

Situation Room

3Q IG earnings almost final update: strong

Credit Analysis

3Q IG earnings almost final update: strong

Most of the 3Q earnings season is now behind us. By now, 92% of US IG public companies have reported, accounting for 88% of the aggregate expected 3Q earnings. These almost-final results show that the 3Q earnings season was strong, with healthy growth and positive surprises.

3Q earnings growth = 7% YoY for core US IG issuers

Earnings have come in 9.4% ahead of expectations at the start of the season, significantly above the 3.7% pre-Covid average surprise (Exhibit 1). Revenues were +2.0% above expectations, well above the 0.7% pre-Covid average (Exhibit 2).

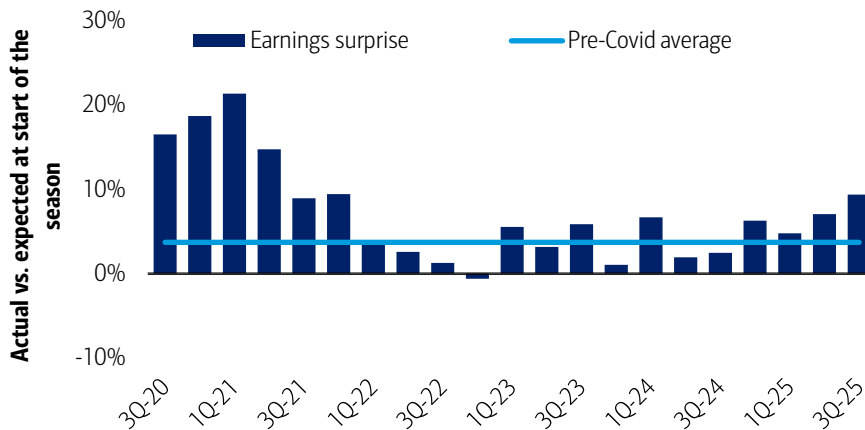
For our “core core” IG issuers ex. Finance, Energy and the Magnificent 7 we are tracking a healthy 7.4% YoY earnings growth and earnings surprise of 7.7%. Note that we exclude Boeing (BA) from our sample due to an outsized loss a year ago. Including BA, earnings growth is +7.9% YoY.

Earnings details

Based on actual results when available and the latest bottom-up consensus estimates otherwise, we are now tracking +14.1% YoY earnings growth for all US IG public issuers, and +13.8% YoY earnings growth ex. the more volatile Energy and Finance, up from +9.0% in 2Q. On the revenue side, we are tracking +7.6% and +8.8% YoY revenue growth for all issuers and issuers ex. Energy and Finance, respectively.

Exhibit 1: A strong earnings surprise in 3Q

3Q earnings surprised to the upside by +9.4%, up from +7.1% surprise in 2Q and well above the +3.7% pre-Covid average.



Source: BofA Global Research, FactSet

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10 November 2025

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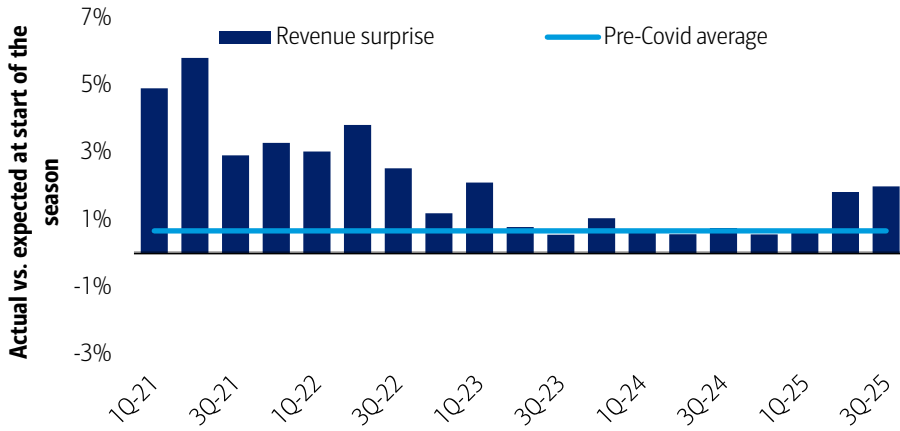
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Exhibit 2: 3Q revenue surprise was above average levels

3Q revenues surprised to the upside by +2.0%, up from +1.8% surprise in 2Q and the +0.7% pre-Covid average.

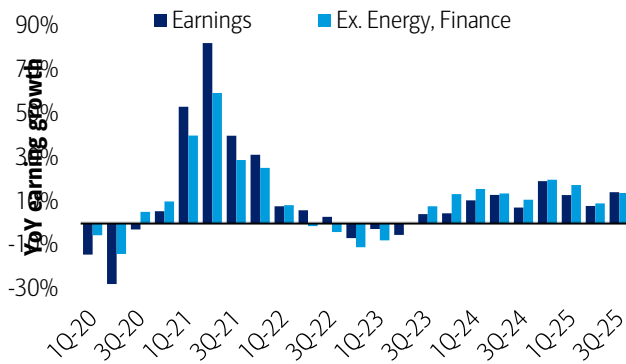


Source: BofA Global Research, FactSet

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Exhibit 3: Earnings growth for US IG issuers

We are tracking 3Q-25 earnings growth of +13.8%, ex. Energy and Finance.



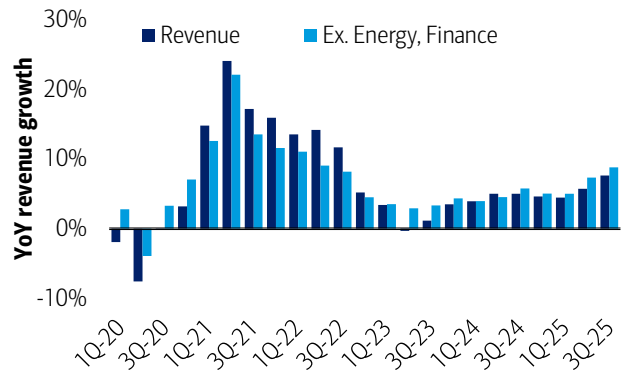
Note: 3Q-25 based on the actual results when available and consensus estimates otherwise.

Source: BofA Global Research, FactSet

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Exhibit 4: Revenue growth for US IG issuers

Revenue growth has bottomed in 2Q -2023 and has rebounded since then.



Note: 3Q-25 based on the actual results when available and consensus estimates otherwise.

Source: BofA Global Research, FactSet

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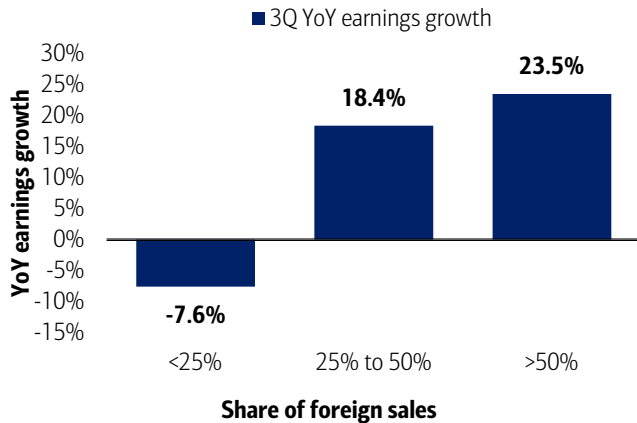
Foreign > Domestic for earnings growth

We are tracking the strongest 3Q earnings growth for the more global IG issuers, and the weakest for the more domestic issuers (Exhibit 5). However, earnings surprise was strongest for issuers with 25% to 50% of foreign sales (Exhibit 7).



Exhibit 5: 3Q-25 consensus earnings growth by foreign sales

3Q earnings growth is tracking 23.5% YoY for the more global issuers, but -7.6% for the more domestic issuers.



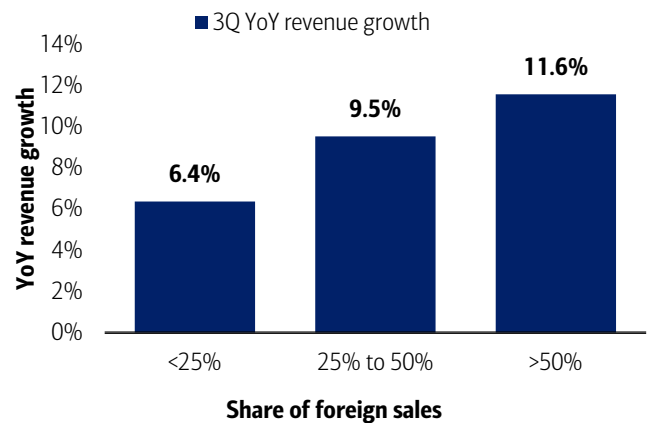
Note: 3Q-25 based on the actual results when available and consensus estimates otherwise. Excluding Finance, Energy, Utilities.

Source: BofA Global Research, FactSet

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Exhibit 6: 3Q-25 consensus sales growth by foreign sales

3Q sales growth is tracking +6.4% for the more domestic issuers and +11.6% for the more global issuers.



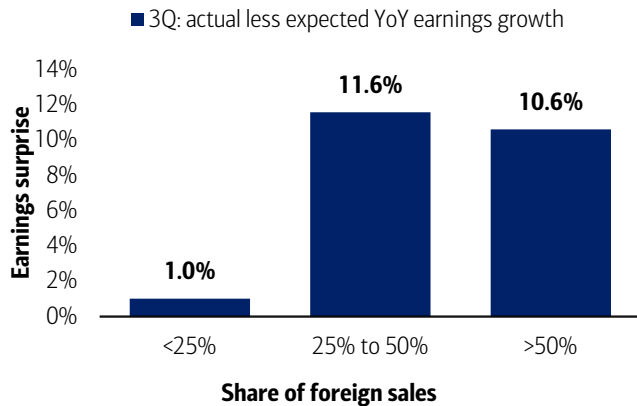
Note: 3Q-25 based on the actual results when available and consensus estimates otherwise. Excluding Finance, Energy, Utilities.

Source: BofA Global Research, FactSet

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Exhibit 7: 3Q-25 earnings surprise by foreign sales

Earnings surprise was highest for the issuers with medium foreign sales exposure.



Note: Excluding Finance, Energy, Utilities.

Source: BofA Global Research, FactSet

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Exhibit 8: 3Q-25 sales surprise by foreign sales

Sales surprise was strongest for the issuers with more than 50% share of foreign sales.



Note: Excluding Finance, Energy, Utilities.

Source: BofA Global Research, FactSet

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Results by sector

Sectors with the weakest expected YoY earnings growth include Automobiles (-30%), Telecom (-6%), and Food, Bev, & Bottling (-5%). On the flip side, we are tracking the strongest YoY earnings growth for Other (32%), Technology (28%), and Insurance (26%, Exhibit 9).

Exhibit 9: 3Q-2025 results by sector for US public IG issuers

The table lists earnings and sales growth by sector.

Sector	Earnings growth (YoY)	Sales growth (YoY)	Share of bond index value	Share of the sector that has reported
Aerospace/Defense	12.4%	14.3%	1.2%	99%
Automobiles	-30.5%	6.6%	1.2%	100%



Exhibit 9: 3Q-2025 results by sector for US public IG issuers

The table lists earnings and sales growth by sector.

Sector	Earnings growth (YoY)	Sales growth (YoY)	Share of bond index value	Share of the sector that has reported
Banks/Brokers	20.4%	11.1%	11.2%	100%
Basic Materials	1.3%	2.1%	1.7%	98%
Consumer Products	-2.2%	-0.4%	0.6%	100%
Energy	4.8%	0.3%	5.0%	96%
Finance	15.4%	5.4%	3.2%	99%
Food, Bev, & Bottling	-4.7%	7.7%	2.0%	91%
Health Care	4.3%	10.4%	7.6%	99%
Industrial Products	-1.6%	3.5%	1.8%	79%
Insurance	25.7%	2.2%	2.8%	100%
Media & Entertainment	19.9%	11.2%	2.5%	81%
REITs	3.1%	5.2%	3.0%	100%
Retail	14.9%	6.0%	2.8%	45%
Technology	28.0%	16.0%	5.6%	68%
Telecom	-5.6%	3.3%	2.3%	100%
Transportation	0.5%	1.1%	1.2%	100%
Utilities	6.1%	6.3%	7.1%	100%
Other	31.9%	11.5%	2.8%	100%
Total US HG public co's	14.1%	7.6%	65.3%	93%
Total ex. Financials	13.2%	7.9%	45.1%	90%
Total ex. Energy	14.7%	8.4%	60.3%	92%
Total ex. Fin. & Energy	13.8%	8.8%	40.1%	89%
Yankee and private co's	n.a.	n.a.	34.7%	n.a.
HQ ex. Financials, Utilities	14.9%	8.8%	15.8%	86%
BBB ex. Financials, Utilities	10.1%	6.7%	20.9%	92%

Note: based on the actual results when available and consensus estimates otherwise.

Source: BofA Global Research, FactSet.

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Surprises by sector

Earnings surprised to the upside the most for Other (24%, led by UBER), Automobiles (19%), and Insurance (17%). On the other hand, earnings came in the weakest relative to expectations at the start of the season for REITs (-1%), Telecom (0%), and Consumer Products (4%, Exhibit 10).

Exhibit 10: 3Q-2025 earnings / sales surprises by sector for public US IG issuers

The table summarizes earnings and revenue surprises by sector.

Sector	Expected earnings growth (YoY)	Actual earnings growth (YoY)	Earnings surprise	Expected sales growth (YoY)	Actual sales growth (YoY)	Sales surprise	Percentage of the sector that has reported
Aerospace/Defense	-1.0%	12.2%	13.3%	7.5%	10.9%	3.2%	99%
Automobiles	-41.5%	-30.5%	18.7%	-0.6%	6.6%	7.2%	100%
Banks/Brokers	10.4%	20.4%	9.0%	7.5%	11.1%	3.3%	100%
Basic Materials	-4.1%	1.2%	5.6%	2.0%	1.8%	-0.2%	98%
Consumer Products	-6.0%	-2.2%	4.0%	-1.4%	-0.4%	1.0%	100%
Energy	0.8%	6.6%	5.8%	-2.3%	0.3%	2.7%	96%
Finance	9.6%	15.4%	5.3%	5.3%	5.5%	0.2%	99%
Food, Bev, & Bottling	-7.6%	-3.8%	4.2%	5.3%	8.1%	2.6%	91%
Health Care	-0.4%	4.3%	4.6%	8.1%	10.5%	2.2%	99%
Industrial Products	-6.0%	-0.5%	5.8%	2.0%	3.3%	1.4%	79%
Insurance	7.0%	25.7%	17.4%	0.8%	2.2%	1.4%	100%
Media & Entertainment	5.6%	21.4%	14.9%	10.2%	12.9%	2.5%	81%
REITs	3.4%	2.7%	-0.7%	3.9%	5.2%	1.3%	100%
Retail	5.5%	23.5%	17.0%	10.0%	11.4%	1.3%	45%
Technology	14.6%	24.5%	8.6%	10.6%	12.7%	1.9%	68%
Telecom	-5.3%	-5.6%	-0.3%	3.8%	3.3%	-0.5%	100%
Transportation	-7.9%	0.5%	9.2%	0.5%	1.1%	0.6%	100%
Utilities	-1.9%	6.1%	8.2%	6.5%	6.1%	-0.3%	100%
Other	6.4%	31.9%	24.0%	10.2%	11.5%	1.1%	100%
Total US HG public co's	3.6%	13.3%	9.4%	5.5%	7.6%	2.0%	93%
Total ex. Financials	2.0%	11.9%	9.7%	5.7%	7.9%	2.0%	90%



Exhibit 10: 3Q-2025 earnings / sales surprises by sector for public US IG issuers

The table summarizes earnings and revenue surprises by sector.

Sector	Expected earnings growth (YoY)	Actual earnings growth (YoY)	Earnings surprise	Expected sales growth (YoY)	Actual sales growth (YoY)	Sales surprise	Percentage of the sector that has reported
Total ex. Energy	3.8%	13.7%	9.6%	6.4%	8.4%	1.9%	92%
Total ex. Fin. & Energy	2.1%	12.4%	10.1%	6.8%	8.9%	2.0%	89%
HQ ex. Financials, Utilities	3.9%	13.2%	9.0%	6.9%	8.8%	1.7%	86%
BBB ex. Financials, Utilities	-0.4%	11.3%	11.8%	4.5%	7.2%	2.5%	92%

Note: based only on companies that have released 3Q-2025 results. Earnings surprise is [Actual \$ earnings] / [Expected \$ earnings] - 1

Source: BofA Global Research, FactSet.

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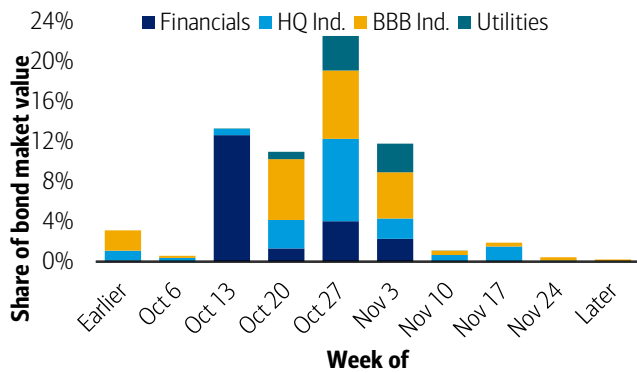
Timing of the earnings season

3Q reporting season peaked during the week of October 27th. The pace of reporting slows during the week of November 10th and the season is virtually over after that (Exhibit 11, Exhibit 12).

For the remainder of the season, reporting will be concentrated in terms of the IG bond index share in HQ industrials (2.2% of index value).

Exhibit 11: Weekly reporting: by the share of the US IG bond index

The week of Oct 27 was the busiest of the season.

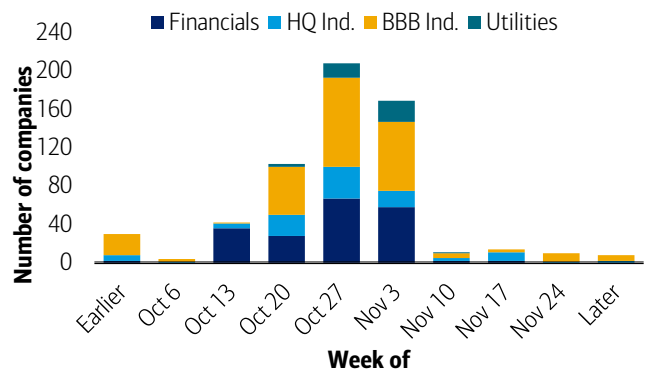


Source: BofA Global Research, Bloomberg.

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Exhibit 12: Weekly reporting: by the number of companies

The number of companies reporting peaked for the week of Oct 27.

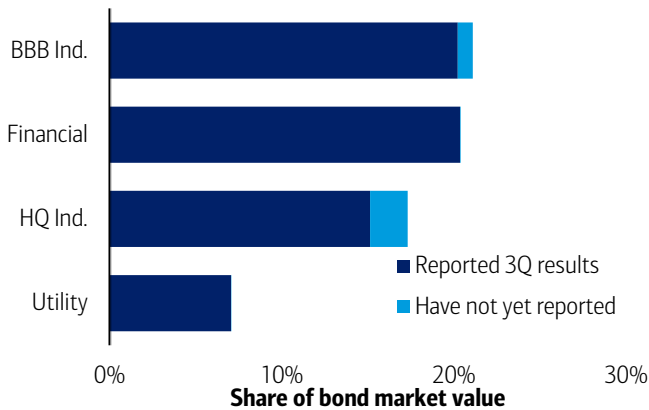


Source: BofA Global Research, Bloomberg.

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Exhibit 13: 3Q reporting season progress by bond market value

By issuer bond market value, reporting going forward is concentrated in HQ industrials.

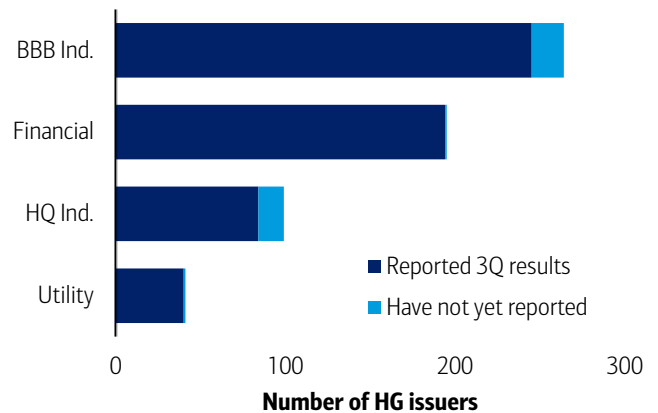


Source: BofA Global Research, Bloomberg.

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Exhibit 14: 3Q reporting season progress by issuer count

By issuer count, reporting going forward is also concentrated in industrials.



Source: BofA Global Research, Bloomberg.

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Daily supply snapshot

US IG issuance totaled \$19.3bn across 9 deals today, \$19.3bn WTD and \$79.4bn MTD. The average new issue concession was 7.3bps today, while the average break performance was 3bps tighter today. This week's new issues are trading 5bps tighter on average from pricing.

Exhibit 15: Recent new issue pricing and new issue concessions

List of new issues in the IG corporate bond market today along with performance metrics.

Date	Ticker	Name	Tenor	Size (\$mn)	Moody's/S&P	Cpn (%)	Px Spd	NIC	* Brk Perf	Cur Spd
2025-11-10	AN	AutoNation Inc	3	600	Baa3/BBB-	4.45	90	n.a.	-2	88
2025-11-10	CAT	Caterpillar Financial Services Corp	3	550	A2/A	FRN	SOFR + 58	n.a.	n.a.	n.a.
2025-11-10	CAT	Caterpillar Financial Services Corp	3	1,050	A2/A	3.95	37	6	n.a.	n.a.
2025-11-10	EPD	Enterprise Products Operating LLC	3	300	A3/A-	4.3	43	2	-3	41
2025-11-10	EPD	Enterprise Products Operating LLC	5	600	A3/A-	4.6	73	17	-5	63
2025-11-10	EPD	Enterprise Products Operating LLC	10	750	A3/A-	5.2	93	9	n.a.	90
2025-11-10	FLEX	Flex Ltd	6	150	Baa3/BBB-	5.25	105	n.a.	n.a.	97
2025-11-10	FLEX	Flex Ltd	10	600	Baa3/BBB-	5.375	130	n.a.	n.a.	n.a.
2025-11-10	ILMN	Illumina Inc	5	500	Baa3/BBB	4.75	105	n.a.	-2	103
2025-11-10	LYB	LYB International Finance III LLC	5	500	Baa2/BBB	5.125	145	n.a.	n.a.	n.a.
2025-11-10	LYB	LYB International Finance III LLC	10	1,000	Baa2/BBB	5.875	185	11	n.a.	n.a.
2025-11-10	MOS	Mosaic Co/The	3	500	Baa2/BBB	4.35	77	n.a.	n.a.	n.a.
2025-11-10	MOS	Mosaic Co/The	5	400	Baa2/BBB	4.6	92	n.a.	n.a.	n.a.
2025-11-10	PAA	Plains All American Pipeline LP / PAA Finance Corp	5	300	Baa2/BBB	4.7	102	9	n.a.	97
2025-11-10	PAA	Plains All American Pipeline LP / PAA Finance Corp	10	450	Baa2/BBB	5.6	142	5	n.a.	141
2025-11-10	VZ	Verizon Communications Inc	7	2,000	NA/BBB+	4.75	90	3	n.a.	n.a.
2025-11-10	VZ	Verizon Communications Inc	10	2,250	NA/BBB+	5	100	1	n.a.	n.a.
2025-11-10	VZ	Verizon Communications Inc	20	1,500	NA/BBB+	5.75	110	1	n.a.	n.a.
2025-11-10	VZ	Verizon Communications Inc	30	3,250	NA/BBB+	5.875	120	16	n.a.	n.a.
2025-11-10	VZ	Verizon Communications Inc	40	2,000	NA/BBB+	6	130	n.a.	n.a.	n.a.

Note: We calculate new issue concessions by estimating the difference between new issue bond spread and interpolated G spread from comparable liquid secondary bonds of the same issuer prior to the new issue deal announcement, adjusted for the spread impact of dollar prices deviating from par. Break performance is computed as the difference between new issue pricing and secondary closing spread on the first day of trading.

Source: BofA Global Research

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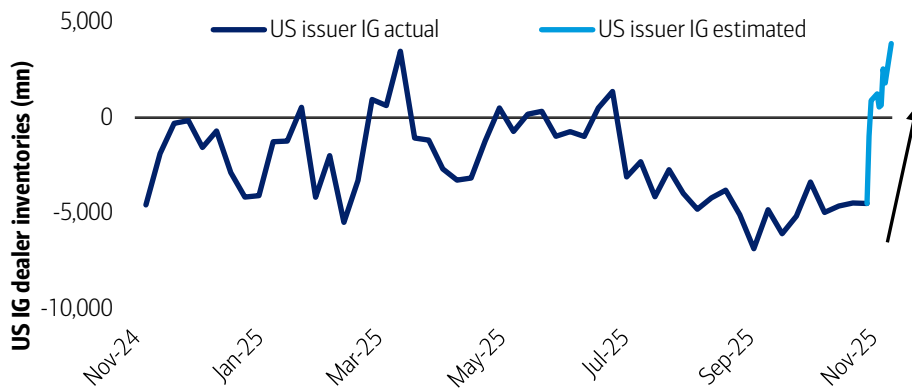
Daily dealer inventories update

Below we estimate dealer inventories for the IG corporate bonds based on TRACE data. The actual inventories of US issuer bonds based on NY Fed survey, as well as the estimated change since the latest Fed report are plotted in Exhibit 16. We estimate the corresponding DV01 equivalent in Exhibit 17. More details by sector and maturity are available in Exhibit 18 and Exhibit 19. Finally, note that the data for the current date is through about 4:40 p.m. Eastern Standard Time.



Exhibit 16: Estimated dealer inventories of IG corporate bonds since Nov-2024.

We estimate IG dealer inventories of US issuer bonds increased to \$3.9bn currently on Nov-10 from -\$4.5bn on Oct-29. Since Nov-2024, dealer inventories have fluctuated but generally stayed negative.



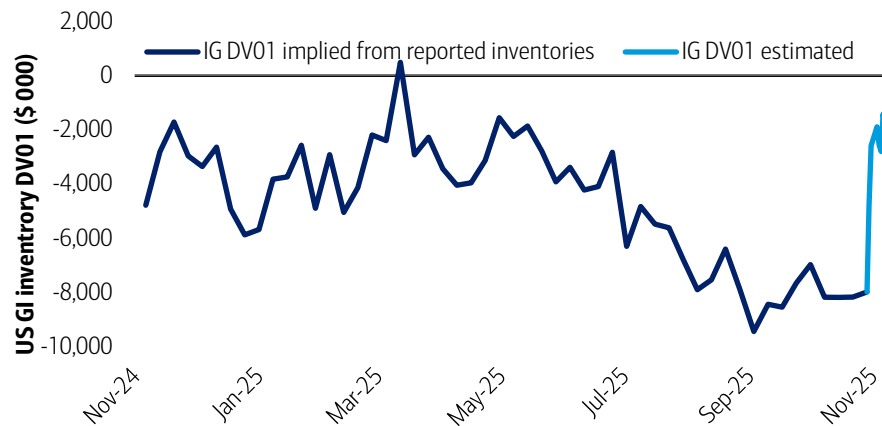
Note: data for US issuer bonds only, maturities 13M or longer. Actual dealer inventory data is from Primary Dealer Statistics survey by the NY Fed. The subsequent change in inventory is estimated based on TRACE and IG ETF flows.

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

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Exhibit 17: Estimated dealer inventory DV01 for IG corporate bonds since Nov-2024.

We estimate IG dealer inventory DV01 of US issuer bonds increased to -\$0.5mn currently on Nov-10 from -\$8.0bn on Oct-29. Since Nov-2024, dealer inventories have fluctuated but generally stayed negative.



Note: data for US issuer bonds only, maturities 13M or longer. Actual dealer inventory data is from Primary Dealer Statistics survey by the NY Fed. The subsequent change in inventory is estimated based on TRACE and IG ETF flows.

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

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Exhibit 18: Estimated changes in IG dealer inventories by maturity and broad sector.

We estimate IG dealer inventories increased \$2,400mn today on Nov-10 increased \$3,174mn over the prior week, and increased \$11,253 over the past 4 weeks.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 10-Nov-25 (\$mn)			
	10-Nov	7-Nov	1 W	2 W	4 W	10-Nov	7-Nov	1 W	2 W	4 W	Buy	Sell	Dealer	Total
High grade (TRACE + ETFs)	2,400	-700	3,174	12,999	11,253	1,854	-530	1,817	11,064	10,759	11,299	8,899	9,546	29,744
ETF flow	-	515	1,065	2,796	6,654	-	361	376	1,631	3,713	-	-	-	-
TRACE net dealer buy	2,400	-185	4,239	15,794	17,907	1,854	-169	2,193	12,695	14,472	11,299	8,899	9,546	29,744
<3yr	62	-174	723	1,044	1,855	11	-14	118	75	177	1,578	1,517	1,408	4,503
3-5yr	469	139	1,956	3,980	3,310	188	49	677	1,411	1,102	2,234	1,765	2,302	6,301
5-11yr	1,163	-11	1,338	4,769	5,660	800	-48	882	3,131	3,765	4,029	2,866	3,050	9,946
11+yr	706	-138	222	6,002	7,082	854	-157	516	8,077	9,429	3,457	2,751	2,785	8,993
Fin	745	-8	639	3,375	3,517	508	-38	596	2,583	2,415	3,769	3,024	3,063	9,857
Non-Fin	1,655	-177	3,600	12,419	14,390	1,346	-131	1,597	10,112	12,058	7,529	5,874	6,483	19,887
Fixed	2,400	-185	4,064	15,395	17,405	1,839	-169	2,117	12,577	14,321	11,124	8,724	9,463	29,310



Exhibit 18: Estimated changes in IG dealer inventories by maturity and broad sector.

We estimate IG dealer inventories increased \$2,400mn today on Nov-10 increased \$3,174mn over the prior week, and increased \$11,253 over the past 4 weeks.

	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 10-Nov-25 (\$mn)			
	0	0	175	399	501	15	0	76	118	151	175	175	83	433
Floating	0	0	175	399	501	15	0	76	118	151	175	175	83	433
US issuers	2,066	-220	3,699	12,471	15,180	1,562	-241	1,806	10,010	12,259	8,913	6,847	7,892	23,651
DM Yankees	216	24	251	2,864	2,325	232	51	220	2,428	2,043	1,957	1,741	1,499	5,196
EM Yankees	118	11	289	459	401	60	21	166	257	171	429	312	156	897

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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Exhibit 19: Estimated changes in IG dealer inventories by sector.

We estimate today on Nov-10 IG dealer inventories increased \$423mn for Banks/Brokers and increased \$397mn for Energy. Over the past 4 weeks, we estimate inventories increased \$2,756mn for Banks/Brokers and increased \$1,151mn for Energy.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 10-Nov-25 (\$mn)			
	10-Nov	7-Nov	1 W	2 W	4 W	10-Nov	7-Nov	1 W	2 W	4 W	Buy	Sell	Dealer	Total
Aerospace/Defense	-51	6	-102	490	493	-24	34	-182	380	284	89	139	154	382
Automobiles	56	-6	307	606	746	11	1	98	256	342	260	204	271	735
Banks/Brokers	423	32	391	2,368	2,756	314	4	611	2,066	2,273	2,311	1,888	1,793	5,992
Basic Materials	69	23	161	872	1,304	15	17	-75	574	975	480	411	387	1,278
Commercial Services	40	-68	223	512	622	23	-70	110	345	360	153	113	71	337
Energy	397	17	516	474	1,151	244	27	102	222	738	1,006	609	795	2,411
Finance	107	-49	-366	198	19	37	2	-204	303	94	710	603	657	1,971
Food, Bev, & Bottling	8	-123	15	662	995	33	-85	-67	509	689	279	271	349	899
Health Care	247	53	131	1,326	1,423	188	-2	-291	748	1,027	1,047	800	1,025	2,873
Industrial Products	66	83	47	231	-89	13	47	-86	-13	-148	242	177	253	672
Insurance	91	-56	29	124	339	110	-81	-26	-119	-130	410	320	378	1,108
Media & Entertainment	87	-10	1,699	3,938	3,890	132	14	2,158	4,776	4,937	985	898	592	2,474
REITs	124	65	586	685	404	47	36	215	333	178	338	213	235	786
Retail	57	65	-22	-53	56	61	55	-165	5	134	238	181	243	663
Technology	225	-81	201	786	1,103	216	-92	-19	600	958	818	594	786	2,197
Telecom	287	-25	-20	758	1,050	245	-37	-186	406	493	788	501	304	1,593
Tobacco	-44	-58	-270	82	200	-22	-33	-150	74	119	77	120	143	340
Transportation	-48	-24	-340	-56	77	-48	-27	-360	-120	22	122	170	132	424
Utilities	259	-51	879	1,441	906	259	9	708	1,171	827	821	562	867	2,250
Other	0	23	177	348	463	0	12	2	179	300	125	124	110	360

Note: data for maturities 13M or longer. Changes in inventories are estimated based on TRACE.

Source: BofA Global Research, FINRA, TRACE.

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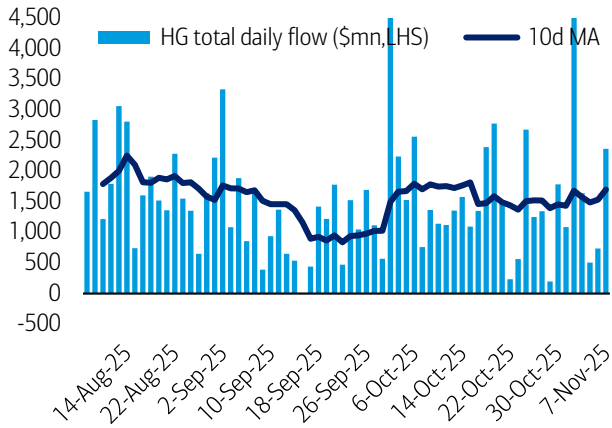
Daily HG fund flows

We define our high grade flows 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.



Exhibit 20: Daily HG fund flows since Aug-08-2025 until Nov-07-2025

On Nov-07, daily IG inflow was \$2,363mn, up from \$733mn on Nov-06. Since Aug-08-2025, daily flows have increased between June-mid July, and since beginning of August.

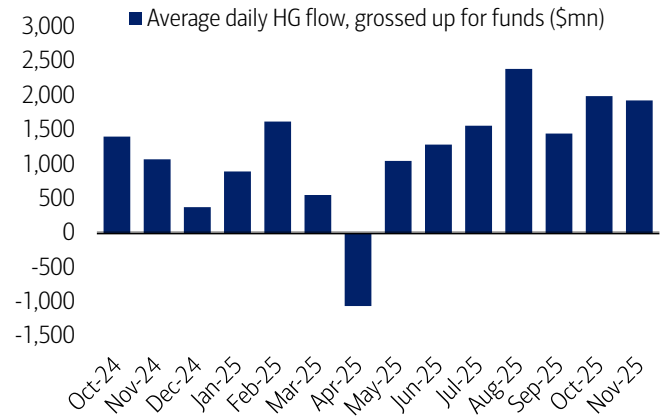


Source: EPFR Global, BofA Global Research

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Exhibit 21: Average daily HG flows by month since Oct-2024 until Nov-2025

Average daily inflow to HG was \$1,929mn in November, down from \$1,991mn in October. Since Oct-2024, average daily inflow has decreased into April 2025 and has rebounded since then.



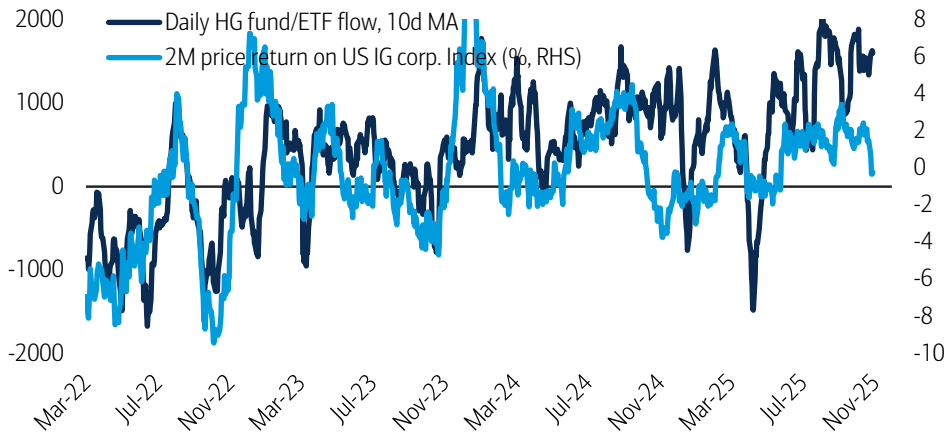
The chart plots the average daily ETF flows plus double the average daily fund flow, as only about half of funds report flows daily.

Source: EPFR Global, BofA Global Research

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Exhibit 22: Daily HG fund/ETF flows and 2M price return

HG fund flows tend to follow returns, as shown below since Nov-2022, although flows have been decoupled from returns since around Oct-2024. 2M price return dropped by -182bps in the last 4 weeks ending Nov-07, while 10-day MA daily flows were up by -\$162mn during the same period.



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

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Daily foreign demand tracker

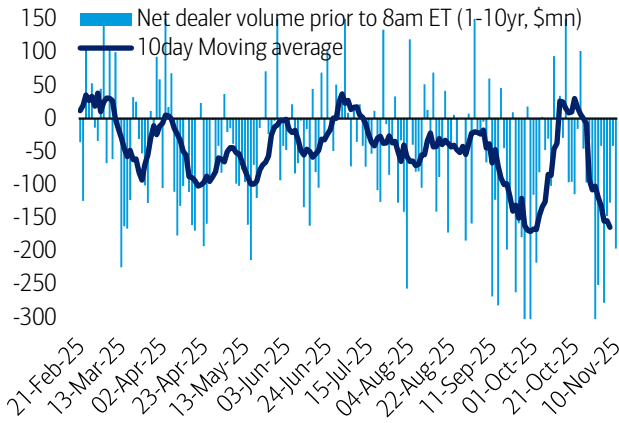
Trading overnight (prior to 8am) as well as with affiliates are proxies for foreign demand for USD IG corporate bonds. Negative values for “net dealer buy” denote net buying by foreign investors (i.e. US dealers taking down inventory in favor of foreign affiliates). Exhibit 23 and Exhibit 24 show net dealer-to-all volumes before 8am ET (biased toward Asian demand) while Exhibit 25 and Exhibit 26 show net dealer-to-affiliates volumes between 8am and noon (biased toward European demand). Exhibit 27 shows the



relationship between foreign buying and change in treasury yields. A drop in yield typically leads to lower foreign demand, though not always.

Exhibit 23: Net dealer trading volumes before 8am ET. 1-10yr

Net dealer buy prior to 8am is a proxy for Asian demand for USD IG corp bonds 1-10yr since Feb-2025 until Nov-2025. The corresponding net dealer volume was \$-196mn on Nov-10, vs \$-42mn the day prior.



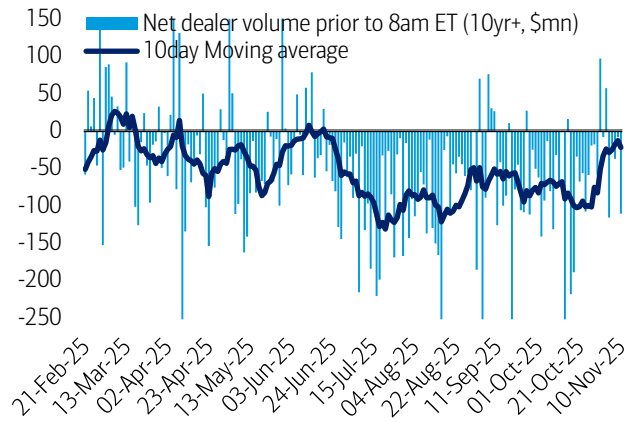
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 24: Net dealer trading volumes before 8am ET. 10yr+

Net dealer buy prior to 8am is a proxy for Asian demand for USD IG corp bonds 1-10yr since Feb-2025 until Nov-2025. The corresponding net dealer volume was \$-111mn on Nov-10, vs \$-9mn the day prior.



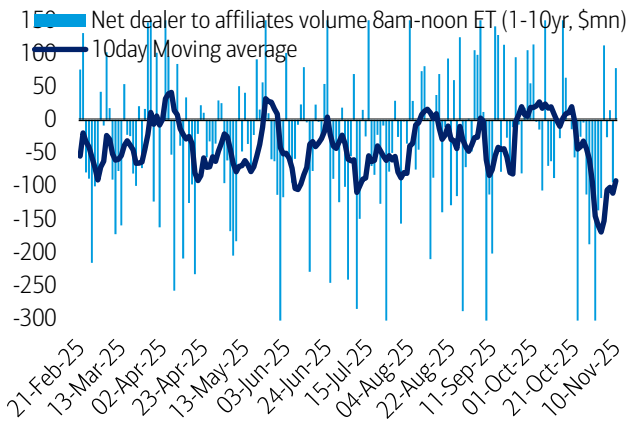
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 25: Net dealer to affiliate trade vol 8am-noon ET. 1-10yr

Net dealer to affiliate buy 8am-noon is a proxy for European demand for USD IG corp bonds 1-10yr since Feb-2025 until Nov-2025. The corresponding net dealer volume was \$78mn on Nov-10, vs \$-94mn the day prior.



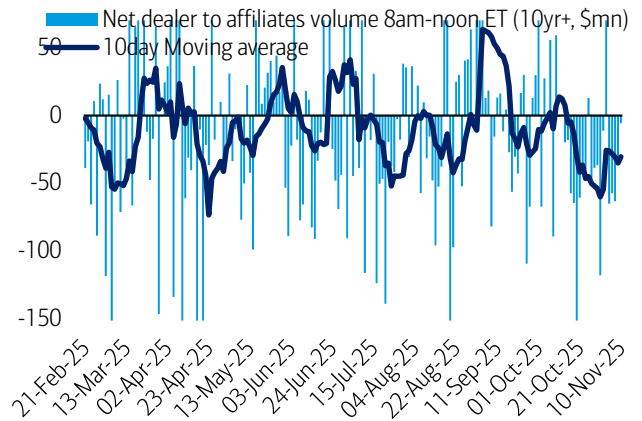
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 26: Net dealer to affiliate trade vol 8am-noon ET. 10yr+

Net dealer to affiliate buy 8am-noon is a proxy for European demand for USD IG corp bonds 1-10yr since Feb-2025 until Nov-2025. The corresponding net dealer volume was \$-6mn on Nov-10, vs \$-31mn the day prior.



Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

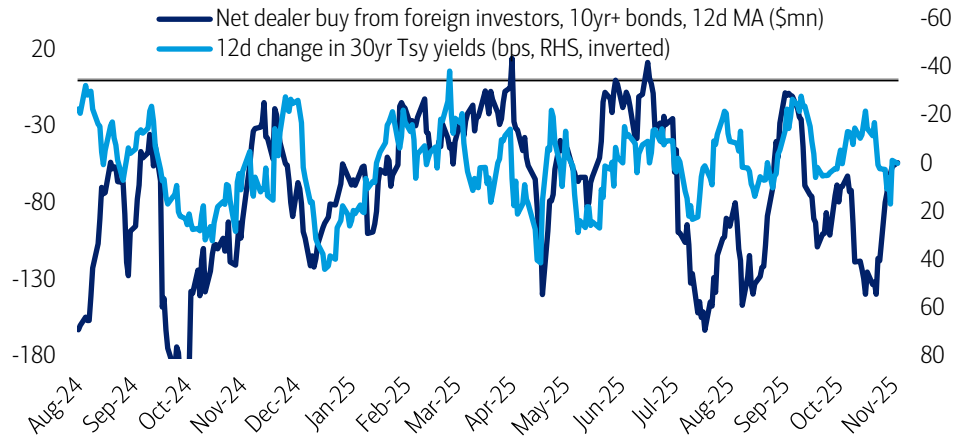
Source: BofA Global Research, TRACE

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Exhibit 27: Net foreign buying follows change in rates

A drop in Treasury yield typically leads to lower foreign demand, as shown below from Jun-2024 to Nov-2025. We estimate 12-day MA foreign buy went up by \$296mn over the past 5 business days ending Nov-10, while T yield decreased by 0bps over the same period.



Note: Negative values denote net client buying. Net foreign buying is defined as the sum of net dealer buy before 8am ET and net dealer-to-affiliates volume between 8am and noon ET.

Source: BofA Global Research, TRACE, Bloomberg

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Common abbreviations:

- IG: Investment Grade
- HG: 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
- Unched: Unchanged
- CPI: Consumer Price Index
- FOMC: The Federal Open Market Committee



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