MOODY'S ANALYTICS

WEEKLY MARKET OUTLOOK

Deregulation Seen to Spur Growth, Trim Risk

Moody's Capital Markets Research, Inc.

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Credit Markets Review and Outlook *by John Lonski*

Deregulation Seen to Spur Growth, Trim Risk.

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The Week Ahead

We preview economic reports and forecasts from the US, UK/Europe, and Asia/Pacific regions.

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The Long View

Check our chart here for forecast summaries of key credit market metrics. Full updated stories, "First-quarter 2017 US$ corporate bond issuance is expected to grow year-over-year by 5% for investment-grade and 21% for high-yield," begin on page 12.

Credit Spreads	Investment Grade: Year-end 2017 spread to exceed its recent 118 bp. High Yield: After recent spread of 405 bp, it may approximate 520 bp by year-end 2017.
Defaults	US HY default rate: after December 2016's 5.7%, Moody's Credit Policy Group forecasts it near 3.9% by 2H 2017.
Issuance	In 2016, US$-denominated IG bond issuance grew by 5.0% to a record $1.405 trillion, while US$-priced high-yield bond issuance fell by -3.9% to $339 billion. For 2017, US$-denominated IG bond issuance may rise by 1.5% to $1.426 trillion, while US$-priced high-yield bond issuance may increase by 3.3% to $351 billion.

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Ratings Round-Up *by Njundu Sanneh*

US Upgrades Up Last Week, Global Defaults Seen to Be Down This Year.

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Market Data

Credit spreads, CDS movers, issuance.

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Moody's Capital Markets Research *recent publications*

Links to commentaries on: Potential, BAC, optimism, Portugal, DB, revisions, outlook, US, great, China, Italy, inflation, OPEC, guidance, sovereigns, inflation, Italy, jolt, Trumponomics.

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Click here for *Moody's Credit Outlook*, our sister publication containing Moody's rating agency analysis of recent news events, summaries of recent rating changes, and summaries of recent research.

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Credit Markets Review and Outlook

By John Lonski, Chief Economist, Moody's Capital Markets Research, Inc.

Deregulation Seen to Spur to Growth, Trim Risk

Washington's transfer of power is complete. Very high probabilities can now be assigned to lowering the 35% corporate income tax rate, easing federal business regulations, and a major overhaul of the US government's role in health insurance.

Deregulation will supply stimulus at no immediate cost to the taxpayer. Nevertheless, deregulation reintroduces systemic risks that could prove costly over time.

A relaxation of federal business regulations and changes in government-mandated health care programs may supply an unexpectedly large lift to business activity. Not only will overhead costs decline, but businesses will be able to allocate a greater portion of their scarce resources to an enhancement of their product offerings. Success at the latter will expand attractive job opportunities.

Regarding a possible reformulation of Dodd-Frank, diminished regulatory burden will increase the supply of mortgage credit and business credit. Mortgage yields and business borrowing costs may be lower than otherwise, helping to offset the upward pressure put on private-sector borrowing costs by a higher fed funds rate and higher Treasury bond yields.

In addition, a softening of Dodd-Frank would enhance the ability of banks to make markets in corporate bonds and leveraged loans, where the availability of buyers for riskier debt is of critical importance during episodes of systemic financial stress. Corporate credit spreads have been wider than otherwise because of worry surrounding market depth in a time of stress.

Paradoxically, despite fears that a relaxation of regulations will add to systemic risk, a widely followed measure of business credit risk — the high-yield bond spread — has narrowed considerably from an election day, or November 8, close of 515 bp to a recent 409 bp. Indeed, high-yield bonds have far outperformed higher-quality bonds since Election Day. Unlike the 10-year Treasury yield's jump from November 8's 1.86% to a recent 2.43% and the rise by an investment-grade corporate bond yield from 3.00% to 3.34%, a composite speculative-grade bond yield sank from November 8's 6.53% to a recent 5.96%.

As inferred from the high-yield bond market's upbeat response to the Republican sweep, the outgoing administration's efforts to reduce systemic financial risk may have weighed so heavily on business activity and the efficient functioning of financial markets that they increased perceived default risk on a company by company basis. How ironic that an anticipated relaxation of financial and other business regulations has lessened perceived default risk considerably.

Room for growth may still go unfilled

And there is plenty of room to expand business activity without the risk of a potentially destabilizing upturn by price inflation. Rates of resource utilization are now exceptionally low for the seventh year of an economic recovery. If demand materializes, the Trump administration's goal of 3% to 4% real growth for the US economy may at least be temporarily achievable.

However, given the financially stressed condition of many households both at home and abroad, as well as the diminished spending proclivities of the aging populations of advanced economies, spending may fall short of what is needed to sustain 3% to 4% growth over a yearlong span.

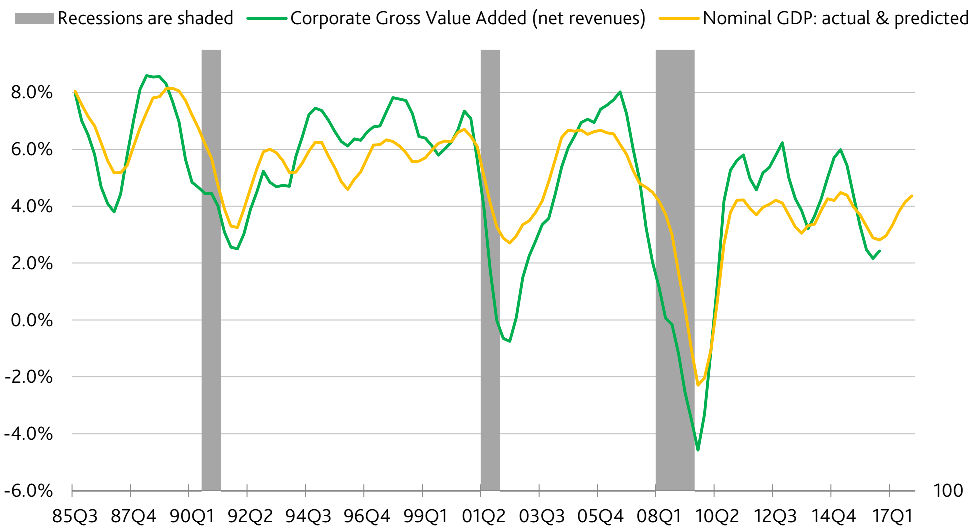
Moreover, real GDP growth of at least 3% may not be a recurring phenomenon. Long-term economic growth may be constrained to a pace closer to 2% if both the labor force and productivity continue to rise at rates that are well below their respective long-term trends.

Consensus outlook for profits requires faster than forecast GDP growth

Early January's Blue Chip consensus projection of a 5.0% annual increase for 2017's pre-tax profits from current production may be incompatible with the accompanying forecast of a 4.4% annual increase by 2017's nominal GDP. Only if employment costs slow from their 4.7% annual climb of the year-ended September 2016 might nominal GDP growth of 4.4% deliver profits growth of 5.0%. However, if the recent 4.7% unemployment rate correctly indicates rising wage pressures, a deceleration by employment costs seems unlikely.

As inferred from the strong 0.87 correlation between the annual yearlong growth rates of corporate gross value added and nominal GDP, the consensus prediction of 4.4% nominal GDP growth favors a 4.1% annual gain for 2017's corporate gross-value-added, where the latter is a proxy for corporate revenues. (Figure 1.)

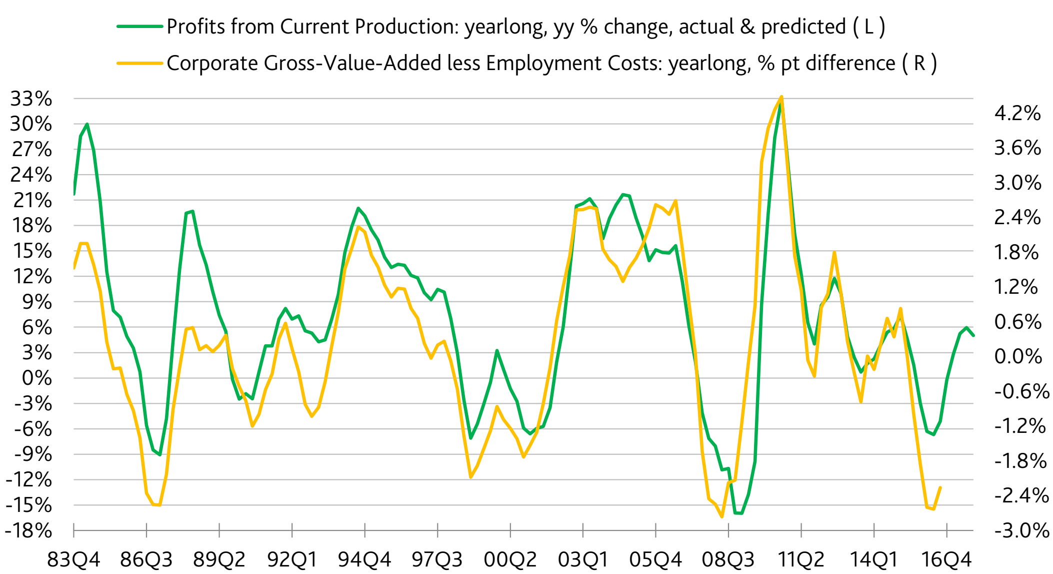
Figure 1: Subdued Outlook for Nominal GDP Supplies a 4.1% Midpoint Forecast for 2017's Corporate Gross-Value-Added Growth *yy % changes of yearlong averages*



In terms of moving yearlong averages, the percentage point difference between the annual growth rates of gross value added less corporate employment costs generates a strong correlation of 0.86 with the annual growth rate of pretax profits from current production.

Combining 2017's prospective annual increase of 4.1% for gross value added with 4.7% employment cost growth predicts a 2.5% midpoint for the annual increase of 2017's pretax operating profits. To the contrary, the equity and high-yield bond markets may be pricing in faster growth rates of 4.9% for gross-value-added and 5% for employment costs, where such assumptions support a predicted midpoint of 5% for core profits growth. However, 4.9% growth by gross-value-added may require faster-than-forecast nominal GDP growth of 5%. (Figure 2.)

Figure 2: Assuming 4.7% Employment Costs Growth, Projected 5% Growth by 2017's Profits Suggests Annual Increase of Corporate Gross-Value-Added Quickens from Q3-2016's 3.4% to 4.6% for Yearlong 2017(*correlation = 0.86*)



Profits growth is likely if capacity use rises

Fourth-quarter 2016's comparatively low industrial capacity utilization rate of 75.3% amplifies 2017's upside potential for earnings growth. After declining from a year earlier in each of the last seven quarters including Q4-2016, the capacity utilization rate is expected to increase annually in each quarter of 2017. If true, the return of profits growth in 2017 is practically assured.

The yearly percent change by pretax profits from current production shows a highly asymmetrical response to the capacity utilization rate's yearly percentage point change. Since early 1979, 68, or 85%, of the year-to-year increases by the capacity utilization rate have been joined by a year-to-year increase for profits. In stark contrast, only 32, or 46%, of the span's 70 yearly declines by the capacity utilization rate were accompanied by lower profits.

The fuller use of production capacity also bodes well for corporate credit. In terms of yearly changes, the high-yield bond spread narrowed for 63% of the months since mid-1987 showing an increase by the capacity utilization rate, while the spread widened for 66% of the months showing a decline by capacity utilization.

Still low rates of resource utilization suggest that the current recovery may prove to be a late bloomer in terms of realizing its full potential.

The Week Ahead – US, Europe, Asia-Pacific

THE US

By John Lonski and Ben Garber
Moody's Capital Markets Research Group
Estimates are consensus views. Release times are US Eastern Daylight Time

TUESDAY, JANUARY 24

Existing Home Sales – December

Time: 10:00 am
Forecast: 5.50 million
December existing home sales are forecast to decline after rising to the nine-year high in November. The Pending Home Sales Index fell to the ten-month low in November, a warning that existing home sales have lost some momentum. Yet some buyers are looking to move before mortgage rates potentially rise further, as the moving four-week average of the MBA's measure of mortgage applications for home purchases recently rose to the highest level since last June.

THURSDAY, JANUARY 26

New Home Sales – December

Time: 10:00 am
Forecast: 585,000
New home sales may have dipped in December after reaching the four-month high in November. But the long-term sales trend has been stellar, with sales of new homes rising 20% year-over-year in the quarter ending November. And sales still have much more room to grow to get back to historically normal levels relative to the size of the population. The most recent monthly new home sales pace trails the average of the past 20 years by 19%.

Leading Economic Indicators Index – December

Time: 10:00 am
Forecast: 0.5%
Spikes in stock prices and consumer confidence can power the Leading Economic Index in December to the largest gain in five months. The policies of the incoming administration will determine if this burst in optimism can translate into a sustained upturn in growth. Yet quickening wage growth gives a clear signal that consumers now have more resources to increase spending.

FRIDAY, JANUARY 27

GDP – Fourth Quarter (Advance Estimate)

Time: 8:30 am
Forecast: 2.1%
A widening trade gap is expected to lead slower GDP growth in the fourth quarter after reaching the fastest rate in two years in the previous quarter. The future effects of trade on US output are rife with uncertainty with regard to the evolution of policy and the value of the dollar. But the underlying pace of consumer spending is holding firm, getting a lift from the recent upside surprise in auto sales.

Durable Goods Orders – December

Time: 8:30 am
Forecast: 2.2% overall, 0.4% ex transportation
Solid recent indicators for industrial demand hint that core durable goods orders can rise for the fourth straight month in December. The new orders reading from the ISM Manufacturing Index jumped to the two-year high of 60.2 last month, raising expectations for near term industrial output. Core durable

goods orders have also shown similar vigor of late, rising at the two-year high rate of 5% annualized in the three months ending November.

University of Michigan Consumer Sentiment – January Final

Time: 10:00 am
Forecast: 98.0
The final reading on sentiment in the January Michigan survey is forecast to show only a mild decline from December's multi-year high. Significant increases in consumer inflation expectations in the initial January survey signal that prices are poised to accelerate a bit. That turnaround underpins the more aggressive approach to monetary policy that the Federal Reserve is itching to execute.

EUROPE

By the Dismal (Europe) staff in London and Prague
Editor's note: The Europe "Week Ahead" material is now provided on Friday, whereas our Weekly Market Outlook is published on Thursday. Accordingly, we will update this material after publication, online, on Friday or Monday.

Summary, January 20: The highlight of the week ahead will be the publication of preliminary fourth quarter GDP data for the U.K. We are expecting growth to have only slightly slowed from the previous quarter, to 0.5% q/q from 0.6% in the third quarter—a still robust pace of expansion and one of the strongest among developed economies. Despite the disappointment in retail sales in December, consumer spending—which represents around two-thirds of GDP—should have continued as the locomotive of the country's economy, since sales increased by a robust 1.2% in the fourth quarter as a whole. We caution that this pace of expansion is unlikely to carry on into 2017; soaring inflation on imported and energy goods combined with a weakening of the labor market should dent consumers' purchasing power and cause spending to slow considerably in the first half of the year.

While higher prices for imported goods is a downside of the weaker pound, there is also an upside to the cheaper currency. As it makes products made in the U.K. relatively more affordable to foreign clients, exports to Europe and the rest of the world are expected to soar and offset some of the drag from higher import prices. In the fourth quarter as a whole, we expect net trade to have positively contributed to the expansion, by around 0.6 percentage point, after it shaved 1.3 percentage point from GDP growth in the previous stanza. We do not yet have foreign trade data for December, but for October and November exports were 3.5% higher compared with the third quarter, while imports rose only 0.1%. It is likely that the pickup in exports depleted inventories, though, and offset some of the support from net trade.

The GDP release will not include the expenditure detail for growth, though, and will focus only on the production breakdown—comprising the agricultural, industrial, construction and service sectors' performances. In line with the continued growth in consumption, we expect the service sector to have been—once again—the main driver of growth. We have scarce hard data for the sector as a whole, but the index of services releases for October already shows a 0.3% m/m increase in services output, which was mainly consumer-led. The services Markit/CIPS services PMI for the two last months of 2016 was upbeat, with growth accelerating to a 17-month high in December and suggesting that the economy finished the year on a strong note.

Production, on the contrary, likely will have disappointed, and actually subtracted from growth. November's rebound in industrial production was mainly because of one-off and temporary developments, which should mean-revert next month. If the index rises by less than 0.2% in December, production in the quarter as a whole will have contracted compared with the third quarter. We are penciling that industrial production should actually fall by 0.3% m/m to 0.4% in December, mainly because the higher-than-average temperatures over the month likely dampened demand for energy. Construction output, meanwhile, should have stalled or slightly decreased over the quarter, neither dragging on nor driving GDP growth. New construction work in the industrial and commercial private sector has remained weak over the past few months. Even though homebuilding likely accelerated in December and the sector's PMI was extremely buoyant, construction output would need to have skyrocketed over the month to offset weakness in October and November.

FRIDAY, JANUARY 20

U.K.: Retail Sales (December; 9:30 a.m. GMT)

U.K. retail sales likely added 6.6% in yearly terms in December, up from an already-whopping increase in November. The yearly rate is misleading, though, since we expect sales to have contracted by 0.5% in monthly terms. Leading indicators released over the past weeks suggest softening, especially in the sales of household goods. The BDO High Street Sales Tracker pointed to a 0.1% drop in sales, while the Visa Consumer Spending Index was down 2.3%. The British Retail Consortium's measure of like-for-like sales was a bit rosier, showing that sales increased 1% y/y from 0.6% in November. But the indicator measures sales in value, and the fact that the shop price index gained over the month suggests that sales in volume likely remained flat.

The details should show nonfood sales were the main drag on the headline, while food sales likely rose especially in the week preceding Christmas. Over the fourth quarter as a whole, retail sales still should have expanded by around 1.9% q/q, as consumers carried on with their usual spending habits despite the anxiety surrounding the U.K. exit. We expect retail sales to weaken as higher inflation combined with limited wage growth should erode real wages and consumers' purchasing power from the beginning of 2017, curbing households' will to spend. Evidence shows that consumer confidence remained subdued in December, with the GfK sentiment indicator reading at -7.

MONDAY, JANUARY 23

Russia: Industrial Production (December; 1:30 p.m. GMT)

Industrial production in Russia likely grew in December in annual terms, at the pace of 1.2%. While positive, the expected dynamic is a deceleration compared with the smashing 2.7% annual growth in November. The manufacturing PMI—a backward-looking indicator—has been expansionary in the last several months, while Rosstat's forward-looking manufacturing confidence gauge worsened.

TUESDAY, JANUARY 24

No major economic indicators are scheduled for release.

WEDNESDAY, JANUARY 25

No major economic indicators are scheduled for release.

THURSDAY, JANUARY 26

Italy: Retail Sales (November; 9:00 a.m. GMT)

After a 1.2% rise in October, Italy's retail sales likely dropped in November. Although consumer confidence surprised on the upside, climbing to 111.1 in December from 108.1 in the previous month, the retail Purchasing Managers' Index dropped deeper into contractionary territory in December. The retail sector likely disappointed at the end of 2016, and we don't see much improvement ahead. Although a new government was formed promptly after Prime Minister Matteo Renzi's resignation, a push for a snap election in spring 2017 is increasing political uncertainty. Domestic political and economic insecurity could curb corporate and public investments, and a possible hiring freeze may cut discretionary spending. Furthermore, the struggling banking sector and possible losses for bank-debt holders are curbing domestic consumption.

U.K.: GDP Production Breakdown (Q4; 9:30 a.m. GMT)

We expect activity in the U.K. to have slowed slightly from the previous quarter in the three months to December, coming in at 0.5% q/q growth, down from a 0.6% gain previously. In yearly terms, GDP should have posted 2% growth, down from 2.2% in the third quarter. The service sector likely remained the main growth driver, with service activity expected to have expanded robustly in the three months to December. We still have scarce hard data regarding the sector's performance, but a strong 0.3% m/m increase in the official measure of services output in October combined with strong retail spending growth over the quarter imply that services output likely increased by 0.6% to

0.7% in the fourth quarter. The Markit/CIPS Services PMI for December already suggested that the sector finished the year on a strong note, with growth accelerating to a 17-month high over the month.

Manufacturing, in contrast, should have subtracted from growth in the fourth quarter. Even if industrial production surprised on the upside in November, it would need to increase by more than 0.2% m/m in December for the sector to have a positive contribution to growth. We think that production actually fell in the last month of 2015, as the temporary and one-off boosts to November's output should have mean-reverted, and energy demand should have plunged. Construction, meanwhile, should have started to recover from weakness in the third quarter but likely only stalled in the fourth quarter, providing no contribution to growth. Commercial and industrial construction were likely the main drags.

Germany: Ifo Business Climate Index (January; 11:00 a.m. GMT)

Business sentiment in Germany likely improved further at the start of 2017, with the Ifo Business Climate Index forecast to rise to 111.5. Robust economic expansion likely lifted confidence. According to preliminary estimates, Germany's output growth accelerated to 1.8% in 2016, seasonally adjusted, from 1.5% in the previous year. This is the fastest increase in economic output since 2011. Moreover, Germany's Markit manufacturing PMI for December rose to a 35-month high of 55.6 from 54.3 in November, signaling stronger improvement in business conditions in coming months. The average reading of 55 for the last quarter of 2016 was the highest in almost three years. Despite the improvement, the outlook for Europe remains uncertain. The announcement made by the U.K.'s prime minister that Britain will seek a withdrawal from the European single market, and aim instead for a comprehensive free-trade agreement, implies that the divorce between U.K. and EU will be a difficult process.

FRIDAY, JANUARY 27

Euro Zone: Monetary Aggregates (December; 9:00 a.m. GMT)

The seasonally adjusted annual growth of the euro zone's M3 money supply likely decelerated a bit in December but remained strong. The M3 money supply is expected to have grown 4.7% y/y, 0.1 percentage point slower than in November. The European Central Bank's program designed to provide an additional stimulus to the economy and widen the bank's balance sheet has been pushing money supply growth higher in recent months. Meanwhile, euro zone inflation hit a 3½-year high in December, exceeding expectations. Although price growth remains below the ECB's 2% target, its acceleration is promising and may lead to a reassessment of future monetary policy steps. Accelerating inflation in Germany may rouse opponents of quantitative easing, and the ECB may cut asset purchases further. The governing council agreed in December that beginning in April, monthly purchases would be €60 billion per month, down from the current €80 billion, which will also impact the M3 aggregate.

ASIA-PACIFIC

By Emily Dabbs and the Asia-Pacific economics team of Moody's Analytics

The economies of Taiwan and the Philippines likely strengthened in the December quarter

Taiwan and the Philippines likely enjoyed stronger GDP growth in the December quarter. Stronger export demand drove Taiwan's strengthening, while sustained buoyancy in domestic demand drove the Philippines' result. This will mark the seventh straight quarter Philippine GDP growth has accelerated.

Elsewhere, inflation in Australia and New Zealand likely accelerated in the December quarter. In Australia, rising transport costs alongside the booming housing market drove the quarterly acceleration. Further monetary easing in Australia and New Zealand is unlikely amid improving economic conditions and stronger price growth.

FRIDAY, JANUARY 20

China – Fixed Asset Investment – December

Time: 1:00 p.m. AEDT (2:00 a.m. GMT)
Forecast: 8.3%
Fixed-asset investment picked up mildly in late 2016, helped by the recovery in commodity prices and the rebound in housing investment. Overcapacity remains the main constraint on investment and is likely to weigh on activity in 2017. Manufacturing and utilities assets are likely to be the main drivers of investment for the medium term.

China – GDP – 2016Q4

Time: 1:00 p.m. AEDT (2:00 a.m. GMT)
Forecast: 6.7%
China's economy maintained its steady growth in the fourth quarter, thanks to strong activity in housing and manufacturing outweighing sluggish activity in heavy industry. Overall the economy is expected to have grown at the government's target for 2016, despite the roiling beneath the surface.

China – Industrial Production – December

Time: 1:00 p.m. AEDT (2:00 a.m. GMT)
Forecast: 6.1%
China's industrial production is being led by motor vehicles, electrical products and other manufactures, and being restrained by coal, cement and other raw material inputs. There is little scope for reversal in the near term given the government's commitment to ending overcapacity in heavy industry coupled with the recovery in global consumer tech demand. Production growth overall will remain at its respectable, if not spectacular, trend.

China – Retail Sales – December

Time: 1:00 p.m. AEDT (2:00 a.m. GMT)
Forecast: 10.6%
Consumer spending in China has been bolstered by subsidies for energy efficient vehicles, but this is not expected to last much longer. Household spending growth has been helped by the robust housing market, which is boosting confidence and encouraging related purchases.

MONDAY, JANUARY 23

Taiwan – Industrial Production – December

Time: 7:00 p.m. AEST (8:00 a.m. GMT)
Forecast: 8.4%
Taiwan's manufacturing sector is benefiting from a rebound in export demand. Production of electronic parts and components, as well basic metals, likely drove growth in December. Manufacturing will remain solid in 2017 as global demand improves. But trade frictions between the U.S. and China pose a downside risk to the outlook.

Taiwan – Domestic Trade – December

Time: 7:30 p.m. AEST (8:30 a.m. GMT)
Forecast: 4.5%
December retail spending improved in Taiwan as stronger export conditions filter through the economy. Low interest rates and government stimulus measures also are supporting domestic demand as wage growth lags the improvement in other areas of the economy. Domestic spending should improve in 2017, but an ageing population and rigid labor market will limit long-term potential growth.

TUESDAY, JANUARY 24

South Korea – Consumer Sentiment Index – January

Time: 8:00 a.m. AEST (Monday 9:00 p.m. GMT)
Forecast: 94.6
Korean consumers likely started the year on a downbeat note. The corruption scandal involving impeached President Park Geun-hye has now extended to the head of the Samsung conglomerate, and this will likely weigh on economic sentiment. High debt levels and weak wage growth are hurting household budgets, weighing on spending plans. Weak consumer sentiment is likely to keep a lid on growth in the opening quarter of 2017.

WEDNESDAY, JANUARY 25

Japan – Foreign Trade – December

Time: 10:50 a.m. AEST (Tuesday 11:50 p.m. GMT)
Forecast: ¥610 billion
Japan's monthly trade surplus likely increased in December thanks to the lower yen. The currency depreciated more than 15% compared with the previous month, which will support export values over the short term. Some offset is expected from rising commodity prices, which will drive import values over the coming months.

South Korea – Retail Sales – December

Time: 11:00 a.m. AEST (12:00 a.m. GMT)
Forecast: 1.7%
Household spending likely ended 2016 on an upbeat note, but the outlook is less promising. Online sales in the lead-up to the holiday period are expected to support spending over the month, but weak wage growth and high debt levels will keep a lid on the gains. Difficult domestic conditions are expected to limit growth heading into 2017.

Australia – Consumer Price Index – 2016Q4

Time: 11:30 a.m. AEST (12:30 a.m. GMT)
Forecast: 0.7%
Australia's inflation environment likely strengthened in the final quarter of 2016. Headline inflation is expected to have expanded steadily over the quarter as rising global commodity prices push up transport costs. The booming housing market will also support price growth in related products. But tepid wage growth and the rise of part-time employment will dampen the core measure. Further monetary easing by the Reserve Bank of Australia is unlikely at this stage, as economic conditions improve and high levels of private debt remain a concern.

Taiwan – GDP – 2016Q4

Time: 11:30 a.m. AEST (12:30 a.m. GMT)
Forecast: 3.2%
Taiwan's economy is recovering from its export-driven slump, with GDP strengthening further in the final quarter of 2016. Exports will be a bright spot, as global demand for electronics boosts shipments over the quarter. The central bank lowered interest rates through 2016, and this is supporting investment activity. Meanwhile, government stimulus should boost domestic demand. Overall, Taiwan's economy likely expanded 1.5% in 2016.

THURSDAY, JANUARY 26

New Zealand – Consumer Price Index – 2016Q4

Time: 8:45 a.m. AEST (Wednesday 9:45 p.m. GMT)
Forecast: 0.3%
New Zealand's CPI likely ticked up to 0.3% q/q in the December quarter, from the September quarter's 0.2% rise. This brings annual price growth to 1.3%, within the Reserve Bank of New Zealand's target

range of 1% to 3% for the first time since mid-2014 and much higher than the September quarter's 0.2%. The steep acceleration is mainly on low base effects from the global slump in oil prices. The RBNZ previously indicated further easing was likely, but we are skeptical, given that the inflation outlook is no longer benign.

Philippines – GDP – 2016Q4

Time: 11:00 a.m. AEST (12:00 a.m. GMT)
Forecast: 7.2%
We expect Philippines GDP growth to have accelerated to 7.2% y/y in the final quarter of 2016, compared with 7.1% in the three months to September. This would be the seventh consecutive quarter in which year-on-year GDP growth accelerated. The main driver of output growth will continue to be domestic demand, with private consumption and investment both expanding rapidly. Goods exports should also post a modest improvement compared with previous quarters because of the uptick in global demand in recent months.

Singapore – Industrial Production – December

Time: 11:00 a.m. AEST (12:00 a.m. GMT)
Forecast: 6.5%
We expect Singapore’s industrial production growth to have slowed, but remained strong, in the final month of 2016. Our forecast is for production to have increased 6.5% y/y, down from November’s blistering 11.9%. The improvement in the city-state’s manufacturing conditions has been led by a rebound in the electronics sector, as global tech demand improves. In addition, the biomedicals cluster has received a boost from stronger European demand. The laggard will remain transport engineering as a result of low demand for new oil rigs.

Hong Kong – Foreign Trade – December

Time: 7:30 p.m. AEST (8:30 a.m. GMT)
Forecast: -HK$45 billion
The upswing in global tech demand has boosted Hong Kong's export activity. Mainland Chinese demand for commodities is also increasing activity through Hong Kong's port. The main issue now is the strengthening local currency because of the higher U.S. dollar, which could hurt tourism from the mainland. The deficit usually widened in the final month of the year.

FRIDAY, JANUARY 27

Japan – Consumer Price Index – December

Time: 10:30 a.m. AEST (Thursday 11:30 p.m. GMT)
Forecast: -0.3%
The yen's recent depreciation will put upward pressure on import prices over the coming months, and we expect the core CPI to begin increasing in early 2017. However, downside risks persist, especially if weak domestic demand dampens wages and overall spending. Overall, we expect the core-CPI to have picked up slightly in December.

Singapore – Employment – 2016Q4

Time: 2:30 p.m. AEST (3:30 a.m. GMT)
Forecast: 2% Unemployed
We look for Singapore’s unemployment rate to have fallen to 2% in the fourth quarter of 2016, after sitting at 2.1% in the prior two quarters. Advance estimates showed that in the three months to December the city-state’s economy expanded at its fastest quarterly pace since 2013. The improvement in manufacturing conditions in particular should be boon for employment. Likewise, service sector employment should also improve. Construction, however, continues to decline, as residential property prices fall. As a result, we expect construction employment to remain weak well into 2017.

The Long View

The US: First-quarter 2017 US$ corporate bond issuance is expected to grow year-over-year by 5% for investment-grade and 21% for high-yield

By John Lonski, Chief Economist, and Ben Garber, Economist, Moody's Capital Markets Research Group, January 19, 2017

CREDIT SPREADS

As measured by Moody's long-term average corporate bond yield, the recent investment grade corporate bond yield spread of 1181 bp is less than its 122-point mean of the two previous economic recoveries. Any narrowing by this spread may be limited by more cash- or debt-funded acquisitions, spin-offs, stock buybacks, and dividends. Subpar growth by business sales and pretax profits will also add to credit risk, as will a rising risk of high-yield defaults.

The recent high-yield bond spread of 405 bp is less than what is predicted by the spread's macroeconomic drivers and the high-yield EDF metric, but it is wider than what might be inferred from a now below-trend VIX index. The implications for liquidity of regulatory changes merit scrutiny. If regulatory change enhances the market making capabilities of banks, If regulatory change enhances the market making capabilities of banks, corporate bond yield spreads may be thinner than otherwise.

DEFAULTS

After most recently peaking at August 2016's 5.8%, Moody's credit policy group predicts that the US high-yield default rate will ease from December 2016's 5.7% to 3.9%, on average, during 2017's second half. A return to its 1.85% average of the 18-months-ended June 2015 is unlikely for now.

US CORPORATE BOND ISSUANCE

In 2015, US$-denominated bond issuance advanced by 12.5% annually for IG, to $1.338 trillion and plunged by -18.9% to $353 billion for high yield. Across broad rating categories, 2015's newly rated bank loan programs from high-yield issuers advanced by 23.2% to $67.8 billion for Baa, increased by 22.7% to $207.45 billion for Ba, but plunged by -43.2% to $145.4 billion for programs graded less than Ba.

For 2016, US$-denominated bond issuance rose by 4.5% annually for IG, to $1.397 trillion and dropped by -4.1% to $339 billion for high yield. Across broad rating categories, 2016's newly rated bank loan programs from high-yield issuers advanced by 45% to $98 billion for Baa, rose by 2% to $212 billion for Ba, and soared by 43% to $208 billion for programs graded less than Ba.

Q4-2015's worldwide offerings of corporate bonds showed annual percent declines of -9.4% for IG and -32.9% for high-yield, wherein US$-denominated offerings dipped by -2.9% for IG and plunged by -36.6% for high yield.

Q1-2016's worldwide offerings of corporate bonds showed annual percent declines of -5.0% for IG and -51.4% for hh-yield, wherein US$-denominated offerings were unchanged from Q1-2015 for IG, but plunged by -45.7% annually for high yield.

Q2-2016's worldwide offerings of corporate bonds showed an annual increase of +7.0% for IG and an annual drop of -8.9% for high-yield, wherein US$-denominated offerings inched up by +0.1% for IG and sank by -11.1% for high yield.

Third-quarter 2016's worldwide offerings of corporate bonds showed an annual advances of +19.7% for IG and +43.4% for high-yield, wherein US$-denominated offerings soared higher by +33.9% for IG and by +47.4% for high yield.

In 2017, worldwide corporate bond offerings may rise by 1.2% annually for IG (to $2.415 trillion) and may grow by 2.4% for high yield (to $433 billion).

The financing of acquisitions and shareholder compensation will stand out among 2016's uses of funds obtained via bond issues and newly-rated bank loan programs. Companies will resort to acquisitions and divestitures in order to better cope with the US's subpar recovery. To the degree companies fear significantly higher bond yields, pre-fundings will rise.

US economic outlook

The mid-point of the range for fed funds should finish 2017 no greater than 1.125%. In view of the considerable underutilization of the world's productive resources, low inflation should help to rein in Treasury bond yields. As long as the global economy operates below trend, the 10-year Treasury yield may not remain above 2.45% for long. A fundamentally excessive climb by Treasury bond yields and a pronounced slowing by expenditures in dynamic emerging market countries are among the biggest threats to the adequacy of economic growth and credit spreads going forward.

EUROPE

By Tomas Holinka of Moody's Analytics
January 19, 2017

Eurozone

Europe may be in for a rough ride this year. While we expect the economy to expand at about the same rate as in 2016, political anxiety about the 2017 voting season could send it off the rails, while tough negotiations over the U.K.'s exit from the EU could throttle trade. Still, some offset should come from a firming U.S. economy thanks to president-elect Trump's fiscal stimulus, and from strengthening emerging markets. Although Western European countries will likely cool this year, growth in Central and Eastern Europe should pick up steam. A renewed inflow of EU funds will primarily drive the growth by supporting fixed investment, while household spending will benefit from falling unemployment and rising wages. Russia should start to claw back in 2017, with real GDP gaining 1.2%, especially if Trump terminates sanctions and commodity prices climb higher.

More generous fiscal policy should also drive up domestic demand. An improving fiscal stance due to lower interest payments should encourage EU governments to provide slightly expansionary fiscal policy in 2017. Many EU countries are raising their deficit-to-GDP targets for this year, while fulfilling the EU's fiscal criteria. The strengthening European economy combined with rising commodity prices may also boost inflation pressures, since stronger demand will help reduce oversupply and prices will slowly climb. Below-potential growth, however, is keeping a lid on inflation, and even rising import prices due to the weakening euro won't be strong enough to move annual price growth near the ECB's close but below 2% target. Yet rising long-term inflation expectations could calm the central bank, as the five-year forward break-even inflation rate climbed to 1.8% in early January, the highest since November 2015.

Despite accelerating inflation, the ECB will keep the key policy rate unchanged until the end of 2019, while maintaining asset purchases until the end of 2017. Nevertheless, rising inflation in Germany, which soared to 1.7% y/y in December from 0.7% in the previous month, may rouse opponents of quantitative easing and prompt the ECB to cut asset purchases further. The governing council agreed in December that monthly purchases would be €60 billion per month beginning in April, down from the current €80 billion. Credit flow remains squeezed in southern Europe. Weak bank profitability and a high share of bad loans are largely to blame. While the zero interest rate and accelerating inflation is a deadly mix for German savers and banks, the high number of nonperforming loans in Italy, Spain and Greece is holding back credit supply. After Italy's government stepped in to rescue Monte dei Paschi di Siena, success in cleaning the balance sheets of other European banks will be crucial.

Stricter regulatory requirements and deepening political woes could increase the volatility in financial markets and weigh on banks' profits and credit creation. Besides ongoing immigration, which has moderated compared with 2015, Europe is challenged by the rising popularity of anti-establishment and anti-European parties. Although a new Italian government was formed promptly after Prime Minister Matteo Renzi's resignation, a push for a snap election in spring 2017 is growing. The surge of protest voices could boost the populist and far-right parties not only in Italy, but also in the Netherlands, France and Germany, where regular parliamentary and presidential elections will be held.

U.K.

U.K. economic growth is predicted to ease to 0.9% this and next year from predicted 2% growth in 2016. Until now, all the upbeat data released for the aftermath of the referendum suggested that economists were too pessimistic and that the U.K. economy was more robust than expected. Consumers carried on with spending, house prices did not fall, the labor market continued to tighten, confidence rebounded abruptly in all economic sectors, and consumer lending picked up the pace. U.K. manufacturing gained solid momentum in December, with the sector's PMI jumping to 56.1 from 53.6 in the previous month. This is the indicator's highest reading in more than two years. The pound's slump against other major currencies was the main theme from the details. Manufacturers say the weak currency has boosted the country's competitiveness on international markets. New export business expanded at its second highest rate since the beginning of 2014, bolstered by increasing new orders from the U.S., Europe and Asia.

Despite December's buoyant result and the better than expected start to the new year, we do not expect the momentum to persist in the coming quarters. The boost from strong domestic demand for manufacturing goods is likely to wane as inflation soars and households' real income deteriorates. Since exporters have chosen to raise their prices rapidly and sharply instead of gaining market share, the support to exports from the lower pound is likely to remain more modest than expected, limiting the increase in foreign demand.

Furthermore, a protracted negotiation and likely "hard Brexit" could undermine Britain's economic growth even more than expected. Other EU countries are unlikely to grant Britain favorable terms of access to the EU's single market if the U.K. insists on limiting free movement of labor. Although the British government will trigger Article 50 in March, it might not strike a trade deal with the EU, which is crucial for the U.K., until mid-2020. This is beyond the two-year negotiation window, after which trade restrictions are automatically imposed.

Despite accelerating inflation, the Bank of England will likely hold the interest rate at a record low of 0.25% until early 2020, while keeping its target for asset purchases at £435 billion. But if negotiations between the EU and U.K. go wrong and market risks increase, the bank may cut the rates or expand its QE.

ASIA PACIFIC

By Emily Dabbs and the Asia-Pacific Staff of Moody's Analytics
January 19, 2017

Scrutiny of currency manipulation has increased with the rise of anti-globalization sentiment. China has a history of currency devaluation, although this has changed over the past year as the yuan faces significant downward pressure. China isn't the only country is Asia to intervene in currency markets for the benefit of exporters. Korea, Taiwan and Japan also face the risk of higher tariffs.

U.S. President-elect Donald Trump has stated that he will declare China a currency manipulator in his first day in office. He has since wound this back, stating that he would have dialogue with Chinese authorities before making any changes. But he still considers the country a currency manipulator and has stated he would raise tariffs on Chinese goods, effectively reducing their competitiveness in the U.S. market. High tariffs on China's exports would likely result in a sharp deterioration in export growth, weighing on China's GDP . Given China is often referred to as the factory of the world, the damage to Asian growth—and in fact global growth—could be significant.

A number of Asian countries have a trade surplus with the U.S., including six with a surplus greater than the Fed's US$20 billion criteria. Among these exporters, China has the largest trade surplus with the U.S. at more than US$350 billion in the 12 months to June. This is unsurprising given China is the world's second largest economy. When we look at the trade surplus as a share of GDP, Malaysia towers above its peers. Meanwhile Taiwan, Korea and Japan are only slightly smaller than China.

The current account provides a broader measure of a country's international economic relationships than the trade balance, as it also includes net income and current transfers. As of June, China's current account surplus was only 2.4% of GDP, down from 3% in the 12 months to March. However, many other countries in the region also have large current account surpluses. Taiwan's surplus is the largest in the region, at 14.6% of GDP.

China built up sizable foreign reserves since the early 2000s because of authorities' management of the currency , from US$156 billion in January 2000 to a peak of US$3,993 billion in June 2014. But more recently, the country has been burning through these reserves to stem the decline in the yuan due to capital outflows. Other countries in the region have also intervened in the foreign exchange market to stem capital outflows and pressure on their currencies.

It is difficult to quantify intervention in foreign exchange markets since central banks generally do not publish this information. The Fed estimates market intervention based on foreign reserve positions and exchange rate changes. Korea and Taiwan both intervened in the currency market to devalue their currencies, according to Fed estimates, while China's intervention has focused on preventing a rapid depreciation of the yuan. The Fed also mentions that while Japan did not actively intervene in the market, its central bank made comments aimed at lowering the currency.

The likelihood of China being declared a currency manipulator based on economic criteria has decreased, with Trump stating just a week before his inauguration that he would first conduct talks with the country. However, the anti-trade sentiment persists, and a rise in tariffs is still on the cards. This anti-globalization rhetoric from the incoming U.S. administration is hurting sentiment in the region, with many businesses delaying hiring. Investors and businesses are faced with increased uncertainty, dampening investment and spending plans. Even if no tariffs are increased, progress on trade negotiations is expected to be slow. This poses a downside risk to the outlook in Asia, as most countries depend on strong exports for GDP growth.

Ratings Round-Up

By Njundu Sanneh

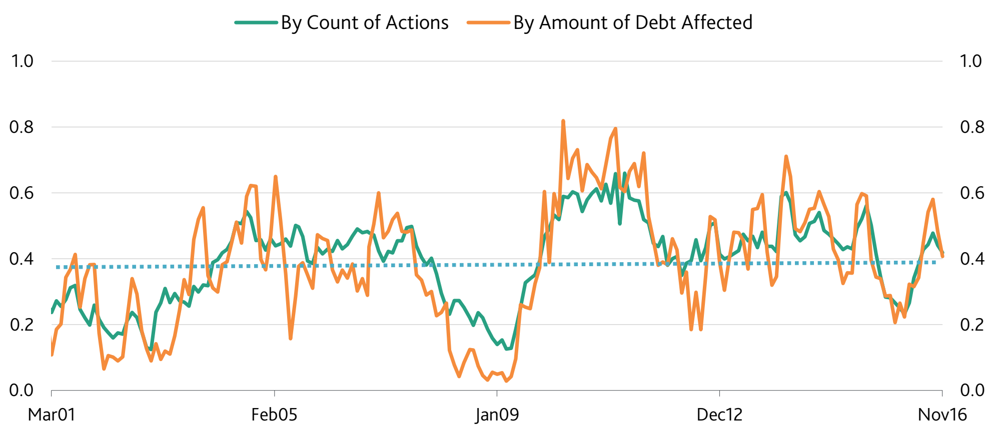
US Upgrades Up Last Week, Global Defaults Seen to Be Down This Year

Rating change activity remains tepid with only 11 over the past week. The US accounts for seven of those, with four for Europe, and most of the entities on the list were speculative grade industrial companies. For the US, 71% were upgrades, well above the long-term average of about 40%. Sofbank Group Corporation's Sprint subsidiary and Constellation Brands, Inc. were among the noteworthy upgraded companies. European rating changes were three downgrades and one upgrade.

The Moody's Monthly Default Report for December released January 11 reinforces the view that credit quality is on the mend in 2017, with defaults likely to taper off from the 142 in 2016. While the commodity sector is recovering, with oil prices on the rise and oil producers working to mop up the excess supply, metals and mining is likely to remain the leading sector on the US default list. The global speculative grade default rate which ended 2016 at 4.4% is likely to peak at 4.5% this quarter before tapering off to 3.0% by the end of the year.

FIGURE 1

Rating Changes - US Corporate & Financial Institutions: Favorable as % of Total Actions



* Trailing 3-month average

Source: Moody's

FIGURE 2

Rating Key

BCF	Bank Credit Facility Rating	MM	Money-Market
CFR	Corporate Family Rating	MTN	MTN Program Rating
CP	Commercial Paper Rating	Notes	Notes
FSR	Bank Financial Strength Rating	PDR	Probability of Default Rating
IFS	Insurance Financial Strength Rating	PS	Preferred Stock Rating
IR	Issuer Rating	SGLR	Speculative-Grade Liquidity Rating
JrSub	Junior Subordinated Rating	SLTD	Short- and Long-Term Deposit Rating
LGD	Loss Given Default Rating	SrSec	Senior Secured Rating
LTCF	Long-Term Corporate Family Rating	SrUnsec	Senior Unsecured Rating
LTD	Long-Term Deposit Rating	SrSub	Senior Subordinated
LTIR	Long-Term Issuer Rating	STD	Short-Term Deposit Rating

FIGURE 3 Rating Changes: Corporate & Financial Institutions – US

Date	Company	Sector	Rating	Amount ($ Million)	Up/ Down	Old LTD Rating	New LTD Rating	IG/ SG
1/11/17	MOHAWK INDUSTRIES, INC.	Industrial	SrUnsec	1,129	U	Baa2	Baa1	IG
1/12/17	ALTA MESA HOLDINGS, LP	Industrial	LTCFR/PDR	500	U	Caa2	B3	SG
1/12/17	SOFTBANK GROUP CORP.	Industrial	SrUnsec/SrSec/BCF/LTCFR/PDR	24,614	U	Caa1	B3	SG
1/13/17	CONSTELLATION BRANDS, INC.	Industrial	SrUnsec	4,650	U	Ba1	Baa3	SG
1/13/17	OLIVE MERGER SUB, INC.	Industrial	SrSec		U	Caa2	Caa1	SG
1/13/17	PLAYPOWER, INC.	Industrial	SrSec/BCF		D	B2	B3	SG
1/13/17	TRUE RELIGION APPAREL, INC.	Industrial	SrSec/BCF/LTCFR/PDR		D	Caa2	Ca	SG

Source: Moody's

FIGURE 4 Rating Changes: Corporate & Financial Institutions – EUROPE

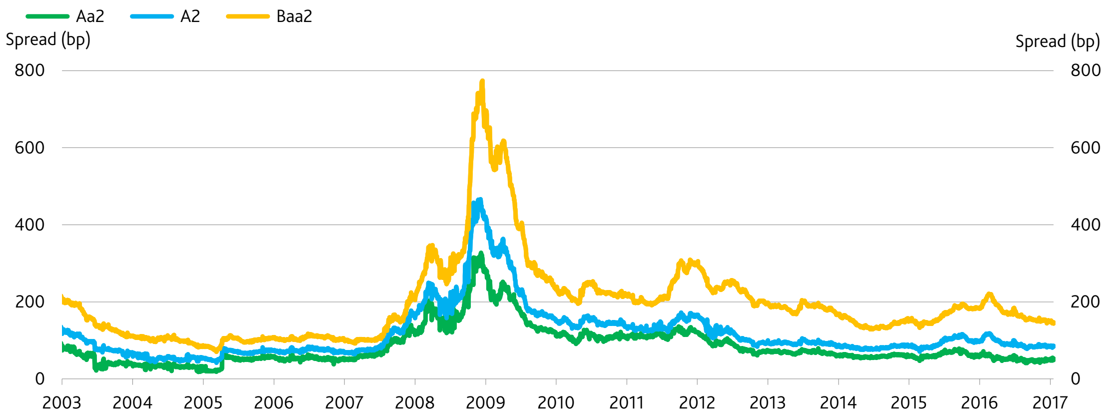
Date	Company	Sector	Rating	Amount ($ Million)	Up/ Down	Old LTD Rating	New LTD Rating	IG/ SG	Country
1/17/17	CGG SA	Industrial	SrUnsec/SrSec/BCF/LTCFR/PDR	1,708	D	Caa2	Ca	SG	FRANCE
1/16/17	INTER RAO, PJSC	Utility	LTCFR/PDR		D	Ba2	Ba1	SG	RUSSIA
1/13/17	ASSURED GUARANTY LTD. - Assured Guaranty (London) Ltd	Financial	IFSR	22,081	U	Ba2	Baa2	SG	UNITED KINGDOM
1/17/17	BRITISH AMERICAN TOBACCO PLC	Industrial	SrUnsec/LTIR/MTN	22,081	D	A3	Baa2	IG	UNITED KINGDOM

Source: Moody's

Market Data

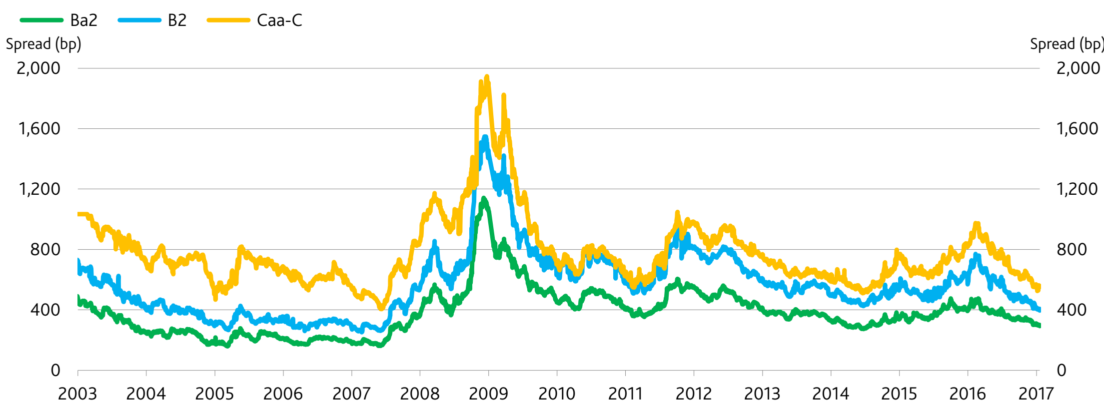
Spreads

Figure 1: 5-Year Median Spreads-Global Data (High Grade)



Source: Moody's

Figure 2: 5-Year Median Spreads-Global Data (High Yield)



Source: Moody's

CDS Movers

Figure 3. CDS Movers - US (January 11, 2017 – January 18, 2017)

CDS Implied Rating Rises	CDS Implied Ratings		
Issuer	Jan. 18	Jan. 11	Senior Ratings
Microsoft Corporation	Aa3	A1	Aaa
Sprint Communications, Inc.	B2	B3	B1
Calpine Corporation	B2	B3	B2
NRG Energy, Inc.	B2	B3	B1
FirstEnergy Corp.	Baa2	Baa3	Baa3
Molson Coors Brewing Company	Baa2	Baa3	Baa3
Emerson Electric Company	A2	A3	A2
ERP Operating Limited Partnership	A2	A3	Baa1
FCA US LLC	B1	B2	Ba2
Pioneer Natural Resources Company	Baa2	Baa3	Baa3

CDS Implied Rating Declines	CDS Implied Ratings		
Issuer	Jan. 18	Jan. 11	Senior Ratings
AT&T Inc.	Baa3	Baa2	Baa1
Verizon Communications Inc.	Baa2	Baa1	Baa1
Bank of America, N.A.	Baa2	Baa1	A1
Coca-Cola Company (The)	A1	Aa3	Aa3
Oracle Corporation	A1	Aa3	A1
John Deere Capital Corporation	Baa1	A3	A2
Johnson & Johnson	Aa3	Aa2	Aaa
Intel Corporation	Aa3	Aa2	A1
Union Pacific Corporation	Aa2	Aa1	A3
Honeywell International Inc.	Aa3	Aa2	A2

CDS Spread Increases		CDS Spreads		
Issuer	Senior Ratings	Jan. 18	Jan. 11	Spread Diff
Sears Holdings Corp.	Caa2	3,531	3,253	278
Sears Roebuck Acceptance Corp.	Caa2	3,029	2,869	159
Freeport Minerals Corporation	Ba2	355	304	52
Freeport-McMoRan Inc.	B2	337	288	49
Neiman Marcus Group LTD LLC	Caa2	623	574	49
K. Hovnanian Enterprises, Inc.	Caa3	1,437	1,396	41
United States Steel Corporation	Caa1	430	407	24
Weatherford International, LLC (Delaware)	Caa1	468	444	23
Hertz Corporation (The)	B2	574	552	22
Kate Spade & Company	B1	247	229	18

CDS Spread Decreases		CDS Spreads		
Issuer	Senior Ratings	Jan. 18	Jan. 11	Spread Diff
Nine West Holdings, Inc.	Caa3	4,787	5,641	-854
GenOn Energy, Inc.	Caa3	2,118	2,200	-82
Genworth Holdings, Inc.	Ba3	654	702	-49
Sprint Communications, Inc.	B1	302	335	-33
MBIA Insurance Corporation	Caa2	741	768	-27
Cablevision Systems Corporation	B3	418	440	-22
R.R. Donnelley & Sons Company	B2	516	536	-20
Avon Products, Inc.	B1	527	546	-18
McClatchy Company (The)	Caa2	695	713	-18
NRG Energy, Inc.	B1	327	343	-16

Source: Moody's, CMA

Figure 4. CDS Movers - Europe (January 11, 2017 – January 18, 2017)

CDS Implied Rating Rises	CDS Implied Ratings		
Issuer	Jan. 18	Jan. 11	Senior Ratings
Wm Morrison Supermarkets plc	Baa1	Baa3	Baa3
Safeway Limited	Baa1	Baa3	Baa3
Rabobank	A3	Baa1	Aa2
Credit Agricole S.A.	Baa1	Baa2	A1
Banco Bilbao Vizcaya Argentaria, S.A.	Baa3	Ba1	Baa1
ING Bank N.V.	A3	Baa1	A1
Alpha Bank AE	Caa1	Caa2	Ca
UniCredit S.p.A.	Ba1	Ba2	Baa1
Eurobank Ergasias S.A.	Caa2	Caa3	Caa3
Bankinter, S.A.	Baa3	Ba1	Baa2

CDS Implied Rating Declines	CDS Implied Ratings		
Issuer	Jan. 18	Jan. 11	Senior Ratings
Ireland, Government of	Baa1	A3	A3
Svenska Handelsbanken AB	A3	A2	Aa2
Natixis	Baa2	Baa1	A2
Electricite de France	Baa3	Baa2	A3
Daimler AG	A3	A2	A3
ENEL S.p.A.	Baa3	Baa2	Baa2
Allied Irish Banks, p.l.c.	Ba1	Baa3	Ba2
Switzerland, Government of	Aa3	Aa2	Aaa
Volkswagen Aktiengesellschaft	Baa3	Baa2	A3
National Grid Electricity Transmission plc	A3	A2	A3

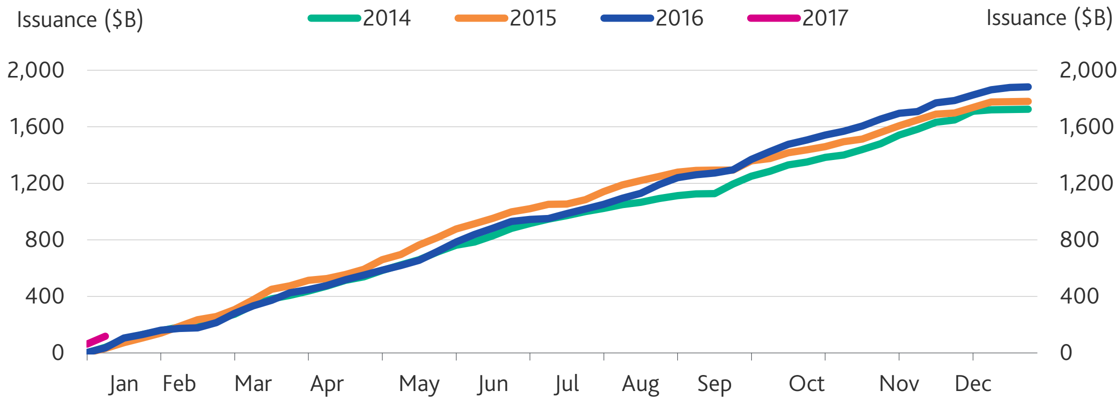
CDS Spread Increases		CDS Spreads		
Issuer	Senior Ratings	Jan. 18	Jan. 11	Spread Diff
Norske Skogindustrier ASA	Caa3	2,678	2,464	213
Selecta Group B.V.	Caa2	901	796	105
Matalan Finance plc	Caa2	1,328	1,247	80
Premier Foods Finance plc	Caa1	390	333	56
Fiat Chrysler Automobiles N.V.	B1	296	259	37
Boparan Finance plc	B2	521	496	25
Astaldi S.p.A.	B2	788	765	23
Pearson plc	Baa2	121	102	19
Banco Sabadell, S.A.	Baa3	142	132	10
Telefonaktiebolaget LM Ericsson	Baa3	138	128	10

CDS Spread Decreases		CDS Spreads		
Issuer	Senior Ratings	Jan. 18	Jan. 11	Spread Diff
Wm Morrison Supermarkets plc	Baa3	67	98	-31
Safeway Limited	Baa3	63	92	-29
Eurobank Ergasias S.A.	Caa3	896	919	-23
Piraeus Bank S.A.	Caa3	896	919	-23
Novafives S.A.S.	B3	521	540	-19
Alpha Bank AE	Ca	652	669	-17
Unione di Banche Italiane S.p.A.	Baa3	191	205	-14
Caixa Geral de Depositos, S.A.	B1	324	336	-11
Unitymedia GmbH	B3	154	165	-11
Dexia Credit Local	Baa3	174	183	-10

Source: Moody's, CMA

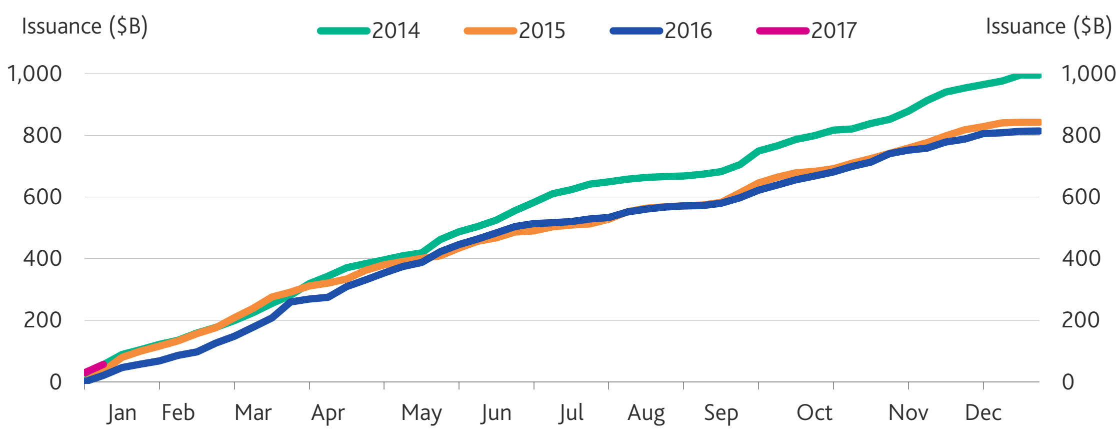
Issuance

Figure 5. Market Cumulative Issuance - Corporate & Financial Institutions: USD Denominated



Source: Moody's / Dealogic

Figure 6. Market Cumulative Issuance - Corporate & Financial Institutions: Euro Denominated



Source: Moody's / Dealogic

Figure 7. Issuance: Corporate & Financial Institutions

	USD Denominated		
	Investment-Grade	High-Yield	Total*
	Amount $B	Amount $B	Amount $B
Weekly	40.953	11.845	54.400
Year-to-Date	95.333	12.895	116.718

	Euro Denominated		
	Investment-Grade	High-Yield	Total*
	Amount $B	Amount $B	Amount $B
Weekly	23.747	2.880	26.648
Year-to-Date	51.410	4.185	56.485

* Difference represents issuance with pending ratings.

Source: Moody's/ Dealogic

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