750bn tender on October 5th for bonds trading at $90 and below, funding it with CP. The result was a 0.3x decline in leverage (see Consumer & Retail: Strategic realignment).

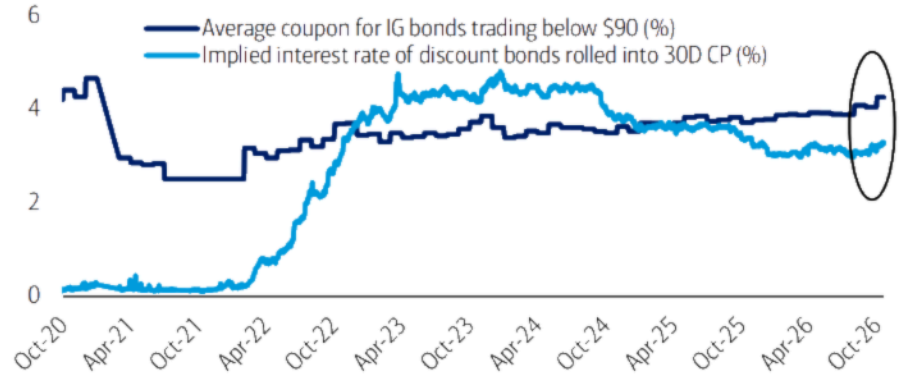
Lower interest cost

The average coupon on IG bonds trading below $90 (US issuers ex. Financials, Utilities) is currently 4.1%. That is similar to 4.2% yield on A2/P2 corporate CP. The average price of these bonds is $77. That means issuers only need to borrow 77c in the CP market for each $1 of bonds they roll, resulting in the CP replacement interest cost of 3.2% (4.2% on 77% of notional, Exhibit 20).

Big universe

Currently $879bn of BBB-rated bonds ex. Financials, Utilities are trading at prices below $90 (Exhibit 21). Rolling such bonds into CP should support low-dollar bond valuations, which are currently cheap by historical standards (Exhibit 22). Below we screen for issuers with the highest amount of discount bonds that are also on a negative outlook / watch, as they may be more interested in supporting their ratings (Exhibit 23).

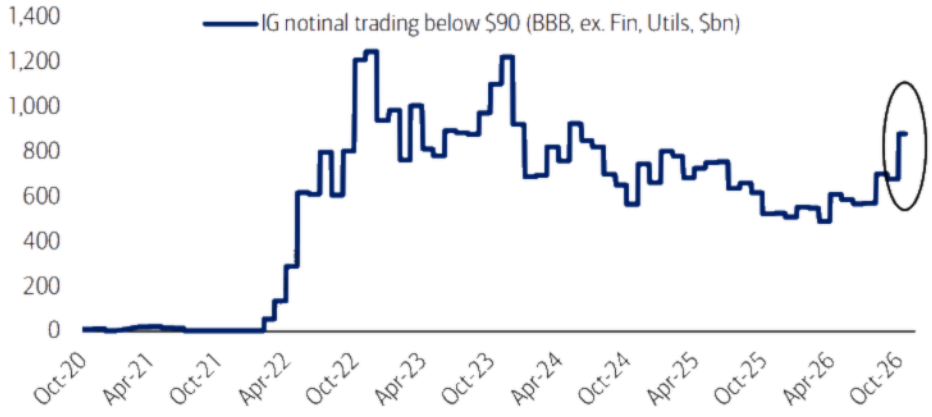
Exhibit 20: Rolling discount bonds into CP reduces interest expense
The average coupon on IG bonds trading below $90 (US issuers ex. Financials, Utilities) is currently 4.1%. Rolling the bonds into CP results in effective replacement yield of 3.2%.



Note: US issuers. BBB-rated, ex. Finance, Utilities
Source: BofA Global Research, ICE Data Indices, LLC, Federal Reserve.

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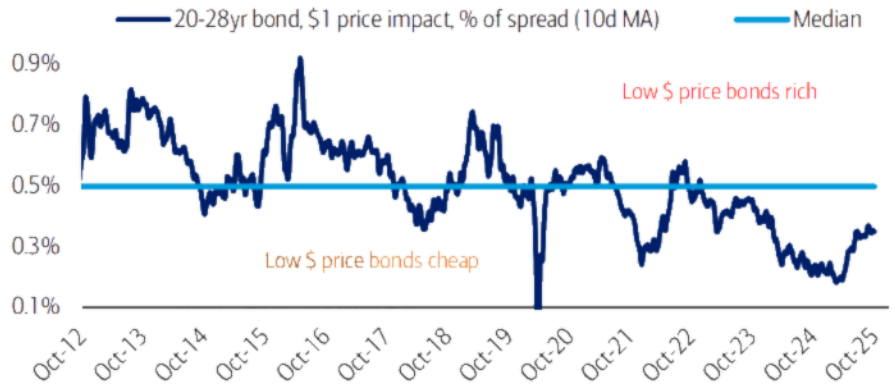
Exhibit 21: IG bonds trading at discount dollar prices
Currently $879bn of BBB-rated bonds ex. Financials, Utilities are trading at prices below $90.



Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 22: Low dollar price bonds are screening rich
The spread premium for low-dollar price bonds is currently below the historical average.



Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 23: IG issuers with the highest amount of discount bonds on a negative outlook / watch
Below lists issuers that have the highest amount of discount bonds on a negative outlook / watch.

Ticker	Issuer	Sector	Rating	Total notional outstanding ($bn)	Notional below $90 ($bn)
ORCL	Oracle Corp.	Technology	BBB2	117.2	96.7
T	AT&T Inc	Telecom	BBB2	101.0	73.8
CVS	CVS Health Corp	Health Care	BBB2	50.0	23.4
DOW	Dow Chemical Co. (The)	Basic Materials	BBB3	13.5	7.7
KHC	Kraft Heinz Foods Company	Food, Bev, & Bottling	BBB2	12.6	7.0
F	Ford Motor Credit Company LLC	Automobiles	BBB3	44.7	6.8
SBUX	Starbucks Corp.	Retail	BBB1	11.6	6.7
HUM	Humana Inc.	Health Care	BBB2	12.7	4.3
SYY	Sysco Holdings Corp. /Sysco Corp. (US)	Food, Bev, & Bottling	BBB2	20.9	3.3
MLM	Martin Marietta Materials Inc	Basic Materials	BBB1	10.3	3.1
CPB	The Campbells Co.	Food, Bev, & Bottling	BBB3	6.0	2.9
BAX	Baxter International Inc.	Health Care	BBB3	6.6	2.6
CAG	Conagra Brands Inc	Food, Bev, & Bottling	BBB3	6.5	2.0

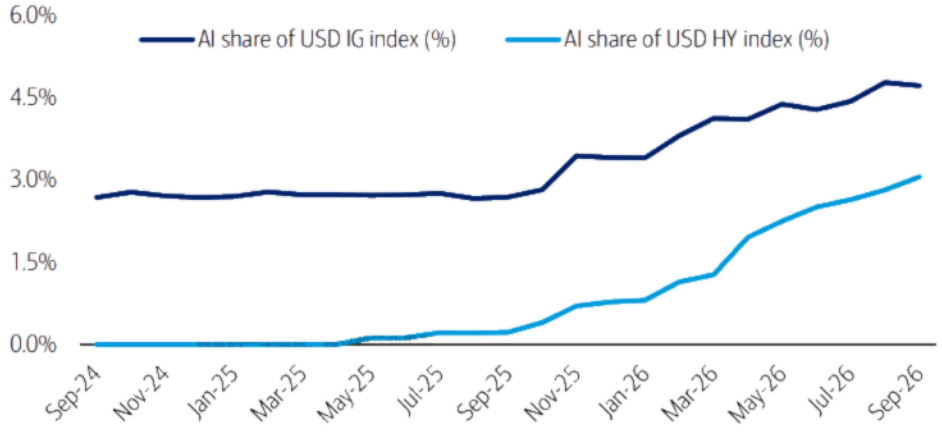
Note: Industrials only, non-utilities. Restricted to BBB-rated issuers with at least $5bn notional outstanding in the IG index, that have bonds with negative outlook/watch.
Source: BofA Global Research, ICE Data Indices, LLC

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AI impact on IG

The share of AI issuers in USD corporate bond indices has been steadily increasing since late 2025 (Exhibit 24). We summarize AI-related corporate bond issuance so far in 2026 and since 2025 in Exhibit 25 below. Details of each deal are listed in Exhibit 26 (IG) and Exhibit 27 (HY).

Exhibit 24: AI share of USD corporate market
Currently, AI-related issuers account for 4.7% of IG and 3.1% of HY index.



Source: BofA Global Research, ICE Data Indices, LLC.

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Exhibit 25: USD AI-related issuance tracker YtD
Below lists AI-related USD bond issuance in IG and HY so far this year.

Ratings	Category	YTD ($bn)	Since 2025 ($bn)
IG	Data center	43	70
	Hyperscaler	157	250
	Other	60	76
Total	**IG Total**	**260**	**396**
HY	Data center	36	45
	Neocloud	4	8
	Other	3	5
Total	**HY Total**	**44**	**58**
Total USD		**303**	**454**

Source: BofA Global Research, Bloomberg

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Exhibit 26: AI-related IG bond issuance YtD
Below lists AI-related USD bond issuance in IG so far this year. Deals are sorted in order of issuance date.

Date	Cusip	Ticker	Name	Tenor	Size ($mm)	Moody's/S&P Rating	Category	Px Spread (bps)	Concession (bps)	Break performance (bps)
2026-01-06	11135FCZ2	AVGO	Broadcom Inc	5	750	A3/A-	Other	60	7	-3
2026-01-06	11135FDA6	AVGO	Broadcom Inc	7	1,250	A3/A-	Other	70	1	0
2026-01-06	11135FDB4	AVGO	Broadcom Inc	10	1,250	A3/A-	Other	78	2	-1
2026-01-06	11135FDD0	AVGO	Broadcom Inc	30	1,250	A3/A-	Other	88	n.a.	-3
2026-02-02	68389XDV4	ORCL	Oracle Corp	3	500	Baa2/BBB	Hyperscaler	SOFR+111	n.a.	n.a.
2026-02-02	68389XDW2	ORCL	Oracle Corp	3	3,000	Baa2/BBB	Hyperscaler	95	n.a.	-9
2026-02-02	68389XDX0	ORCL	Oracle Corp	5	3,500	Baa2/BBB	Hyperscaler	115	n.a.	-5
2026-02-02	68389XDY8	ORCL	Oracle Corp	7	3,000	Baa2/BBB	Hyperscaler	130	n.a.	-2
2026-02-02	68389XDZ5	ORCL	Oracle Corp	10	5,000	Baa2/BBB	Hyperscaler	145	n.a.	-6
2026-02-02	68389XEA9	ORCL	Oracle Corp	20	2,250	Baa2/BBB	Hyperscaler	170	n.a.	-3
2026-02-02	68389XEB7	ORCL	Oracle Corp	30	5,000	Baa2/BBB	Hyperscaler	180	n.a.	-5
2026-02-02	68389XEC5	ORCL	Oracle Corp	40	2,750	Baa2/BBB	Hyperscaler	195	n.a.	-3
2026-02-09	02079KBJ5	GOOGL	Alphabet Inc	3	2,500	Aa2/AA+	Hyperscaler	27	16	-5
2026-02-09	02079KBK2	GOOGL	Alphabet Inc	5	3,000	Aa2/AA+	Hyperscaler	43	10	-2
2026-02-09	02079KBL0	GOOGL	Alphabet Inc	7	3,000	Aa2/AA+	Hyperscaler	53	16	-2
2026-02-09	02079KBM8	GOOGL	Alphabet Inc	10	4,250	Aa2/AA+	Hyperscaler	63	4	-4
2026-02-09	02079KBN6	GOOGL	Alphabet Inc	20	1,500	Aa2/AA+	Hyperscaler	75	4	-1
2026-02-09	02079KBP1	GOOGL	Alphabet Inc	30	4,000	Aa2/AA+	Hyperscaler	83	4	-2
2026-02-09	02079KBQ9	GOOGL	Alphabet Inc	40	1,750	Aa2/AA+	Hyperscaler	95	3	-1
2026-03-10	023135CZ7	AMZN	Amazon.com Inc	2	1,750	A1/AA	Hyperscaler	SOFR+44	n.a.	n.a.

Exhibit 26: AI-related IG bond issuance YtD
Below lists AI-related USD bond issuance in IG so far this year. Deals are sorted in order of issuance date.

Date	Cusip	Ticker	Name	Tenor	Size ($mm)	Moody's/S&P Rating	Category	Px Spread (bps)	Concession (bps)	Break performance (bps)
2026-03-10	023135DB9	AMZN	Amazon.com Inc	2	2,250	A1/AA	Hyperscaler	30	6	-1
2026-03-10	023135DA1	AMZN	Amazon.com Inc	3	1,000	A1/AA	Hyperscaler	SOFR+59	n.a.	n.a.
2026-03-10	023135DC7	AMZN	Amazon.com Inc	3	3,000	A1/AA	Hyperscaler	40	11	-1
2026-03-10	023135DD5	AMZN	Amazon.com Inc	5	5,000	A1/AA	Hyperscaler	55	10	-1
2026-03-10	023135DE3	AMZN	Amazon.com Inc	7	4,000	A1/AA	Hyperscaler	65	16	-3
2026-03-10	023135DF0	AMZN	Amazon.com Inc	10	6,000	A1/AA	Hyperscaler	75	12	-2
2026-03-10	023135DG8	AMZN	Amazon.com Inc	20	2,500	A1/AA	Hyperscaler	95	14	-2
2026-03-10	023135DH6	AMZN	Amazon.com Inc	30	5,500	A1/AA	Hyperscaler	105	12	-4
2026-03-10	023135DJ2	AMZN	Amazon.com Inc	40	3,000	A1/AA	Hyperscaler	118	10	0
2026-03-10	023135DK9	AMZN	Amazon.com Inc	50	3,000	A1/AA	Hyperscaler	130	n.a.	-3
2026-04-06	74751AAA1	QTSQST	QTS Fayetteville I Dc1-2 LLC / QTS TRS Fayettevill	10	4,600	Baa2/NA	Data center	138	n.a.	1
2026-04-24	74941YAA0	RDMICH	RD Michigan Property Owner I LLC	19NC3	14,000	Baa3/NA	Data center	329	n.a.	-12
2026-04-27	44813DAA4	HUTRBA	HUT 8 DC LLC	17	3,250	NA/BBB-	Data center	185	n.a.	-8
2026-04-30	30303MAF9	META	Meta Platforms Inc	5	3,000	Aa3/AA-	Hyperscaler	53	7	1
2026-04-30	30303MAG7	META	Meta Platforms Inc	7	2,000	Aa3/AA-	Hyperscaler	68	6	1
2026-04-30	30303MAH5	META	Meta Platforms Inc	10	6,000	Aa3/AA-	Hyperscaler	90	6	-1
2026-04-30	30303MAJ1	META	Meta Platforms Inc	20	4,000	Aa3/AA-	Hyperscaler	122	9	-2
2026-04-30	30303MAK8	META	Meta Platforms Inc	30	6,000	Aa3/AA-	Hyperscaler	132	5	-3
2026-04-30	30303MAL6	META	Meta Platforms Inc	40	4,000	Aa3/AA-	Hyperscaler	147	4	-1
2026-06-04	07367AAA7	HUTBPA	Beacon Point DC LLC	16	4,250	Baa2/NA	Data center	165	n.a.	-5
2026-06-08	089535AA6	APCHIP	Big Sky Funding LLC	5	888	NA/NA	Other	145	n.a.	n.a.
2026-07-07	023135EA0	AMZN	Amazon.com Inc	3	750	A1/AA	Hyperscaler	SOFR+58	n.a.	n.a.
2026-07-07	023135EB8	AMZN	Amazon.com Inc	3	3,500	A1/AA	Hyperscaler	40	13	-1
2026-07-07	023135EC6	AMZN	Amazon.com Inc	5	4,250	A1/AA	Hyperscaler	55	14	-1
2026-07-07	023135ED4	AMZN	Amazon.com Inc	7	3,000	A1/AA	Hyperscaler	70	18	0
2026-07-07	023135EE2	AMZN	Amazon.com Inc	10	4,500	A1/AA	Hyperscaler	80	15	0
2026-07-07	023135EF9	AMZN	Amazon.com Inc	20	2,750	A1/AA	Hyperscaler	100	21	0
2026-07-07	023135EG7	AMZN	Amazon.com Inc	30	4,000	A1/AA	Hyperscaler	110	18	0
2026-07-07	023135EH5	AMZN	Amazon.com Inc	40	2,250	A1/AA	Hyperscaler	125	19	0
2026-07-27	83577VAA8	TXEDCI	Sopaipilla Investor LLC	22	12,640	NA/A+	Data center	288	n.a.	-27
2026-08-06	02079KCM7	GOOGL	Alphabet Inc	2	750	Aa2/AA+	Hyperscaler	33	15	n.a.
2026-08-06	02079KCL9	GOOGL	Alphabet Inc	2	1,250	Aa2/AA+	Hyperscaler	n.a.	n.a.	n.a.
2026-08-06	02079KCP0	GOOGL	Alphabet Inc	3	500	Aa2/AA+	Hyperscaler	SOFR+60	n.a.	n.a.
2026-08-06	02079KCN5	GOOGL	Alphabet Inc	3	2,000	Aa2/AA+	Hyperscaler	43	15	-2
2026-08-06	02079KCQ8	GOOGL	Alphabet Inc	5	3,500	Aa2/AA+	Hyperscaler	60	17	-3
2026-08-06	02079KCR6	GOOGL	Alphabet Inc	7	2,500	Aa2/AA+	Hyperscaler	75	17	-8
2026-08-06	02079KCS4	GOOGL	Alphabet Inc	10	4,500	Aa2/AA+	Hyperscaler	85	14	-9
2026-08-06	02079KCT2	GOOGL	Alphabet Inc	20	3,000	Aa2/AA+	Hyperscaler	105	17	-10
2026-08-06	02079KCU9	GOOGL	Alphabet Inc	30	4,500	Aa2/AA+	Hyperscaler	115	13	-10
2026-08-06	02079KCV7	GOOGL	Alphabet Inc	40	2,500	Aa2/AA+	Hyperscaler	130	13	-8
2026-08-13	007903BK2	AMD	Advanced Micro Devices Inc	3	1,250	A1/A	Other	43	n.a.	0
2026-08-13	007903BL0	AMD	Advanced Micro Devices Inc	5	1,500	A1/A	Other	70	13	0
2026-08-13	007903BM8	AMD	Advanced Micro Devices Inc	7	1,000	A1/A	Other	80	n.a.	3
2026-08-13	007903BN6	AMD	Advanced Micro Devices Inc	10	1,000	A1/A	Other	90	n.a.	4
2026-08-18	74751QAA6	QTSODY	QTS Central Issuer LLC/ QTS TRS Central Issuer LLC	5NC2	3,900	Baa3/NA	Data center	286	n.a.	n.a.

Source: BofA Global Research, Bloomberg

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Exhibit 27: AI-related HY bond issuance YtD
Below lists AI-related USD bond issuance in HY so far this year. Deals are sorted in order of issuance date.

Date	Cusip	Ticker	Name	Tenor	Size ($mm)	Moody's/S&P Rating	Category	Coupon	Px Spread (bps)
2026-02-04	09216NAA8	BLKPRL	Black Pearl Compute	5NC2	2,000	Ba2/NA	Data center	6.125	231
2026-02-13	78488XAA2	TRACTC	Tract Capital	5NC2	3,800	Ba1/NA	Data center	5.875	225
2026-03-03	03772CAA1	PFORGE	Applied Digital	5NC2	2,150	Ba3/NA	Data center	6.75	358
2026-04-09	21873SAG3	CRWV	CoreWeave	5NC2	1,750	B1/B	Neocloud	9.75	580
2026-04-16	21873SAG3	CRWV	CoreWeave	5NC2	1,000	B1/B	Neocloud	9.75	530
2026-04-16	58990CAA1	MERIDI	Meridian Arc	5NC2	5,700	NA/BB	Data center	6.25	233
2026-04-21	28002AAA4	EDGCOM	Edged Compute	5NC2	1,300	NA/BB+	Data center	7.5	356

Exhibit 27: AI-related HY bond issuance YtD
Below lists AI-related USD bond issuance in HY so far this year. Deals are sorted in order of issuance date.

Date	Cusip	Ticker	Name	Tenor	Size ($mm)	Moody's/S&P Rating	Category	Coupon	Px Spread (bps)
2026-04-22	21874LAA0	CORZ	Core Scientific	5NC2	3,300	NA/BB	Data center	7.75	399
2026-04-28	69393LAA1	TRACTD	Tract Capital	5NC2	4,585	Ba1/BB	Data center	6.5	276
2026-04-30	78438PAA0	SECMOS	SE Cosmos	5NC2	999	NA/BB+	Data center	8.875	500
2026-05-05	83419YAA4	SEI	Solaris Energy	5NC2	1,300	Ba3/BB-	Other	6.375	227
2026-06-02	28734DAA3	ELKGVP	Elk Grove Village	5NC2	900	Ba3/BB-	Data center	7.5	333
2026-06-08	86083AAA4	STNGRY	Stingray Compute	5NC2	810	Ba2/NA	Data center	6	177
2026-06-09	03790NAA5	ELNFOR	Applied Digital	5NC2	1,590	NA/BB-	Data center	7	275
2026-06-11	21873SAK4	CRWV	CoreWeave	6NC3	1,250	B1/B	Neocloud	9.625	536
2026-06-23	985925AA4	YNDRDC	Yondr	5NC2	715	Ba3/NA	Other	6.875	260
2026-07-23	36322DAA4	GALAXY	Galaxy Helios DC	5NC2	3,507	NA/BB-	Data center	9.875	555
2026-08-13	98935UAA5	ZENARC	Zenith Arc	5NC2	2,250	Ba2/BB	Data center	8.875	467
2026-09-18	126315AA8	CLSPRK	CleanSpark	5NC2	2,276	Ba2/NA	Data center	7.875	337
2026-09-22	83419YAC0	SEI	Solaris Energy	6NC3	1,250	Ba3/BB-	Other	7	214
2026-09-23	23317XAA5	DDRIVE	Digital Drive	5NC2	1,120	NA/BB-	Data center	8.875	425

Source: BofA Global Research, Bloomberg

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Previously published here:
Situation Room: Flows pause 22 October 2026

Flows

Flows pause

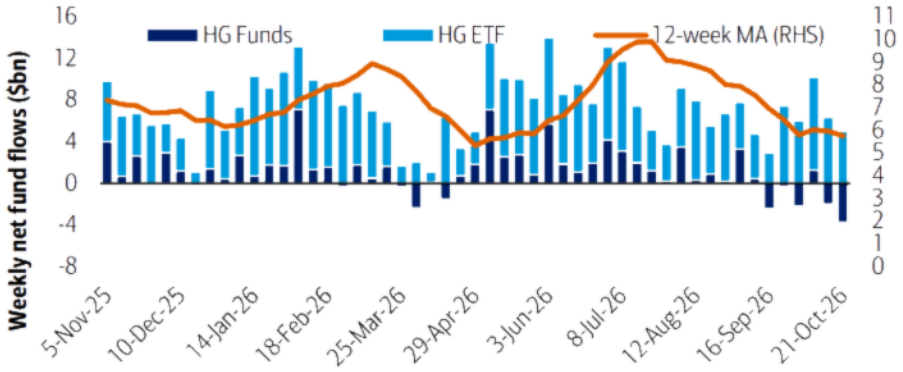
Flows slowed for bonds and stocks, while improved for loans this past week ending on October 21.

Inflows weakened for US HG bond funds and ETFs, with a +$1.22bn inflow down from a +$4.32bn inflow in the prior week. Since IG corporates account for about a third of the high grade universe AUM, that translates into ~$0.4bn demand for IG. Inflows slowed for HG ETFs (to +$4.97bn from +$6.31bn), but at the same time outflows accelerated for HG Funds (to -$3.76bn, the biggest outflow since April 2025, from -$1.99bn). Inflows moderated for both short-term HG (to +$0.44bn from +$1.77bn) and ex. short-term (to +$0.77bn from +$2.55bn).

Loans alone

Inflows slowed for equities this past week (to +$9.06bn from +$43.91bn) and outflows continued from HY (to -$0.65bn from -$1.24bn), inflows improved for loans (to +$0.26bn from +$0.03bn). For munis, inflows also weakened (to +$0.67bn from +$4.51bn), and outflows continued for global EM bonds (to -$0.66bn from -$0.67bn). Finally, money markets reported a +$25.27bn inflow this past week, following a -$53.90bn outflow a week earlier.

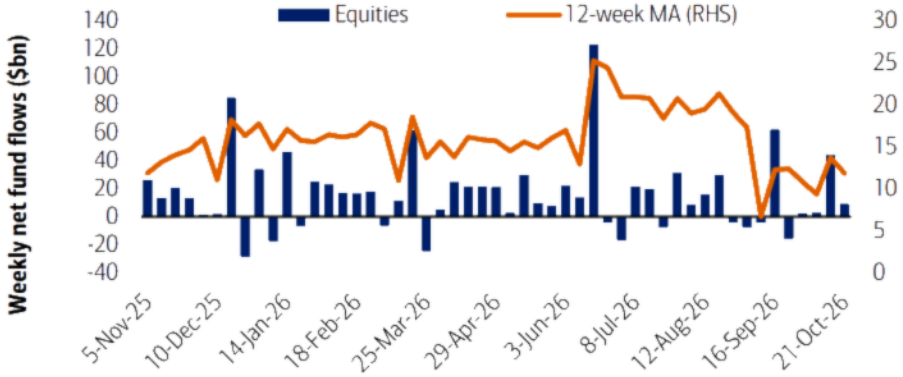
Exhibit 28: Weekly high grade fund flows since 11/2025, $bn
HG ETF inflow was +$4.97bn this past week ending Oct-21 (vs +$6.31bn a week prior), and HG Funds inflow was -$3.76bn (vs -$1.99bn a week prior).



Source: EPFR Global. Note: data are for US-domiciled funds only

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Exhibit 29: Weekly equity fund flows since 11/2025, $bn
Equities inflow was +$9.06bn this past week ending Oct-21 (vs +$43.91bn a week prior).



Source: EPFR Global. Note: data are for US-domiciled funds only.

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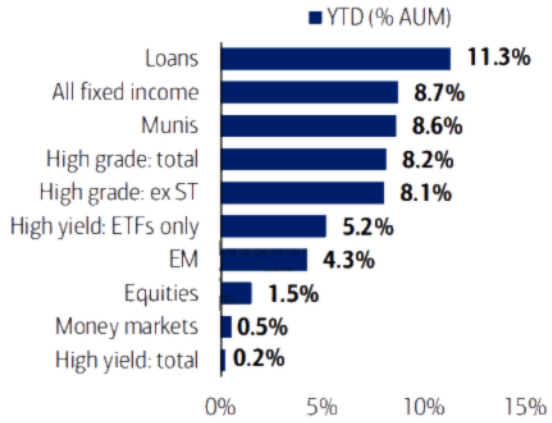
Exhibit 30: YTD fund flows summary by asset class
As of Oct-21, YtD flows are 8% of AUM for HG, 0% for HY, 11% for loans, and 1% for equities.

Asset class	Last week (% of AUM for weekly reporting funds/ETFs)	YTD (% of AUM for all funds/ETFs)	YTD ($bn)
High grade: total	0.04%	8.3%	423.8
High grade: ex short-term	0.03%	8.1%	347.4
High yield: total	-0.20%	0.1%	0.4
High yield: ETFs only	0.33%	5.2%	6.2
Loans	0.68%	10.8%	19.2
EM	0.53%	4.4%	39.4
Munis	0.10%	8.3%	90.4
All fixed income	0.09%	8.9%	737.8
Money markets	0.30%	0.8%	70.3
Equities	0.05%	1.4%	398.7

Note: Last week flow as % of AUM is based on AUM for weekly reporting funds / ETFs only. YTD flow as % of AUM is based on AUM for the full fund/ ETF universe as of December 31 2020. Global EM funds, US-domiciled funds only for other fund types. Loan results only include Open-End funds and ETFs which primarily hold Broadly Syndicated Loans and do not include CLO ETFs
Source: EPFR Global, BofA Global Research

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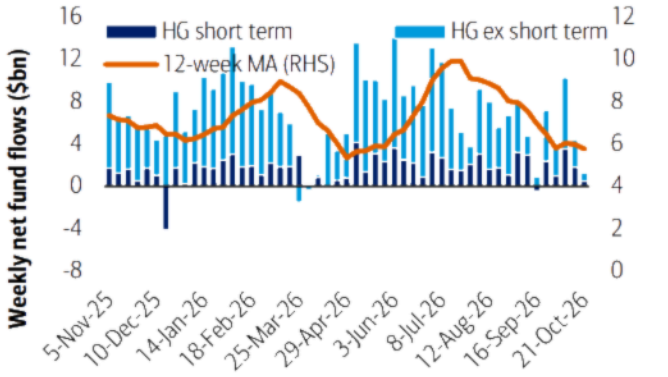
Exhibit 31: Year to date fund flows, % of AUM
Loans has had the biggest inflows so far in 2026 as of Oct-21 at (11.3% of AUM), followed by All fixed income (8.7%).



Note: Global EM funds, US-domiciled funds only for other fund types.
Source: EPFR Global, BofA Global Research

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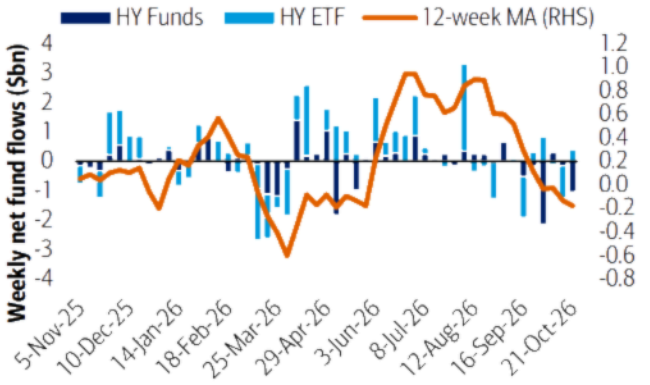
Exhibit 32: Weekly high grade fund flows since 11/2025, $bn
HG short-term flow was +$0.44bn this past week ending Oct-21 (vs +$1.77bn a week prior), and HG ex short-term flow was +$0.77bn (vs +$2.55bn a week prior).



Source: EPFR Global. Note: data are for US-domiciled funds only

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Exhibit 33: Weekly high yield fund flows since 11/2025, $bn
HY ETF inflow was +$0.39bn this past week ending Oct-21 (vs -$1.08bn a week prior), and HY Funds inflow was -$1.04bn (vs -$0.16bn a week prior).

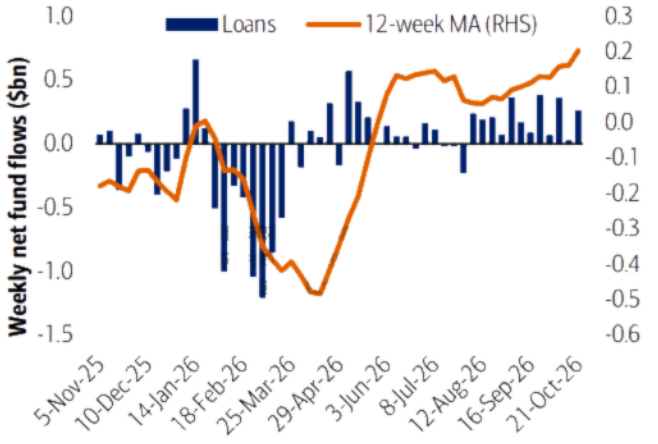


Source: EPFR Global. Note: data are for US-domiciled funds only

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Exhibit 34: Weekly loan fund flows since 11/2025, $bn

Leveraged loans inflow was +$0.26bn this past week ending Oct-21 (vs +$0.03bn a week prior). Results only include Open-End funds and ETFs which primarily hold Broadly Syndicated Loans and do not include CLO ETFs.

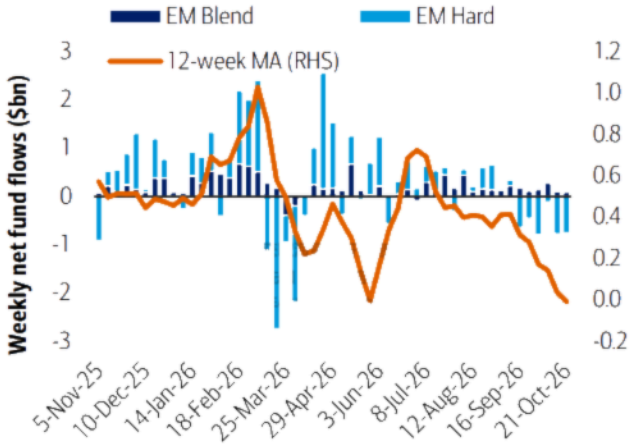


Source: EPFR Global. Note: data are for US-domiciled funds only.

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Exhibit 35: Weekly EM fund flows since 11/2025, $bn

Global EM bond (ex. local) inflow was -$0.66bn this past week ending Oct-21 (vs -$0.67bn a week prior).

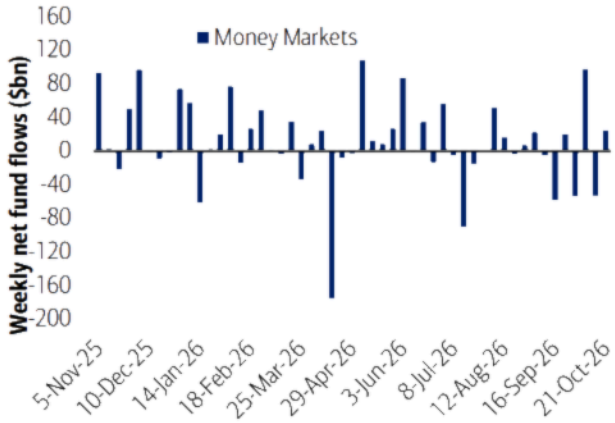


Source: EPFR Global. Note: data are for US-domiciled funds only

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Exhibit 36: Weekly Money Market fund flows, $bn

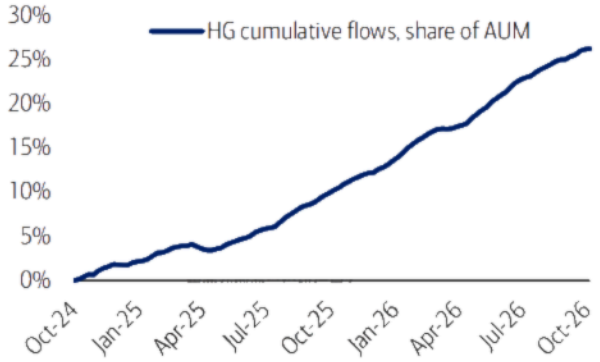
Money Markets +$25.27bn



Source: EPFR Global. Note: data are for US-domiciled funds only.

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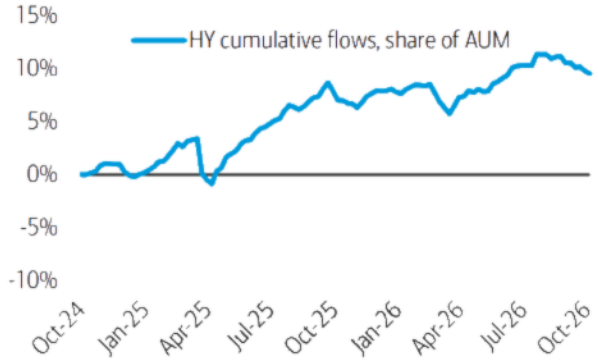
Exhibit 37: Cumulative % flows in HG over last 2yr since 10/2024
HG cumulative flows increased to 26% of AUM as of Oct-21.



Source: EPFR Global. Note: data are for US-domiciled funds only

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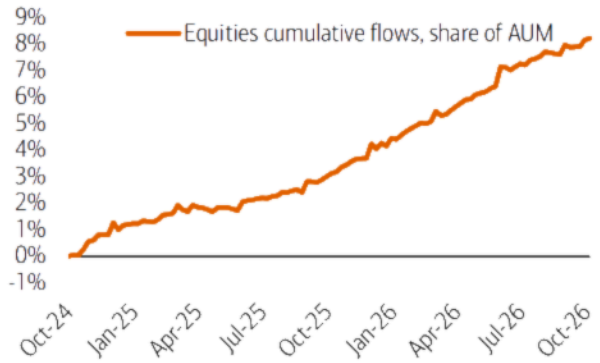
Exhibit 38: Cumulative % flows in HY over last 2yr since 10/2024
HY cumulative flows increased to 10% of AUM as of Oct-21.



Source: EPFR Global. Note: data are for US-domiciled funds only

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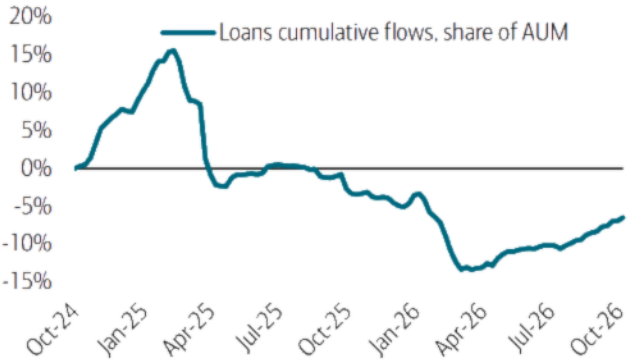
Exhibit 39: Cumulative % flows in Equities since 10/2024
Equities cumulative flows steadily increased to 47% of AUM as of Oct-21 since 10/2024.



Source: EPFR Global. Note: data are for US-domiciled funds only

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Exhibit 40: Cumulative % flows in Loans since 10/2024
Loans cumulative flows increased to 8% of AUM as of Oct-21.



Note: Results only include Open-End funds and ETFs which primarily hold Broadly Syndicated Loans and do not include CLO ETFs.
Source: EPFR Global. Note: data are for US-domiciled funds only

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Appendix: defining high grade

We define our high grade flows metric as a combination of "bond" and "corporate bond" fixed income funds and ETFs domiciled in the US (and investing in any currency, although the majority is invested in USD). We also exclude funds primarily focused on Government, HY, EM and MBS from the sample. The "bond" category refers to the broad high grade market, which includes Treasuries, mortgages and agencies in addition to corporate bonds. This category accounts for the majority of AUM and flows. On the other hand, the dedicated corporate bond funds and ETFs are much smaller in terms of assets under management. We also include the "total return" bond category in our tracking of high grade flows. Finally, note that "short-term" maturity refers to duration of 0 to 4 years. On average, IG corporate bonds account for about ~32% of the total AUM of our high grade bond fund / ETF universe.

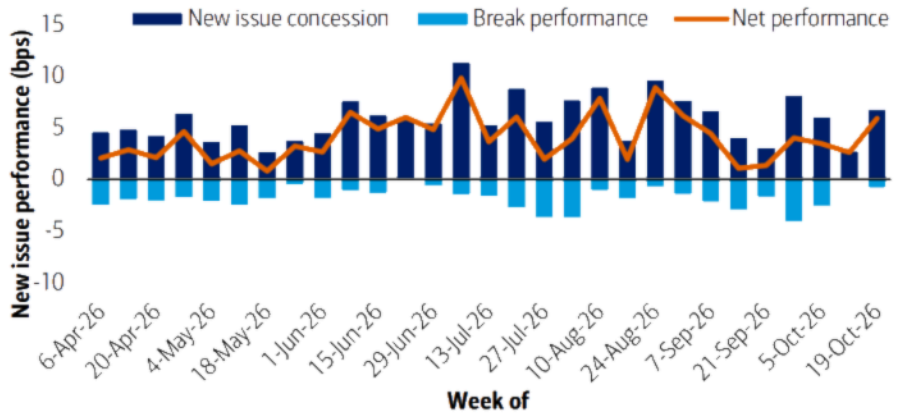
Supply

US IG gross issuance was $23.7bn this week, below our $30-$50bn estimate. This week's supply ending Oct-23 consisted of $9.5bn financials, $9.7bn high-quality industrials and $4.5bn BBB industrials.

Given $1783.8bn of gross issuance, $834.9bn of maturities and $178.2bn of additional redemptions, net issuance is tracking $770.7bn YTD. We expect issuance to accelerate next week in $25 - $40bn range, as companies start to come out of earnings-related blackouts, including potential AI supply as well. The recent jump in interest rate volatility could continue to weigh on any opportunistic issuance. The Fed on Wednesday will also limit the issuance window next week. For the month of October, we are on track to reach our forecast of $110bn supply (see Situation Room: IG October supply: $110bn).

New issue performance weakened this week compared with the week of October 12 as the average new issue concession increased to 7bps from 3bps last week, while the average break performance improved at -1bps tighter this week versus 0bps tighter last week. As a result, the overall new issue performance, which we measure as new issue concession plus break performance, widened to 6bps this week from 3bps last week. This week's new issues are trading 0bps wider on average from pricing.

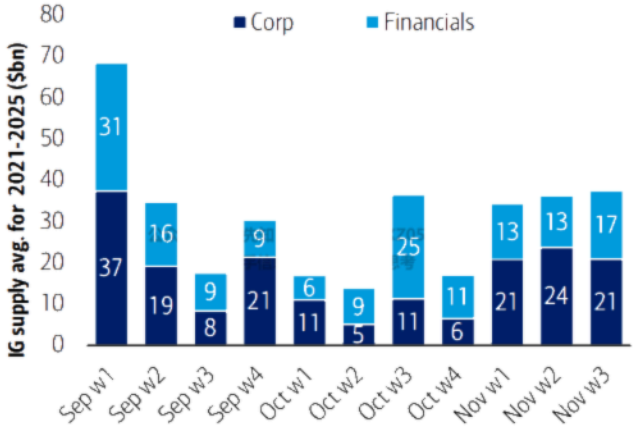
Exhibit 41: Weekly new issue supply performance
For the week of Oct 19 2026: new issue concession = 6.8bps; break performance = -.9bps; net performance = 5.9bps.



Source: BofA Global Research

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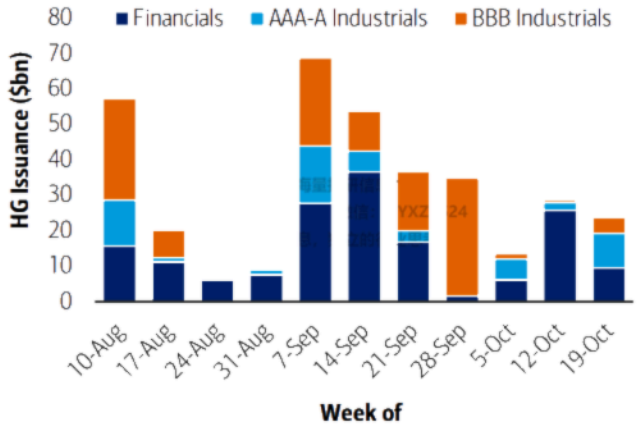
Exhibit 42: IG supply seasonality weekly
Supply is the heaviest during the first week of September, and accelerates into November.



Source: Bloomberg, BofA Global Research

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Exhibit 43: Weekly Supply since week of Aug-10
This week's supply ending Oct-23 consisted of $9.5bn financials, $9.7bn high-quality industrials and $4.5bn BBB industrials.



Bloomberg, BofA Global Research

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Exhibit 44: Recent new issue pricing and new issue concessions
List of new issues in the IG corporate bond market this week along with performance metrics.

Date	Ticker	Name	Tenor	Size ($mn)	Moody's/S&P	Cpn (%)	Px Spd	NIC	* Brk Perf	Cur Spd
2026-10-19	BNY	Bank of New York Mellon Corp/The	PERP NC5	1,250	Baa1/BBB	7.125	219	n.a.	-2	215
2026-10-19	KMB	Kimberly-Clark Corp	2	750	A2/A	5.1	37	n.a.	-2	36
2026-10-19	KMB	Kimberly-Clark Corp	3	1,000	A2/A	5.3	47	n.a.	-2	46
2026-10-19	KMB	Kimberly-Clark Corp	5	1,250	A2/A	5.45	57	n.a.	-2	57
2026-10-19	KMB	Kimberly-Clark Corp	7	750	A2/A	5.65	67	n.a.	-1	66
2026-10-19	KMB	Kimberly-Clark Corp	10	1,150	A2/A	5.8	72	n.a.	-1	70
2026-10-19	MTB	Manufacturers & Traders Trust Co	3NC2	350	A3/A-	FRN	SOFRRATE+82	n.a.	n.a.	n.a.
2026-10-19	MTB	Manufacturers & Traders Trust Co	3NC2	850	A3/A-	5.481	72	n.a.	n.a.	n.a.
2026-10-19	TAQAUH	Abu Dhabi National Energy Co PJSC	6	1,100	Aa3/NA	5.875	98	n.a.	n.a.	n.a.
2026-10-19	TAQAUH	Abu Dhabi National Energy Co PJSC	10	650	Aa3/NA	6.125	108	n.a.	n.a.	n.a.
2026-10-19	WMT	Walmart Inc	3	750	Aa2/AA	5.05	20	n.a.	-1	18
2026-10-19	WMT	Walmart Inc	5	500	Aa2/AA	5.15	27	n.a.	-2	27
2026-10-19	WMT	Walmart Inc	7	1,000	Aa2/AA	5.35	35	6	n.a.	34
2026-10-19	WMT	Walmart Inc	10	750	Aa2/AA	5.55	45	6	1	46
2026-10-20	BAC	Bank of America Corp	PERP NC5	2,000	Baa2/BBB-	7.2	226	n.a.	-4	231
2026-10-20	PNC	PNC Financial Services Group Inc/The	3NC2	300	A3/A-	FRN	SOFRINDX+77	n.a.	n.a.	n.a.
2026-10-20	PNC	PNC Financial Services Group Inc/The	3NC2	1,200	A3/A-	5.463	67	7	-2	65
2026-10-21	ASBBNK	ASB Bank Ltd	3	600	A2/A	5.696	83	n.a.	n.a.	88
2026-10-21	CITADL	Citadel LP	5	300	Baa2/BBB	6.15	138	n.a.	n.a.	n.a.
2026-10-21	CITADL	Citadel LP	7	450	Baa2/BBB	6.4	160	n.a.	-1	159
2026-10-21	GLENLN	Glencore Funding LLC	3	500	A3/BBB+	5.546	68	2	-1	69
2026-10-21	GLENLN	Glencore Funding LLC	5	500	A3/BBB+	5.8	90	2	-1	93
2026-10-21	GLENLN	Glencore Funding LLC	10	1,000	A3/BBB+	6.256	115	9	-2	114
2026-10-21	NRUC	National Rural Utilities Cooperative Finance Corp	2	400	A2/NA	5.25	47	5	-1	46
2026-10-21	NRUC	National Rural Utilities Cooperative Finance Corp	3	400	A2/NA	5.4	57	7	-1	56
2026-10-21	NRUC	National Rural Utilities Cooperative Finance Corp	5	400	A2/NA	5.6	67	n.a.	n.a.	n.a.
2026-10-21	USB	US Bancorp	PERP NC5	1,000	Baa2/BBB	7.2	225	n.a.	n.a.	238
2026-10-21	WDAY	Workday Inc	3	750	Baa1/BBB+	5.7	82	10	1	80
2026-10-21	WDAY	Workday Inc	5	500	Baa1/BBB+	6	105	13	1	109
2026-10-21	WDAY	Workday Inc	7	750	Baa1/BBB+	6.3	135	n.a.	1	135
2026-10-21	WDAY	Workday Inc	10	500	Baa1/BBB+	6.5	145	n.a.	4	151

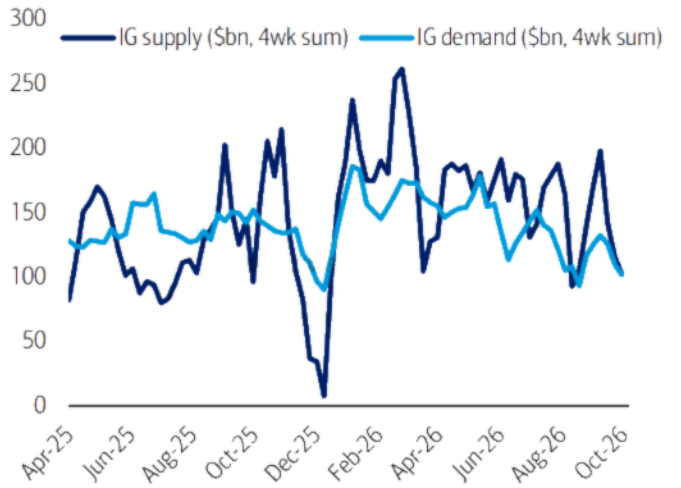
Source: BofA Global Research, Bloomberg

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Weekly technicals details

Below we track an indicator for the IG market technicals based on supply, maturities, flows, coupons, net downgrades to HY, and calls and tenders. This past week's IG supply net demand was +$4.0bn, and we expect weaker technicals at +$14.5bn next week. We estimate dealer inventories increased +$4.6bn this past week (Exhibit 56).

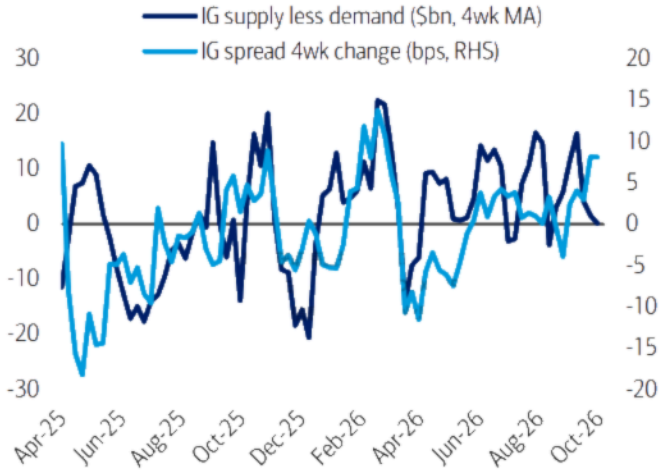
Exhibit 45: IG supply and demand, 4 week sum
IG supply: gross issuance + rising stars - fallen angels. IG demand: maturities + calls/tenders + coupons + IG ETF / fund flows.



Source: BofA Global Research, ICE Data Indices, LLC, EPFR Global, Bloomberg

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Exhibit 46: IG supply and demand vs IG spread change
IG supply: gross issuance + rising stars - fallen angels. IG demand: maturities + calls/tenders + coupons + IG ETF / fund flows.



Source: BofA Global Research, ICE Data Indices, LLC, EPFR Global, Bloomberg

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Exhibit 47: IG supply and demand breakdown ($bn)
IG supply: gross issuance + rising stars - fallen angels. IG demand: maturities + calls/tenders + coupons + IG ETF / fund flows.

	Supply				Demand					Net
	Issuance	Fallen angel	Rising star	Total supply	Calls/Tenders	Maturity	Coupons	ETF / Fund flows	Total demand	Supply net demand
Week of Oct-19	23.7	0.1	0.3	23.9	0.0	13.0	7.1	-0.3	19.8	4.0
Week of Oct-26	35.0	0.1	0.3	35.2	0.0	13.0	4.3	3.4	20.8	14.5
1wk chg est.	11.4	0.0	0.0	11.4	0.0	0.0	-2.7	3.7	0.9	10.4
12wk MA	35.9	0.4	0.8	36.4	1.0	15.1	9.2	2.3	27.6	3.5
12wk %tile										
Week of Oct-19	36%	0%	0%	36%	0%	0%	55%	9%	18%	55%
Week of Oct-26	64%	0%	0%	55%	0%	0%	27%	82%	27%	82%

Source: BofA Global Research, ICE Data Indices, LLC, EPFR Global, Bloomberg

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Exhibit 48: Estimated changes in IG dealer inventories by maturity and broad sector.
We estimate IG dealer inventories increased -$589mn on Oct-22 increased $3,900mn over the prior week, and increased -$390 over the past 4 weeks.

	Net dealer buy ($mn)					Net dealer DV01 change ($thousand)					Trading volumes on 22-Oct-26 ($mn)			
Sector	22-Oct	21-Oct	1 W	2 W	4 W	22-Oct	21-Oct	1 W	2 W	4 W	Buy	Sell	Dealer	Total
High grade (TRACE + ETFs)	**-589**	**456**	**3,900**	**5,460**	**-390**	**-133**	**1,049**	**3,762**	**4,192**	**1,950**	**14,423**	**13,797**	**8,696**	**36,916**
ETF flow	**1,215**	**688**	**1,733**	**3,018**	**6,290**	**666**	**459**	**1,133**	**1,585**	**3,496**	-	-	-	-
TRACE net dealer buy	**625**	**1,144**	**5,633**	**8,478**	**5,899**	**533**	**1,507**	**4,896**	**5,778**	**5,447**	**14,423**	**13,797**	**8,696**	**36,916**
<3yr	217	-324	629	1,767	728	37	-67	75	277	-41	1,863	1,645	1,179	4,687
3-5yr	-68	-109	-101	706	-3,676	-12	16	21	247	-1,419	2,957	3,025	2,015	7,997
5-11yr	-157	494	2,076	3,070	5,012	-152	375	1,223	1,751	3,054	5,213	5,369	3,502	14,083
11+yr	633	1,082	3,029	2,935	3,836	661	1,183	3,576	3,503	3,853	4,390	3,758	2,000	10,148
Fin	70	-1,135	248	1,642	968	27	-102	761	1,250	965	4,672	4,602	3,121	12,395
Non-Fin	555	2,279	5,385	6,837	4,931	506	1,609	4,135	4,528	4,481	9,750	9,195	5,574	24,520
Fixed	625	1,121	5,553	8,068	5,216	533	1,428	4,803	5,586	5,395	14,423	13,797	8,696	36,916
Floating	0	23	80	410	683	0	79	92	192	51	0	0	0	0
US issuers	722	1,441	4,525	6,969	4,106	583	1,506	3,988	4,532	3,440	12,034	11,312	7,409	30,754
DM Yankees	-140	-324	1,003	1,432	1,613	-84	2	777	1,127	1,733	2,220			
EM Yankees	44	27	106	77	180	34	-1	131	119	273	169			

Note: data for maturities 13M or longer. Changes in inventories are estimated based on TRACE and IG ETF flows.
Source: BofA Global Research, FINRA TRACE, Bloomberg

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Sector views

Below is the summary of US IG sector views. For more details, see IG Credit Strategist: Sector outlook.

Exhibit 49: US IG credit strategy sector views summary as of Oct-23-2026
Below outlines our sector views.

Overweight	View	Market weight	View	Underweight	View
Automobiles	**Over**	**Aerospace/Defense**	**Market**	**Consumer Products**	**Under**
Banks/Brokers	**Over**	**Basic Materials**	**Market**	**Food, Bev, & Bottling**	**Under**
Energy	**Over**	Metals & Mining	Market	**Health Care**	**Under**
Oil & Gas	Over	Chemicals	Market	**Retail**	**Under**
Pipelines	Over	**Industrial Products**	**Market**	Discounters	Under
Life Insurance	**Over**	**Tobacco**	**Market**	Non-Discounters	Under
Media & Entertainment	**Over**			**Telecom**	**Under**
Railroads	**Over**				
REITs	**Over**				
Technology	**Over**				
Hyperscalers	Over				
Rest	Market				
Utilities	**Over**				

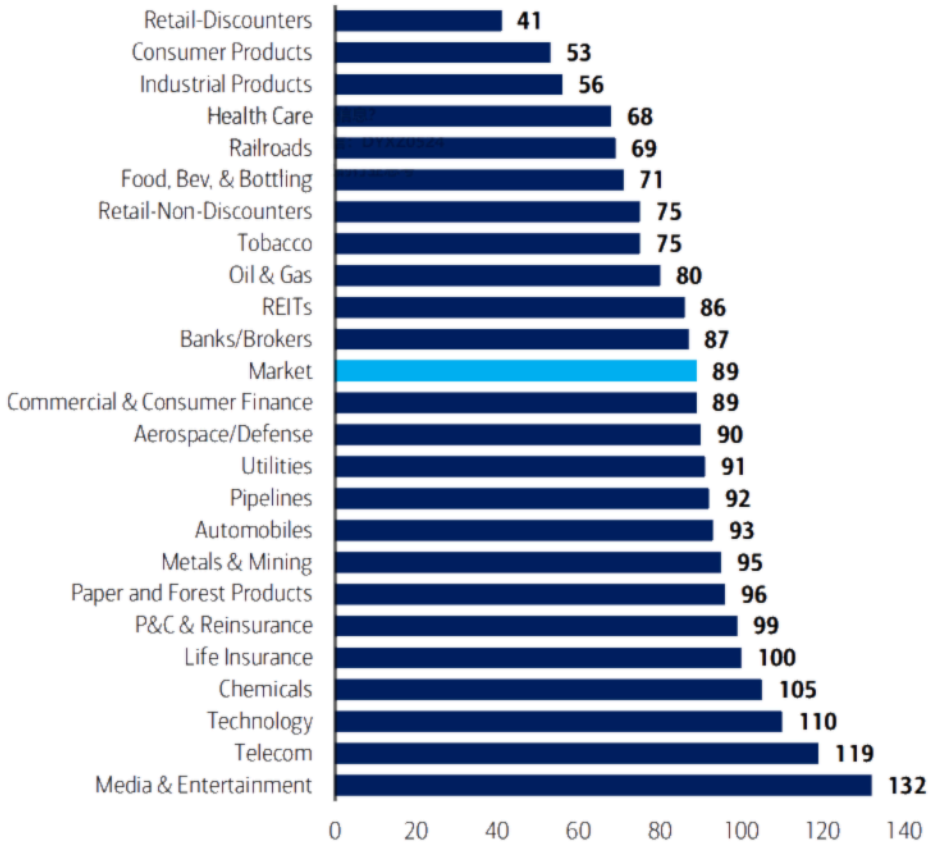
Source: BofA Global Research

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Weekly data and charts

High Grade Spreads by Sector

Exhibit 50: High grade spreads by sector (bps)
Sector spreads for BofA US IG Corporate Index C0A0 as of October 22, 2026. Sectors with the tightest spreads are Retail-Discounters (41bps) and Consumer Products (53bps), while sectors with the widest spreads are Media & Entertainment (132bps) and Telecom (119bps). Results include subordinated and hybrid securities.



Source: BofA Global Research, ICE Data Indices, LLC

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High grade sector historical performance

Exhibit 51: High Grade Sector Performance as of October 22, 2026

Sector spreads and performance for BofA HG U.S. Corporate Master C0A0. Insurance-Other had the largest MTD excess return at 6bps, while Media-Cable had the lowest MTD excess return at -219bps. Results include subordinated and hybrid securities.

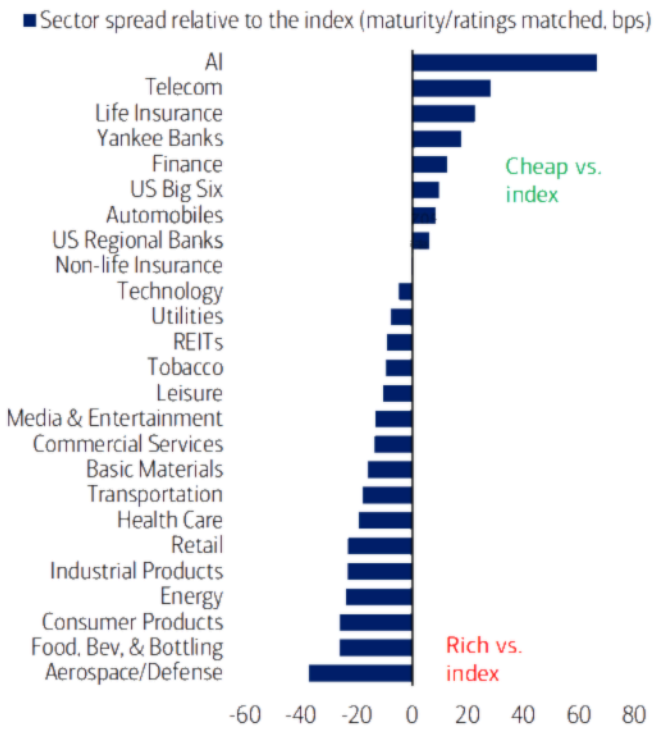
								Excess Return (bps)				Spread Change (bps)				Total Return
Sector	Rating	OAS	Duration	Yield	Price	Face ($bn)	% Mkt Value	MTD	QTD	YTD	YOY	MTD	QTD	YTD	YOY	QTD
Aerospace/Defense	BBB1	90	7.3	5.88	92.0	202.6	2.00	-34	-34	14	52	5	5	21	18	224
Automobiles	BBB1	93	3.5	5.67	96.8	257.0	2.66	-8	-8	52	93	3	3	9	5	118
Banks/Brokers	A2	87	4.5	5.64	95.3	2,080.4	21.24	-26	-26	-4	37	5	5	14	11	135
Basic Materials	BBB1	97	6.3	5.88	92.7	389.2	3.87	-42	-42	58	96	7	7	5	3	182
Building Materials	BBB2	86	6.2	5.76	93.4	49.0	0.49	-14	-14	35	75	2	2	7	4	205
Chemicals	BBB2	105	6.6	5.99	89.3	116.8	1.12	-63	-63	97	87	12	12	1	3	171
Homebuilders	BBB2	90	4.5	5.69	95.6	24.7	0.25	-29	-29	44	75	4	4	7	9	132
Metals & Mining	BBB1	95	6.8	5.89	94.1	149.7	1.51	-41	-41	36	111	5	5	7	3	201
Paper and Forest Products	BBB2	96	5.1	5.81	94.4	49.0	0.50	-31	-31	57	93	5	5	0	-2	149
Commercial Services	A2	71	6.3	5.61	90.1	173.0	1.67	-12	-12	43	72	1	1	5	5	211
Consumer Products	A2	53	5.8	5.42	91.8	66.8	0.65	-5	-5	67	96	0	0	-3	-1	200
Energy	A3	86	6.9	5.81	92.4	832.1	8.24	-24	-24	98	162	4	4	-7	-10	220
Oil & Gas	A3	80	6.9	5.75	90.9	471.7	4.60	-39	-39	50	109	4	4	-7	-9	207
Pipelines	BBB1	92	6.8	5.88	94.5	360.4	3.65	-5	-5	158	228	1	1	-8	-13	236
Finance	BBB1	100	4.6	5.80	93.9	564.7	5.68	-17	-17	37	74	5	5	11	10	145
Commercial & Consumer Finance	BBB1	89	3.6	5.62	97.1	187.1	1.95	-7	-7	57	98	3	3	8	4	122
Finance-Other Services	A3	106	5.1	5.89	92.3	377.7	3.73	-22	-22	27	62	7	7	13	13	157
Food, Bev, & Bottling	A3	71	7.0	5.66	90.6	346.0	3.35	3	3	45	81	-1	-1	4	3	250
Health Care	A3	68	7.6	5.67	89.5	1,002.4	9.59	-1	-1	73	113	0	0	-2	-5	268
Industrial Products	A3	56	5.5	5.42	92.6	226.7	2.25	-2	-2	52	83	0	0	0	-1	192
Insurance	A3	99	6.2	5.91	92.4	513.0	5.08	-20	-20	29	67	4	4	8	5	199
Insurance-Other	BBB1	91	7.0	5.86	93.1	74.0	0.73	6	6	22	75	1	1	7	3	253
Life Insurance	A2	100	5.6	5.88	93.0	307.5	3.07	-26	-26	17	49	5	5	10	7	171
Multi-Line Insurance	A3	116	6.5	6.11	93.4	20.0	0.20	-35	-35	11	61	7	7	13	8	194
P&C & Reinsurance	A3	99	7.5	5.98	90.0	111.5	1.08	-19	-19	60	102	3	3	4	3	245
Leisure	BBB2	104	4.0	5.80	96.5	66.7	0.69	-18	-18	26	72	6	6	15	10	126
Media & Entertainment	A2	132	8.0	6.33	84.7	379.0	3.45	-155	-155	-307	-383	18	18	31	36	131
Media-Cable	BBB1	199	8.3	7.03	76.9	137.7	1.14	-219	-219	-365	-436	27	27	63	74	79
Media-Diversified	A1	99	7.8	5.98	89.2	241.3	2.31	-123	-123	-294	-363	14	14	24	32	157
Real Estate Dev & Mgt	BBB1	116	4.3	5.95	94.2	10.5	0.11	-40	-40	-24	4	8	8	33	33	113
REITs	BBB1	86	5.0	5.70	92.2	301.2	2.97	-8	-8	48	87	2	2	6	4	168
Retail	A2	72	7.2	5.67	88.5	374.4	3.54	-32	-32	-39	-24	3	3	14	13	224
Food & Drug Retailers	BBB2	91	8.0	5.92	88.1	27.6	0.26	-18	-18	46	82	2	2	5	4	264
Retail-Discounters	A1	41	6.8	5.33	90.4	50.3	0.49	5	5	45	87	-1	-1	0	-5	244
Retail-Non-Discounters	A2	75	7.2	5.70	88.2	296.5	2.80	-39	-39	-65	-58	4	4	16	17	216
Technology	A3	110	6.7	6.02	86.9	708.7	6.60	-117	-117	-124	-174	16	16	31	41	121
Telecom	BBB1	119	7.6	6.19	86.4	389.5	3.61	-123	-123	-122	-111	15	15	34	35	147
Tobacco	A3	75	6.1	5.67	93.9	96.6	0.97	4	4	78	128	-1	-1	-1	-7	220
Transportation	A3	81	8.5	5.84	86.6	182.7	1.69	-23	-23	68	125	3	3	3	0	278
Railroads	A3	69	10.2	5.82	82.6	111.7	0.99	-7	-7	78	120	1	1	1	-2	354
Transportation-Other	BBB1	97	6.1	5.88	92.9	71.1	0.71	-45	-45	59	135	6	6	7	2	172
Utilities	A3	91	7.5	5.89	90.3	1,043.6	10.09	-14	-14	62	95	2	2	5	4	252
Market	A3	89	6.2	5.79	91.5	10,206.9	100.00	-33	-33	11	41	5	5	10	9	187

Source: ICE Data Indices, LLC, BofA Global Research

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Sector performance and relative value

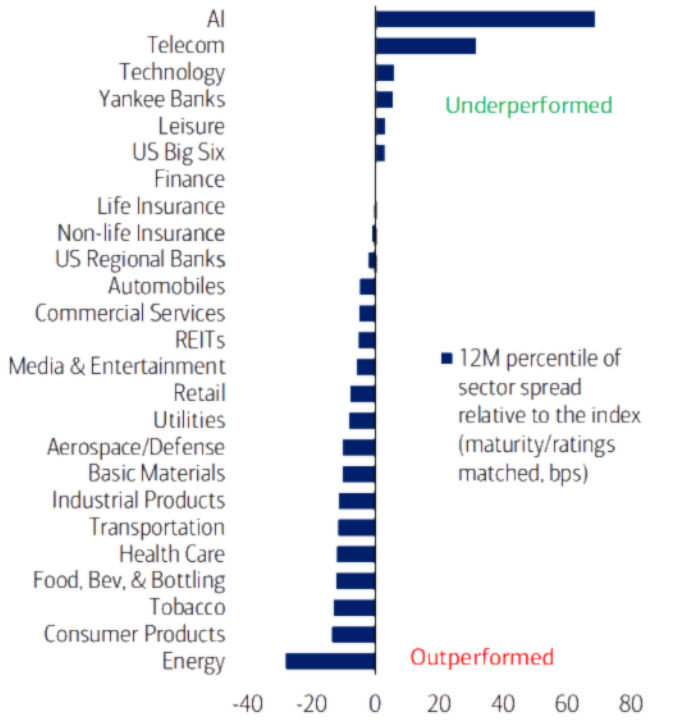
Exhibit 52: Sector spread differential to the market
AI (66 bps) and Telecom (28 bps) are trading wide to the index and Aerospace/Defense (-37 bps) and Food, Bev, & Bottling (-26 bps) are trading tight vs the market.



Note: The spread difference is adjusted for rating and maturity. Snr bonds only. Excludes EM. AI sector includes the following tickers: AMZN, GOOGL, META, MSFT, ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD
Source: ICE Data Indices, LLC, BofA Global Research

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Exhibit 53: 12M change in sector spread differential vs market
AI (69 bps) and Telecom (32 bps) are trading wide to the index and Energy (-28 bps) and Consumer Products (-14 bps) are trading tight vs the market.



Note: The spread difference is adjusted for rating and maturity. Snr bonds only. Excludes EM. AI sector includes the following tickers: AMZN, GOOGL, META, MSFT, ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD
Source: ICE Data Indices, LLC, BofA Global Research

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Exhibit 54: Issuers with the biggest spread tightening from Oct 15 to Oct 22
At an issuer level, ASCHEA (-2bps), HARVRD (-1bps), NBNAUS (1bps), were the biggest movers this week.

Ticker	Issuer	Sector	Avg index rating	Index notional ($mn)	Current spd (bps)	WoW spread chg (bps)
ASCHEA	Ascension Health Alliance	Health Care	AA	5,138	63	-2
HARVRD	President & Fellows of Harvard College	Commercial Services	AAA	4,552	54	-1
NBNAUS	NBN Co Ltd.	Telecom	AA	4,850	49	1
OGLETH	Oglethorpe Power Corporation Membership	Utilities	BBB+	4,512	97	1
DE	John Deere Capital Corporation	Industrial Products	A+	29,650	36	2
GUARDN	Guardian Life Global Funding	Insurance	AA+	8,228	57	2
FE	FirstEnergy Corp.	Utilities	A-	17,453	71	2
CME	CME Group Inc.	Finance	AA-	3,450	39	2
MARS	Mars Inc.	Food, Bev, & Bottling	A	32,987	64	2

Note: Only includes issuers with at least 3bps weight of the index and weekly spread change z-score of at least 0.6 for the past 50 weeks.
Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 55: Issuers with the biggest spread widening from Oct 15 to Oct 22
At an issuer level, SPCX (31bps), ORCL (29bps), STLA (26bps), were the biggest movers this week.

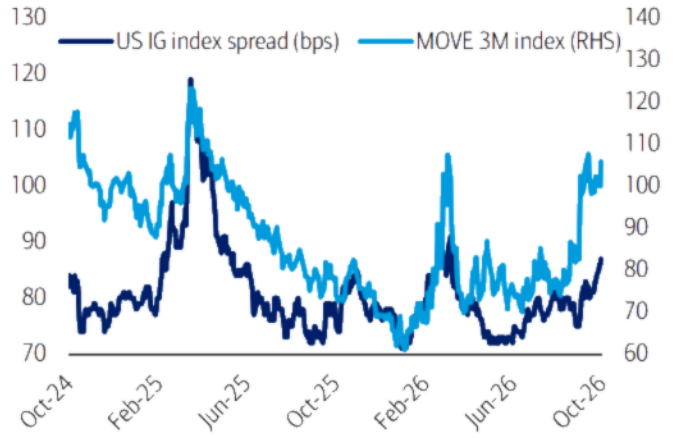
Ticker	Issuer	Sector	Avg index rating	Index notional ($mn)	Current spd (bps)	WoW spread chg (bps)
SPCX	Space Exploration Technologies Corp.	Aerospace/Defense	BBB+	25,275	200	**31**
ORCL	Oracle Corporation	Technology	BBB	117,240	250	**29**
STLA	Stellantis Finance Us Inc	Automobiles	BBB-	12,248	207	**26**
UCGIM	UniCredit S.p.A.	Banks/Brokers	BBB	3,750	126	**25**
SOCGEN	Societe Generale S.A.	Banks/Brokers	BBB+	26,351	134	**23**
BFCM	Banque Federative du Credit Mutuel	Banks/Brokers	A+	8,269	88	**21**
BPCEGP	Bpce Sa	Banks/Brokers	A-	27,554	124	**21**
EDF	Electricite de France SA	Utilities	BBB+	19,923	125	**20**
MYLIFE	Meiji Yasuda Life Insurance Co.	Insurance	A-	4,896	153	**19**
QTSODY	QTS Central Issuer LLC	Telecom	BBB-	3,900	216	**18**

Note: Only includes issuers with at least 3bps weight of the index and weekly spread change z-score of at least 0.6 for the past 50 weeks
Source: BofA Global Research, ICE Data Indices, LLC

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IG spreads vs vol

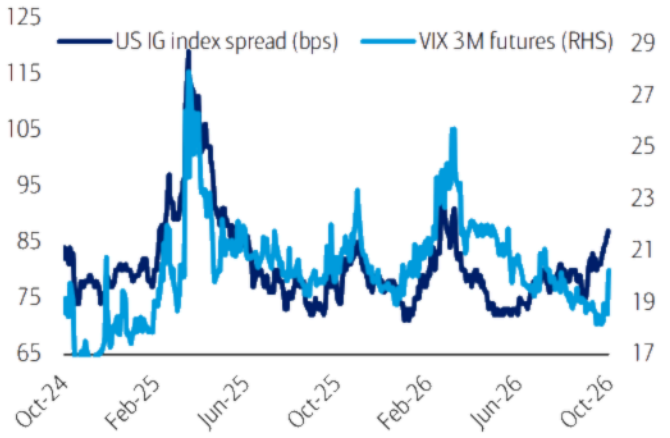
Exhibit 56: IG index spread vs rate vol
Below shows IG index spread roughly tracking rates volatility.



Source: Bloomberg

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Exhibit 57: IG index spread vs equity vol
Below shows IG index spread roughly tracking equity volatility.



Source: Bloomberg

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Supply statistics

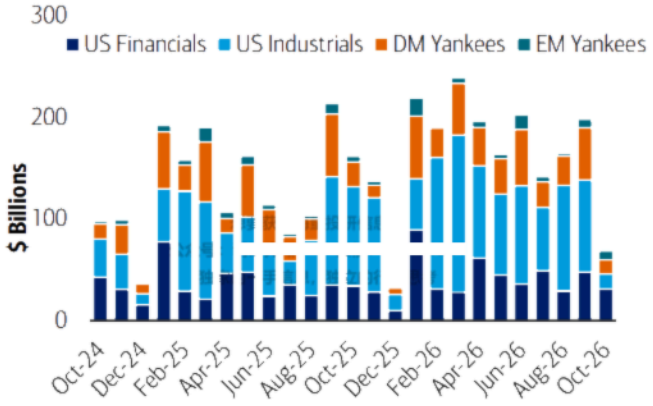
Exhibit 58: High grade supply summary as of Oct-23, $bn
The largest share of MTD supply came from US Financials ($31.3bn) and US Industrials ($14.8bn).

Sector	WTD	MTD	QTD	YTD
US Financials	8.9	31.3	31.3	449.4
US Industrials	10.4	14.8	14.8	874.1
European Financials	0.0	4.8	4.8	165.9
European Industrials	0.0	1.5	1.5	58.1
EM Yankees	1.8	8.4	8.4	71.6
Non-Euro Non-EM Yankees	2.6	7.8	7.8	164.7
Total	**23.7**	**68.4**	**68.4**	**1,783.8**

Source: BofA Global Research, Bloomberg

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Exhibit 59: HG monthly issuance from Oct-2024 to Oct-2026, $bn
October supply consisted of $14.8bn US Industrials, $31.3bn US financials, $22.4bn Yankees.



Source: Bloomberg, BofA Global Research

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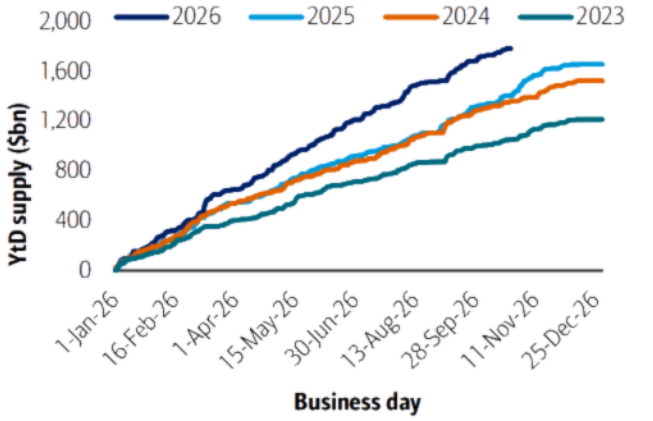
Exhibit 60: Cumulative High grade supply YTD 2022-2026, $bn
YtD supply is $1,784bn in 2026, up 27% from 2025 and up 3% from 2024.

Sector	YTD 2022	YTD 2023	YTD 2024	YTD 2025	YTD 2026
Financials	584.1	465.4	587.6	626.7	767.4
AAA-A Corp.	202.7	279.3	356.0	372.8	533.6
BBB Corp.	274.0	305.8	417.1	407.6	482.8
Total	**1,060.8**	**1,050.5**	**1,360.6**	**1,407.1**	**1,783.8**
%-change			**30%**	**3%**	**27%**
US	731.8	739.9	974.7	988.7	1,323.5
Europe	144.6	160.7	209.4	199.8	224.0
EM	49.6	32.5	51.1	62.4	71.6
Other DM	134.9	117.4	125.4	156.2	164.7

Source: BofA Global Research, Bloomberg

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Exhibit 61: Cumulative High grade supply 2023-2026, $bn
Supply so far in 2026 closely followed 2025, though up from 2023-2024.

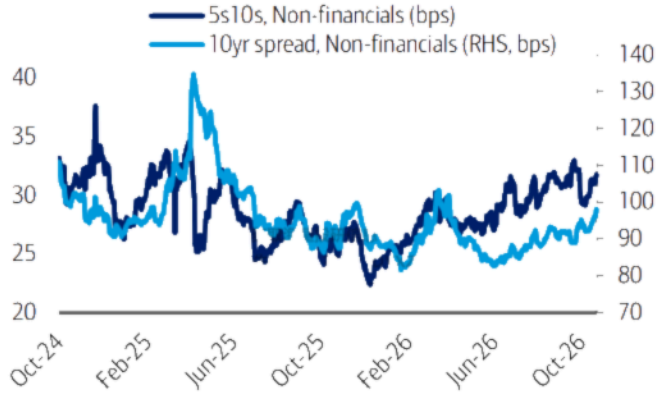


Source: BofA Global Research, Bloomberg

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Corporate spread curves

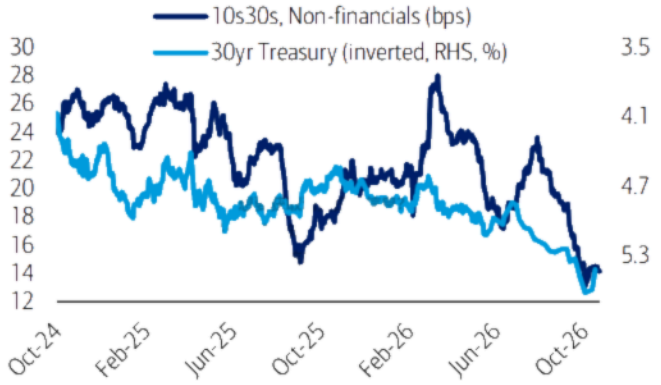
Exhibit 62: 5s10s non-financial corporate spread curves
5s10s spread curves have steepened YTD, and flattened since Oct-2024.



Note: the spread curve calculation is restricted to issuers that have bonds outstanding for both the short and the long tenors. For spread levels we use only on-the-run bonds (one for each tenor), outstanding for at most three years. The aggregate market spread curve is a simple average of individual issuer curves.
Source: BofA Global Research, ICE Data Indices, LLC

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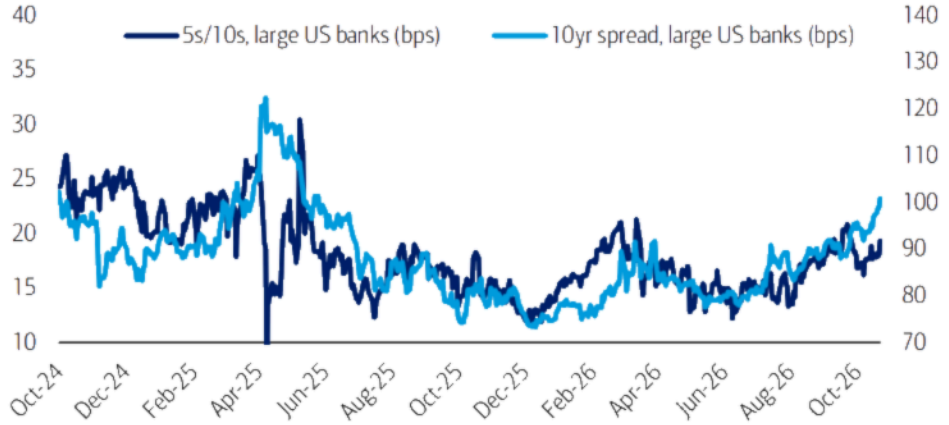
Exhibit 63: 10s30s non-financial corporate spread curves
10s30s IG spread has flattened YtD as 30yr Treasury rose, and it flattened as 30yr yield rose since Oct-2024.



Note: the spread curve calculation is restricted to issuers that have bonds outstanding for both the short and the long tenors. For spread levels we use only on-the-run bonds (one for each tenor), outstanding for at most three years. The aggregate market spread curve is a simple average of individual issuer curves.
Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 64: 5s10s Banks corporate spread curves
5s10s large US bank spread curves have steepened YTD, and flattened since Oct-2024.

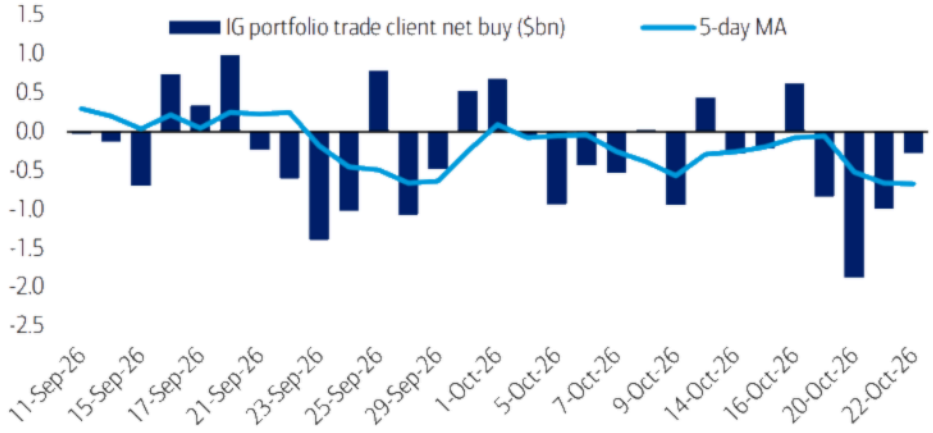


Note: the spread curve calculation is restricted to the top four US banks that have senior bonds outstanding for both the short and the long tenors. For spread levels we use only on-the-run bonds (one for each tenor), outstanding for at most three years. The aggregate market spread curve is a simple average of individual issuer curves.
Source: BofA Global Research, ICE Data Indices, LLC

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Portfolio trades tracker

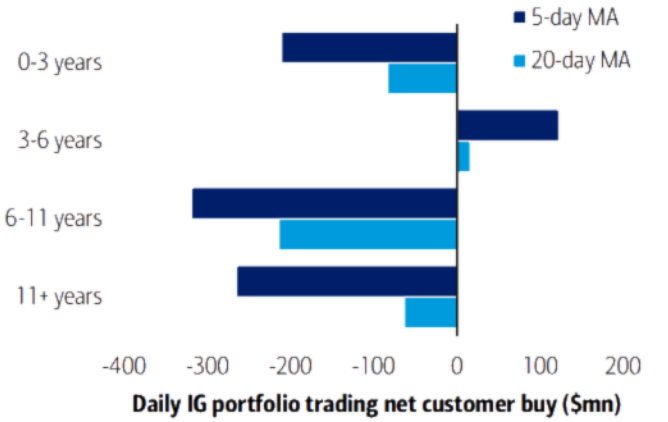
Exhibit 65: IG portfolio trading net investor buy from Sep-11 to Oct-22
The largest PT client net buy since Sep-11 was on Sep-18 with $1bn client net buy, vs $-0.3bn on Oct-22.



Source: Finra Trace, BofA Global Research

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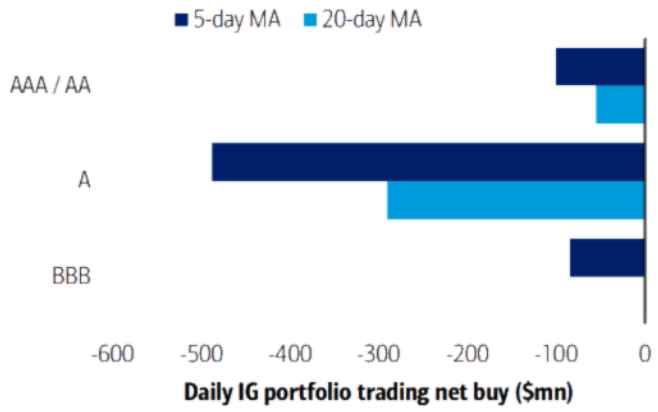
Exhibit 66: IG portfolio trading net investor buy by maturity
This past five days ending Oct-22 portfolio investors were net buyers of 3-5 years ($122mn) maturities and they were net sellers of 0-3 years ($-211mn), 5-10 years ($-320mn), 10+ years ($-266mn) maturities.



Source: Finra Trace, BofA Global Research

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Exhibit 67: IG portfolio trading net investor buy by rating
This past five days ending Oct-22 portfolio investors were net sellers of all ratings: BBB ($-85mn), A ($-489mn), AA or higher ($-101mn).

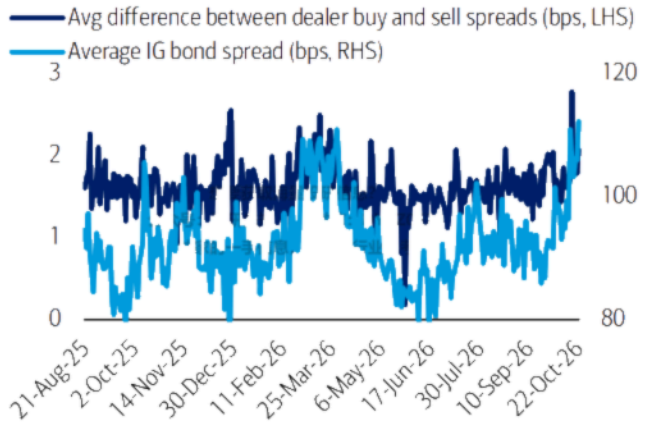


Source: Finra Trace, BofA Global Research

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Liquidity tracker

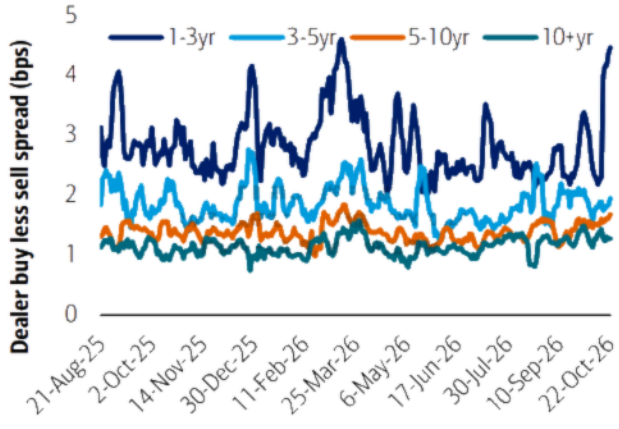
Exhibit 68: Difference between dealer buy and sell spreads
Difference between dealer buy and sell spreads remains moderate (2bps as of Oct-22) and in line with IG bond spreads (112bps as of Oct-22) from 08/2025 to 10/2026.



Note: based on Finra Trace dealer-to-client buy and sell trades of at least $1mn and BofA credit trader runs for ICE BofA US IG corporate C0A0 index bonds, and plotting daily average difference between dealer buy and sell trade spreads for the same bond on the same day.
Source: Finra Trace, BofA Global Research

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Exhibit 69: Difference btwn dealer buy and sell spreads by maturity
Difference between dealer buy and sell spreads remains moderate across the curve from 08/2025 to 10/2026: 1-3yr (4bps), 3-5yr (2bps), 5-10yr (2bps), 10+yr (1bps) as of Oct-22.

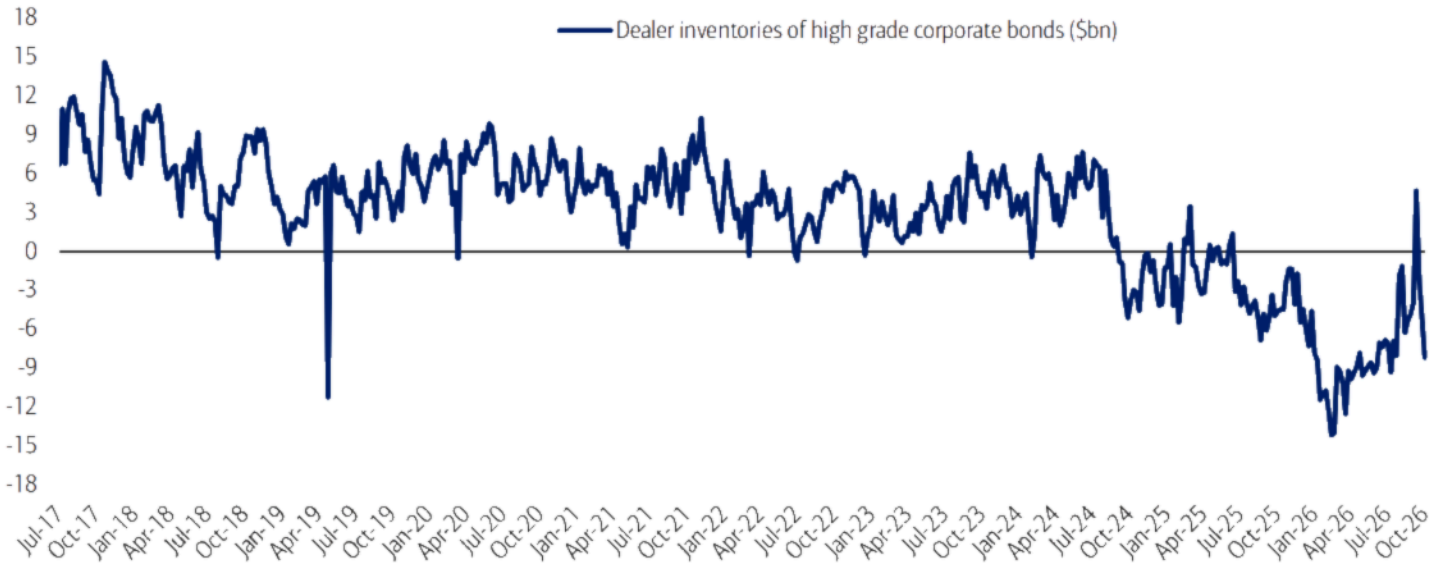


Note: based on Finra Trace dealer-to-client buy and sell trades of at least $1mn and BofA credit trader runs for ICE BofA US IG corporate C0A0 index bonds, and plotting daily average difference between dealer buy and sell trade spreads for the same bond on the same day.
Source: Finra Trace, BofA Global Research

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Dealer inventories

Exhibit 70: Dealer inventories of high grade corporate bonds ($bn)
Fed reported dealer inventories of US IG corporate bonds at -$8.2bn as of Oct 14 2026, down from $6.7bn as of Jul 12 2017.

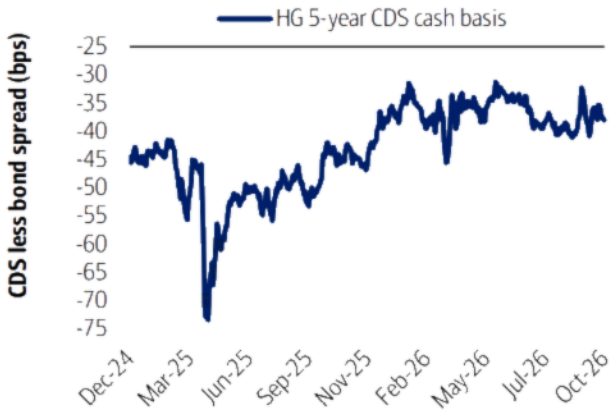


Source: BofA Global Research, Federal Reserve Bank

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CDS cash basis

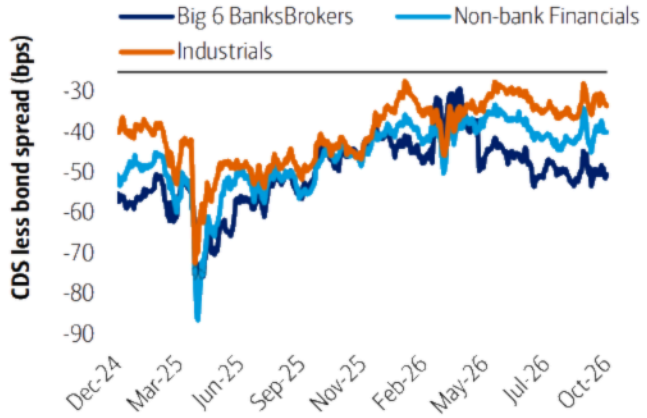
Exhibit 71: 5-year CDS cash basis
US IG CDS cash basis at -38bps as of Oct-22, up from -44bps on Dec-19.



Note: CDS-Cash basis is currently based on spreads of the following 30 issuers: AIG, AMGN, AXP, BA, BAC, BMY, C, CMCSA, COF, CVS, DE, DIS, GM, GS, HD, IBM, JPM, LOW, MO, MS, ORCL, PFE, PRU, SPG, T, TMUS, UNH, VZ, WFC, WMT.
Source: BofA Global Research, ICE Data Indices, LLC, Markit

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Exhibit 72: 5-year CDS cash basis by broad sector
Below shows CDS cash basis by broad sector.

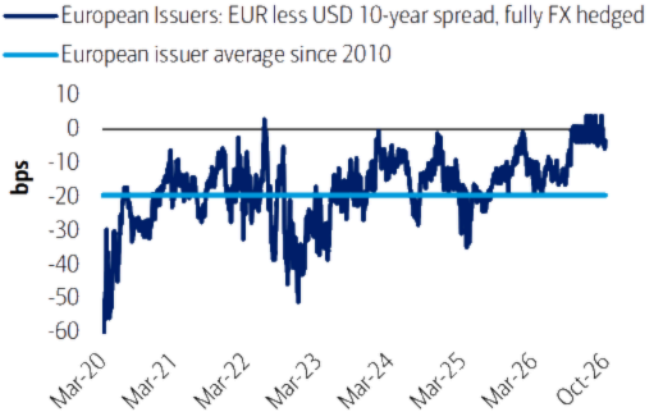


Note: CDS-Cash basis is currently based on spreads of the following 30 issuers: AIG, AMGN, AXP, BA, BAC, BMY, C, CMCSA, COF, CVS, DE, DIS, GM, GS, HD, IBM, JPM, LOW, MO, MS, ORCL, PFE, PRU, SPG, T, TMUS, UNH, VZ, WFC, WMT.
Source: BofA Global Research, ICE Data Indices, LLC, Markit

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USD EUR relative value

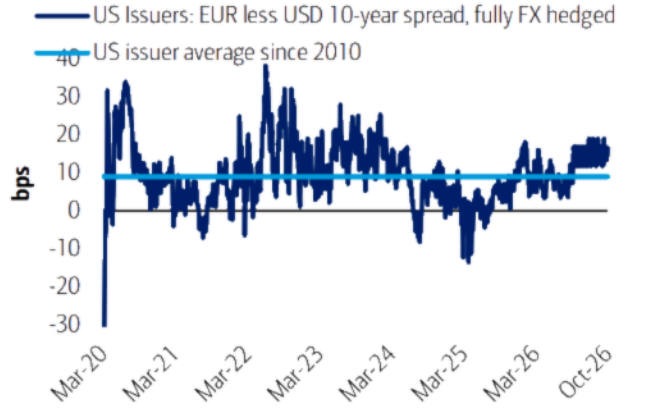
Exhibit 73: European issuers: relative EUR and USD spreads
Relative value between fully currency hedged EUR and USD spreads for US issuers is at -3bps as of Oct-22, above the average from 2010, and up from -85bps on Mar-19-2020.



Note: the chart plots issuer-matched spreads on a fully currency hedged basis. We use maturity-matched cross currency basis swaps to fully currency hedge principal and interest rate payments, and forward FX rates to fully hedge the stream of spread payments. We also adjust for the difference in quoting conventions with a 3 to 6M Euribor swap.
Source: BofA Global Research, ICE Data Indices, LLC, Bloomberg

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Exhibit 74: US issuers: relative EUR and USD spreads
Relative value between fully currency hedged EUR and USD spreads for European issuers is at 17bps as of Oct-22, below the average from 2010, and up from -74bps on Mar-19-2020.



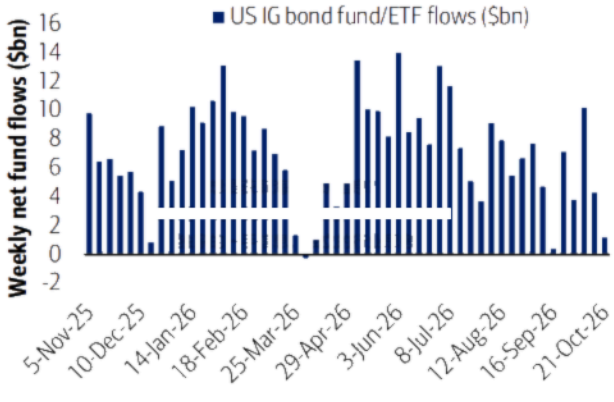
Note: the chart plots issuer-matched spreads on a fully currency hedged basis. We use maturity-matched cross currency basis swaps to fully currency hedge principal and interest rate payments, and forward FX rates to fully hedge the stream of spread payments. We also adjust for the difference in quoting conventions with a 3 to 6M Euribor swap.
Source: BofA Global Research, ICE Data Indices, LLC, Bloomberg

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Mutual fund flows

Exhibit 75: Weekly high grade fund flows, $bn

US IG bond fund/ETF flows was +$1.22bn the week ending 10-21-2026, down from +$4.32bn in 10-14-2026 and down from +$9.84bn in 11-05-2025.

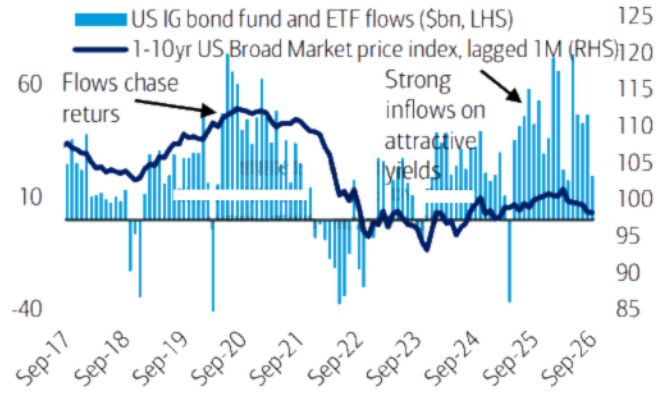


Source: EPFR Global, BofA Global Research

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Exhibit 76: Monthly high grade fund flows, $bn

High grade bond flows tend to follow returns as shown since 09/2016, although it has been decoupled since around Oct - 2024. Inflows into IG was $20bn in Sep-30, while 1-10yr broad market price was at 98.3 one month prior.



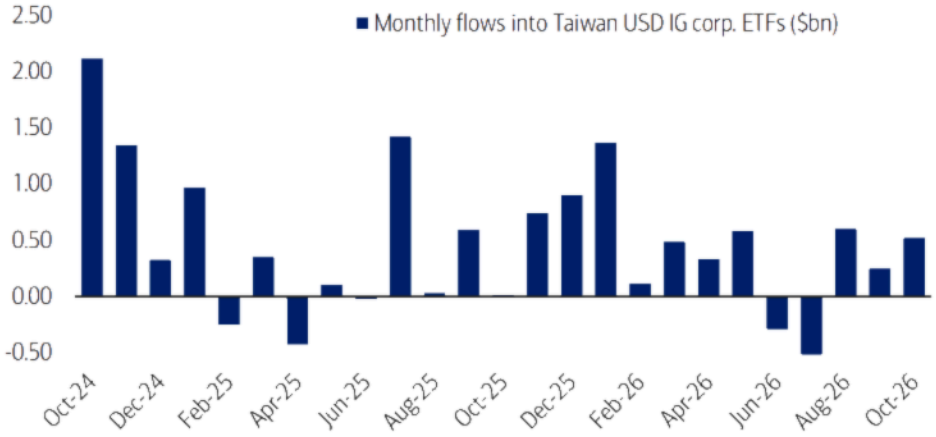
Source: EPFR Global, BofA Global Research

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Taiwan ETF flows

Exhibit 77: Monthly flows into Taiwan USD IG ETFs

October MtD inflows to Taiwan USD IG corporate ETFs was $0.53bn as of 10-23-2026.



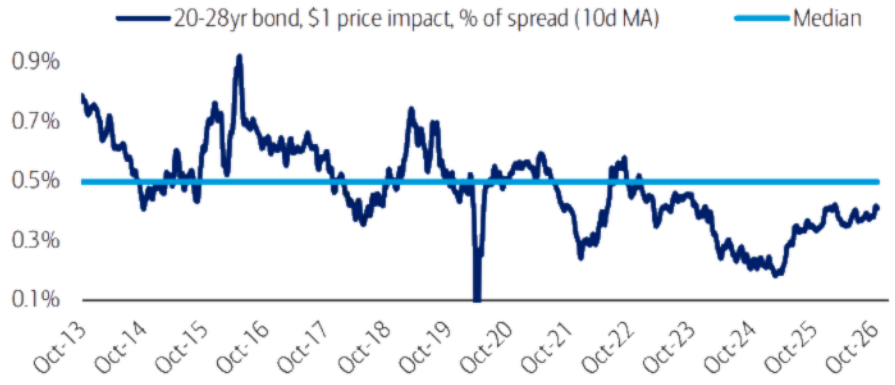
Source: BofA Global Research, Bloomberg

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Market pricing of dollar price impact

Exhibit 78: Market pricing of the dollar price impact on spreads

Currently on Oct-22 the average impact of dollar price for 20-28yr bonds is 0.41% of spread up from 0.38% one month ago, compared to the median since 2010 of 0.50%.



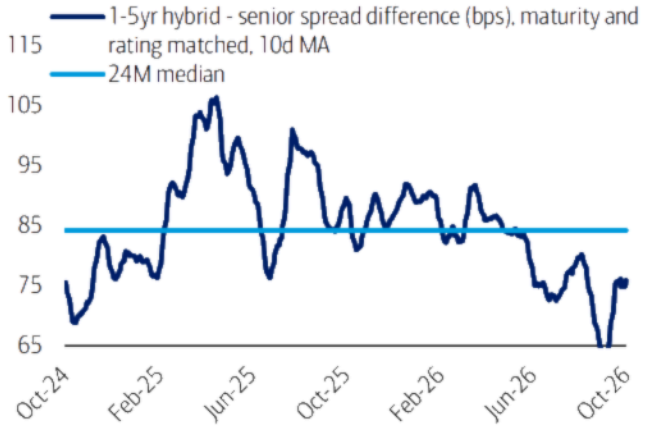
BofA Global Research

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Hybrid relative value

Exhibit 79: Hybrid - senior spread difference (1-5yr)

The difference of hybrids to senior bond spread for the same rating, maturity and sector is currently at 77bps vs 84bps median.



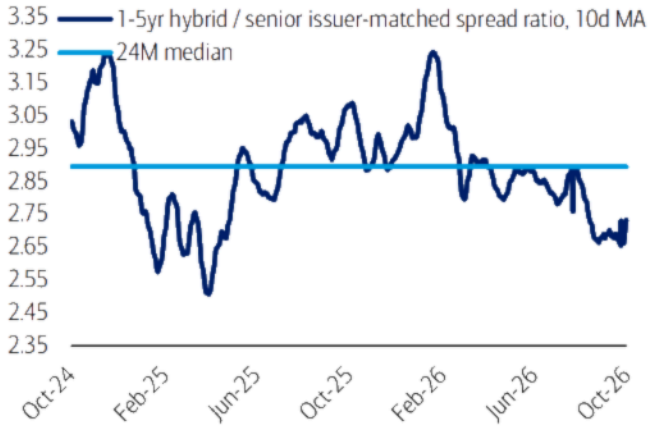
Note: rating, maturity (1-3yr, 3-5yr, 5-10yr, 10+yr), sector and domicile (US, Yankee) matched bonds

Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 80: Hybrid / senior ratio matched by issuer (1-5yr)

The ratio of hybrids to senior bonds for the same rating, maturity and sector is currently at 2.76x vs 2.89x median.

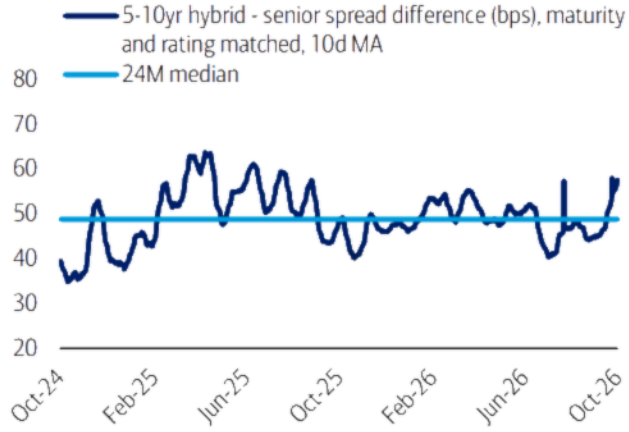


Note: rating, maturity (1-3yr, 3-5yr, 5-10yr, 10+yr), and issuer matched bonds.

Source: BofA Global Research, ICE Data Indices, LLC

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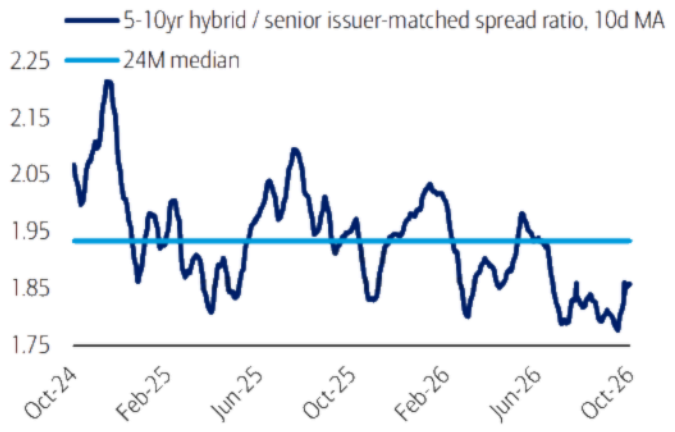
Exhibit 81: Hybrid - senior spread difference (5-10yr)
The difference of hybrids to senior bond spread for the same rating, maturity and sector is currently at 57bps vs 49bps median.



Note: rating, maturity (1-3yr, 3-5yr, 5-10yr, 10+yr), sector and domicile (US, Yankee) matched bonds.
Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 82: Hybrid / senior ratio matched by issuer (5-10yr)
The ratio of hybrids to senior bonds for the same rating, maturity and sector is currently at 1.86x vs 1.93x median.

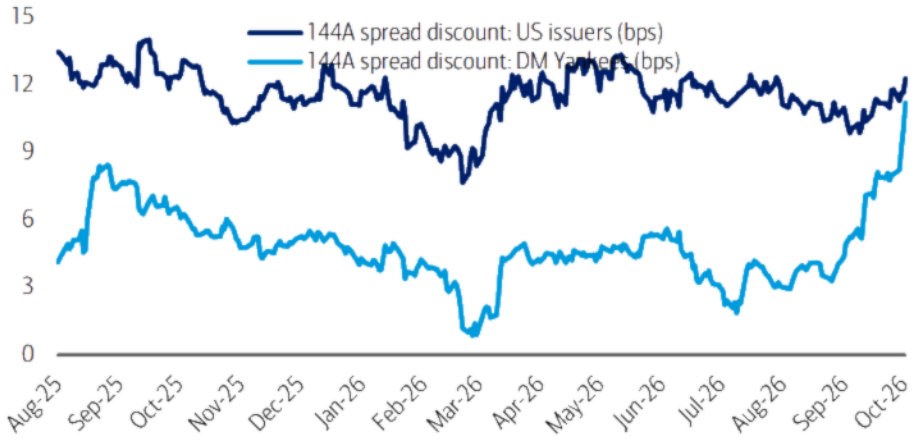


Note: rating, maturity (1-3yr, 3-5yr, 5-10yr, 10+yr), and issuer matched bonds
Source: BofA Global Research, ICE Data Indices, LLC

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144A relative value vs registered

Exhibit 83: 144A spread discount vs registered
144A spread discount is currently 12bps for US issuers and 11bps for DM Yankees.

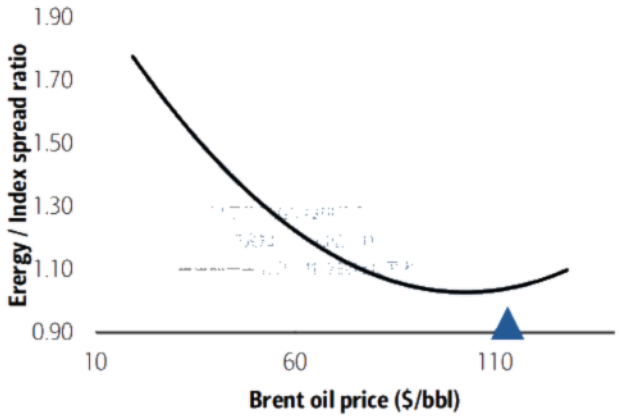


Note: Excludes EM issuers. Spread discount is calculated by grouping 144A bonds into buckets with similar maturity, sector, and rating, then are matched to registered bonds with the same maturity, sector, and rating, weighted by the corresponding 144A bond bucket.
Source: BofA Global Research, ICE Data Indices, LLC

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Energy sector spread

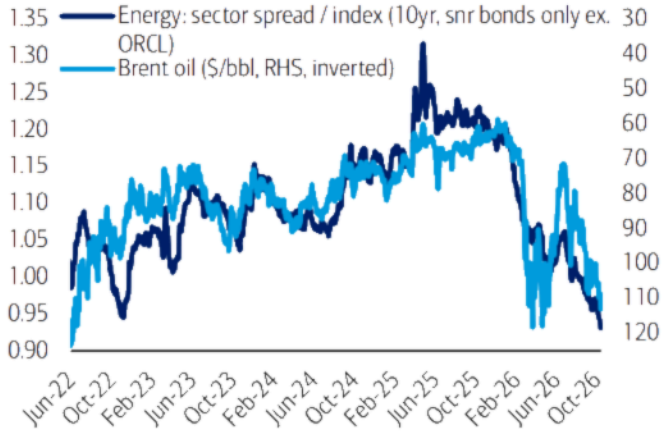
Exhibit 84: Energy sector spread vs oil price
Below shows current energy sector spread vs. the level of oil prices relative to history since 2017



Note: scatterplot for the period Jan-2017 to the latest market close. Includes 10yr, senior bonds only ex. ORCL.
Source: BofA Global Research, Bloomberg, ICE Data Indices, LLC

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Exhibit 85: Energy sector spread vs oil price
Energy spreads relative to IG index are historically correlated with oil prices.

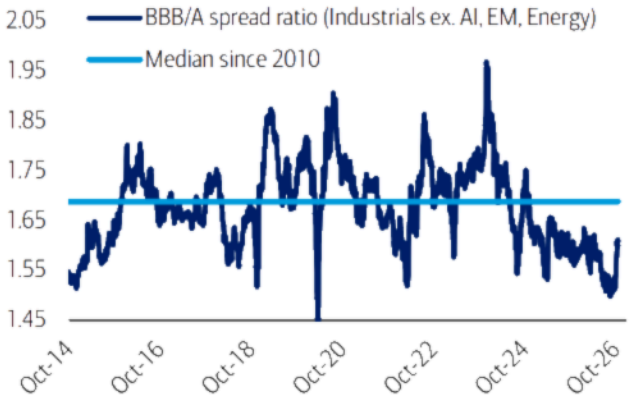


Source: BofA Global Research, Bloomberg, ICE Data Indices, LLC

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Industrial BBB / single-A relative value

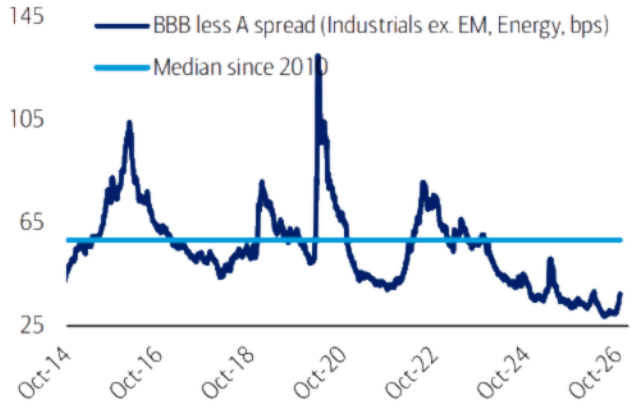
Exhibit 86: BBB/A Industrial spread ratio
The current BBB/A spread ratio is 1.61 as of Oct-22 vs. 1.54 on 10/01/2014 and 1.69 median.



Note: Results exclude WBD and AI related issuers, including AMZN, GOOGL, META, MSFT, ORCL, RPI.DCI, APCHIP, TXFDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD
Source: BofA Global Research, ICE Data Indices, LLC.

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Exhibit 87: BBB/A Industrial spread difference
The current BBB/A spread difference is 37bps as of Oct-22 vs. 46bps on 10/01/2014 and 58bps median.

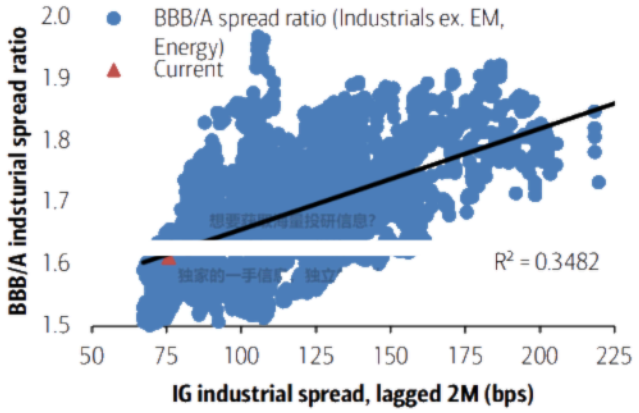


Note: Results exclude WBD and AI related issuers, including AMZN, GOOGL, META, MSFT, ORCL, RPI.DCI, APCHIP, TXFDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD
Source: BofA Global Research, ICE Data Indices, LLC.

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Exhibit 88: BBB / A industrial relative value: scatter plot

BBB / A spread ratio tends to lag spreads by two months as shown since Jan-2010. As of Oct-22, the ratio is at 1.61 and the spread level was at 76bps 2M ago.



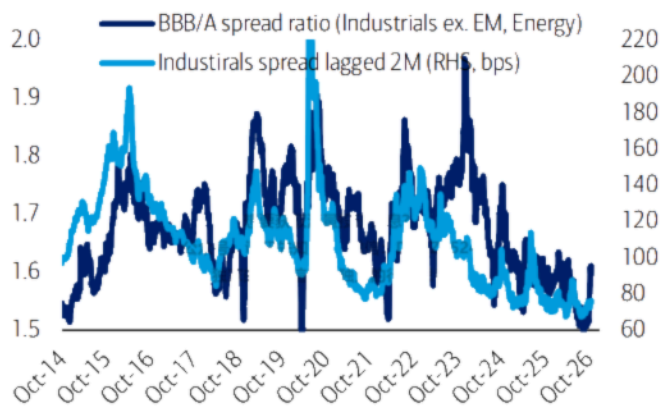
Note: Results entirely exclude WBD and AI-related issuers, including AMZN, GOOGL, META, MSFT, ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD.

Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 89: BBB / A industrial relative value since Oct-2014

BBB / A spread ratio tends to lag spreads by two months as shown since Oct-2014. As of Oct-22, the ratio is at 1.61 and the spread level was at 76bps 2M ago.



Note: Results entirely exclude WBD and AI-related issuers, including AMZN, GOOGL, META, MSFT, ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH, HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD.

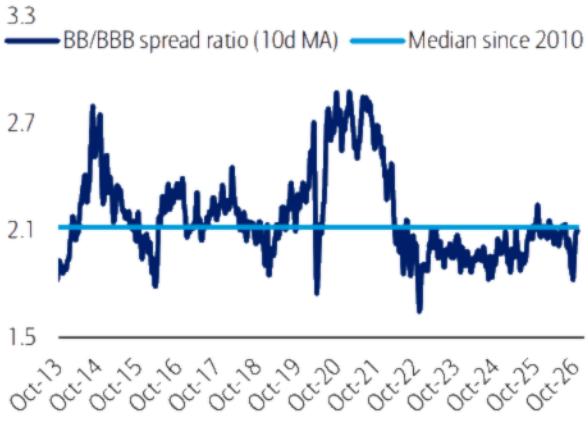
Source: BofA Global Research, ICE Data Indices, LLC

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Industrial BB / BBB relative value

Exhibit 90: BB/BBB spread ratio

The current BB/BBB spread ratio is 2.12 vs. 2.12 median since 2013.



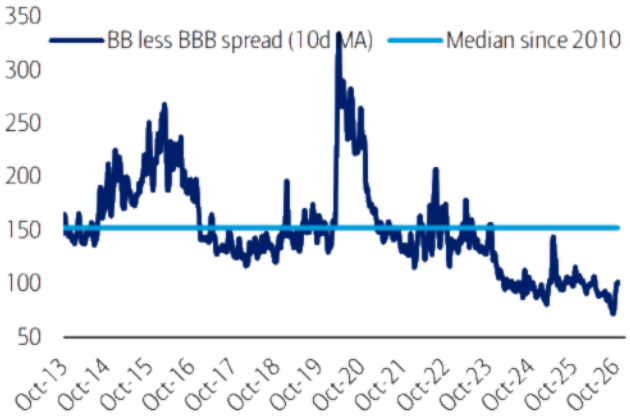
Note: Results exclude WBD and AI-related tickers, such as ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH. HUTRBA, HUTBPA, SPCX, NVDA, AVGO. AMD, CRWV. WULF, VOLTAG. CIFR. APLD, FLASHC, BRKHEC, BLKPRL, TRACTC, PFORGE, MERIDI, EDGCOM, CORZ, TRACTD. SECMOS, SEI, POLADC, ELKGVP, STNGRY, ELNFOR, YNDRDC, GALAXY, ZENARC.

Source: BofA Global Research, ICE Data Indices, LLC. Note. based on maturity and sector-matched spreads. Ex. Financials. Energy.

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Exhibit 91: BB less BBB spreads

The current BB less BBB spread difference is 109bps vs. 152bps median since 2010 and 170bps as of 10/2013.



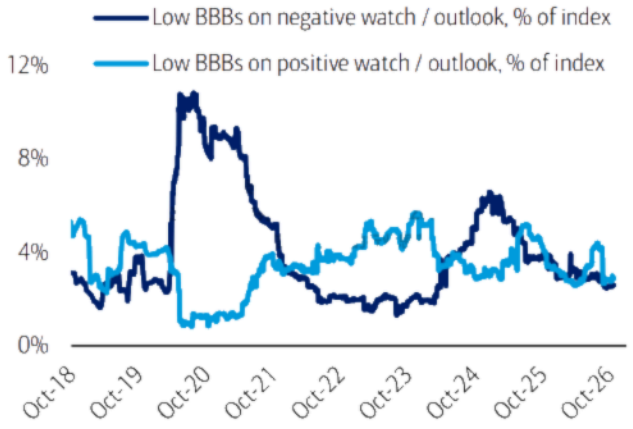
Note: Results exclude WBD and AI-related tickers, such as ORCL, RPLDCI, APCHIP, TXEDCI, QTSQST, QTSODY, RDMICH. HUTRBA, HUTBPA, SPCX, NVDA, AVGO, AMD, CRWV. WULF, VOLTAG, CIFR. APLD, FLASHC, BRKHEC, BLKPRL, TRACTC, PFORGE, MERIDI, EDGCOM, CORZ, TRACTD. SECMOS, SEI, POLADC, FLKGVP, STNGRY, FLNFOR, YNDRDC, GALAXY, ZFNARC.

Source: BofA Global Research, ICE Data Indices, LLC. Note. based on maturity and sector-matched spreads. Ex. Financials. Energy.

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Low BBB rating drift

Exhibit 92: Low BBB share on outlook / watch since 10-2018
As shown since 10-2018, share on positive or negative outlook/watch moves in reverse direction. As of Oct-22, share on negative watch or outlook (2.6%) is lower than the share on positive watch or outlook (2.9%).



Note: The rating drift value is measured as notches * notional. We assume 1/3 of a notch value for outlook and 2/3 valued for watch
Source: BofA Global Research, ICE Data Indices, LLC.

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Exhibit 93: Largest low BBB issuers with negative rating drift
Low-BBB issuers with the largest negative drift as of Oct-22 are F ($5bn notional*notches), CPB ($2bn), DOW ($1bn). The drift is measured as notches * notional. We assume 1/3 of a notch value for outlook and 2/3 valued for watch.

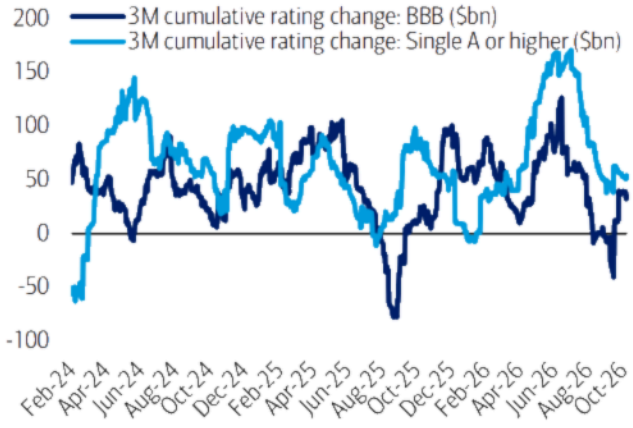
Ticker	Issuer	IG bond notional ($bn)	Negative drift, notches	Negative drift, notches * notional ($bn)
F	Ford Motor Credit Company LLC	44.7	0.11	4.9
CPB	The Campbells Co.	6.0	0.33	2.0
DOW	Dow Chemical Co. (The)	13.5	0.11	1.5
BAX	Baxter International Inc.	6.6	0.22	1.5
CAG	Conagra Brands Inc	6.5	0.22	1.4
RCICN	Rogers Communications Inc.	11.0	0.11	1.2
EIX	Southern California Edison Company	4.4	0.22	1.0
SRE	Sempra	4.2	0.22	0.9
BHF	Brighthouse Financial Inc.	2.0	0.44	0.9
OCINCC	Blue Owl Credit Income Corp.	5.8	0.11	0.6

BofA Global Research, ICE Data Indices, LLC

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Rating actions summary

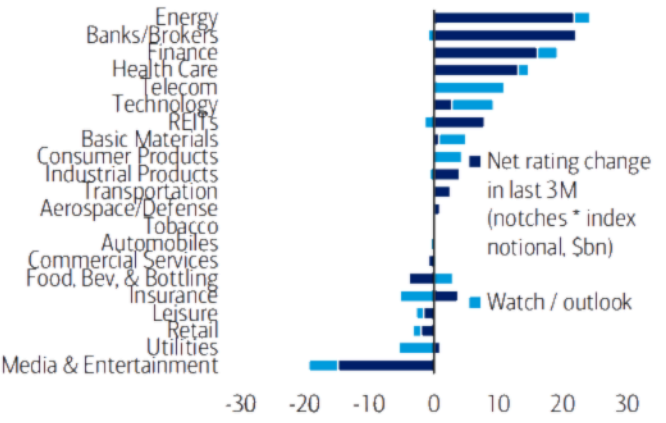
Exhibit 94: Cumulative net rating change by rating (3M)
Net rating change has been positive for both BBBs ($34bn) and A or higher ($54bn) so far in 2026 YtD, as of Oct-22.



Note: Data include rating (1 notch), watch (2/3 of a notch) and outlook (1/3 of a notch) changes by any of the three agencies (Moody's, S&P, Fitch).
Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 95: Cumulative net rating change by sector (3M)
For 3 months ending Oct-22, Energy ($24bn) contributed the most to positive rating actions while Media & Entertainment ($19bn) contributed the most to negative rating actions.



Note: Data include rating (1 notch), watch (2/3 of a notch) and outlook (1/3 of a notch) changes by any of the three agencies (Moody's, S&P, Fitch)
Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 96: Biggest upgrades and downgrades
WFC ($24bn), OKE ($18bn), COF ($11bn) were the biggest upgrades by notional over the last 3 months ending Oct-22, while CHTR (-$10bn), COXENT (-$9bn), USB (-$8bn) were the biggest downgrades by notional.

Upgrades								Downgrades							
Ticker	Sector	Rating	OAS	Issuer notional ($bn)	Rating change: notches 3wk	Rating change: notches 3M	Rating change: notional * notches 3M ($bn)	Ticker	Sector	Rating	OAS	Issuer notional ($bn)	Rating change: notches 3wk	Rating change: notches 3M	Rating change: notional * notches 3M ($bn)
WFC	Banks/Brokers	A2	85	106	-	0.2	24	CHTR	Media	BBB3	267	47	-	-0.2	-10
OKE	Energy	BBB1	87	26	0.0	0.7	18	COXENT	Media	BBB3	251	9	-	-1.0	-9
COF	Finance	BBB1	100	27	-	0.4	11	USB	Banks/Brokers	A1	76	29	-	-0.3	-8
T	Telecom	BBB2	126	101	-	0.1	11	AON	Insurance	BBB1	85	13	-	-0.3	-5
HSBC	Banks/Brokers	A2	100	84	-	0.1	9	PCG	Utilities	BBB1	122	41	-	-0.1	-5
GILD	Health Care	A3	59	23	-	0.3	8	NKE	Retail	A2	69	6	-0.7	-0.7	-4
CVS	Health Care	BBB2	87	50	-	0.1	5	EIX	Utilities	A3	118	33	-	-0.1	-4
INTC	Technology	BBB2	107	46	-	0.1	5	FITB	Banks/Brokers	BBB1	87	10	-	-0.3	-3
VMRK	REITs	A3	62	11	-	0.3	4	CCL	Leisure	BBB3	132	11	-	-0.3	-3
NRUC	Finance	A1	56	13	0.2	0.2	3	SO	Utilities	A1	73	45	-	-0.1	-3
SLB	Energy	A1	50	7	0.4	0.4	3	HBAN	Banks/Brokers	A3	96	9	-	-0.3	-3
KHC	Food&Bev	BBB2	106	13	-	0.2	3	PRU	Insurance	AA3	103	23	-0.1	-0.1	-2
ES	Utilities	A1	75	22	-	0.1	2	CPB	Food&Bev	BBB3	131	6	-	-0.3	-2
ALL	Insurance	BBB1	85	5	0.3	0.4	2	HRL	Food&Bev	BBB1	59	2	-	-0.8	-2
CNP	Utilities	A2	78	15	-	0.2	2	BCRED	Finance	BBB3	208	7	-0.2	-0.2	-1

Note: Data include rating (1 notch), watch (2/3 of a notch) and outlook (1/3 of a notch) changes by any of the three agencies (Moody's, S&P, Fitch).
Source: BofA Global Research, ICE Data Indices, LLC

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Common abbreviations:

IG: Investment GradeHG: High Grade
LQD: iShares iBoxx $ Investment Grade Corporate Bond ETF
DV01: Dollar value of a basis point
CDX IG: The Markit CDX North America Investment Grade Index
CDX HY: Markit CDX North America High Yield Index
ECB: European Central Bank
QE: Quantitative Easing
CSPP: corporate sector purchase programme
CPI: Consumer Price Index
FOMC: The Federal Open Market Committee
CP: Commercial Paper

Special Disclosures

BofA is serving as financial advisor to Sempra on the sale of a 45% equity interest in Sempra Infrastructure Partners, LP to affiliates of Kohlberg Kravis Roberts & Co. L.P. (KKR)announced September 23, 2025

BofA Securities is currently acting as financial advisor to Workday Inc in connection with its proposed acquisition of ConductorOne Inc (doing business as C1.ai), which was announced on October 13, 2026.