

# New Preferred Stock IPOs, January 2022

Jan. 28, 2022 7:09 PM ET | BAC, ECC, OXLC...

## Summary

- As January 2022 comes to a close, we look back at the new preferred stocks and ETDs introduced during the month, offering annual yields ranging from 4.1% to 5.375%.
- Here is a comparison against the 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 3.1% and offer an average current yield of 5.4%.
- Past preferred stock IPOs now trading below par: a look at recent par crosses.



designer491/iStock via Getty Images

## New Preferred Stocks, January 2022

FOUR NEW ISSUES

Symbol	Div Rate	Yield		Moody's	Exchange	Status
		CY	YTC EAR			
BACXL	4.750%		4.76%	Baa3	OTOTC	QDI
ECCV	5.375%		5.52%	NR	NYSE	
OXLCZ	5.000%		5.07%	NR	NGS	
PSA-S	4.100%		4.26%	A3	NYSE	

*Source: CDx3 Notification Service database, PreferredStockInvesting.com*  
*Green text indicates Exchange Traded Debt securities*  
*NF, NR mean Not Found, Not Rated*  
*Data date: January 28, 2022*

New Preferred Stocks  
CDX3

## About the new issues

Prolific preferred issuer Public Storage ([PSA](#)) priced its latest offering, of \$250 million worth of new Series S cumulative preferred stock, offering a fixed dividend rate of 4.1% - a hair above the 4% rate at which the Series R shares priced back in November. Public Storage now has 14 series of outstanding preferred shares, according to the Preferred Stock List database (part of the CDx3 Notification Service paid subscription); the next callable series will be the 5.15% F shares which become callable in June of this year. The new S series will trade temporarily on the OTC under the symbol PASDV, before moving to permanent symbol PSA-S on the New York Stock Exchange.

Oxford Lane Capital Corp. ([OXLC](#)) priced an offering of \$87 million worth of new exchange traded notes due 2027, at a fixed interest rate of 5%. The company indicated that offering proceeds will go towards new investments. The new notes were rated BBB by Egan-Jones Ratings Company, and trade on the Nasdaq under the symbol OXLCZ, joining its 6.75% exchange traded notes due 2031 (NASDAQ:[OXLCL](#)) and its three term preferred series (NASDAQ:[OXLCM](#)), (NASDAQ:[OXLCO](#)), and (NASDAQ:[OXLCP](#)).

Eagle Point Credit Company ([ECC](#)) priced an offering of \$87 million worth of new exchange traded notes due 2029, at a fixed interest rate of 5.375%. With the proceeds the company announced the full redemption of its 7.75% series B term preferred stock due 2026, and also announced the partial redemption of its 6.875% notes due 2028 (NYSE:[ECCX](#)). The new notes were rated BBB+ by Egan-Jones Ratings Company, and trade on the New York Stock Exchange under new symbol (ECCV).

Bank of America ([BAC](#)) priced an offering of \$700 million worth of new Series SS non-cumulative preferred stock, offering a fixed dividend rate of 4.75%. The new shares were rated by all three of Moody's, S&P, and Fitch, at Baa3, BBB-, and BBB+ respectively. Trading will take place temporarily on the OTC under the symbol (BACXL), before moving to permanent symbol BAC-S on the New York Stock Exchange where it will join BAC's many other preferreds, including the 4.25% Series QQ (BAC-Q) which was issued back in October, and the 4.125% Series PP (BAC-P) which was issued a year ago.

Sources: Preferred stock table: CDx3 Notification Service database.

SEC filings: [PSA-S](#), [OXLCZ](#), [ECCV](#), [BAC-S](#)

## **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**

Since January was a much lighter than normal month for new issuance, we thought that for this month’s article we’d spend some extra time highlighting a few previously-issued preferreds now trading below par. We’ve also seen an abnormally large number of “par crosses” amidst this week’s market volatility, including a long list of crosses just within the past two sessions.

### **TRTX-C**

First up is a preferred that scores 10 out of 10 for its CDx3 Compliance Score, and presently has the lowest trading price relative to par value of any 10-scoring preferred in our coverage universe: TRTX-C, the series C cumulative preferred stock of TPG RE Finance Trust (NYSE:[TRTX](#)).

### CDx3 Compliance Score: 10

#### TRTX-C

TPG RE Finance Trust, Inc. 6.25% Series C  
Cumulative Redeemable Preferred Stock

#1 Dividend Rate	:6.250%
#2 IPO Date	:06/08/2021
Call Date	:06/14/2026
#3 Dividend Period	:Quarterly
#4 Credit Rating	:BBB (Egan Jones)
#5 Dividend Status	:Not Suspended
#6 Dividends	:Cumulative
#7 Issuer Company	:US
#8 Convertibility	:Not Convertible
#9 Prospectus	:Available
#10 Liquidation (par)	:\$25

CDX3 Compliance  
CDX3

Originally issued in June of 2021, TRTX-C achieved a credit rating of BBB from Egan-Jones Ratings Company, and was offered at \$25/share with a fixed dividend rate of 6.25%. At the time of this writing it trades at \$23.22. At this price, TRTX-C now provides a current yield to new investors of 6.7%, and if ever called away at par, that action would cause today's buyer to later realize a capital gain of 7.7%.

Why has TRTX-C fallen? The most likely explanation we see is that TRTX-C simply didn't offer a high enough yield initially, for the risk, especially into a rising rate environment. A peer, Ready Capital (NYSE:[RC](#)), *also* offered a preferred series in June of 2021, which received the same BBB rating from Egan-Jones, but was meanwhile priced to offer a fixed dividend rate of 6.5% (a quarter point more than TRTX-C). Today, that preferred series, RC-E, trades at \$24, for a current yield of 6.77%.

NXDT-A

Next, we want to highlight NXDT-A, the series A cumulative preferred shares of NexPoint Diversified Real Estate Trust (NXDT). 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).

CDx3 Compliance Score: 9	
<b>NXDT-A</b>	
NexPoint Diversified Real Estate Trust, 5.50%	
SERIES A CUMULATIVE PREFERRED SHARES	
#1 Dividend Rate	:5.500%
#2 IPO Date	:01/08/2021
Call Date	:12/15/2023
#3 Dividend Period	:Quarterly
#4 Credit Rating	:BBB-
	*(Egan Jones)
#5 Dividend Status	:Not Suspended
#6 Dividends	:Cumulative
#7 Issuer Company	:US
#8 Convertibility	:Not Convertible
#9 Prospectus	:Available
#10 Liquidation (par)	:\$25

CDX3 Compliance

NXDT-A scores a 9 out of 10, failing criteria #2 – it provides a limited period of call protection, versus the 5 years necessary to pass the CDx3 Compliance Score criteria. However, one might argue that a scenario to rival five years of call protection is a large discount to par value -- if called, the investor may “lose” the income stream, but they’ll earn a capital gain. And if the discount to par value is large enough, the capital gain potential could make a future call into a cause for celebration. For NXDT-A, which currently trades at \$21.27, a future call scenario would produce a 17.5% capital gain.

Interestingly enough, the current yield at this price is 6.5%, putting it in range with both TRTX-C and RC-E. However, where those were rated BBB and issued via a public offering in the traditional way, NXDT-A is rated a notch lower at BBB- by Egan-Jones, and came public in an unusual way ([which we wrote about back in March of 2021](#) when it was trading under previous symbol NHF-A).

## SQFTP

Earlier, we mentioned that most of our subscribers focus on preferred stocks that score 10 out of 10 for their CDx3 Compliance Score, while 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). And that's certainly the case for this next preferred, (NASDAQ:[SQFTP](#)) -- the series D cumulative preferred shares of Presidio Property Trust ([SQFT](#)).

CDx3 Compliance Score: 8	
<b>SQFTP</b>	
Presidio Property Trust 9.375% Series D Cumulative Redeemable Preferred Stock	
#1 Dividend Rate	:9.375%
#2 IPO Date	:06/11/2021
Call Date	:06/15/2026
#3 Dividend Period	: <b>Monthly</b>
#4 Credit Rating	: <b>NF</b>
#5 Dividend Status	:Not Suspended
#6 Dividends	:Cumulative
#7 Issuer Company	:US
#8 Convertibility	:Not Convertible
#9 Prospectus	:Available
#10 Liquidation (par)	:\$25

CDX3 Compliance

SQFTP only scores an 8 out of 10, failing both for its monthly payment frequency (quarterly is required to be CDx3 compliant), and the lack of any credit rating. Unrated preferreds often need to be priced to reflect a higher risk, and in the case of Presidio, its small market cap arguably was another factor that led to its preferred series being priced at a relatively-high 9.375%. Having now fallen in price to a current \$22.38, the current yield is around 10.5% to new buyers.

Interestingly, that ~10% yield level “echoes” the past privately held Series B preferred that [the company issued in 2014 back when it was known as NetREIT](#), which too had a 10% monthly dividend, but also had a 4% “kicker” that was set to compound until ultimate redemption. The SQFTP shares offer no such “kicker” but at the current trading price of \$22.38 would deliver just under a 12% capital gain if ever called. (This one did have five years of call protection, so a call couldn’t happen until June of 2026 at the earliest).

## Recent Par Crosses

Here are some of the recent dips/crosses below par that our CDx3 Notification Service subscribers received email notifications about:

Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Last	Par	Div Rate	Ex-Date
01/28/2022	ACR-D	9	dip	6982	\$24.98	\$25.40	\$25	7.875%	12/31/2021
01/28/2022	ALL-I	8	dip	34611	\$24.909	\$25.18	\$25	4.750%	12/30/2021
01/28/2022	CHMI-B	9	dip	4144	\$24.95	\$25.0115	\$25	8.250%	12/30/2021
01/28/2022	FTAI-B	9	dip	10392	\$24.9	\$25.02	\$25	8.000%	11/30/2021
01/28/2022	GRBK-A	10	cross	4055	\$24.95	\$24.95	\$25	5.750%	NA
01/28/2022	HTIA	9	cross	13505	\$24.85	\$24.975	\$25	7.375%	01/06/2022
01/28/2022	JPM-J	8	cross	203125	\$24.625	\$24.99	\$25	4.750%	01/28/2022
01/28/2022	NRZ-A	9	dip	12748	\$24.94	\$25.17	\$25	7.500%	01/13/2022
01/28/2022	NTRSO	8	dip	29131	\$24.5832	\$25.02	\$25	4.700%	03/14/2022
01/28/2022	PSA-J	9	dip	19674	\$24.93	\$25.23	\$25	4.700%	12/14/2021
01/28/2022	PSA-K	9	dip	13492	\$24.98	\$25.25	\$25	4.750%	12/14/2021
01/28/2022	PSA-L	9	dip	25729	\$24.78	\$25.11	\$25	4.625%	12/14/2021
01/28/2022	PSB-X	10	dip	6101	\$24.71	\$25.17	\$25	5.250%	12/14/2021
01/28/2022	QRTEP	8	cross	170362	\$97.3267	\$97.8026	\$100	8.000%	11/29/2021
01/28/2022	SITC-A	9	dip	4221	\$24.86	\$25.07	\$25	6.375%	12/29/2021
01/28/2022	TCBIO	8	dip	13657	\$24.72	\$25.49	\$25	5.750%	11/30/2021
01/28/2022	TFC-R	8	dip	55369	\$24.9	\$25.21	\$25	4.750%	02/10/2022

01/28/2022	TPTA	9	cross	200	\$24.9485	\$24.9485	\$25	6.000%	12/14/2021
01/28/2022	TRTN-E	8	cross	26220	\$24.9	\$24.98	\$25	5.750%	12/07/2021
01/28/2022	TVE	8	dip	6214	\$24.9	\$25.1605	\$25	Variable	01/28/2022
01/28/2022	WAL-A	7	cross	8567	\$24.7	\$24.7915	\$25	4.250%	12/17/2021
01/28/2022	WBS-F	9	cross	3062	\$24.76	\$24.8528	\$25	5.250%	02/28/2022
Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
01/27/2022	ABR-D	9	cross	18518	\$24.855	\$24.94	\$25	6.375%	01/13/2022
01/27/2022	AFGE	9	cross	13826	\$24.38	\$24.38	\$25	4.500%	11/30/2021
01/27/2022	AGM-G	7	cross	29476	\$24.37	\$24.78	\$25	4.875%	12/31/2021
01/27/2022	AGNCN	9	cross	42117	\$24.95	\$24.97	\$25	7.000%	12/30/2021
01/27/2022	AHL-E	7	cross	19916	\$24.82	\$24.82	\$25	5.625%	12/14/2021
01/27/2022	ALL-B	9	cross	139990	\$24.701	\$24.75	\$25	5.100%	12/30/2021
01/27/2022	BEP-A	9	cross	11434	\$24.56	\$24.56	\$25	5.250%	01/13/2022
01/27/2022	BHFAN	8	cross	174536	\$24.7	\$24.76	\$25	5.375%	12/09/2021
01/27/2022	BML-J	8	cross	30402	\$24.5	\$24.52	\$25	Variable	02/14/2022
01/27/2022	CFG-E	8	cross	66845	\$24.739	\$24.80	\$25	5.000%	12/21/2021
01/27/2022	CIM-D	9	cross	13259	\$24.8	\$24.80	\$25	8.000%	12/16/2021
01/27/2022	COF-I	9	cross	171917	\$24.75	\$24.81	\$25	5.000%	11/12/2021
01/27/2022	DTG	9	cross	104570	\$24.73	\$24.73	\$25	4.375%	02/11/2022
01/27/2022	EFC-B	10	cross	7886	\$24.6	\$24.64	\$25	6.250%	12/29/2021
01/27/2022	ET-D	9	cross	45056	\$24.89	\$24.91	\$25	7.625%	01/31/2022
01/27/2022	FRC-J	8	cross	29892	\$24.29	\$24.29	\$25	4.700%	01/13/2022
01/27/2022	FULTP	9	cross	13546	\$24.9	\$24.90	\$25	5.125%	12/30/2021
01/27/2022	GPMT-A	9	cross	54099	\$24.93	\$24.93	\$25	7.000%	12/30/2021
01/27/2022	HPP-C	9	cross	314469	\$24.76	\$24.90	\$25	4.750%	NA
01/27/2022	HTIA	9	dip	24334	\$24.825	\$25.10	\$25	7.375%	01/06/2022
01/27/2022	JSM	9	cross	22332	\$24.8	\$24.90	\$25	6.000%	12/13/2021
01/27/2022	MET-F	8	cross	196381	\$24.635	\$24.95	\$25	4.750%	11/29/2021
01/27/2022	MFA-B	9	cross	33427	\$24.81	\$24.98	\$25	7.500%	11/30/2021
01/27/2022	MGRB	8	cross	48218	\$24.34	\$24.34	\$25	4.750%	12/28/2021
01/27/2022	MS-L	7	cross	76026	\$24.72	\$24.75	\$25	4.875%	12/30/2021
01/27/2022	NMK-C	5	cross	275	\$99.98	\$99.98	\$100	3.900%	12/16/2021
01/27/2022	NS-C	9	cross	29602	\$24.55	\$24.69	\$25	9.000%	11/30/2021
01/27/2022	NSS	9	cross	90386	\$24.9	\$24.97	\$25	7.625%	03/31/2022
01/27/2022	PEB-G	9	cross	15258	\$24.84	\$24.88	\$25	6.375%	12/30/2021
01/27/2022	QVCC	9	cross	69380	\$24.5888	\$24.65	\$25	6.250%	11/30/2021
01/27/2022	QVCD	9	cross	29079	\$24.51	\$24.60	\$25	6.375%	11/30/2021
01/27/2022	RILYT	9	cross	49107	\$24.86	\$24.91	\$25	6.000%	01/13/2022
01/27/2022	SCE-K	8	cross	19147	\$24.89	\$24.95	\$25	5.450%	12/13/2021
01/27/2022	SFB	10	cross	19055	\$24.75	\$24.90	\$25	5.200%	12/30/2021
01/27/2022	SHO-H	9	cross	2901	\$24.91	\$24.92	\$25	6.125%	12/30/2021
01/27/2022	SITC-A	9	dip	12157	\$24.59	\$25.11	\$25	6.375%	12/29/2021
01/27/2022	T-A	9	cross	276418	\$24.91	\$24.95	\$25	5.000%	01/07/2022
01/27/2022	TDS-V	9	cross	176856	\$24.35	\$24.42	\$25	6.000%	12/14/2021
01/27/2022	TPTA	9	dip	847	\$24.81	\$25.2744	\$25	6.000%	12/14/2021
01/27/2022	TRTN-E	8	dip	40854	\$24.93	\$25.03	\$25	5.750%	12/07/2021
01/27/2022	UZE	9	cross	86010	\$24.65	\$24.68	\$25	5.500%	02/25/2022
01/27/2022	UZF	9	cross	86080	\$24.52	\$24.54	\$25	5.500%	02/25/2022
01/27/2022	VLYPO	8	cross	10012	\$24.83	\$24.92	\$25	5.500%	12/14/2021
01/27/2022	WAFDP	8	cross	23990	\$24.54	\$24.54	\$25	4.875%	12/30/2021
01/27/2022	WAL-A	7	dip	21536	\$24.89	\$25.00	\$25	4.250%	12/17/2021
01/27/2022	WBS-F	9	dip	24661	\$24.94	\$25.00	\$25	5.250%	02/28/2022
01/27/2022	WRB-G	9	cross	7720	\$24.55	\$24.55	\$25	4.250%	12/14/2021

Source: CDx3 Free Weekly Newsletters, January 2022, <https://www.preferredstockinvesting.com/newsletter/>

CDX3 Table

Source: Free CDx3 Weekly Preferred Stock Newsletters, January 2022. 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.

### **These stocks could be offering a “generational buying opportunity”**

After 3 years of extraordinary gains in the market, Louis Stevens says the best may be yet to come for a handful of stocks which have formed ‘inverse bubbles’. Find out how to take advantage of what he’s calling a generational buying opportunity.

[Find out more »](#)

Seeking Alpha <sup>α</sup> Marketplace

Whether you are the kind of investor who sticks with preferred stocks with a **CDx3 Compliance Score** rated 10 out of 10, or whether your portfolio has room for 9-score-and-lower securities, stay tuned for future articles recapping new IPOs and interesting preferred stock activity that we notice here at the **CDx3 Notification Service**. Thanks for reading!

---

This article was written by

Whether you are the kind of investor who sticks with preferred stocks with a CDx3 Compliance Score rated 10 out of 10, or whether your portfolio has room for 9-score-and-lower securities, stay tuned for future articles recapping new IPOs and interesting preferred stock activity that we notice here at the CDx3 N

[Show More](#)

**Disclosure:** I/we have no stock, option or similar derivative position in any of the companies mentioned, and no plans to initiate any such positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

## Comments

