

Occidental, AB InBev Lead Debt-Laden Firms Buying Back Bonds  
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By Molly Smith

(Bloomberg) -- Some of the world's most indebted companies are looking to clean up their balance sheets as the pandemic risks jeopardizing their finances even further.

Occidental Petroleum Corp. and Anheuser-Busch InBev SA/NV are seeking to buy back bonds through separate tender offers launched Thursday. Both are targeting debt due in the next three years.

Companies are seeking breathing room on debt payments as they contend with lower earnings amid the coronavirus outbreak, threatening to push leverage even higher. Credit raters are running out of patience: Occidental, already one of the largest fallen angels of this cycle, may be cut again by Moody's Investors Service and S&P Global Ratings, while AB InBev was recently downgraded by S&P with a negative outlook.

Both companies largely amassed their massive debt loads by funding acquisitions. Much of Occidental's nearly \$40 billion of debt came from borrowing to help finance its takeover of Anadarko Petroleum Corp. last year, while AB InBev's roughly \$103 billion of obligations mostly stems from its purchase of SABMiller Plc in 2016.

While some firms are looking to buy back debt outright, others are pursuing different liability management exercises to push out maturities. Rite Aid Corp. launched a \$750 million exchange offer Thursday, while Macy's Inc. initiated one earlier this week. They're also trying to amend certain covenants through what are known as consent solicitations.

U.S.

A risk-off tone is keeping the primary market quiet. United Airlines is expected to price its \$3 billion secured bond sale.

\* For deal updates, click [here](#) for the New Issue Monitor

\* CEC Entertainment Inc., the parent of Chuck E. Cheese and Peter Piper Pizza, filed for bankruptcy protection after the coronavirus pandemic shuttered its locations and kept families at home

\* For more, click [here](#) for the Credit Daybook Americas

## Europe

Activity in the market for new issues has slowed to a trickle, with Aeroports de Paris the only investment-grade corporate that could price a deal Thursday.

\* Wirecard bonds slump almost 7 cents to 12 cents after the company filed for insolvency

\* Lufthansa bonds jump almost 5 cents to 90 cents after top shareholder Heinz Hermann Thiele said he backs a \$10 billion government bailout plan, making its approval at today's vote the most likely scenario

\* Bayer is paying \$12 billion to resolve 75% of lawsuits related to the Roundup herbicide, a big step toward resolving legal issues it inherited with its acquisition of Monsanto Co.

\* Cattolica bonds rally after an announcement that Assicurazioni Generali SpA is buying a 24.4% stake in the business

\* The pause in corporate supply is unlikely to last long as Takeda Pharmaceutical Company Limited and Wolters Kluwer NV are holding investor calls for potential issues

## Asia

Public holidays in China and Hong Kong kept Asia's market for new bond issues quiet.

--With assistance from Tasos Vossos.

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