

# GRANT'S

I N T E R E S T   R A T E   O B S E R V E R<sup>®</sup>

---

Vol. 36, No.07e

Two Wall Street, New York, New York 10005 • www.grantspub.com

APRIL 6, 2018

## Pattern recognition

The General Mills 3.2s of 2027 came to market last year at a price near par to deliver an 87 basis-point premium to Treasuries. They were rated A3/triple-B-plus. And it was in the neighborhood of par that they remained until managerial insult compounded interest-rate injury. News of the cereal-maker's looming \$8 billion acquisition of Blue Buffalo Pet Products, Inc. led to ratings downgrades

(two by Moody's, one by S&P) and a new and disimproved market profile. Now the 3.2s change hands at 93 to yield a 136 basis-point spread to Treasuries.

No hard feelings. Up next is a \$6 billion offering of General Mills senior unsecured notes to finance the transaction that dinged the preceding issue of General Mills unsecured notes.

•

*Grant's<sup>®</sup> and Grant's Interest Rate Observer<sup>®</sup> are registered trademarks of Grant's Financial Publishing, Inc.  
PLEASE do not post this on any website, forward it to anyone else, or make copies (print or electronic) for anyone else.  
Copyright ©2018 Grant's Financial Publishing Inc. All rights reserved.*