

Situation Room

3Q25 IG preliminary fundamentals: healthy

Credit Analysis

3Q25 IG preliminary fundamentals: healthy

Our preliminary estimates show that US IG credit fundamentals were strong in 3Q. Currently, the results are based on data for 61% of issuers in our sample that tracks public US IG issuers ex. Financials and Utilities. The preliminary estimates show stable leverage. Debt grew for two consecutive quarters for the first time since Covid. EBITDA growth remains healthy, margins improved, and capex spending accelerated for a median US IG issuer (not just the hyperscalers).

IG leverage: stable

We estimate median gross leverage was 2.57x in 3Q, unchanged from 2Q. IG leverage stayed range bound in 2023-2025, within 2.57x - 2.68x range (Exhibit 1). Net leverage was 1.92x in 3Q down from 1.95x in 2Q.

Further details on IG credit fundamentals

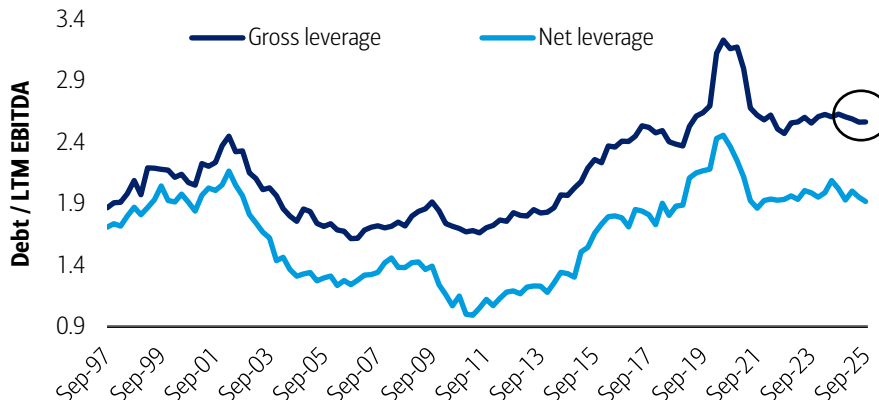
Gross debt increased +1.0% YoY (Exhibit 15), and net debt grew +3.0% YoY, near the highest level since 4Q22 (Exhibit 16). The median YoY EBITDA growth was steady at 5.2% in 3Q from +5.4% in 2Q (Exhibit 12). The coverage ratio improved to 10.39x (Exhibit 6) as borrowing costs stabilized (Exhibit 2). Gross leverage declined for BBBs while net leverage declined across ratings (Exhibit 4, Exhibit 5). Finally, cash growth was +4.0% QoQ, above seasonal averages of +1.6% (Exhibit 10).

M&A remained hot in October

North American M&A announcements remained high at \$348bn in October, up from \$421bn in September.

Exhibit 1: Stable leverage in 3Q

Gross leverage was stable in 3Q relative to 2Q (at 2.57x unchanged), while net leverage declined to 1.92x in 3Q from 1.95x in 2Q.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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04 November 2025

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In this report

M&A remained hot in October
Daily supply snapshot
Daily dealer inventories update
Daily HG fund flows
Daily foreign demand tracker

Link to notable research

[Morning Market Tidbits: SNAP-ing out of a shutdown?](#)

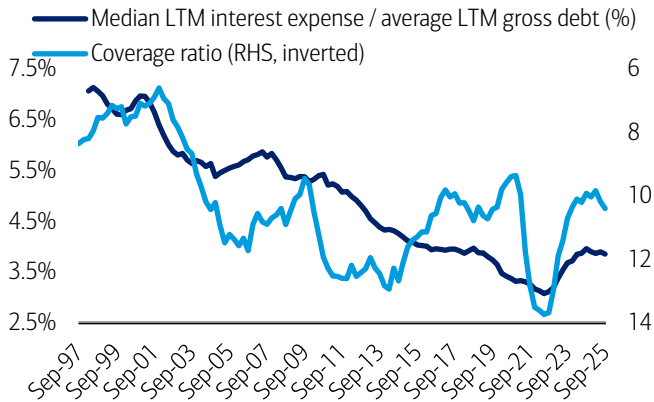
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Exhibit 2: Stable borrowing costs in 3Q

The median LTM borrowing cost was stable in 3Q.



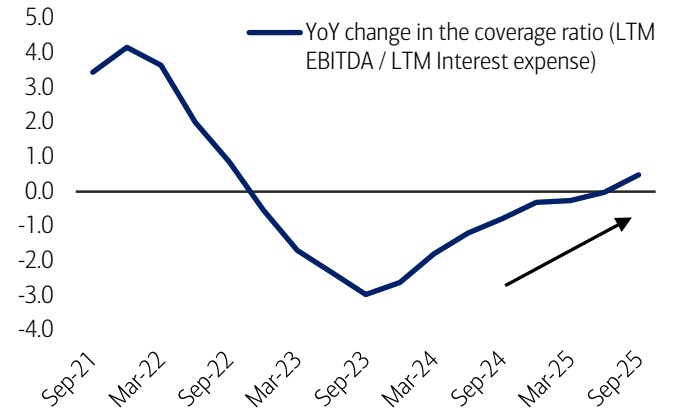
Note: Median debt cost is defined as LTM interest expense / current gross debt. 3Q25 values are preliminary.

Source: BofA Global Research

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Exhibit 3: Coverage ratio stabilizing

YoY change in LTM coverage ratio is above zero, suggesting a more stable coverage ratio recently.



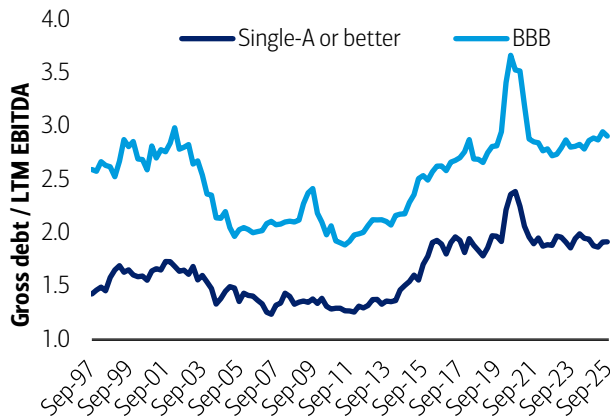
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 4: Gross leverage by rating

3Q gross leverage declined to 2.91x for BBBs and was stable at 1.92x for Single-A or better rated issuers.



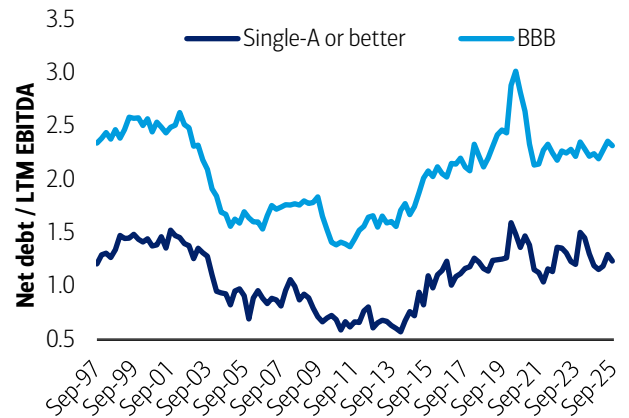
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 5: Net leverage by rating

Net leverage declined for A-rated issuers in 3Q at 1.24x, and declined to 2.32x for BBBs.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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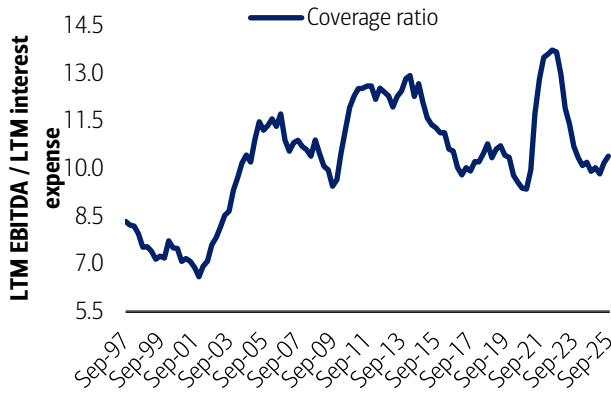
Liquidity metrics

Based on our preliminary estimates, interest coverage ratio increased to 10.39x (Exhibit 6), the highest since 3Q23. Liquidity improved, with cash as % of assets increasing to 5.97% in 3Q, while the share of long-term debt was unchanged at 92.7% in 3Q (Exhibit 7).



Exhibit 6: Median coverage: non-financial non-utility US issuers

In 3Q interest coverage ratio increased to 10.39x, the highest since 3Q23, based on preliminary estimates.



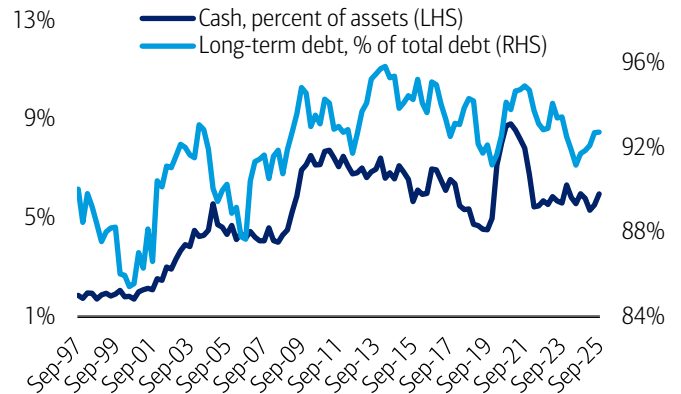
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 7: Liquidity metrics: non-financial non-utility US issuers

Cash as % of assets increased to 6% and the share of long-term debt remained at 93%.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

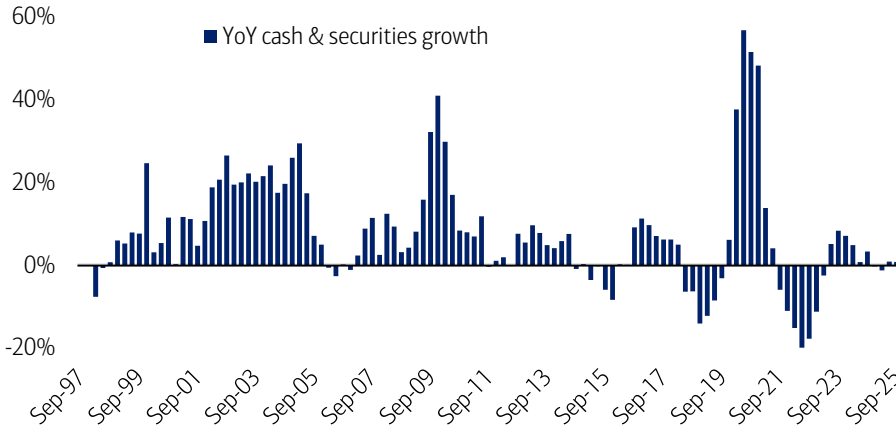
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Cash and securities

The YoY change in cash & securities was little changed at +0.8% YoY in 3Q from +0.9% in 2Q (Exhibit 8). On a QoQ basis, cash balance increased 4.0%, more than the seasonal 3Q trend (Exhibit 9, Exhibit 10).

Exhibit 8: YoY change in cash and securities was stable in 3Q

YoY cash & securities growth declined slightly to +0.8% YoY in 3Q from +0.9% in 2Q.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

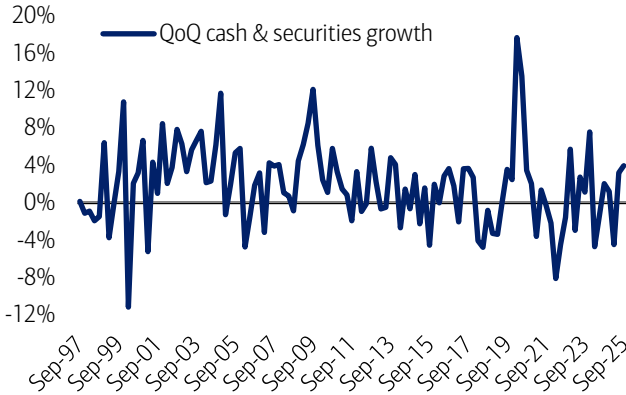
Source: BofA Global Research

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Exhibit 9: Cash increased QoQ in 3Q

Cash and securities growth increased to 4.0% QoQ in 3Q.



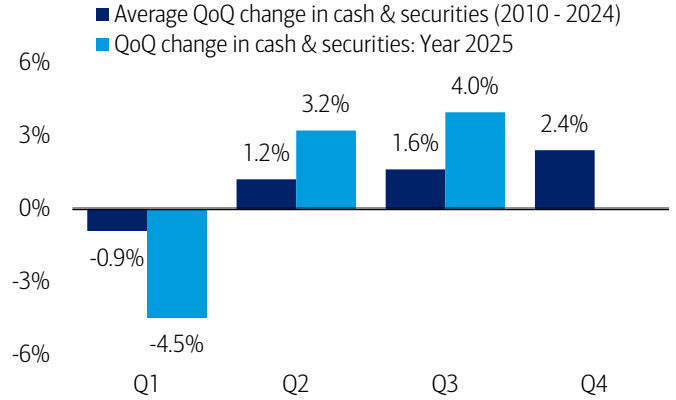
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 10: 3Q-25 QoQ cash growth was above seasonal averages

Cash typically declines in 2Q and increases in 3Q through 4Q.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

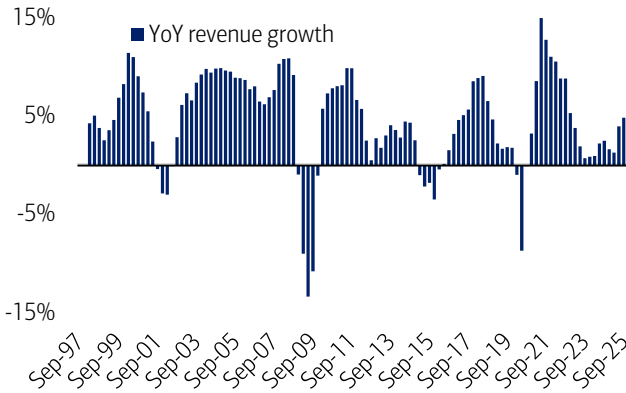
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Revenue and EBITDA growth

Median YoY revenue growth accelerated to +4.8% in 3Q – the highest since 4Q22 – from +4.0% in 2Q. The median YoY EBITDA growth was stable at 5.2% in 3Q from 5.4% in 2Q (Exhibit 11, Exhibit 12). Similarly, LTM revenue growth was little changed at +1.2% QoQ in 3Q from +1.1% QoQ in 2Q, and is at the highest level since 4Q22. LTM EBITDA growth declined to +1.3% QoQ in 3Q from +1.6% QoQ in 2Q (Exhibit 13, Exhibit 14), off the highs in 2Q.

Exhibit 11: Median YoY change in revenues

YoY revenue growth accelerated to 4.8% in 3Q.



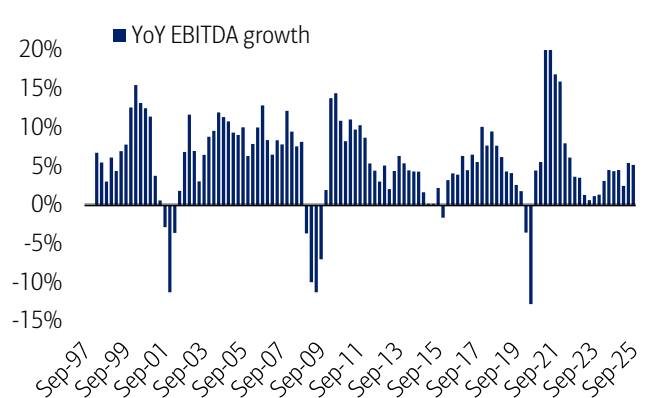
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 12: Median YoY change in EBITDA

YoY EBITDA growth was stable at 5.2% in 3Q.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

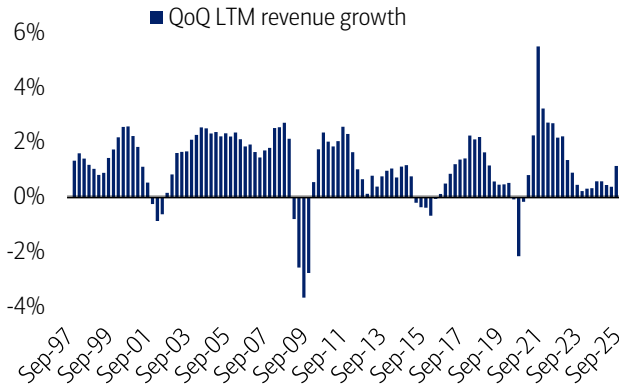
Source: BofA Global Research

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Exhibit 13: Median QoQ change in LTM revenues

Median QoQ growth in LTM revenues increased in 3Q to the highest since 4Q22.



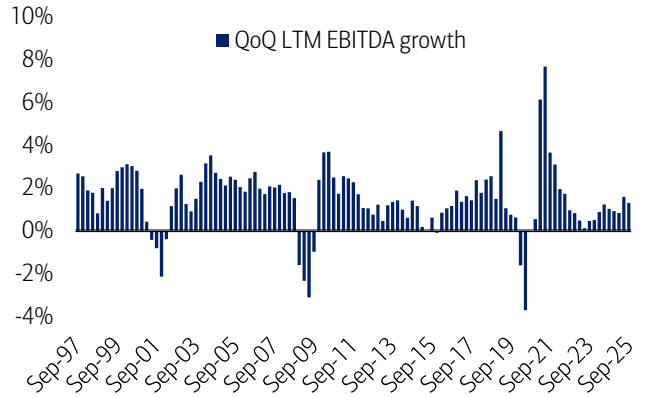
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 14: Median QoQ change in LTM EBITDA

Median QoQ growth in LTM EBITDA is near the the highest level since 2022.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

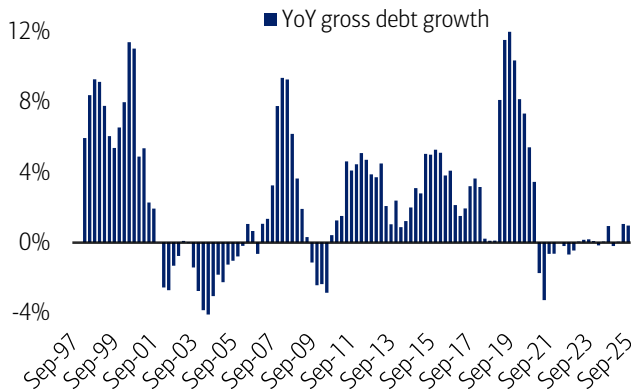
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Debt growth

On a YoY basis, both gross and net debt grew at a pace similar to 2Q, after being mostly flat since 2023. gross debt growth was steady +1.0% YoY in 3Q from +1.1% in 2Q (Exhibit 15). So was net debt growth, at +3.0% YoY in 3Q unchanged from 2Q (Exhibit 16).

Exhibit 15: YoY median change in gross debt

Gross debt grew sharply in 2Q and 3Q, after being mostly flat in 2023-2024.



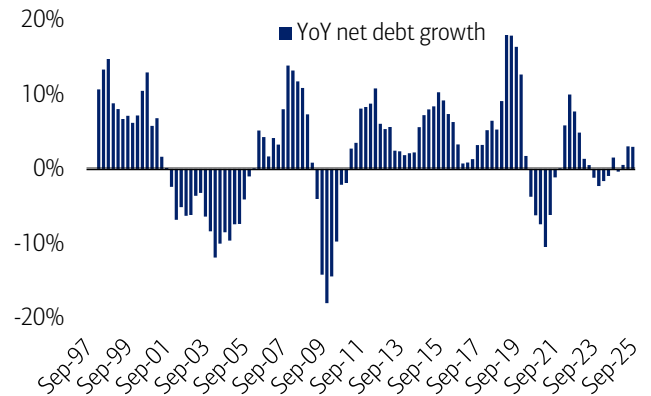
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate. Including leases in debt due to accounting rule ASC 842 inflated YoY debt growth values in 2019.

Source: BofA Global Research

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Exhibit 16: YoY median change in net debt

YoY change in net debt was steady at 3.0% in 3Q-2025.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate. Including leases in debt due to accounting rule ASC 842 inflated YoY debt growth values in 2019.

Source: BofA Global Research

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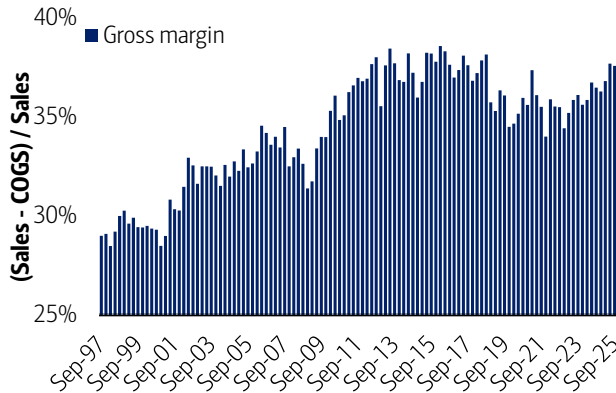
Profitability

The median gross margin was steady at 37.6% in 3Q, up from 37.7% in 2Q. EBITDA margin improved at 20.0%, up from 19.6% in 2Q and at the highest level since 3Q-22 (Exhibit 17, Exhibit 18).



Exhibit 17: Median gross margin

Gross margin was steady at 37.6% in 3Q.



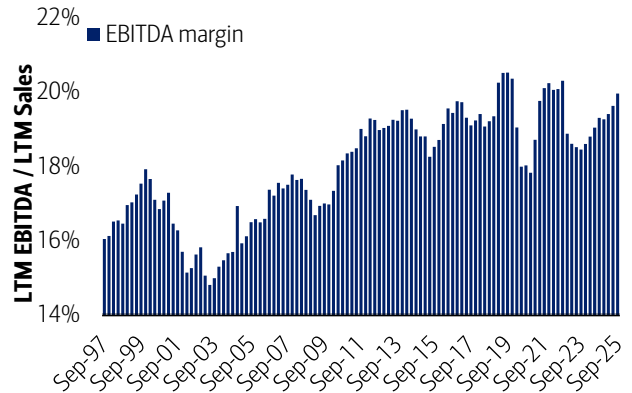
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 18: Median EBITDA margin

EBITDA margin grew in 3Q to 20.0%, the highest since 3Q-22.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

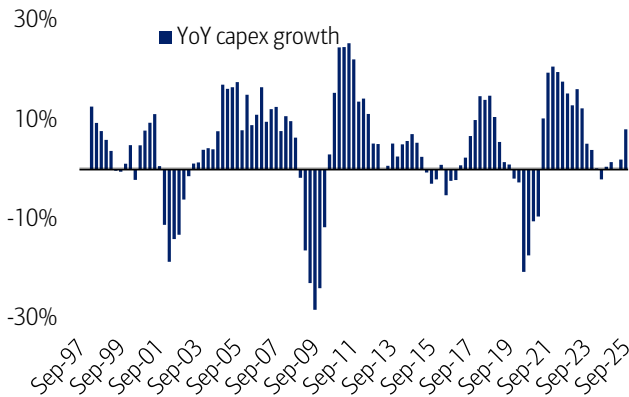
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Capital spending

The median YoY capex spending growth sharply increased to +8.0% in 3Q from +1.9% in 2Q (Exhibit 19). LTM capex as a share of EBITDA also increased to 22.9% in 3Q from 21.8% in 2Q (Exhibit 20).

Exhibit 19: Median YoY growth in capex

YoY capex growth increased to +8.0% in 3Q from +1.9% in 2Q.



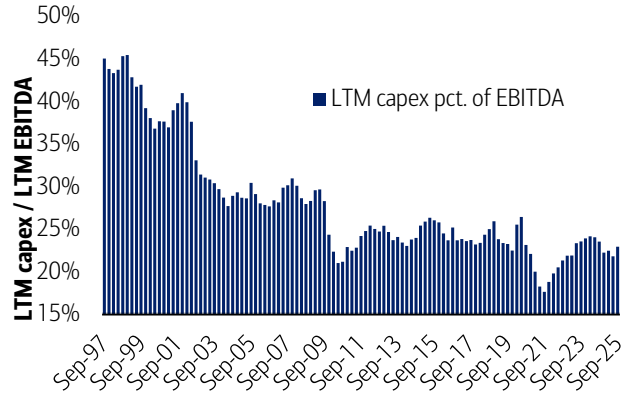
Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Exhibit 20: Median LTM capex as percent of LTM EBITDA

LTM capex as a share of EBITDA declined to a record low level in 3Q-21 and rebounded in 1H2025.



Note: based on US investment grade non-financial non-utility issuers. 3Q25 data is a preliminary estimate.

Source: BofA Global Research

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Methodology

The estimates in this report are for US non-financial issuers in benchmark ICE BofA US Corporate Index COA0 with balance sheet data available on Bloomberg. We exclude companies with large captive finance subsidiaries (CAT, DE, F, GE, and GM) and high yield issuers with secured bonds in the IG index (DELL, CHTR). We further restrict the scope of the analysis in this report to issuers excluding Utilities, which tend to have higher leverage, especially for their rating. For these US non-financial non-utility issuers actual results are currently available for 61% of the total 353 issuers. All market fundamentals are median values using GAAP measures, based on actual results when available and estimates otherwise (estimated by applying the median QoQ change for



the companies with available data to the prior quarter levels of companies where data is not yet available). We use a dynamic – as opposed to static – universe of issuers in our analysis based on the constituents in ICE BofA US IG index (COA0) at the end of each calendar quarter.

M&A remained hot in October

North American M&A announcements remained high at \$348bn in October, up from \$421bn in September (Exhibit 21) and well above the \$197bn post-Covid median. There was \$13bn of M&A-related IG issuance in October, down from \$22bn in September (Exhibit 23).

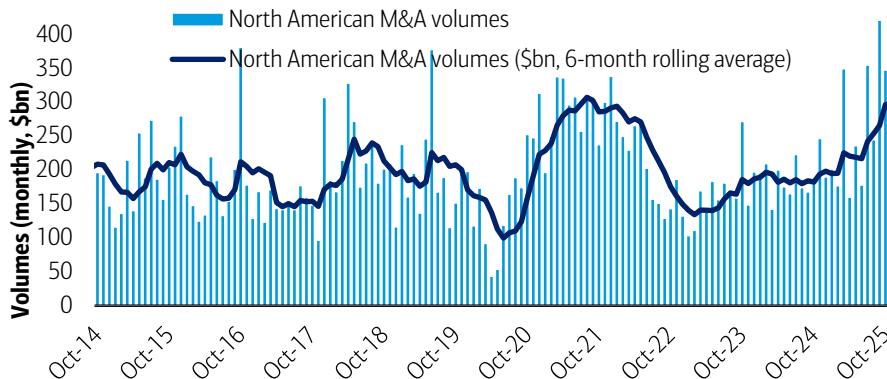
Elevated deal pipeline

The pipeline of announced deals with potential IG funding implications increased to \$450bn in October from \$412bn in September, near the highest level since 2018 (Exhibit 22). Notable deals include Union Pacific (UNP) acquisition of Norfolk Southern (NSC) (\$88bn) and Kimberly-Clark (KMB) acquisition of Kenvue (KVUE) (\$48bn), which makes up 30% of the current pipeline (Exhibit 26).

Although the relationship tends to be a bit noisy, the current pipeline implies M&A-related supply over the next eight months of \$129bn, below the \$138bn over the prior eight months (Exhibit 24, Exhibit 25). See details of the current deal list in the Pipeline of M&A deals with IG issuance implications section.

Exhibit 21: Monthly North American M&A volumes since October-2014

North American M&A announcements remained high at \$348bn in October, down from \$421bn in September.



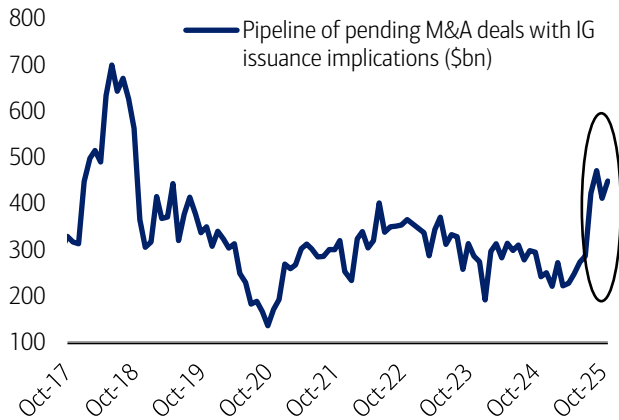
Note: limited to pending and closed deals only. Cancelled deals are excluded.

Source: Bloomberg

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Exhibit 22: Pipeline of pending M&A deals with IG funding implications

The pipeline of pending M&A deals with US IG funding implications increased to \$450bn in October from \$412bn in September. Since 2017, M&A pipeline has generally been decreasing until the recent spike in August 2025.

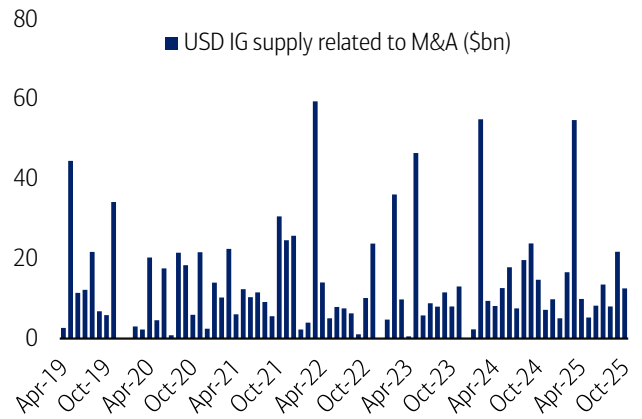


Source: BofA Global Research, Bloomberg

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Exhibit 23: US IG M&A related supply

US IG M&A-related supply totaled \$12.5bn in October, down from \$21.7bn in September, up from \$8bn in August and down from \$13.475bn in July.

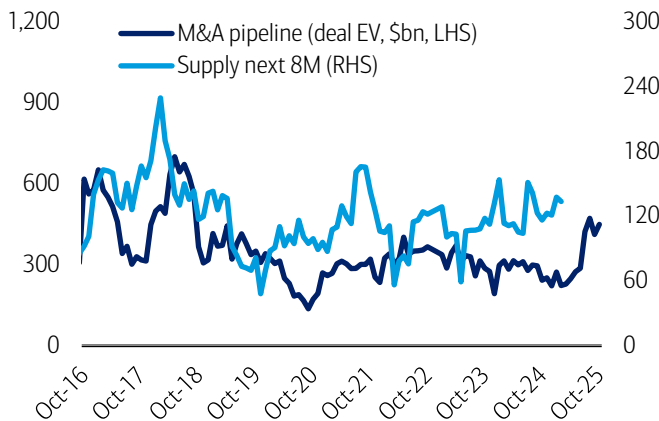


Source: BofA Global Research

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Exhibit 24: M&A pipeline vs IG supply since October 2016

IG supply is historically correlated with the volume of pending M&A deals in the pipeline, as shown since October 2016.

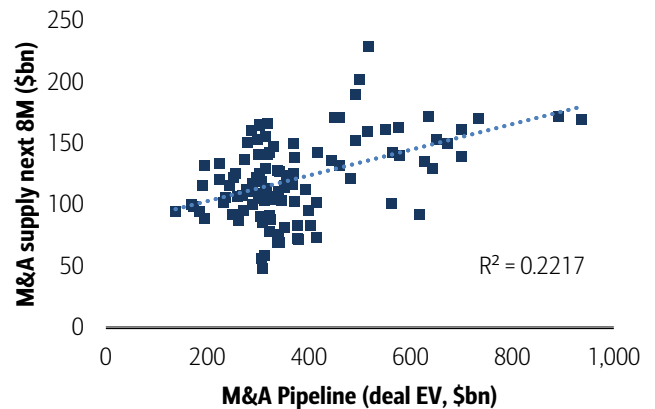


Source: BofA Global Research, Bloomberg

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Exhibit 25: Implied M&A supply next 8M: \$129bn

The R-squared of the regression of M&A supply for the next 8 months against the M&A pipeline is 0.22. At the current level of pipeline, the implied M&A supply next 8M is \$129bn.



Source: BofA Global Research, Bloomberg

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Pipeline of M&A deals with IG issuance implications

Our criteria for inclusion in the list of announced deals listed consists of deals at least \$1bn in size (in terms of EV) announced by USD high grade issuers. We further restrict the list to deals with a cash component, suggesting to us that the company September choose to fund all or portion of that cash component in the high grade bond market. Finally, the list excludes deals that have already been funded in the corporate bond market, deals that have been rejected by regulators and those that have closed.

Exhibit 26: M&A deals with potential high grade bond funding needs

A list of pending M&A deals with potential IG bond funding implications.

Deal announcement date	Acquirer Ticker	Acquirer Name	Target Ticker	Target Name	Announced deal value (\$bn)	Expected completion date
29-Jul-25	UNP US	Union Pacific Corp	NSC US	Norfolk Southern Corp	88.4	Jun-27
3-Nov-25	KMB US	Kimberly-Clark Corp	KVUE US	Kenvue Inc	47.9	Dec-26



Exhibit 26: M&A deals with potential high grade bond funding needs

A list of pending M&A deals with potential IG bond funding implications.

Deal announcement date	Acquirer Ticker	Acquirer Name	Target Ticker	Target Name	Announced deal value (\$bn)	Expected completion date
10-Jan-25	CEG US	Constellation Energy Corp	CPN US	Calpine Corp	29.0	Dec-25
17-Apr-25	GPN US	Global Payments Inc	WP US	Worldpay Inc	24.3	Dec-26
25-Aug-25	KDP US	Keurig Dr Pepper Inc	JDEP NA	JDE Peet's NV	22.7	Jun-26
5-Sep-24	VZ US	Verizon Communications Inc	FYBR US	Frontier Communications Parent Inc	19.6	Mar-26
14-Jul-25	WAT US	Waters Corp	2555215D US	Biosciences & Diagnostic Solutions	17.5	Dec-26
5-Feb-24	3651071Z DC	Novo Holdings A/S	CTLT US	Catalent Inc	16.2	Dec-24
29-Jul-25	BKR US	Baker Hughes Co	GTLS US	Chart Industries Inc	13.1	Jun-26
5-Feb-24	NOVOB DC	Novo Nordisk A/S	n.a.	Manufacturing sites/Bloomington	11.0	Dec-24
27-Oct-25	SWKS US	Skyworks Solutions Inc	QRVO US	Qorvo Inc	10.1	Jun-27
3-Nov-25	ETN US	Eaton Corp PLC	n.a.	Thermal mgmt solutions/Boyd Corp	9.5	Jun-26
29-Oct-25	TMO US	Thermo Fisher Scientific Inc	1766933D US	Clario Holdings Inc	8.9	Jun-26
26-Oct-25	NOVN SW	Novartis AG	RNA US	Avidity Biosciences Inc	8.8	Jun-26
27-May-25	CRM US	Salesforce Inc	INFA US	Informatica Inc	8.1	Apr-26
15-Aug-24	ROP US	Roper Technologies Inc	1940188D US	Transact Campus Inc	1.6	Sep-24
24-Oct-24	AYI US	Acuity Inc	0317606Z US	QSC LLC	1.2	Feb-25
16-Jun-25	ETN US	Eaton Corp PLC	2543636D LN	Ultra PCS Ltd	1.6	Jun-25
30-Jan-25	WELL US	Welltower Inc	NHHS US	NorthStar Healthcare Income Inc	1.1	Jun-25
24-Oct-24	KDP US	Keurig Dr Pepper Inc	2024076D US	Ghost LLC	1.0	Jun-25
30-May-25	EOG US	EOG Resources Inc	1643821D US	Encino Acquisition Partners LLC	5.6	Aug-25
30-Jun-25	ABBV US	AbbVie Inc	2157601D US	Capstan Therapeutics Inc	2.1	Aug-25
9-May-25	CSGP US	CoStar Group Inc	DHG AU	Domain Holdings Australia Ltd	1.9	Aug-25
25-Feb-25	TMO US	Thermo Fisher Scientific Inc	n.a.	Purification/Solventum Corp	4.1	Sep-25
15-May-25	DKS US	Dick's Sporting Goods Inc	FL US	Foot Locker Inc	4.7	Sep-25
30-Jun-25	PH US	Parker-Hannifin Corp	4476571Z US	Curtis Instruments Inc	1.0	Sep-25
29-Jul-25	CRH US	CRH PLC	1947532D US	Eco Material Technologies Inc	2.1	Sep-25
31-Jul-25	MPLX US	MPLX LP	2521476D US	Northwind Midstream Partners	2.4	Sep-25
17-Feb-25	SHW US	Sherwin-Williams Co/The	2592001D BZ	Suvinil Coatings SA	1.2	Oct-25
25-Aug-25	ABBV US	AbbVie Inc	n.a.	Gilgamesh Pharmaceuticals Inc	1.2	Oct-25
9-Sep-25	NOVN SW	Novartis AG	TRML US	Tourmaline Bio Inc	1.0	Oct-25
22-Aug-25	CVE CN	Genovus Energy Inc	MEG CN	MEG Energy Corp	5.6	Oct-25
17-Sep-25	ROG SW	Roche Holding AG	ETNB US	89bio Inc	1.6	Oct-25
23-Jun-25	ARES US	Ares Management Corp	1766638D IM	Eni Plenitude SpA Societa Benefit	2.3	Nov-25
16-Sep-25	WDAY US	Workday Inc	1822342D SS	Sana Labs AB	1.1	Nov-25
24-Apr-25	UPS US	United Parcel Service Inc	AND CN	Andlauer Healthcare Group Inc	1.5	Nov-25
22-Sep-25	PFE US	Pfizer Inc	MTSR US	Metsera Inc	4.6	Dec-25
9-Oct-25	NOVOB DC	Novo Nordisk A/S	AKRO US	Akero Therapeutics Inc	4.3	Dec-25
10-Mar-25	NOW US	ServiceNow Inc	1711117D US	Moveworks Inc	2.9	Dec-25
23-Jun-25	ULVR LN	Unilever PLC	2023891D US	Dr Squatch LLC	1.5	Dec-25
9-Sep-25	PSX US	Phillips 66	1140895D US	WRB Refining LP	1.4	Dec-25
2-Mar-25	WELL US	Welltower Inc	n.a.	Senior living properties	1.3	Dec-25
18-Aug-25	APH US	Amphenol Corp	2519912D US	TPC Engineering Holdings Inc	1.0	Dec-25
4-Sep-25	CDNS US	Cadence Design Systems Inc	n.a.	Design & Engineering/Hexagon AB	3.1	Mar-26
29-Jul-25	SR US	Spire Inc	n.a.	Tennessee business/Duke Energy	2.5	Mar-26
21-May-25	T US	AT&T Inc	n.a.	Consumer fiber/Lumen Technologies	5.8	Jun-26
8-Sep-25	PNC US	PNC Financial Services Group	462780Z US	FirstBank Holding Co	2.8	Jun-26
22-May-25	HON US	Honeywell International Inc	n.a.	Catalyst tech/Johnson Matthey	2.4	Jun-26
30-Oct-25	AIG US	American International Group	1715060D BH	Convex Group Ltd	2.1	Jun-26
9-Jun-25	QCOM US	QUALCOMM Inc	AWE LN	Alphawave IP Group PLC	2.1	Jun-26
15-Oct-25	SPGI US	S&P Global Inc	0775428D LN	Pageant Media Ltd	1.8	Jun-26
18-Sep-25	TEAM US	Atlassian Corp	2595974D US	A Software Co	1.0	Jun-26
21-Oct-25	NFG US	National Fuel Gas Co	n.a.	Ohio business/CenterPoint Energy	2.6	Dec-26
16-Oct-25	1246768D US	Molex Electronic Technologies	1452935D US	Smiths Interconnect	1.7	Dec-26
13-Jun-25	BIP US	Brookfield Infrastructure Partners	0131397D US	Hotwire Communications LLC	7.0	n.a.
13-Sep-23	TMUS US	T-Mobile US Inc	n.a.	600MHz spectrum/Comcast	3.3	n.a.
7-Oct-25	ICE US	Intercontinental Exchange Inc	1840089D US	Blockratize Inc	2.0	n.a.
24-Apr-24	2137Z US	Massachusetts Mutual	2231444D US	ATLAS SP Partners LP	2.0	n.a.
18-Sep-25	RDN US	Radian Group Inc	1847411D LN	Inigo Ltd/UK	1.7	n.a.
10-Oct-25	BMY US	Bristol-Myers Squibb Co	2253417D US	Orbital Therapeutics Inc	1.5	n.a.
16-Apr-24	MSFT US	Microsoft Corp	1770871D UH	Group 42 Holding Ltd	1.5	n.a.
25-Oct-23	STLA US	Stellantis NV	9863 HK	Zhejiang Leapmotor Technologies Ltd	1.1	n.a.
28-Oct-25	NVDA US	NVIDIA Corp	NOKIA FH	Nokia Oyj	1.0	n.a.
27-May-25	LLY US	Eli Lilly & Co	1221305D US	SiteOne Therapeutics Inc	1.0	n.a.
18-Oct-24	VZ US	Verizon Communications Inc	n.a.	Spectrum licenses/US Cellular Corp	1.0	n.a.

Exhibit 26: M&A deals with potential high grade bond funding needs

A list of pending M&A deals with potential IG bond funding implications.

Deal announcement date	Acquirer Ticker	Acquirer Name	Target Ticker	Target Name	Announced deal value (\$bn)	Expected completion date
2-May-24	NOVN SW	Novartis AG	1946509D US	Curie Therapeutics Inc	1.0	n.a.

Source: BofA Global Research, Bloomberg

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Daily supply snapshot

US IG issuance totaled \$2.9bn across 3 deals today, \$37.3bn WTD and \$37.3bn MTD. The average new issue concession was 3bps today, while the average break performance was 1bps wider today. This week's new issues are trading flat to pricing.

Exhibit 27: 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
2025-11-03	BNKOKL	BOKF NA	15NC10	400	NA/BBB+	6.108	200	n.a.	n.a.	n.a.
2025-11-03	BRKHEC	MidAmerican Energy Co	31	400	Aa2/A	5.5	85	7	1	86
2025-11-03	EBAY	eBay Inc	3	600	Baa1/BBB+	4.25	65	n.a.	n.a.	64
2025-11-03	EBAY	eBay Inc	10	400	Baa1/BBB+	5.125	103	n.a.	n.a.	102
2025-11-03	EPR	EPR Properties	5	550	NA/BBB-	4.75	130	n.a.	-2	129
2025-11-03	GOOGL	Alphabet Inc	3	500	Aa2/AA+	FRN	SOFR+52	n.a.	n.a.	51
2025-11-03	GOOGL	Alphabet Inc	3	1,000	Aa2/AA+	3.875	30	n.a.	n.a.	27
2025-11-03	GOOGL	Alphabet Inc	5	2,500	Aa2/AA+	4.1	40	n.a.	n.a.	38
2025-11-03	GOOGL	Alphabet Inc	7	1,250	Aa2/AA+	4.375	50	n.a.	n.a.	49
2025-11-03	GOOGL	Alphabet Inc	10	3,500	Aa2/AA+	4.7	62	10	n.a.	61
2025-11-03	GOOGL	Alphabet Inc	20	2,000	Aa2/AA+	5.35	72	3	n.a.	71
2025-11-03	GOOGL	Alphabet Inc	30	4,000	Aa2/AA+	5.45	82	15	n.a.	81
2025-11-03	GOOGL	Alphabet Inc	50	2,750	Aa2/AA+	5.7	107	n.a.	n.a.	106
2025-11-03	HWM	Howmet Aerospace Inc	7	500	Baa1/BBB+	4.55	65	n.a.	n.a.	66
2025-11-03	LNC	Lincoln National Corp	10	500	Baa2/BBB+	5.35	125	n.a.	0	124
2025-11-03	MAA	Mid-America Apartments LP	7	400	A3/A-	4.65	85	n.a.	n.a.	84
2025-11-03	NI	NiSource Inc	31NC5	1,000	Baa3/BBB-	5.75	204	n.a.	n.a.	206
2025-11-03	NOVNVX	Novartis Capital Corp	3	800	NA/AA-	FRN	SOFR+52	n.a.	n.a.	51
2025-11-03	NOVNVX	Novartis Capital Corp	3	700	NA/AA-	3.9	30	n.a.	n.a.	29
2025-11-03	NOVNVX	Novartis Capital Corp	5	1,750	NA/AA-	4.1	45	n.a.	n.a.	44
2025-11-03	NOVNVX	Novartis Capital Corp	7	925	NA/AA-	4.3	50	n.a.	n.a.	48
2025-11-03	NOVNVX	Novartis Capital Corp	10	925	NA/AA-	4.6	55	5	n.a.	61
2025-11-03	NOVNVX	Novartis Capital Corp	20	350	NA/AA-	5.2	55	n.a.	n.a.	61
2025-11-03	NOVNVX	Novartis Capital Corp	30	550	NA/AA-	5.3	65	-1	n.a.	72
2025-11-03	RDSALN	Shell Finance US Inc	5	350	Aa2/A+	FRN	SOFR+78	n.a.	n.a.	81
2025-11-03	RDSALN	Shell Finance US Inc	5	1,000	Aa2/A+	4.125	50	n.a.	-2	48
2025-11-03	RDSALN	Shell Finance US Inc	10	1,000	Aa2/A+	4.75	67	8	2	72
2025-11-03	UBS	UBS Group AG	8NC7	2,000	A2/A-	4.844	95	9	1	97
2025-11-03	UBS	UBS Group AG	22NC21	1,250	A2/A-	5.528	88	6	1	89
2025-11-03	WEC	WEC Energy Group Inc	31NC5	600	Baa2/BBB	5.625	191	n.a.	n.a.	185
2025-11-04	ETR	Entergy Corp	31NC5	600	Baa3/BBB-	5.875	218	n.a.	n.a.	n.a.
2025-11-04	ETR	Entergy Corp	31NC10	700	Baa3/BBB-	6.1	201	n.a.	n.a.	n.a.
2025-11-04	HIW	Highwoods Realty LP	7	350	Baa2/BBB-	5.35	155	n.a.	n.a.	n.a.
2025-11-04	WLK	Westlake Corp	10	600	Baa2/BBB+	5.55	150	n.a.	1	151
2025-11-04	WLK	Westlake Corp	30	600	Baa2/BBB+	6.375	175	3	1	176

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

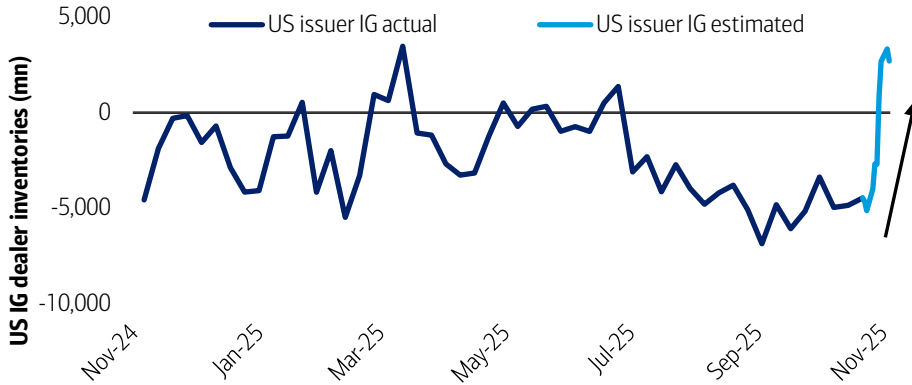
Below we estimate dealer inventories for the IG corporate bonds based on TRACE data. The actual inventories of US issuer bonds based on NY Fed survey, as well as the



estimated change since the latest Fed report are plotted in Exhibit 28. We estimate the corresponding DV01 equivalent in Exhibit 29. More details by sector and maturity are available in Exhibit 30 and Exhibit 31. Finally, note that the data for the current date is through about 4:40 p.m. Eastern Standard Time.

Exhibit 28: Estimated dealer inventories of IG corporate bonds since Nov-2024.

We estimate IG dealer inventories of US issuer bonds increased to \$2.7bn currently on Nov-04 from -\$4.5bn on Oct-22. Since Nov-2024, dealer inventories have fluctuated but generally stayed negative.



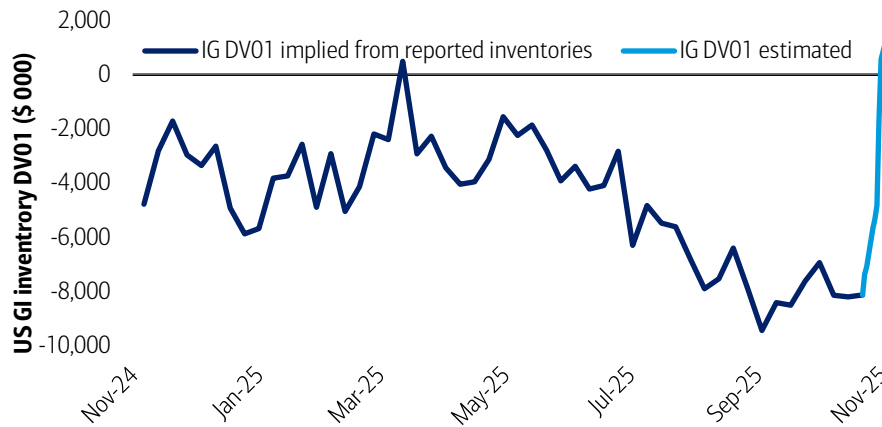
Note: data for US issuer bonds only, maturities 13M or longer. Actual dealer inventory data is from Primary Dealer Statistics survey by the NY Fed. The subsequent change in inventory is estimated based on TRACE and IG ETF flows.

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

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Exhibit 29: Estimated dealer inventory DV01 for IG corporate bonds since Nov-2024.

We estimate IG dealer inventory DV01 of US issuer bonds increased to \$0.4mn currently on Nov-04 from -\$8.1bn on Oct-22. 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 30: Estimated changes in IG dealer inventories by maturity and broad sector.

We estimate IG dealer inventories declined -\$213mn today on Nov-04 increased \$8,261mn over the prior week, and increased \$8,534 over the past 4 weeks.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 4-Nov-25 (\$mn)			
	4-Nov	3-Nov	1 W	2 W	4 W	4-Nov	3-Nov	1 W	2 W	4 W	Buy	Sell	Dealer	Total
High grade (TRACE + ETFs)	-213	1,715	8,261	8,247	8,534	-847	1,829	7,978	9,696	8,504	16,296	16,509	14,778	47,583
ETF flow	-	658	1,589	2,709	5,717	-	398	1,120	1,707	3,411	-	-	-	-
TRACE net dealer buy	-213	2,373	9,851	10,955	14,251	-847	2,227	9,098	11,403	11,914	16,296	16,509	14,778	47,583
<3yr	-335	26	293	-1,175	1,270	-70	10	-48	-320	83	2,115	2,450	1,801	6,366



Exhibit 30: Estimated changes in IG dealer inventories by maturity and broad sector.

We estimate IG dealer inventories declined -\$213mn today on Nov-04 increased \$8,261mn over the prior week, and increased \$8,534 over the past 4 weeks.

	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 4-Nov-25 (\$mn)			
	3-5yr	5-11yr	11+yr	Fin	Non-Fin	3-5yr	5-11yr	11+yr	Fin	Non-Fin	Buy	Sell	Dealer	Total
3-5yr	929	418	1,566	1,839	622	302	158	566	680	176	3,684	2,755	3,060	9,500
5-11yr	-149	393	2,718	3,520	5,999	-94	240	1,786	2,434	3,840	4,950	5,099	4,734	14,783
11+yr	-658	1,536	5,274	6,771	6,359	-985	1,819	6,795	8,609	7,815	5,546	6,205	5,183	16,934
Fin	99	702	2,719	1,128	3,232	25	615	2,021	1,779	2,294	5,268	5,169	4,552	14,990
Non-Fin	-312	1,671	7,132	9,828	11,019	-872	1,612	7,077	9,623	9,620	11,028	11,340	10,225	32,593
Fixed	-241	2,373	9,713	10,678	13,898	-862	2,227	9,064	11,332	11,819	16,040	16,282	14,632	46,955
Floating	28	0	138	278	353	15	0	35	71	96	256	227	145	628
US issuers	-631	1,311	6,984	8,571	11,733	-1,041	1,257	6,841	9,240	9,619	12,715	13,346	11,982	38,043
DM Yankees	360	1,009	2,727	2,268	2,184	172	968	2,171	2,194	2,141	2,984	2,624	2,558	8,166
EM Yankees	57	53	139	117	333	22	3	86	-31	154	597	539	237	1,374

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 31: Estimated changes in IG dealer inventories by sector.

We estimate today on Nov-04 IG dealer inventories increased \$106mn for Banks/Brokers and increased \$45mn for Energy. Over the past 4 weeks, we estimate inventories increased \$1,967mn for Banks/Brokers and increased \$1,126mn for Energy.

Sector	Net dealer buy (\$mn)					Net dealer DV01 change (\$thousand)					Trading volumes on 4-Nov-25 (\$mn)			
	4-Nov	3-Nov	1 W	2 W	4 W	4-Nov	3-Nov	1 W	2 W	4 W	Buy	Sell	Dealer	Total
Aerospace/Defense	-32	153	453	545	491	-74	166	427	450	315	246	278	289	813
Automobiles	129	149	425	406	659	53	106	197	245	361	419	290	307	1,016
Banks/Brokers	106	458	2,005	937	1,967	166	332	1,600	1,537	1,646	3,649	3,543	3,156	10,348
Basic Materials	-5	209	601	1,142	1,248	-90	213	525	952	1,033	650	655	660	1,965
Commercial Services	137	35	354	488	534	100	35	268	333	372	321	184	263	768
Energy	45	205	-7	325	1,126	-38	248	126	389	908	1,100	1,055	995	3,150
Finance	-257	-63	339	-172	404	-164	39	363	196	361	611	868	675	2,153
Food, Bev, & Bottling	-88	189	485	726	801	-116	177	469	624	563	611	699	626	1,936
Health Care	-199	34	698	1,273	732	-196	85	729	1,333	706	1,405	1,603	1,377	4,385
Industrial Products	-8	191	159	-104	-343	-23	135	108	-17	-154	306	314	372	992
Insurance	12	174	116	239	933	-111	164	-154	-137	212	496	484	451	1,431
Media & Entertainment	-87	64	2,068	2,095	2,314	-54	57	2,439	2,633	2,767	1,553	1,641	1,234	4,428
REITs	238	134	259	123	-72	134	81	212	183	75	513	275	271	1,058
Retail	-12	-148	-152	-73	27	-28	-110	88	182	202	498	511	501	1,510
Technology	-19	-133	350	687	1,167	-57	-132	456	793	963	1,746	1,766	1,311	4,823
Telecom	-212	25	482	818	1,032	-222	1	349	558	662	443	655	462	1,559
Tobacco	-71	28	155	402	567	-26	23	138	274	406	121	192	249	563
Transportation	-56	66	122	176	328	-44	85	136	220	375	239	295	278	811
Utilities	105	520	742	525	-58	-20	460	494	408	-174	1,118	1,013	1,117	3,248
Other	63	85	198	397	393	-37	63	128	248	314	252	190	185	627

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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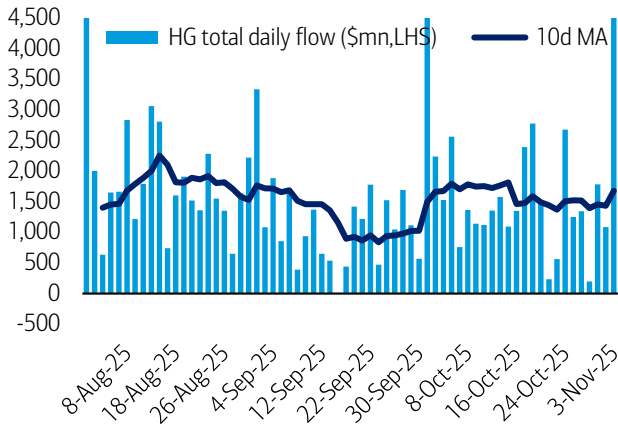
Daily HG fund flows

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 32: Daily HG fund flows since Aug-04-2025 until Nov-03-2025

On Nov-03, daily IG inflow was \$5,082mn, up from \$1,083mn on Oct-31. Since Aug-04-2025, daily flows have increased between June-mid July, and since beginning of August.

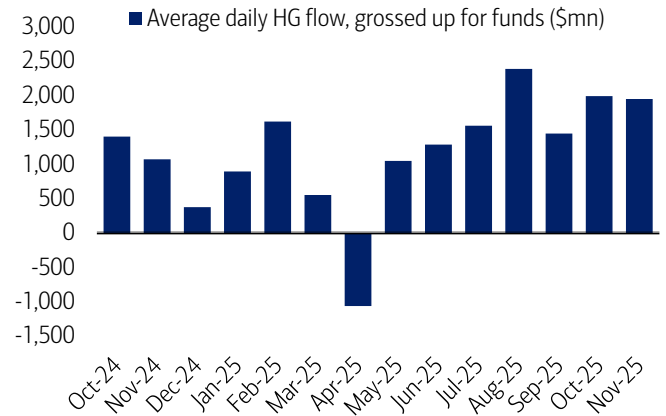


Source: EPFR Global, BofA Global Research

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Exhibit 33: Average daily HG flows by month since Oct-2024 until Nov-2025

Average daily inflow to HG was \$1,948mn in November, down from \$1,991mn in October. Since Oct-2024, average daily inflow has decreased into April 2025 and has rebounded since then.



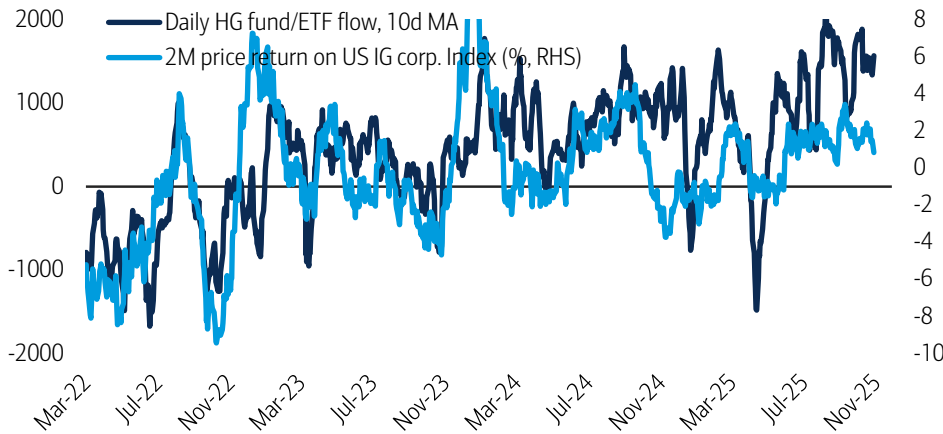
The chart plots the average daily ETF flows plus double the average daily fund flow, as only about half of funds report flows daily.

Source: EPFR Global, BofA Global Research

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Exhibit 34: Daily HG fund/ETF flows and 2M price return

HG fund flows tend to follow returns, as shown below since Oct-2022, although flows have been decoupled from returns since around Oct-2024. 2M price return dropped by -22bps in the last 4 weeks ending Nov-03, while 10-day MA daily flows were up by -\$228mn during the same period.



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

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Daily foreign demand tracker

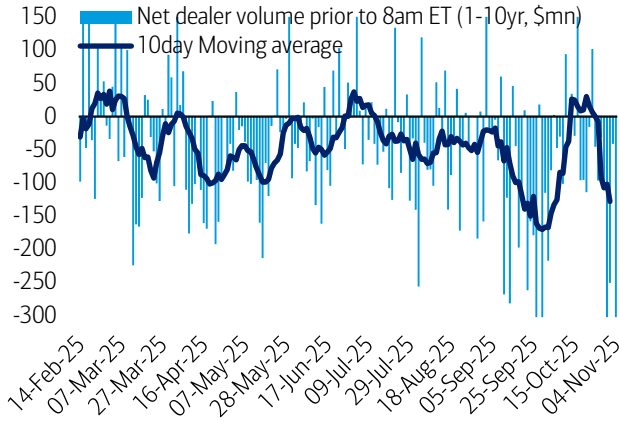
Trading overnight (prior to 8am) as well as with affiliates are proxies for foreign demand for USD IG corporate bonds. Negative values for “net dealer buy” denote net buying by foreign investors (i.e. US dealers taking down inventory in favor of foreign affiliates). Exhibit 35 and Exhibit 36 show net dealer-to-all volumes before 8am ET (biased toward Asian demand) while Exhibit 37 and Exhibit 38 show net dealer-to-affiliates volumes between 8am and noon (biased toward European demand). Exhibit 39 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 35: 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 \$-373mn on Nov-04, vs \$-42mn the day prior.



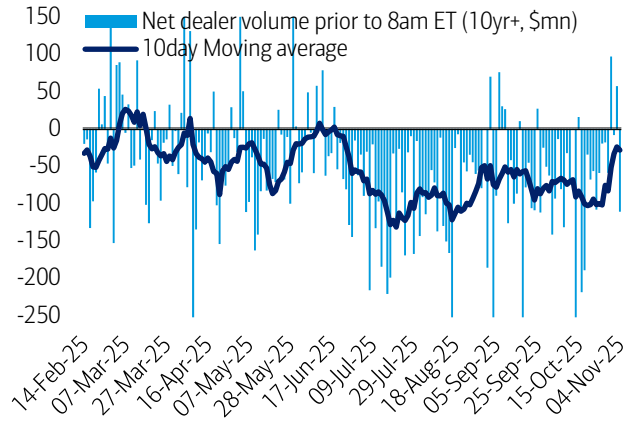
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 36: 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-04, vs \$57mn the day prior.



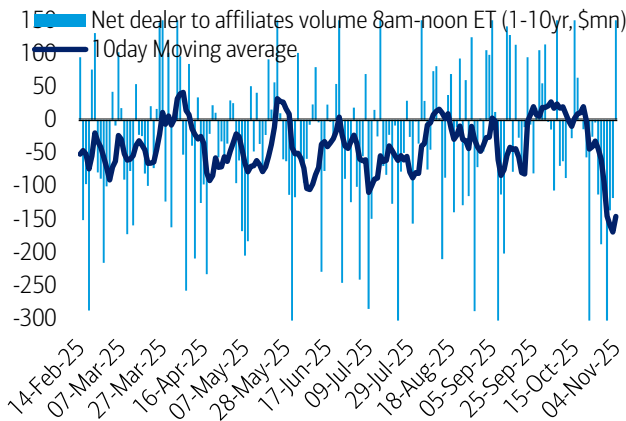
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 37: 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 \$180mn on Nov-04, vs \$-118mn the day prior.



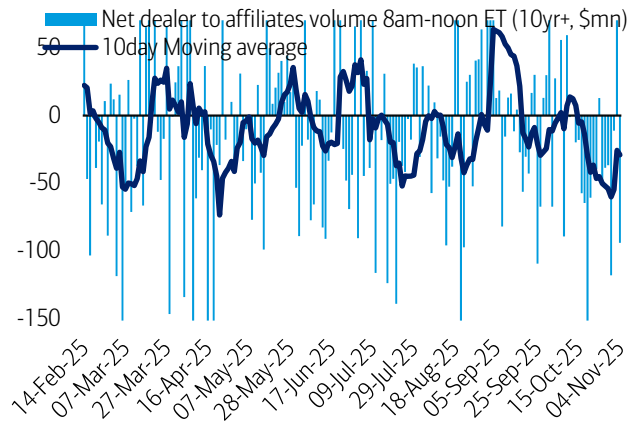
Note: Negative values denote net client buying. Morning share of daily trading volume is correlated with secondary market activity of foreign investors due to different time zones.

Source: BofA Global Research, TRACE

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Exhibit 38: 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 \$-94mn on Nov-04, vs \$122mn 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.

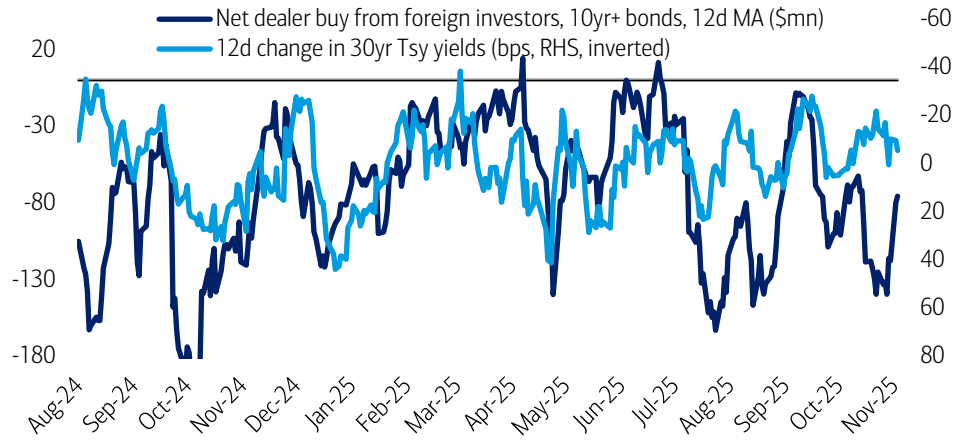
Source: BofA Global Research, TRACE

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Exhibit 39: 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 \$148mn over the past 5 business days ending Nov-04, 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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