

# SFA Market Snapshot

November 3, 2022



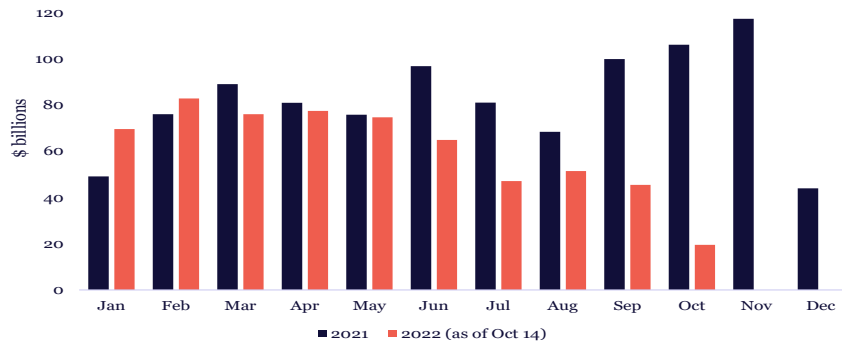
✉ [Elen Callahan](#)  
Head of Research  
203.512.0503

✉ [Jessica Steele](#)  
Research Analyst  
202.847.4557

## Market Snapshot

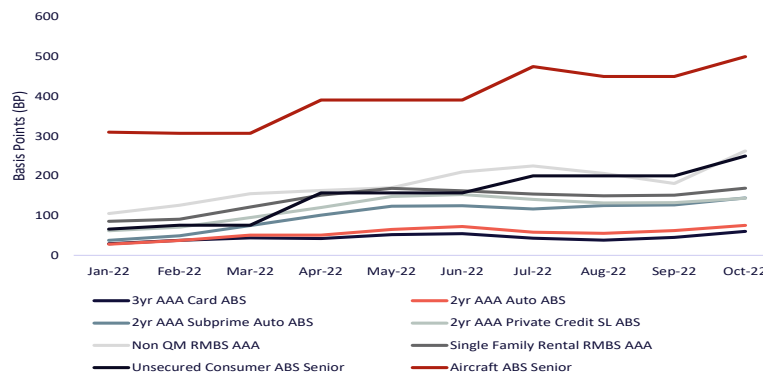
**Supply and Demand**— New issuance across non-agency RMBS, CMBS, ABS and CLO has reached \$609 billion, 38% below this time last year, as heightened volatility and interest rates continue to keep new issuance at bay – as many corporate borrowers front loaded their funding raising in the second half of 2021 and the first half of 2022. Year over year, non-agency RMBS and CMBS are down, -34% and -38%, respectively, while CLOs and ABS are lagging by -28% and -12%, respectively. Secondary market risk spreads continued to drift wider, and prices lower, in response to increased volatility in the global bond and equity markets. Wider spreads may be viewed as an opportunity to buy. In fact, according to [Morgan Stanley’s 4Q22 Investor Survey](#), high quality, short and medium duration securitized products are currently preferred over Treasury and Corporate Credit by investors looking for a safe haven amidst global volatility. Respondents were predominately money managers, banks and hedge funds. CLOs and Consumer ABS were considered to have the most relative value in the space.

**New Issuance for Non-Agency RMBS, CMBS, CLO and ABS by Month (2021 v 2022)**



Source: Deutsche Bank Research

**Secondary Market Risk Spread to Benchmark (Monthly Average, BP)**



Source: SFA Market Compilation