



New Preferred Stock IPOs, December 2021

Dec. 30, 2021 7:00 AM ET | SLHG, OCCI, OCCIP...



Preferred Stock Investing

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Summary

- As December 2021 comes to a close, we look back at the new preferred stocks and ETDs introduced during the month, offering annual yields ranging from 4.375% to 10%.
- Here is a comparison against highest quality preferred stocks in our coverage universe, as ranked by our internal “CDx3 Compliance Score” metric:
- CDx3 preferreds ranked 10 out of 10 are meanwhile selling for an average premium to par of 5.9% and offer an average current yield of 5.26%.
- Past preferred stock IPOs now trading below par: a look at recent par crosses.



PM Images/DigitalVision via Getty Images

New Preferred Stocks, December 2021

TEN NEW ISSUES

Symbol	Div Rate	Last Price	Yield CY YTC EAR	Liquid Price	Moody's	Exchange	Status
SCCD	6.000%	\$25.13	5.97%	\$25.00	NR	NYSE	
GRBK-A	5.750%	\$25.54	5.63%	\$25.00	NR	NYSE	QDI
EFC-B	6.250%	\$25.19	6.20%	\$25.00	NR	NYSE	
BWNB	6.500%	\$24.86	6.54%	\$25.00	NR	NYSE	
SSSSL	6.000%	\$25.65	5.85%	\$25.00	NR	NGM	
GMBLP MandConv	10.000%	\$9.35	11.76%	\$11.00	NR	NGM	QDI
OCCIN	5.250%	\$25.00	5.25%	\$25.00	NR	NCM	
SLHGP	9.250%	\$18.75	12.33%	\$25.00	NR	NCM	
RILYG	5.000%	\$25.10	4.98%	\$25.00	NR	NGM	
DTG	4.375%	\$26.22	4.17%	\$25.00	Baa3	NYSE	

S&P3 Notification Service database, PreferredStockInvesting.com
Green text indicates Exchange Traded Debt securities
NF, NR mean Not Found, Not Rated
Data date: December 29, 2021

About the new issues

On December 2nd, healthcare services company Skylight Health Group ([SLHG](#)) completed a small offering of 275,000 shares of new Series A cumulative preferred stock, after having first announced the proposed offering back on November 11th. Although the offering had initially been planned at \$25 per share with a 9.25% fixed dividend rate, the deal was ultimately priced at \$21, a level which places the annualized yield from the monthly .1927 dividend at 11%.

OFS Credit Company ([OCCI](#)) priced an offering of \$30.5 million worth of new Series E term preferred stock due 2026, offering a fixed dividend rate of 5.25%. The company indicated that proceeds may go towards redeeming its previously-issued 6.875% Series A term preferred stock due 2024 ([OCCIP](#)). The new shares are unrated, and will trade temporarily on the OTC under symbol OCCEP before moving to permanent symbol OCCIN on the Nasdaq.

B. Riley Financial ([RILY](#)) priced an offering of \$300 million of new exchange traded senior notes due 2026, offering a fixed coupon of 5%. The company indicated that proceeds may be used to redeem its previously-issued 6.75% senior notes due 2024. The new notes have been rated BBB+ by Egan-Jones Ratings Company, and trade on the Nasdaq under symbol RILYG.

DTE Energy Company ([DTE](#)) priced an offering of \$280 million of new exchange traded junior subordinated debentures due 2081, offering a fixed coupon of 4.375%. The new notes were rated Baa3, BBB-, and BB+ by Moody's, S&P, and Fitch respectively. The company simultaneously announced the redemption of its previously-issued 6% junior subordinated debentures ([DTY](#)). The new series of debentures trades on the New York Stock Exchange under symbol DTG.

Esports Entertainment Group ([GMBL](#)) priced an offering of \$8 million worth of new convertible preferred stock, at an offering price of \$10 per preferred share. The new preferred shares are convertible into common stock at the holder's option at a conversion price of \$17.50 per common share, representing a substantial premium to the current sub-\$5 trading price of GMBL shares. The new preferred shares offer a cumulative dividend at a fixed rate of 10% or \$1.00 per share annualized. The shares are unrated, and trade on the Nasdaq under symbol GMBLP.

Ellington Financial ([EFC](#)) priced an offering of \$110 million worth of new Series B "fixed-rate reset" cumulative preferred stock, offering an initial dividend rate of 6.25% until January 30, 2027, at which point the dividend begins resetting, to a rate equal to the then-current 5-year treasury rate plus 4.99%. Ellington indicated that proceeds will go towards new asset acquisitions. The new shares have received a rating of A- from Egan-Jones Ratings Company, and will trade temporarily on the OTC under symbol EFCBP before moving to permanent symbol EFC-B on the New York Stock Exchange.

Sachem Capital Corp. ([SACH](#)) priced an offering of \$45 million of new exchange traded notes due 2026, offering a fixed coupon of 6%. The company indicated that proceeds may be used to redeem some or all of its 7.125% June 2024 notes ([SCCB](#)) and/or its 6.875% December 2024 notes ([SACC](#)), both of which are callable. The new notes have been rated BBB+ by Egan-Jones Ratings Company, and will trade on the New York Stock Exchange under symbol SCCD.

Babcock & Wilcox Enterprises ([BW](#)) priced an offering of \$140 million worth of new exchange traded senior notes due 2026, offering a fixed coupon of 6.5%. The company indicated that proceeds would go towards clean energy growth initiatives, potentially including acquisitions. The new notes received a rating of BB+ from Egan-Jones Ratings Company, and trade on the New York Stock Exchange under symbol BWNB.

Investment fund SuRo Capital Corp ([SSSS](#)) priced an offering of \$70 million worth of senior notes due 2026, offering a coupon of 6%. The company indicated that proceeds will be used to make new portfolio company investments. The new notes received a rating of BB+ from Egan-Jones Ratings Company, and trade on the Nasdaq under symbol SSSSL.

Homebuilding and land development company Green Brick Partners ([GRBK](#)) priced an offering of \$50 million of new Series A cumulative preferred stock, offering a fixed dividend rate of 5.75%. The company indicated that proceeds may be used for business expansion and potentially also repurchases of common stock. The new shares received an "A" rating from Egan-Jones Ratings Company, and will trade temporarily on the OTC under symbol GBRPV before moving to permanent symbol GRBK-A on the New York Stock Exchange.

Sources: Preferred stock table: [CDx3 Notification Service database](#).

SEC filings: [SLHGP](#), [OCCIN](#), [RILYG](#), [DTG](#), [GMBLP](#), [EFC-B](#), [SCCD](#), [BWNB](#), [SSSSL](#), [GRBK-A](#)

Buying new shares for wholesale

Preferred stock IPOs often involve a temporary period during which OTC trading symbols are assigned until these securities move to their retail exchange, at which time they will receive their permanent symbols.

But there is no need to wait. Individual investors, armed with a web browser and an online trading account, can often purchase newly introduced preferred stock shares at wholesale prices just like the big guys (see "[Preferred Stock Buyers Change Tactics For Double-Digit Returns](#)" for an explanation of how the OTC can be used to purchase shares for discounted prices).

Those who have been following this strategy of using the wholesale OTC exchange to buy newly introduced shares for less than \$25 are more able to avoid a capital loss if prices drop (if they choose to sell).

Your broker will automatically update the trading symbols of any shares you purchase on the OTC, once they move to their permanent symbols. A special note regarding preferred stock trading symbols: Annoyingly, unlike common stock trading symbols, the format used by exchanges, brokers and other online quoting services for preferred stock symbols is not standardized.

For example, a given Series A preferred stock might have a symbol ending in "-A" at TDAmeritrade, Google Finance and several others but this same security may end in "PR.A" at E*Trade and ".PA" at Seeking Alpha. For a cross-reference table of how preferred stock symbols are denoted by sixteen popular brokers and other online quoting services, see "[Preferred Stock Trading Symbol Cross-Reference Table](#)."

Past preferred stock IPOs below par

While most of our subscribers focus on preferred stocks that score 10 out of 10 for their CDx3 Compliance Score, others keep room in their portfolios for more speculative situations, and are willing to take a look at preferreds with a lower score. Often, the return on offer for lower-ranked preferreds can be dramatically higher (and in turn, much higher risk).

Here are some of the recent dips/crosses below par that our CDx3 Notification Service subscribers received email notifications about (while the primary thrust of our subscription service is alerting about new IPOs and ranking them with a CDx3 Compliance Score, we *also* monitor past IPOs and offer email alert options when high-ranking past IPOs make crosses below par value - [learn more here](#)):

Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Last	Par	Div Rate	Ex-Date
12/29/2021	DBRG-H	9	dip	13477	\$24.98	\$25.18	\$25	7.125%	01/07/2022
12/29/2021	LEVLP	8	dip	4679	\$23.96	\$26.7497	\$25	7.500%	10/28/2021
12/29/2021	MBNKP	7	cross	58133	\$18	\$24.00	\$25	8.000%	12/14/2021
12/29/2021	MFA-B	9	dip	20294	\$24.81	\$25.07	\$25	7.500%	11/30/2021
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/28/2021	IPWLO	5	cross	2300	\$87.10	\$87.10	\$100	4.200%	12/14/2021
12/28/2021	LEVLP	8	dip	4629	\$23.96	\$26.7497	\$25	7.500%	10/28/2021
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/27/2021	BAC-Q	8	dip	106041	\$24.97	\$25.30	\$25	4.250%	NA
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/23/2021	PCG-C	5	cross	763	\$24.885	\$24.885	\$25	5.000%	10/30/2017
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/22/2021	PFXNZ	9	cross	2389	\$24.95	\$24.95	\$25	5.250%	NA
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/21/2021	ATH-D	8	dip	177335	\$24.98	\$25.01	\$25	4.875%	12/14/2021
12/21/2021	PFXNZ	9	dip	1500	\$24.95	\$25.294	\$25	5.250%	NA
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
12/20/2021	AATRL	8	dip	47559	\$48.50	\$57	\$50	5.150%	12/30/2021
12/20/2021	APRDN	6	cross	200	\$99.31	\$99.31	\$100	4.200%	12/16/2021
12/20/2021	BPOPO	6	dip	1833	\$24.8601	\$25.7205	\$25	6.375%	12/14/2021
12/20/2021	FOSLL	8	dip	13435	\$24.95	\$25.00	\$25	7.000%	NA
12/20/2021	GECCN	8	dip	2718	\$24.9501	\$25.0001	\$25	6.500%	12/14/2021
12/20/2021	HTIBP	10	dip	6820	\$24.96	\$25.01	\$25	7.125%	01/06/2022
12/20/2021	MS-A	7	dip	39602	\$24.3	\$25.14	\$25	Variable	12/30/2021
12/20/2021	NMK-C	5	dip	670	\$99.95	\$102.64	\$100	3.900%	12/16/2021
12/20/2021	PRIF-H	9	dip	4370	\$24.8801	\$25.00	\$25	6.000%	12/14/2021

Source: CDx3 Free Weekly Newsletters, December 2021, <https://www.preferredstockinvesting.com/newsletter/>

Source: Free [CDx3 Weekly Preferred Stock Newsletters](#), December 2021. Note: Yellow highlighted entries indicate eligibility for the "CDx3 Bargain Table" page.

Until next time...

Here at CDx3, our typical articles will provide month-end preferred stock (and ETD) IPO summaries, plus a look at selected past preferred stock IPOs that are now trading below par -- often the reward on offer for "imperfect" preferred stocks is very high relative to the fully CDx3-compliant professionally rated securities.