

# 2026 Global Strategy Outlook: Low Visibility Operation

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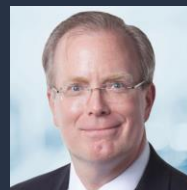
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# Audience Polling Question 1

**Which macro development in 2025 surprised you the most compared to expectations at the start of the year?**

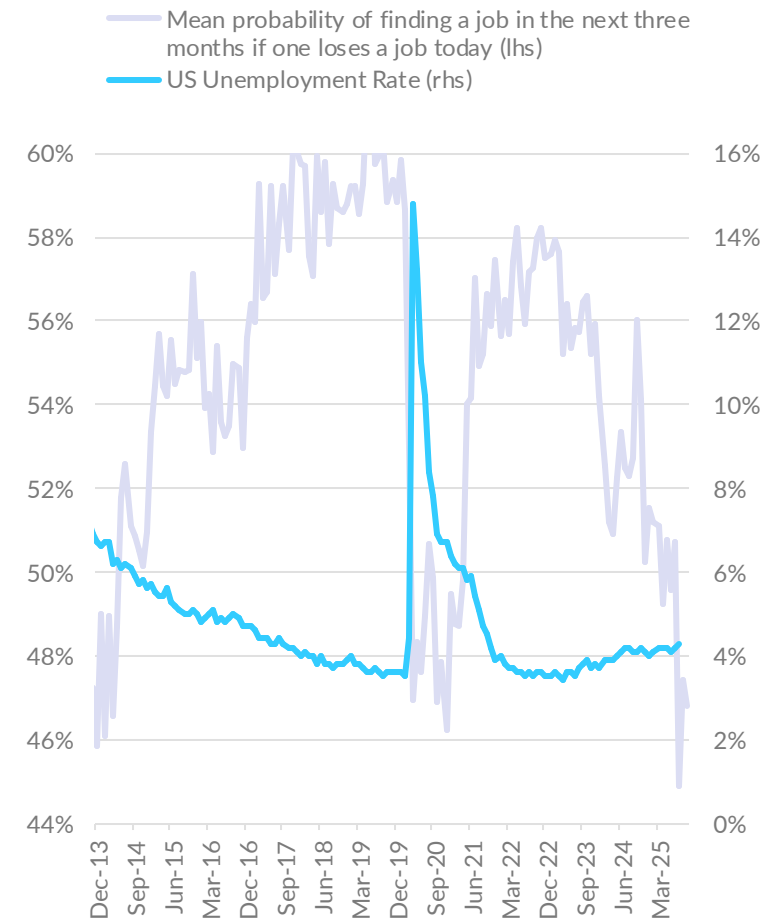
- a. Global economic resiliency to tariffs
- b. Credit spreads reaching new post-GFC highs
- c. Notable steepening of sovereign yield curves
- d. EM outperformance vs. DM
- e. USD weakness
- f. Gold rally

# Macro Calls for '26: Labor Market Inflection Point

- If job gains continue at the 25-30k monthly pace through 2026, the unemployment rate could rise to 4.7%, assuming unchanged participation.
- In our bull case, there are 90k jobs added per month, while the participation rate increases modestly, pushing the unemployment slightly higher to 4.4%.
- In our bear case, we consider a scenario where there are 35k job losses per month, pushing the unemployment rate to 5.0%, while the participation rate falls to 62.2%.

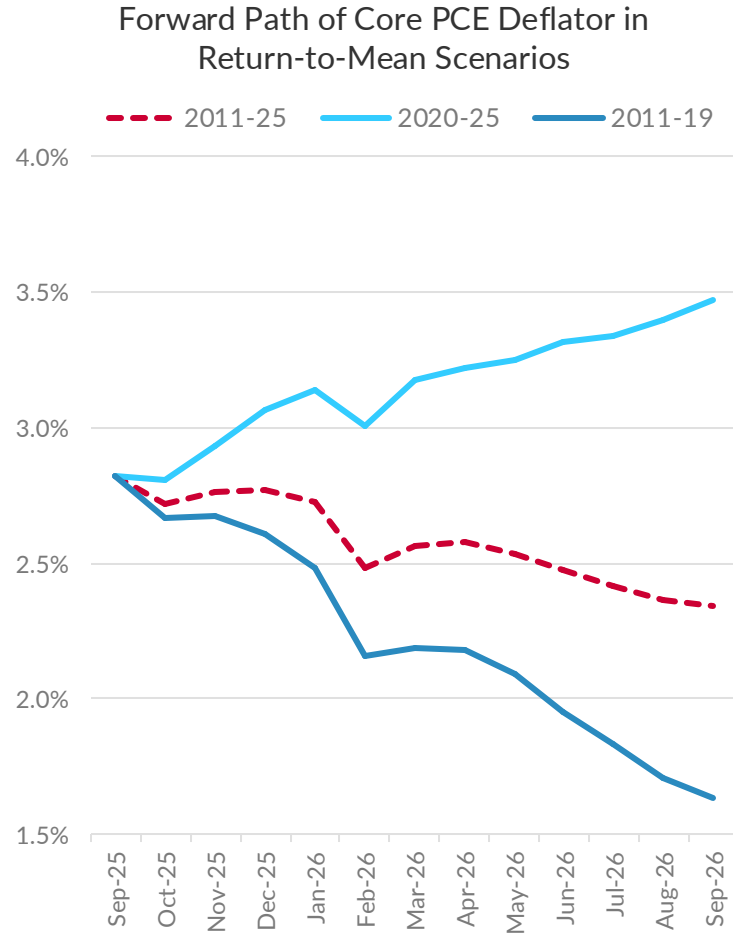
US Labor Market Scenarios					
	Actual as of 9/30/25	Forecast as of 12/31/26			
		Immaculate Disinflation (Bull)	Labor Pains (Base)	Inflation Acceleration (Bear)	BBG Consensus
US Civilian Noninstitutional Population (MM)	274.0	275.6	275.6	275.6	275.6
Labor Force (MM)	170.8	172.3	171.8	171.5	172.1
<b>Participation Rate</b>	<b>62.3%</b>	<b>62.5%</b>	<b>62.3%</b>	<b>62.2%</b>	<b>62.4%</b>
Change in Participation Rate		0.2%	0.0%	-0.1%	0.1%
<b>Net Jobs Added/(Lost) (MM)</b>		<b>1.4</b>	<b>0.4</b>	<b>(0.5)</b>	<b>1.1</b>
Monthly Avg. of Net Jobs Added/(Lost) (Thousands)		90	25	(35)	75
Employed (MM)	163.4	164.7	163.8	162.9	164.5
Unemployed (MM)	7.4	7.6	8.0	8.6	7.5
<b>Unemployment Rate</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.7%</b>	<b>5.0%</b>	<b>4.4%</b>
Forecasted Change in Unemployment Rate		8 bp	34 bp	71 bp	6 bp

## Expectations of Finding a Job Hit Lowest Level On Record in August

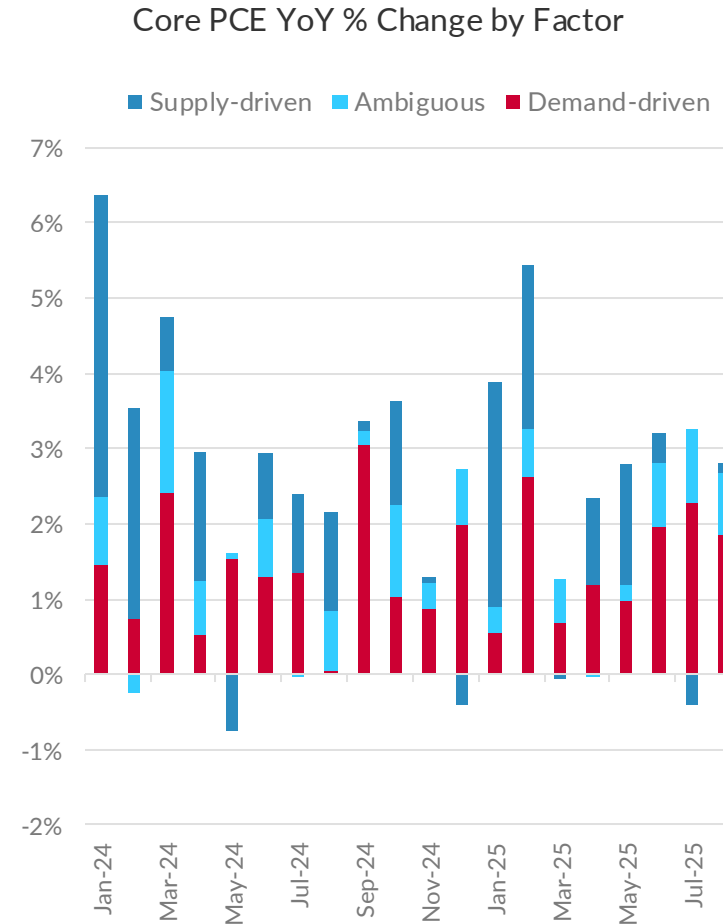


# Macro Calls for '26: Demand-Driven Disinflation Allows More Fed Cutting

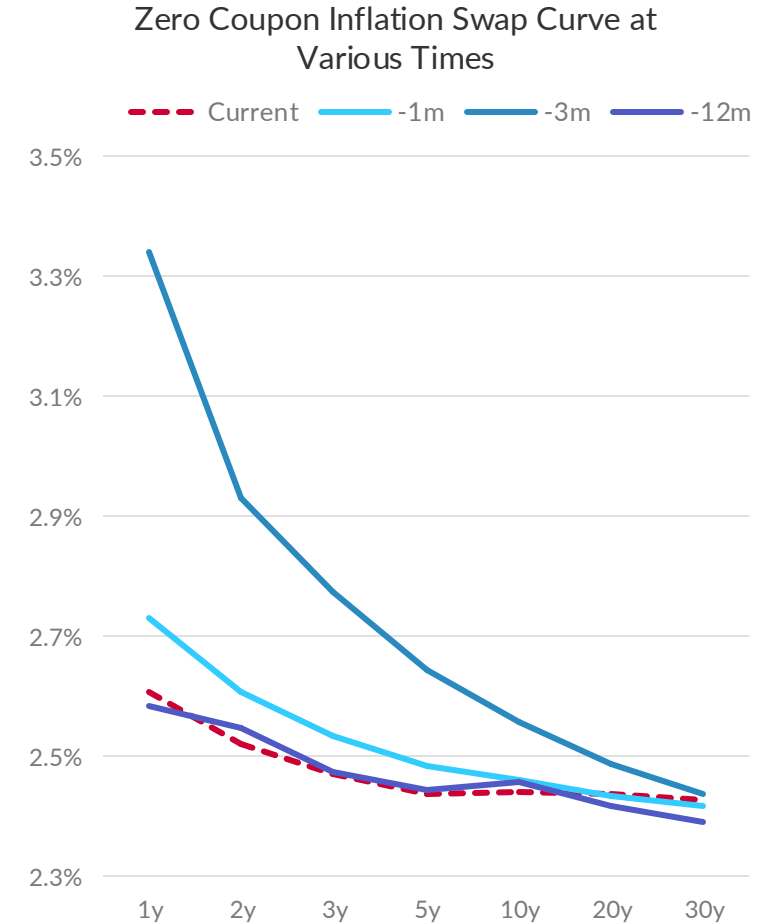
## Longer-Term Trends Suggest Core PCE is Heading Back Below 2.5%, Not Quite to 2%



## Slowing Consumer to Produce Demand-Driven Disinflation

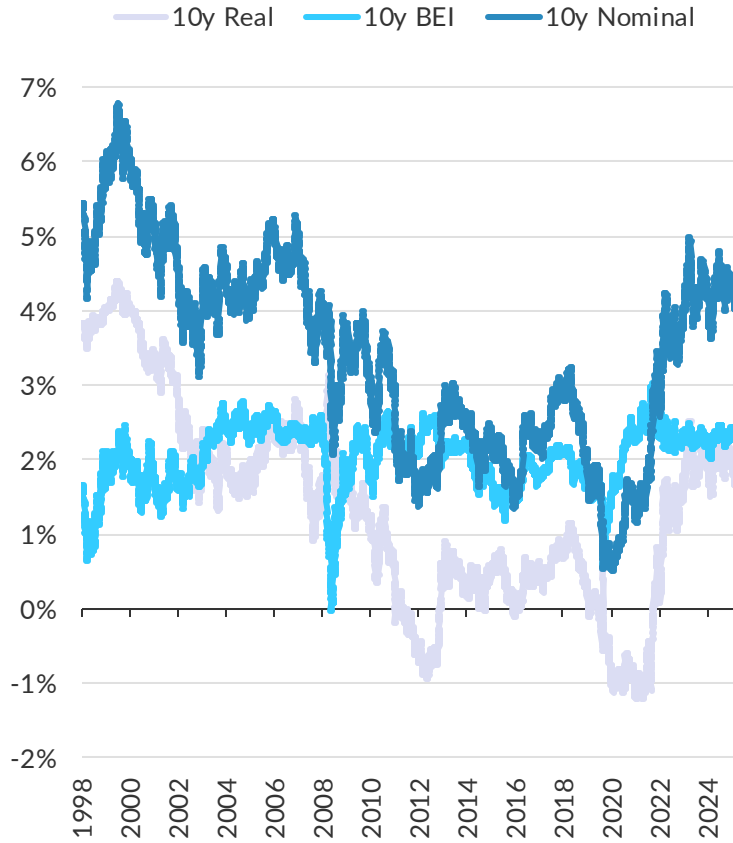


## The Inflation Swap Curve Has Steepened with Near-Term Expectations Falling

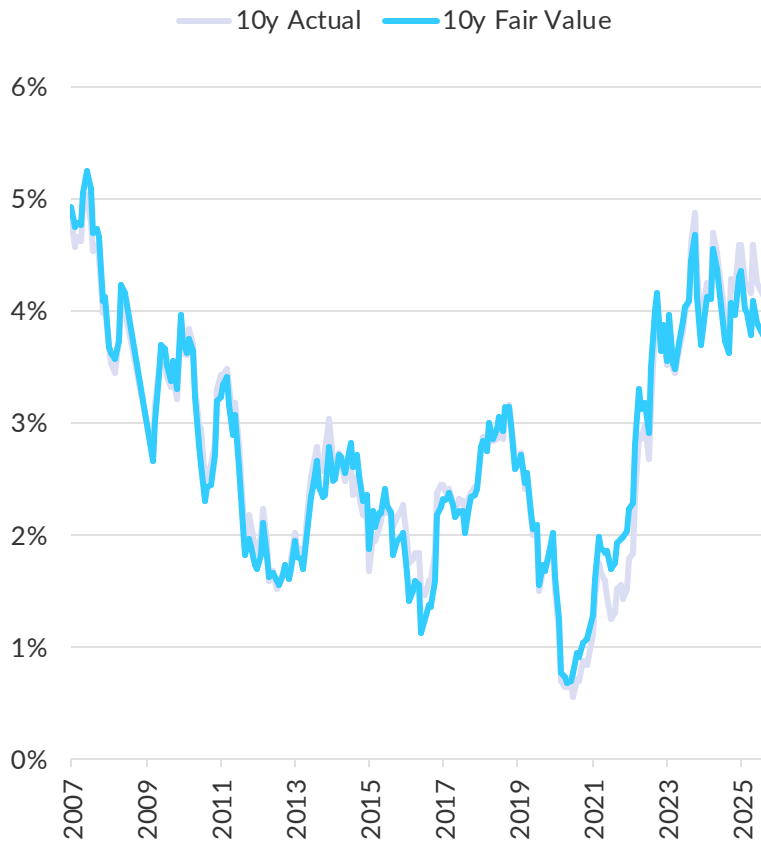


# Macro Calls for '26: Lower Yields, Steeper Curve → Overweight Duration

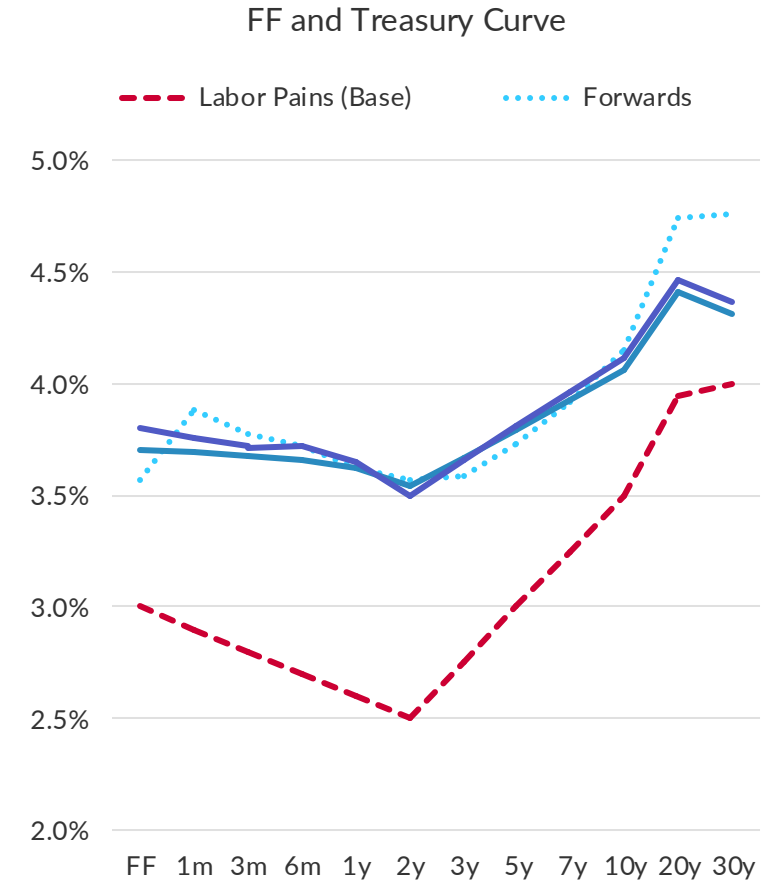
## We Expect Real Yields to Fall Further, Pushing Nominal Yields Lower



## 10y Fair Value Estimate @ ~3.75%



## Our Call is Lower in Yield and Steeper in Curve than Consensus



# US IG, HY & Lev Loan: 2026 Forecasts

				Forecasts as of 12/31/26			Probability Weighted (Full Year 2026)
				Immaculate Disinflation (Bull)	Labor Pains (Base)	Inflation Acceleration (Bear)	
YE 2024	As of 12/05/25						
Probability Weighting				30%	55%	15%	
US Treasury Yields							
Fed Funds Target (Upper)	4.5%	4.0%	3.5%	3.0%	5.0%	3.5%	
2-Yr UST	4.2%	3.6%	3.0%	2.5%	4.8%	3.0%	
5-Yr UST	4.4%	3.7%	3.3%	3.0%	5.0%	3.4%	
10-Yr UST	4.6%	4.1%	4.0%	3.5%	5.0%	3.9%	
2-Yr/10-Yr UST Curve	33bp	58bp	100bp	100bp	25bp	89bp	
US Investment Grade							
OAS	82bp	79bp	65bp	120bp	150bp	108bp	
Excess Return <sup>1</sup>	2.8%	1.3%	1.8%	-1.8%	-3.8%	-1.0%	
YTW	5.4%	4.8%	4.6%	4.6%	6.4%	4.9%	
Total Return <sup>1</sup>	2.8%	7.6%	7.0%	6.7%	-5.1%	5.0%	
Gross Supply (\$bn)	1,639	1,636	1,500	1,450	1,200	1,428	
Net Supply (\$bn)	574	573	675	653	240	597	
US High Yield							
OAS	292bp	285bp	225bp	450bp	600bp	405bp	
YTW	7.5%	6.7%	5.7%	7.7%	11.2%	7.6%	
Total Return <sup>1</sup>	8.2%	8.0%	11.2%	3.6%	-9.6%	3.9%	
Gross Supply (\$bn)	350	311	400	250	150	280	
Net Supply (\$bn)	112	114	160	88	30	101	
HY Defaults (TTM % Issuers)	2.4%	2.4%	2.0%	3.8%	7.5%	3.8%	
US Broadly Syndicated Leveraged Loans							
Bid Price	\$96.37	\$96.06	\$98.50	\$94.00	\$88.00	\$94.45	
Effective Yield	8.8%	8.0%	7.2%	7.0%	9.7%	7.5%	
Total Return <sup>1</sup>	9.1%	5.5%	10.9%	4.5%	-4.8%	5.0%	
Gross Supply (\$bn)	517	395	500	375	175	383	
Net Supply (\$bn)	222	219	300	150	35	178	
Loan Defaults (TTM % Issuers)*	4.7%	4.8%	4.0%	5.5%	10.0%	5.7%	

Source: CreditSights, FactSet, ICE Data Indices, LLC, Dealogic, Bloomberg, L.P., Fitch Ratings

<sup>1</sup> Excess and total return represents expectations through YE 2026 using 12/5/25 close as starting levels.

\*Uses Fitch Ratings Leveraged Loan Default Rate.

# Prospective 2026 Municipal Bond Returns

Municipal Total Return Scenarios										
	2019	2020	2021	2022	2023	2024	YTD Actual	2026 Estimates		
								-15	-60	+60
<b>Municipal Index (U0A0)</b>										
Effective Yield	1.96	1.53	1.21	3.03	2.87	3.34	3.47	3.32	2.87	4.07
Price Return	+3.35	+1.12	-2.04	-12.77	+1.99	-2.71	-0.35	+1.10	+4.38	-4.38
Income Return	+4.38	+4.14	+3.87	+3.73	+4.50	+4.29	+4.15	+4.48	+4.48	+4.48
Total Return	+7.74	+5.26	+1.83	-9.04	+6.50	+1.58	+3.80	+5.57	+8.86	+0.09
<b>Muni High Yield Index (U0HY)</b>										
Effective Yield	3.20	3.40	2.23	4.71	4.63	4.38	4.86	4.71	4.26	5.46
Price Return	+3.66	-0.05	+1.65	-14.47	+0.65	+2.23	-1.75	+1.18	+4.28	-4.71
Income Return	+5.45	+5.17	+4.84	+4.44	+5.54	+5.43	+4.85	+5.31	+5.31	+5.31
Total Return	+9.10	+5.13	+6.49	-10.03	+6.20	+7.66	+3.11	+6.49	+9.59	+0.60
<b>Muni Non-Rated Index (U0NR)</b>										
Effective Yield	2.79	2.69	2.63	5.06	4.92	4.59	5.63	5.48	5.03	6.23
Price Return	+1.89	-0.37	-0.69	-15.00	+3.59	+1.01	-1.70	+1.18	+4.73	-4.73
Income Return	+5.19	+5.02	+4.76	+4.46	+5.32	+5.06	+4.71	+5.22	+5.22	+5.22
Total Return	+7.08	+4.65	+4.07	-10.54	+8.90	+6.07	+3.00	+6.40	+9.95	+0.50
<b>Broad Taxable Muni Index (TXMB)</b>										
Effective Yield	3.00	2.15	2.28	5.17	4.85	5.21	4.73	4.58	4.13	5.33
Price Return	+6.73	+6.09	-2.36	-21.17	+3.52	-2.88	+3.70	+1.14	+4.58	-4.58
Income Return	+4.71	+4.13	+3.48	+3.26	+4.67	+4.44	+4.44	+4.62	+4.62	+4.62
Total Return	+11.44	+10.22	+1.12	-17.90	+8.19	+1.56	+8.14	+5.77	+9.20	+0.04

In percent. YTD data as of November 30, 2025. Sources: CreditSights, ICE Indices. Prospective 2026 returns estimated based on Index characteristics as of 11/30/25. Price return estimates are based on effective durations and do not account for bond amortization, which tends to be negative. For TXMB, this illustration assumes no change in OAS.



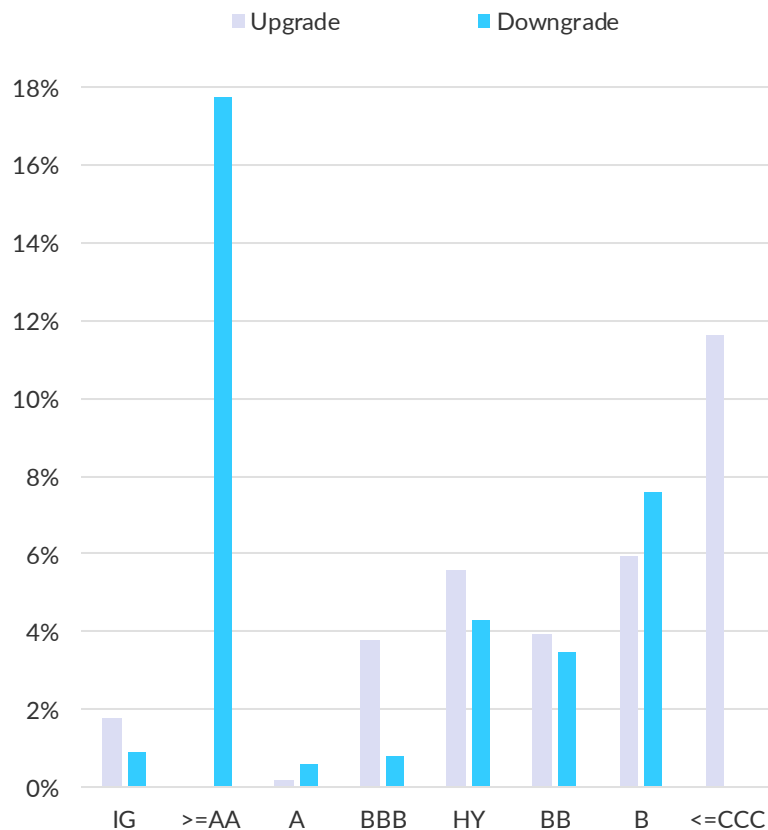
# Audience Polling Question 2

**Which credit market(s) will be the most sensitive to fundamental changes in 2026?**

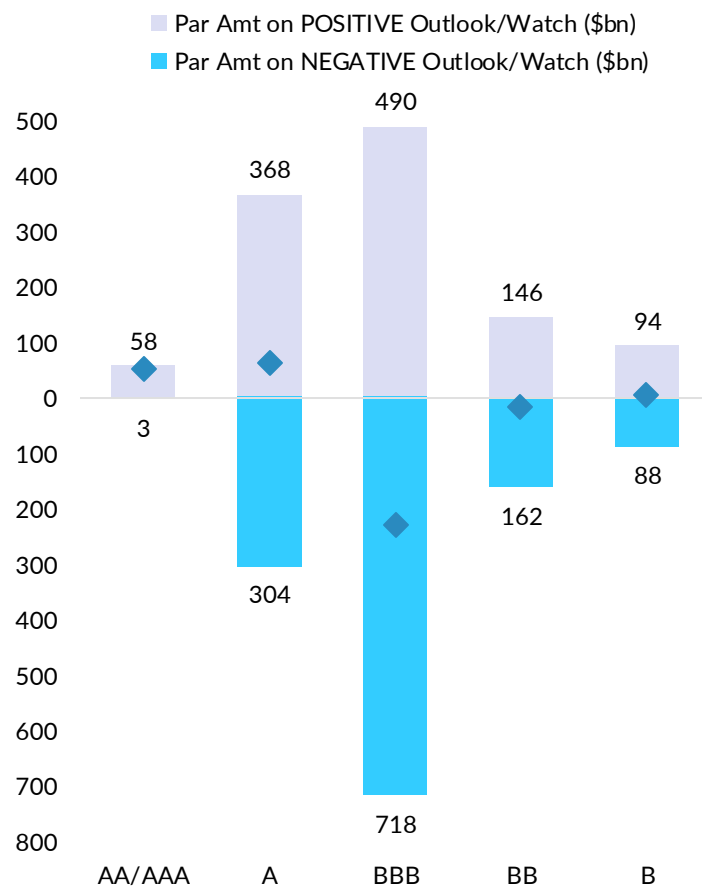
- a. Europe
- b. US
- c. Emerging Markets
- d. All of the above
- e. Fundamentals will again be overshadowed by technicals.

# US IG and HY Ratings Positive Rating Momentum Beginning to Plateau, Especially for Non-Fins

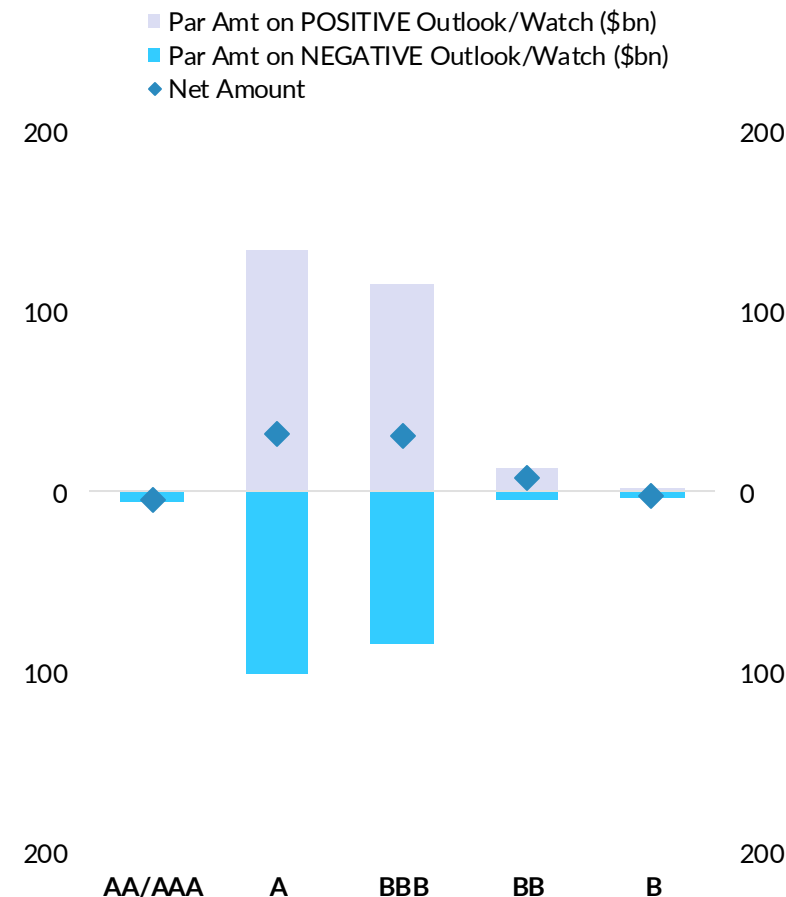
## TTM Positive Ratings Momentum Save for Highest Rated and Bs



## Corporates Ratings Outlook/Watches Skew Negative, Especially for BBBs



## Financials Ratings Outlook/Watches Skew More Positive Save for AA/AAAs

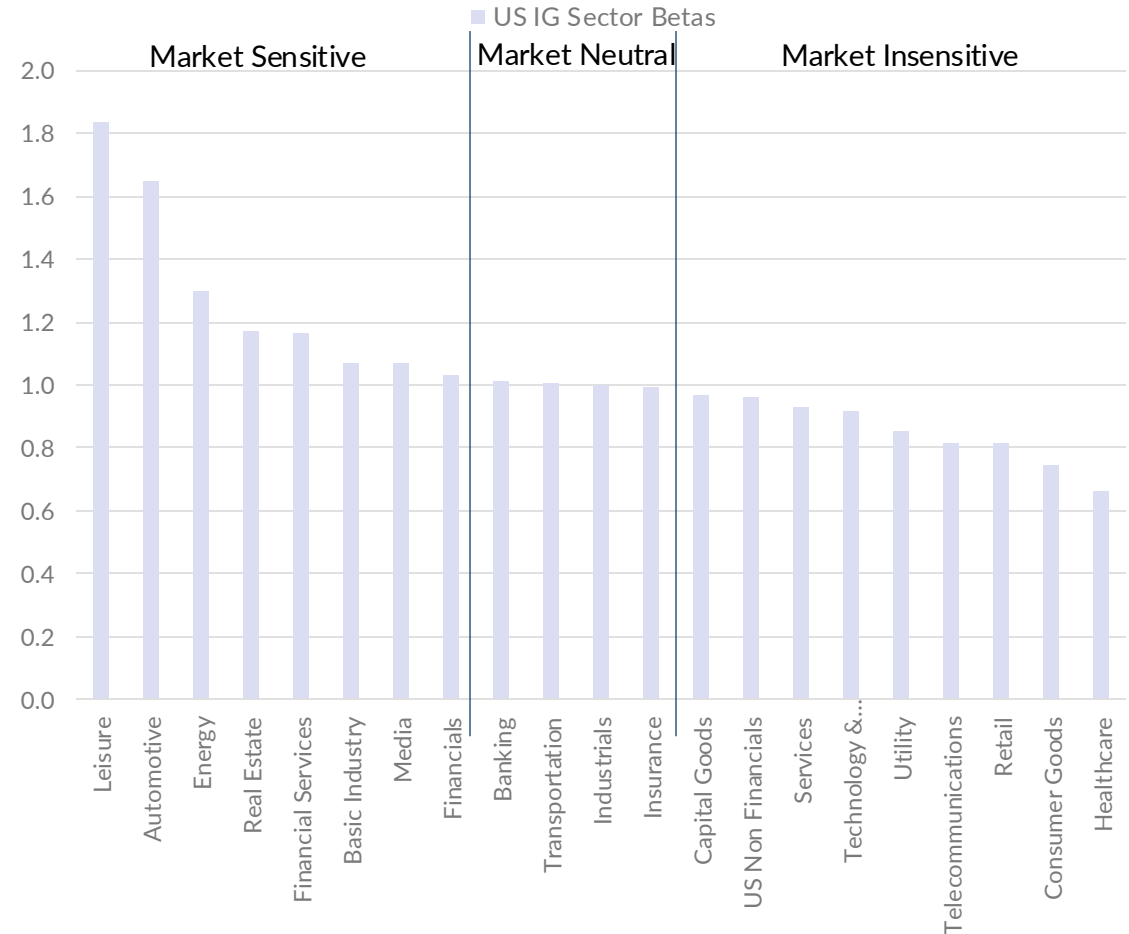


# US Investment Grade Sector Performance

Tech, Ins, Telco, Fin Srvs, Svcs, Retail Cons Gds = **Cheap**;  
 Transports, Banking, Cap Gds, Energy, Autos, Basics, Media = **Rich**

IG Sector Spreads, Current and 1y Ago, 1y Lookback Z Score and Rich/Cheap Designatio					
Sector	12/4/2024	12/5/2025	Change	1y Z Score	Rich/Cheap
Technology & Electronics	66	74	8	2.4	very cheap
Insurance	89	92	3	1.5	cheap
Telecommunications	82	85	3	1.3	cheap
Financial Services	77	82	5	1.2	cheap
Services	68	67	-1	1.1	cheap
Retail	59	59	0	1.0	cheap
Consumer Goods	67	68	1	0.7	cheap
Leisure	90	91	1	-0.1	fair
Financials	79	78	-1	-0.2	fair
Healthcare	75	71	-4	-0.2	fair
Real Estate	83	82	-1	-0.3	fair
Utility	87	87	0	-0.4	fair
Media	105	96	-9	-0.5	rich
Basic Industry	98	94	-4	-0.6	rich
Automotive	89	86	-3	-1.0	rich
Energy	95	92	-3	-1.2	rich
Capital Goods	71	63	-8	-1.4	rich
Banking	77	72	-5	-1.5	rich
Transportation	87	78	-9	-1.8	rich

## IG Sector Betas Using 1y Lookback Window



# US Investment Grade Sector Strategy Recommendations for 2026

## Outperforms

### ↔ Financials

- Bank fundamentals should remain solid in 2026 amid improving consumer credit trends.
- Deregulatory backdrop may free up capital creating opportunity for banks without material weakening in credit metrics.
- Valuations look fair-to-cheap.

### ↑ Telecom & Cable

- Spread pick up is attractive given low cyclicalities.
- Somewhat more cautious fundamental outlook for IG Cable but investors are being well compensated for risk given meaningful discount in spreads.

### ↑ Transportation

- While duration is relatively long, fundamentals remain strong, and we think it will play a defensive role in a downshifting economic environment.
- Supportive technicals from relatively quiet issuance period in 2026 with the UNP-NSC merger pending.

### ↔ Utility Hybrids

- We expect stable utility credit quality in 2026 and see good value to pick up yield in utility Holdco hybrid bonds (JSNs).
- Utility hybrids are generally low BBB with significant yield pickup vs the mid BBB holdcos.

## Underperforms

### ↔ Basics

- Weakness concentrated in Chemicals and Paper & Packaging (Market perform on IG Building Materials and Metals & Mining).
- Sector offers spread pick up relative to the overall index but is well below the long-term historical average and not enough compensation for a challenged operating backdrop again in 2026.

### ↓ Consumer Goods

- Near-to medium-term outlook points to deteriorating credit fundamentals and rising M&A risk.
- Trades meaningfully tight to the IG index,

### ↔ Media

- Ongoing M&A risk related to the WBD sale process, which is likely to have negative ratings/spread repercussions.
- Higher quality Media already trades inside single-A rated cohort.

### ↔ Retail

- Tight spreads and extended duration vs overall index.
- Despite focus on balance sheet health, valuations underappreciate downside risk (softer macro backdrop/tariff mitigation challenges).

### ↓ Technology

- Continued heavy issuance needs key driver.
- Hyperscaler capex expected to rise just above \$600 billion in 2026.
- We expect Oracle to come to market with roughly \$85 billion over the next 2-3 fiscal years.

# Audience Polling Question 3

## In which markets can you invest?

- a. US corporates
- b. US corporates & Munis
- c. US & Euro
- d. US, Euro & EM

# Global Strategy Views & Recommendations by Market

Asset Class	OAS	YTW	Duration	Market Value (\$B)	YTD Total Return	CreditSights Rec.	CreditSights Analyst	Near-Term Risk View	12-Month Outlook
<b>Rates</b>									<b>Yields</b>
US Treasuries		3.95%	6.1 yrs	\$16,956	+6.0%	Overweight	Griffiths	Neutral	Lower
German Bunds <sup>1</sup>		4.35%	7.1 yrs	\$1,758	-1.3%	Market Weight	Miller	Neutral	Higher
<b>Investment Grade</b>									<b>Spreads</b>
US Investment Grade	79 bp	4.83%	6.6 yrs	\$9,275	+7.6%	Underweight	Griffiths	Neutral	Wider
Euro Investment Grade <sup>1</sup>	76 bp	4.96%	4.6 yrs	\$3,771	+3.1%	Market Weight	Miller	Neutral	Sideways
Sterling Investment Grade <sup>1</sup>	80 bp	5.01%	6.0 yrs	\$501	+6.6%	Underweight	Miller	Off	Wider
US Investment Grade Tax Exempt Munis <sup>2</sup>	23 bp	3.67%	7.3 yrs	\$1,419	+3.6%	Underweight	Luby	Neutral	Sideways
Asia Investment Grade (US\$-Denominated)	60 bp	4.50%	5.3 yrs	\$644	+7.6%	Underweight	Zeng	Neutral	Wider
EM Investment Grade Sovereign (US\$-Denominated)	82 bp	4.95%	7.7 yrs	\$681	+10.5%	Underweight	Chatellier	Neutral	Wider
US Investment Grade Taxable Munis	61 bp	4.87%	7.6 yrs	\$330	+7.4%	Market Weight	Luby	Neutral	Sideways
<b>Leveraged Finance</b>									<b>Spreads</b>
US Broadly Syndicated Leveraged Loans <sup>3</sup>	454 bp	7.86%		\$1,464	+5.5%	Underweight	Cisar	Off	Wider
US High Yield	285 bp	6.72%	2.9 yrs	\$1,465	+8.0%	Underweight	Cisar	Off	Wider
Euro High Yield <sup>1</sup>	273 bp	6.88%	2.9 yrs	\$453	+4.9%	Market Weight	Miller	Neutral	Wider
Asia High Yield	330 bp	7.11%	3.3 yrs	\$74	+9.1%	Underweight	Zeng	Neutral	Wider
EM High Yield Sovereign (US\$-Denominated)	307 bp	7.10%	6.0 yrs	\$480	+14.8%	Underweight	Chatellier	Off	Wider
US High Yield Munis <sup>2</sup>	150 bp	5.12%	7.2 yrs	\$46	+2.8%	Underweight	Luby	Off	Sideways

Source: CreditSights, FactSet, ICE Data Indices, LLC, Bloomberg, L.P.

<sup>1</sup> Euro & Sterling yields are currency-adjusted using 3mo FX forwards. On a local currency basis, German Bunds yield 2.6%, Euro IG yields 3.2%, Sterling IG yields 5.1%, and Euro HY yields 5.1%.

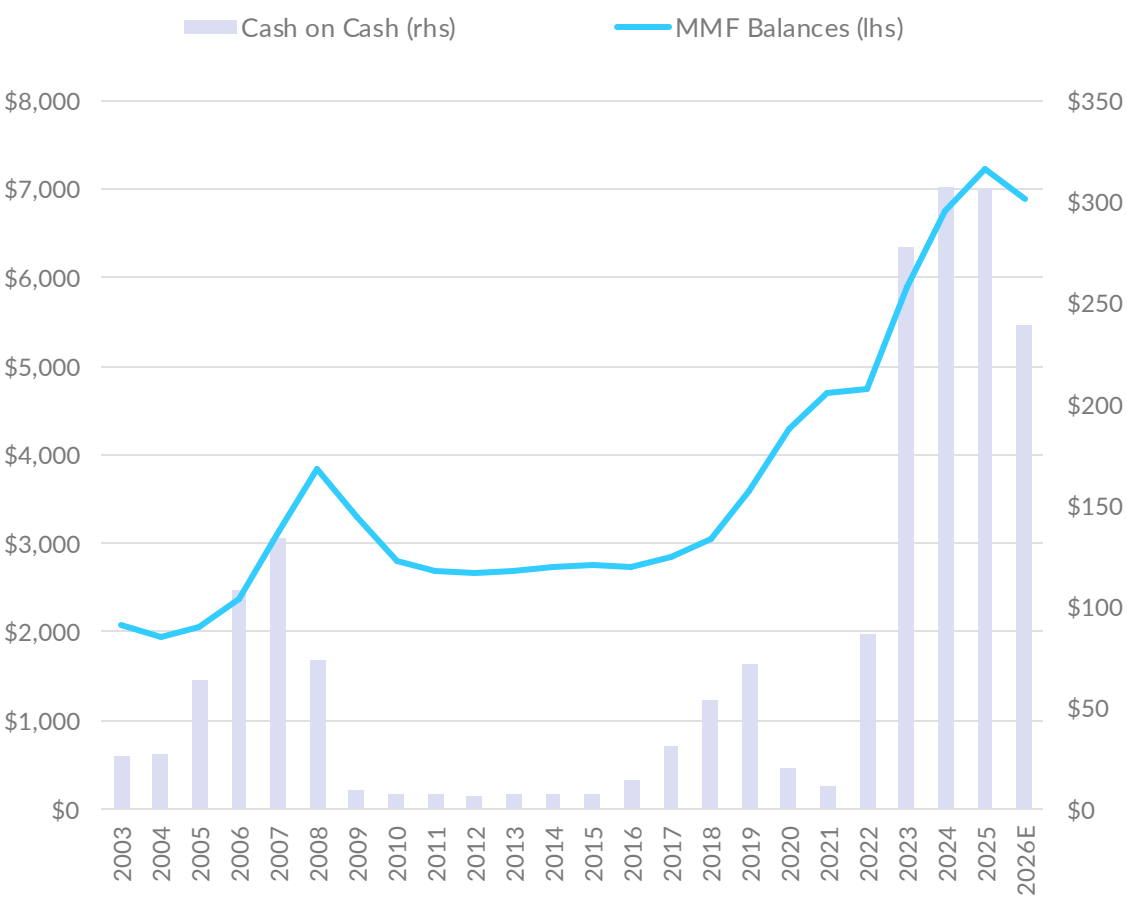
<sup>2</sup> Underweight recommendation for tax agnostic investors; Market Weight for US high-income retail investors.

<sup>3</sup> Uses 3-year discount margin for OAS and 3-year index yield for YTW.

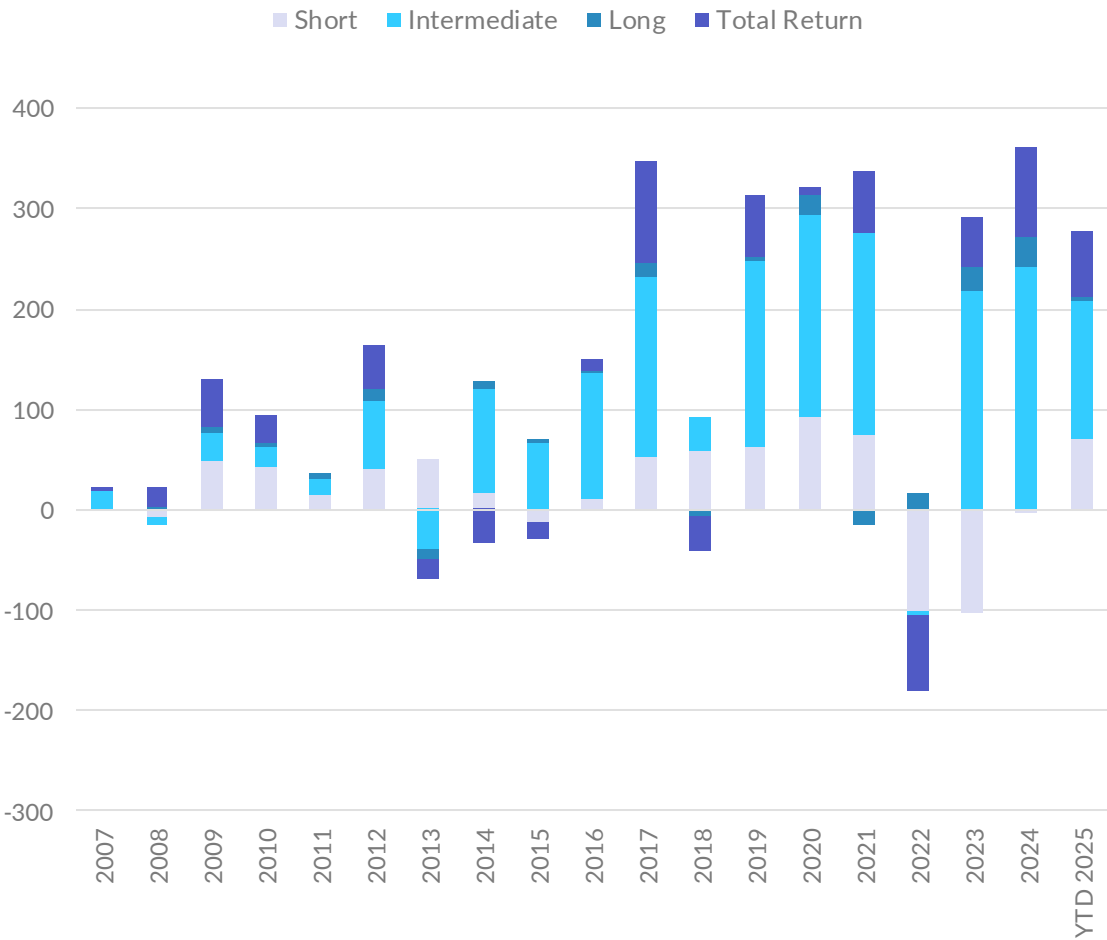
Near-Term risk view represents 3-month outlook.

# Cash on Cash Still a Tailwind, But Fading

We Estimate Money Market Funds will Generate 22% Less in Interest in 2026

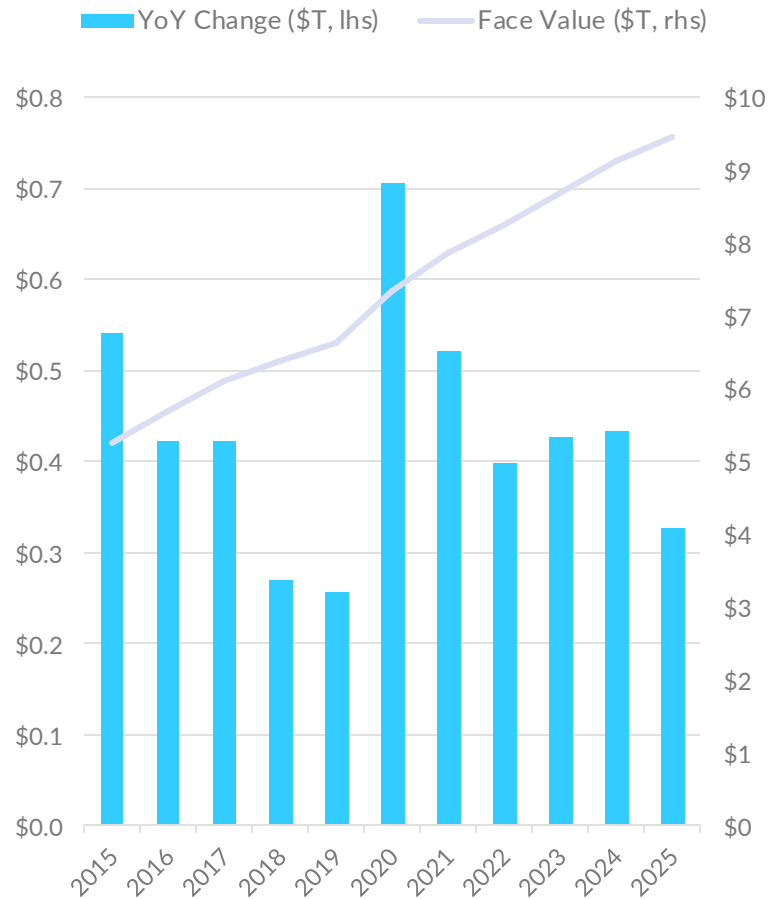


US IG Inflows Geared to Short/Intermediate Funds while Long-End Effectively Flat on the Year

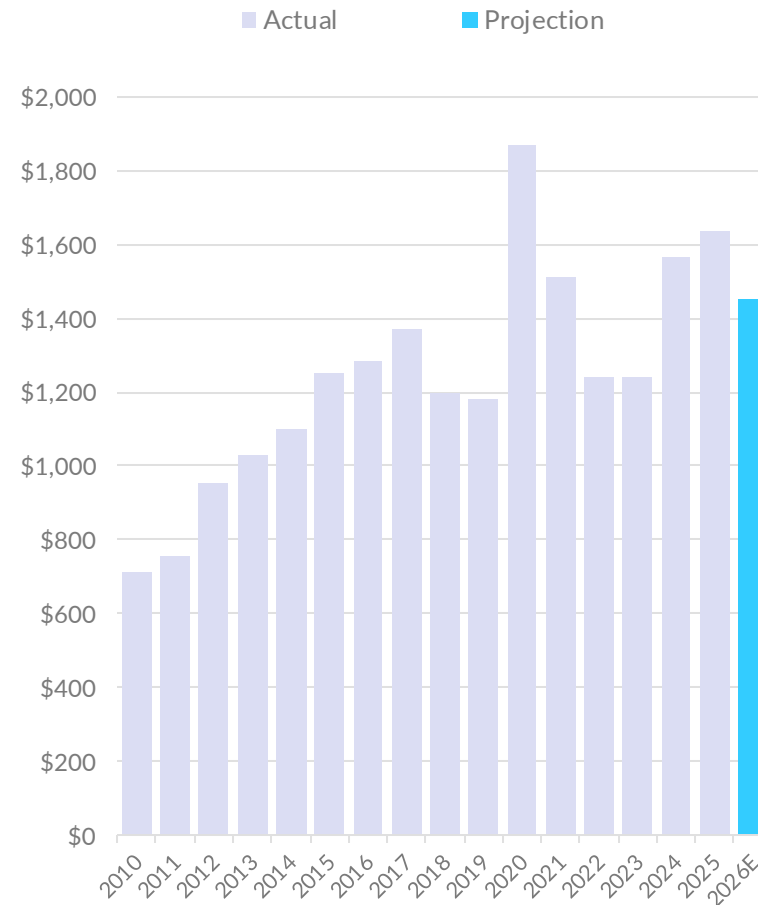


# IG Technical Pressure Building for 2026

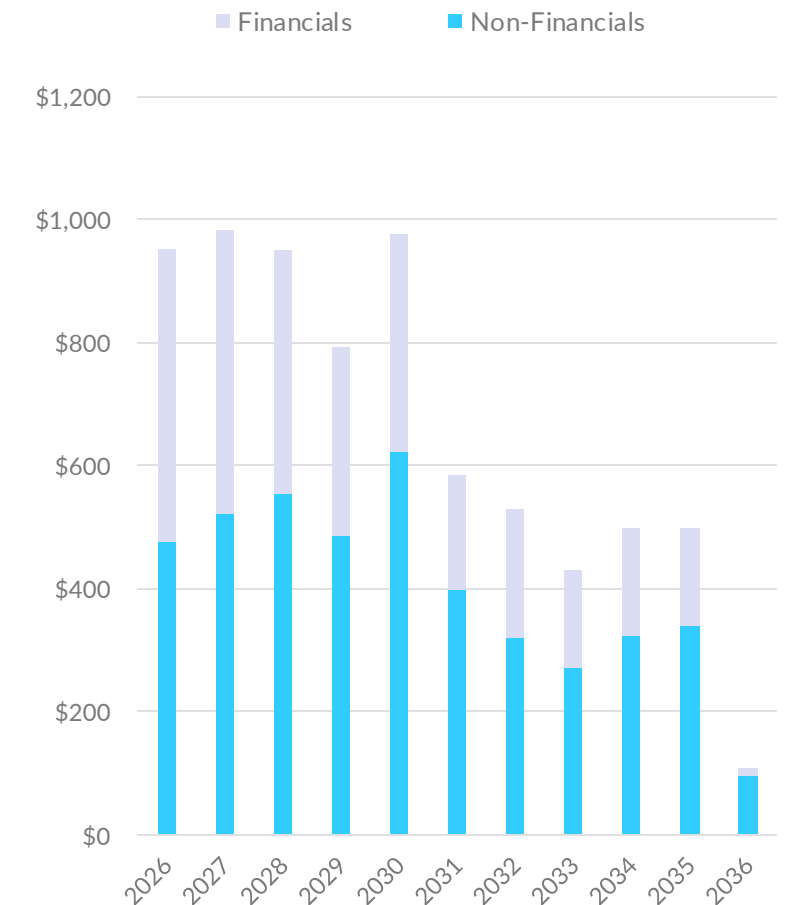
## IG Expanding at Steady Clip of ~\$400B Annually in '22-'24



## US IG Annual Issuance & Forecast: YTD at \$1.6T | 2026E at \$1.4-\$1.5T



## Elevated Refi Needs: ~\$1 T of Maturities Annually in Next 3 Years



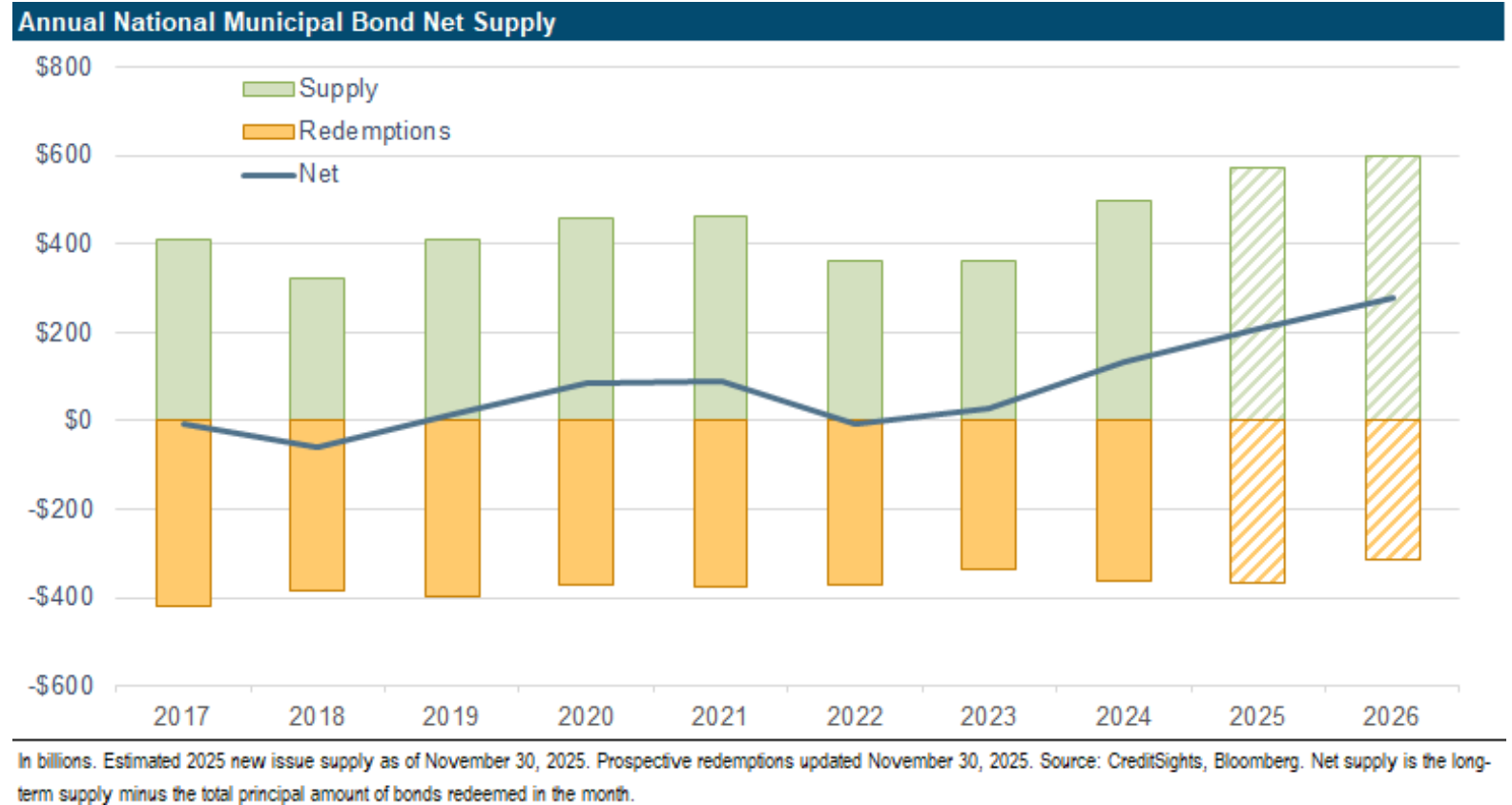


# 2026 Muni Supply & Net Supply Forecast

## Good News / Bad News

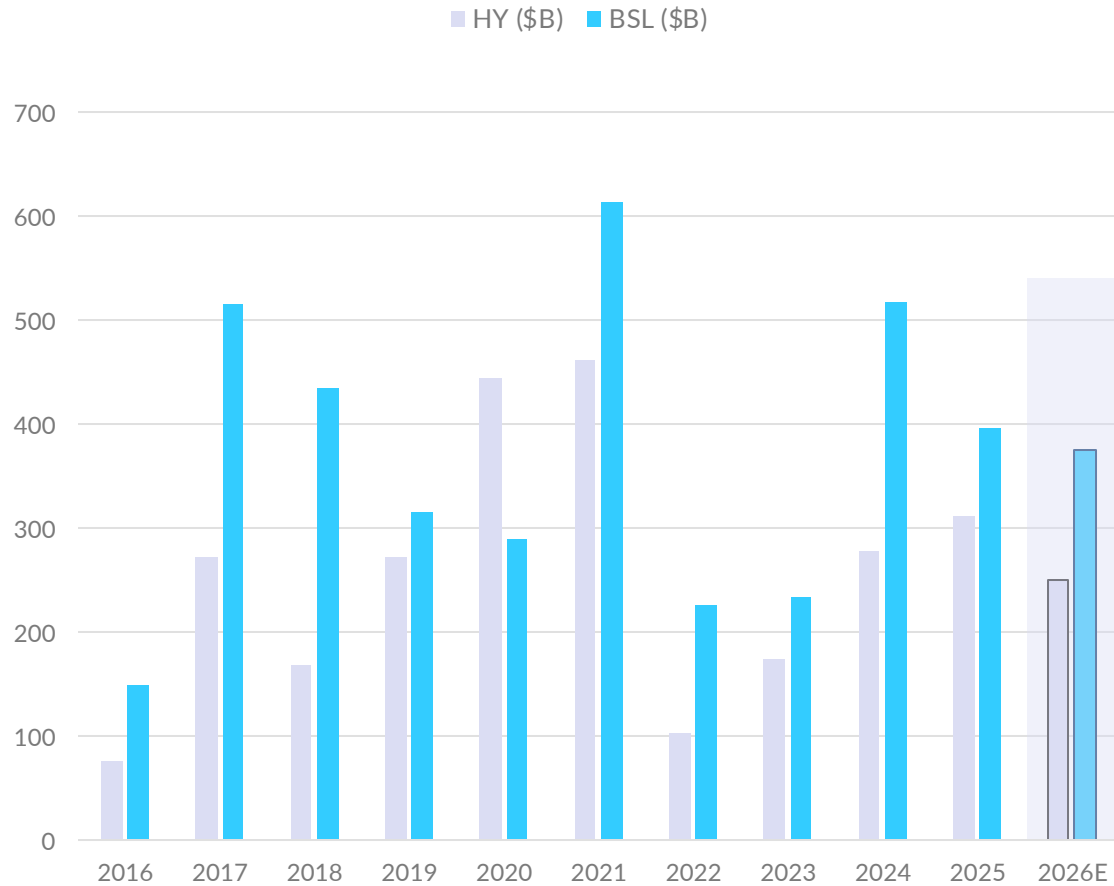
We expect another year of record new issue supply and record net supply.

- That would be good news for buyers.
- But potentially bad news if demand falters.

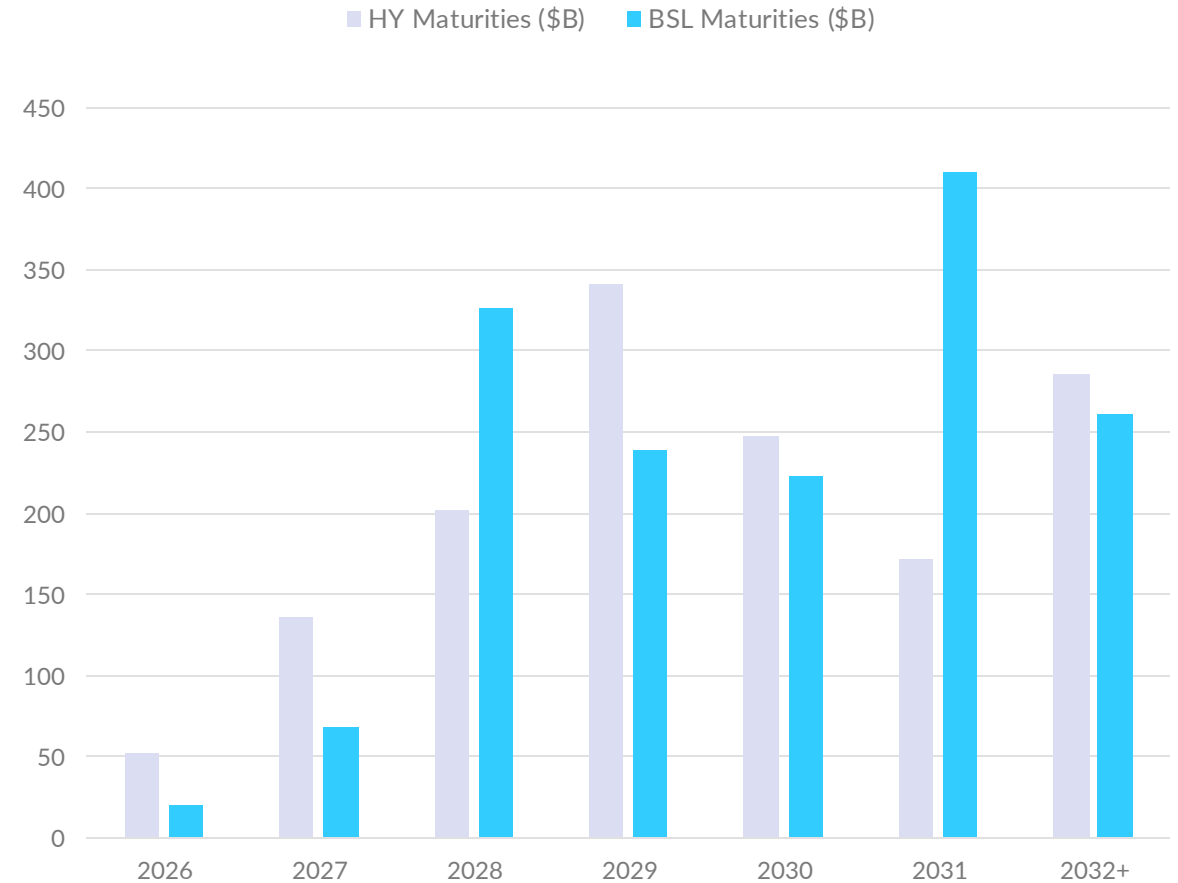


# US Lev Fin Maturities Remain Limited in the Next Two Years; Peak in 2029

## Expect Lower LevFin Issuance as Volatility Picks Up



## LevFin Peak Maturities in 2028/2031 for BSL and 2029 HY



# Audience Polling Question 4

## What is the biggest risk to global credit in 2026?

- a. AI Pullback
- b. Credit Downgrades/Defaults
- c. Fiscal Policies & Sovereign Supply
- d. Monetary Policy Mistakes
- e. Trade/Geopolitical Developments
- f. Something Else (let us know after the panel)

# Key Risks for '26

## Consumer Doom Loop

- **Risk:** Facing high living costs, sluggish real income growth and rising debt burdens, consumer confidence and consumption weakens, subsequently eroding corporate earnings and labor markets.
- **Market Vulnerability:** A consumer recession would trigger broad-based risk-off moves, spiking volatility and driving equities lower. UST curve could invert while corporate credit spreads widen and decompress across ratings.

## Policy Ping- Pong

- **Risk:** Inconsistent fiscal/monetary policy actions create uncertainty about the policy path and subsequent economic impact. Key considerations include Fed policy, upcoming US midterm elections and an active court docket considering Trump administration policies.
- **Market Vulnerability:** Key data releases and policy events bring heightened volatility; term premia increases and credit spreads gap wider as risk appetite and issuance windows become erratic.

## Private Credit Pressure Cooker

- **Risks:** Recent dividend cuts for BDCs, an uptick in private credit defaults and elevated PIK interest activity leaves private credit susceptible to a shift in sentiment, creating risk that capital flows slow or reverse.
- **Market Vulnerability:** Leveraged finance has benefited from a robust bid from private credit funds amid market volatility; a step up in private credit headwinds amid a broader-based sell-off could result in a credit crunch for HY and BSL.

## AI Return on Investment (or Lack Thereof)

- **Theme:** Large-scale AI spending fails to deliver productivity gains or returns at expected timelines, calling into question allocation of capital and the mismatch between liabilities funding near-term capex and the useful life of the assets they are funding.
- **Market Vulnerability:** Tech equities gap lower, exerting outsized impact on tech-heavy indices. Capex-dependent supply chains contract, weighing on US economic growth and corporate earnings.

## Cybersecurity & Critical Infrastructure

- **Theme:** Increasingly sophisticated attacks or failures disrupt financial systems, energy grids, logistics or data integrity, causing operational outages.
- **Market Vulnerability:** Sudden outages, liquidity gaps and disruptions trigger risk-off moves with issuers in vulnerable sectors (Banks, Insurers, Utilities, Tech, among others) exposed to event-driven spread widening.

# CreditSights Strategy: US Market Recommendations

Asset Class	OAS	YTW	Duration	Market Value (\$B)	YTD Total Return	CreditSights Rec.	CreditSights Analyst	Near-Term Risk View (1-3 Months)	Rate/Spread Outlook (12-Month)
<b>Treasuries</b>									
Short-Duration (0-5 yrs)		3.64%	2.1 yrs	\$11,853	+5.1%	Neutral	Griffiths	On	Lower
Intermediates (5-10 yrs)		3.90%	6.1 yrs	\$3,657	+7.9%	Overweight	Griffiths	Neutral	Lower
Long-Duration		4.74%	14.2 yrs	\$4,077	+5.9%	Overweight	Griffiths	Neutral	Lower
<b>Investment Grade</b>									
<b>IG Agg. Corporates</b>	<b>79 bp</b>	<b>4.83%</b>	<b>6.6 yrs</b>	<b>\$9,275</b>	<b>+7.6%</b>				<b>Wider</b>
Total Return Mandates						Overweight	Griffiths	Neutral	
Excess Return Mandates <sup>1</sup>						Underweight	Griffiths	Neutral	
Short-Duration (1-5 yrs)	61 bp	4.27%	2.6 yrs	\$3,821	+6.4%	Market Weight	Griffiths	Neutral	Wider
Intermediates (5-10 yrs)	88 bp	4.82%	6.0 yrs	\$2,650	+9.2%	Overweight	Griffiths	Neutral	Wider
Long-Duration (10+ yrs)	94 bp	5.62%	12.6 yrs	\$2,804	+7.9%	Underweight	Griffiths	Off	Wider
AA	47 bp	4.57%	7.4 yrs	\$781	+6.6%	Market Weight	Griffiths	Neutral	Wider
A	64 bp	4.67%	6.6 yrs	\$4,253	+7.6%	Market Weight	Griffiths	Neutral	Wider
BBB	101 bp	5.05%	6.5 yrs	\$4,164	+7.9%	Underweight	Griffiths	Off	Wider
<b>Leveraged Finance<sup>2</sup></b>									
<b>High Yield Agg. Corporates</b>	<b>285 bp</b>	<b>6.72%</b>	<b>2.9 yrs</b>	<b>\$1,465</b>	<b>+8.0%</b>	<b>Underweight</b>	<b>Cisar</b>	<b>Off</b>	<b>Wider</b>
BB	173 bp	5.65%	3.1 yrs	\$825	+8.4%	Overweight	Cisar	Neutral	Wider
B	295 bp	6.78%	2.6 yrs	\$492	+7.7%	Market Weight	Cisar	Off	Wider
CCC	868 bp	12.41%	2.6 yrs	\$149	+6.3%	Underweight	Cisar	Off	Wider
<b>Broadly Syndicated Loans Agg.<sup>3</sup></b>	<b>454 bp</b>	<b>7.86%</b>		<b>\$1,607</b>	<b>+5.5%</b>	<b>Underweight</b>	<b>Cisar</b>	<b>Off</b>	<b>Wider</b>

Source: CreditSights, FactSet, ICE Data Indices, LLC

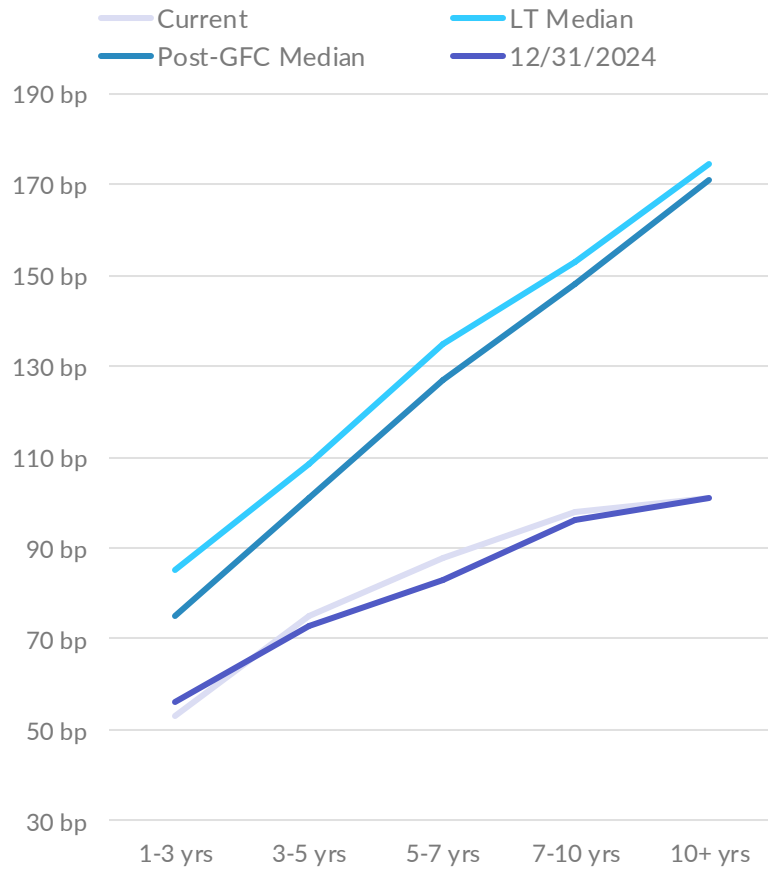
<sup>1</sup> Curve and credit recommendations based on excess return expectations.

<sup>2</sup> Leveraged finance recommendations based on total return expectations.

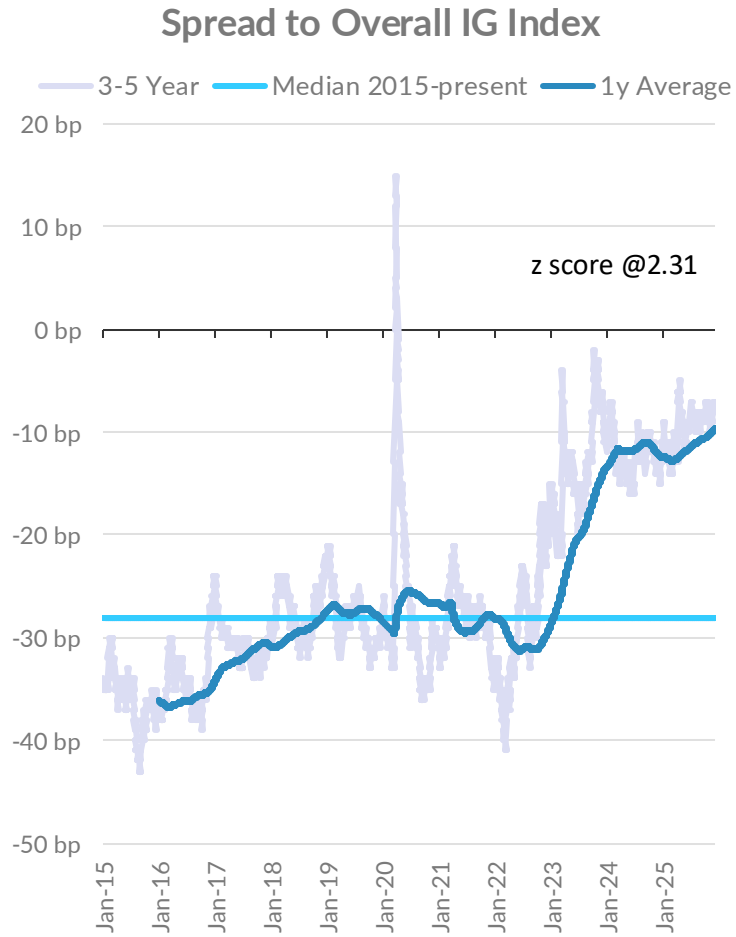
<sup>3</sup> Uses 3-year discount margin and yield for OAS and YTW.

# Excess Return: Add Cheap 3-5y, Lighten Up on Rich 10+y

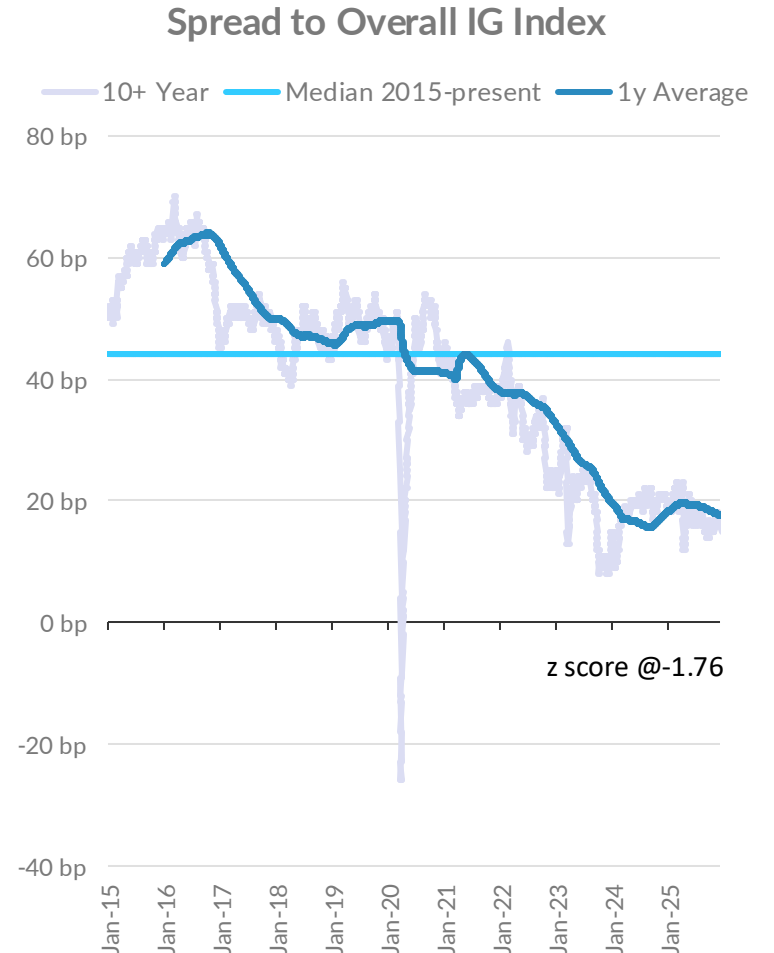
## IG Spread Curve: Flat & Tight



## 3-5y Trades Cheapest on Spread Basis

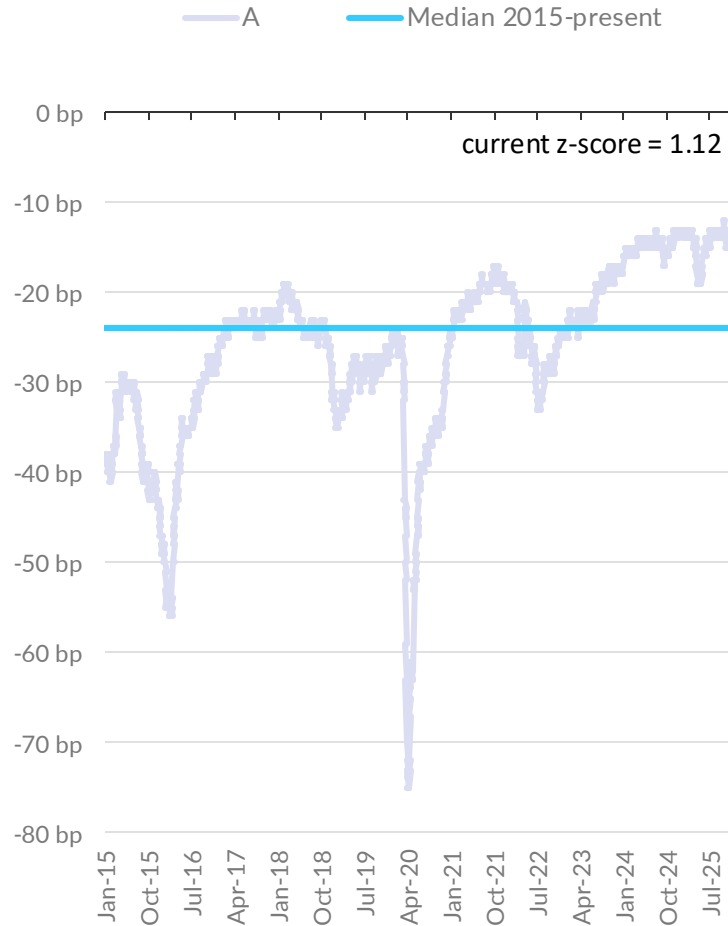


## 10+y Trades Richest on Spread Basis

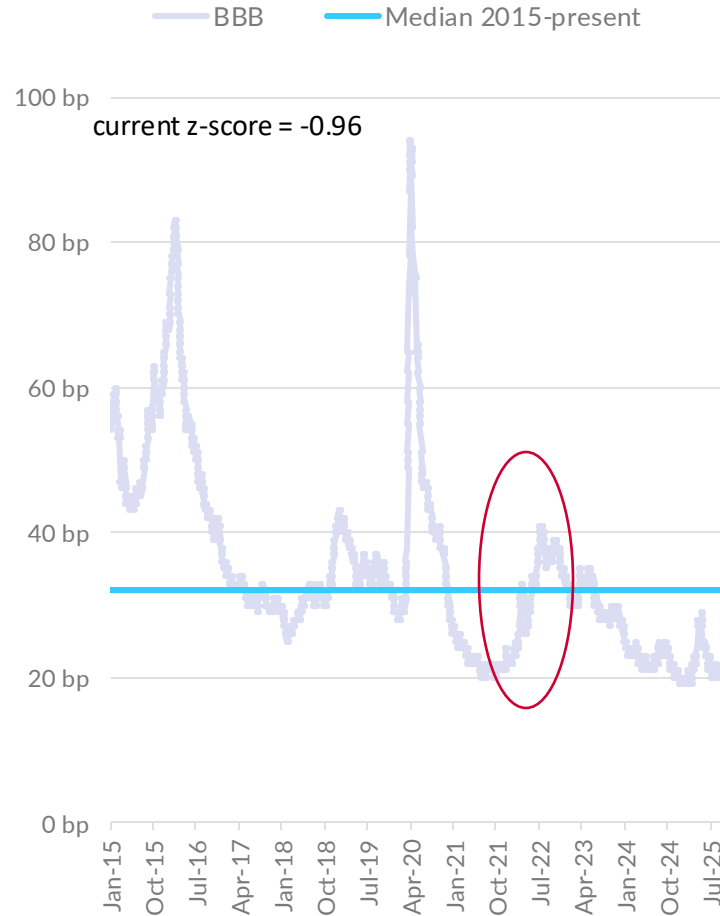


# Buy Cheap As vs Rich BBBs in Decompression Trade

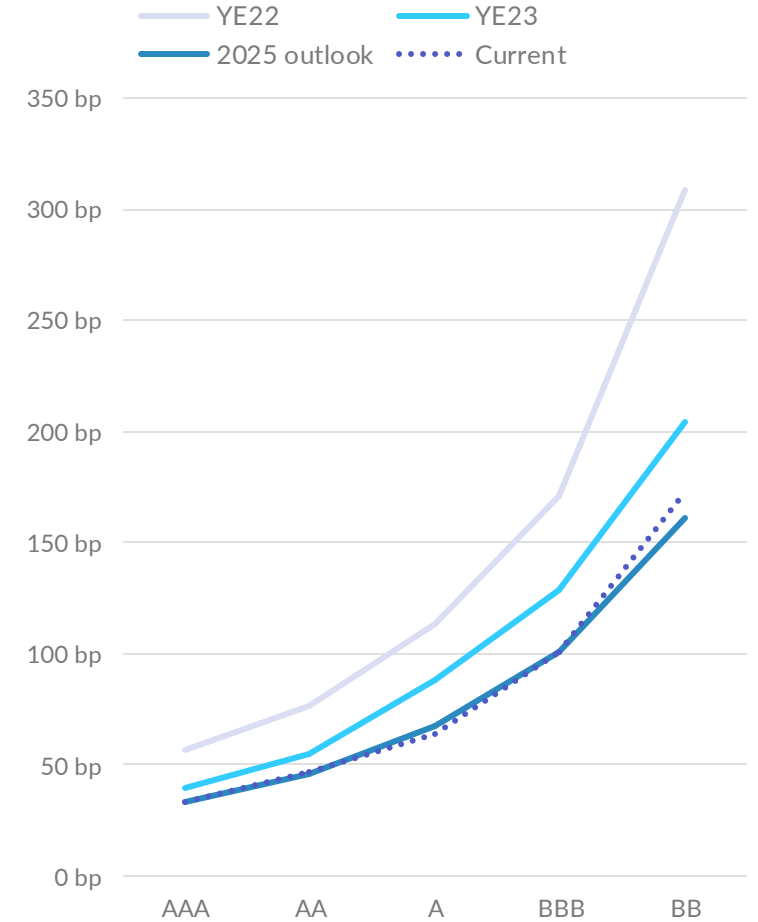
## A Valuations Near Cheapest Over Past Decade-Plus



## BBB Valuations Richest Since 2021, What Comes Next??



## Ratings Curve Little Changed Over the Past Year, BBs Modestly Wider



# 2026 Trade / Hedge Ideas

## ETFs

Option-related ETFs that can complement bond portfolios:

### Buy/Write Strategies

- LQD (iShares IG Corporate)
- LQDW
- HYG (iShares HY Corporate)
- HYGW
- TLT (iShares 20+ Year UST)
- TLTW

Fixed Income Buy/Write ETFs Snapshot as of December 4, 2025

Ticker	Name	AUM USD (bns)	Indic Yield	Total Return 2024	YTD Return 2025	Return Dec 2025	5-Day Return as of 12/4/25	Asset Flows YTD (mns)	5-Day ADT (mns)
LQD	iShares iBoxx \$ IG Corp	\$ 33.1	4.5%	+0.9%	+8.2%	-0.4%	-0.59%	\$ 2,997	\$ 3,019
LQDW	iShares IG Corp BuyWrite	\$ 0.3	12.9%	+2.6%	+8.6%	+0.1%	+0.16%	\$ 132.5	\$ 1.9
HYG	iShares iBoxx \$ HY Corp	\$ 19.0	5.6%	+8.0%	+8.2%	+0.2%	+0.22%	\$ 3,961	\$ 2,958
HYGW	iShares HY Corp BuyWrite	\$ 0.3	9.6%	+7.0%	+5.6%	+0.2%	+0.30%	\$ 59	\$ 1.2
TLT	iShares 20+ Yr UST	\$ 49.0	4.4%	-8.1%	+5.5%	-1.5%	-1.92%	\$ -2,141	\$ 2,928
TLTW	iShares 20+ Yr UST BuyWrite	\$ 1.7	9.8%	-2.2%	+12.4%	-1.1%	-1.33%	\$ 727	\$ 37

Data as of 12/4/25. Sources: CreditSights, Bloomberg, Fund Sponsors.



# 2026 Trade / Hedge Ideas

## ETFs

ETF-related options that can complement bond portfolios:

Option Open Interest:

- HYG
- 8.0 mn puts
- 1.7 mn calls
- TLT
- 2.8 mn puts
- 4.0 mn calls

Select Bellwether Fixed Income ETFs with Options: Open Interest as of December 4, 2025						
Ticker	AUM USD (bns)	Put Open Interest	Put Open Int Lo / Avg / Hi 9/5/25 - 12/4/25	Call Open Interest	Call Open Int Lo / Avg / Hi 9/5/25 - 12/4/25	Put / Call Ratio
LQD	\$ 33	868,565	636,547 / 808,753 / 996,406	395,898	221,945 / 350,352 / 434,581	2.2
VCIT	\$ 59	252	82 / 127 / 252	193	141 / 371 / 801	1.3
VCLT	\$ 8	1,984	1,494 / 1,938 / 2,432	2,316	2,089 / 2,555 / 3,262	0.9
HYG	\$ 19	8,028,332	6,581,321 / 8,050,034 / 9,460,519	1,689,288	1,353,737 / 1,681,339 / 2,111,130	4.8
JNK	\$ 8	2,689	2,036 / 3,250 / 6,814	1,682	1,090 / 1,700 / 2,894	1.6
MUB	\$ 41	30,272	19,311 / 31,351 / 40,102	44,463	40,424 / 49,583 / 60,866	0.7
HYD	\$ 4	1,409	1,251 / 2,676 / 7,287	1,579	1,152 / 1,546 / 2,622	0.9
HYMB	\$ 3	74	26 / 88 / 226	376	362 / 481 / 711	0.2
TLT	\$ 49	2,812,221	2,260,881 / 2,570,075 / 2,843,472	4,045,635	3,202,505 / 3,685,197 / 4,429,354	0.7
AGG	\$ 136	445	249 / 388 / 501	3,351	1,326 / 3,133 / 3,931	0.1
BND	\$ 143	497	424 / 654 / 1,310	2,007	1,473 / 1,949 / 2,536	0.2
TIP	\$ 14	4,822	3,209 / 3,759 / 4,822	7,459	5,360 / 7,176 / 12,757	0.6

As of 12/4/25. Dollar amounts in millions. Sources: CreditSights, Bloomberg, Fund Sponsors.

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