

Briefing

Global Economic & Credit Market

Week 52 Ending – December 29, 2023

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Economic Calendar

- Tuesday, January 2: Construction Spending
- Wednesday, January 3: Auto Sales
- Thursday, January 4: Initial Jobless Claims

Key Market Metrics

- S&P 500: +0.32% WoW; +24.06% YTD; +23.91% YoY; 13.4x LTM EBITDA; 13.0x NTM EBITDA
- Dow Jones: +0.81% WoW; +13.51% YTD; +13.45% YoY; 10.6x LTM EBITDA; 13.0x NTM EBITDA
- Nasdaq: +0.12% WoW; +42.99% YTD; +43.26% YoY
- Ten Year US Treasury Yield: 3.92% (2) bps YTD; +14 bps YoY
- Currency:
 - British Pound per USD: \$1.27; 0.2% WoW; 5.4% YTD; 5.6% YoY
 - Euro per USD: \$1.10; 0.2% WoW; 3.1% YTD; 3.5% YoY
 - USD per Yen: ¥141.04; (1.0%)WoW; 7.6% YTD; 6.0% YoY
 - Swiss franc per EUR: 1.08 CHF; 1.5% WoW; 6.6% YTD; 6.0% YoY

U.S. News

▪ Housing Prices

- Home prices in the 20 major U.S. metropolitan markets were up an average of 4.9 percent in the 12 months ending in October
- This marked the ninth month in a row that home prices have risen due to a persistent lack of homes for sale
- Detroit posted the biggest year-over-year home-price gains in October, up 8.1 percent year over year



▪ Trade Deficit

- The US international goods deficit widened more than expected to \$90.3 billion in November from \$89.6 billion in October
- Exports fell 3.6 percent in November, resulting from broad declines across categories such as industrial supplies, vehicles and consumer goods
- Imports contracted 2.1 percent after edging up 0.1 percent in October



▪ Holiday Sales

- Holiday sales rose this year during the shopping season even with Americans wrestling with higher prices
- Holiday sales from the beginning of November through Christmas Eve climbed 3.1 percent, a slower pace than the 7.6 percent increase from a year earlier
- Online sales jumped 6.3 percent from a year ago and in-person spending rose a modest 2.2 percent

▪ Inflation Factors

- CPI:
 - The consumer-price index rose 3.1% in November year over year
 - On a monthly basis, the CPI increased 0.1% in November on a seasonally adjusted basis, after increasing 0.0% in October
 - The index for all items less food and energy (core CPI) rose 0.3% in November, after rising 0.2% in October
 - Core CPI increased 4.0% for the 12 months ending November
- Food & Beverages:
 - The food at home index increased 1.7% in November from the same month a year earlier, and increased 0.1% in November month over month
 - The food away from home index increased 5.3% in November from the same month a year earlier, and increased 0.4% in November month over month
- Commodities:
 - The energy commodities index decreased (5.8%) in November after decreasing
 - The energy commodities index fell (9.8%) over the last 12 months
 - The energy services index 0.7% in November after decreasing (1.0%) in October
 - The energy services index fell (0.1%) over the last 12 months
 - The gasoline index fell (8.9%) over the last 12 months
 - The fuel oil index fell (24.8%) over the last 12 months
 - The index for electricity rose 3.4% over the last 12 months
 - The index for natural gas fell (10.4%) over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index decreased to \$1,660.95 per 40ft
 - Drewry's composite World Container Index has decreased by (21.7%) over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in November after increasing 0.3% in October
 - The rent index increased 0.5% in November after increasing 0.3% in October
 - The index for lodging away from home decreased (4.5%) in November after decreasing (6.1%) in October

▪ Federal Funds Rate

- The effective Federal Funds Rate is at 5.33%, up 1.00% year to date



World News

▪ Israel/Middle East

- Israeli forces intensified their ground offensive in refugee camps in the central Gaza Strip, as fighting continued to drive Palestinian civilians into shrinking and overcrowded areas in search of safety
- Meanwhile, Egyptian officials worked with Qatar to advance a multiphased proposal to end the war - a plan that neither Hamas nor Israel is likely to accept in its current form
- Since the launch of its military operation in October, Israel has struck several refugee camps in Gaza as it seeks to eradicate Hamas

▪ Iran/Red Sea

- The U.S. Navy shot down three anti-ship ballistic missiles on Tuesday launched by incoming Iran-backed Houthi missiles in the Red Sea. It was the first time the Navy shot down an incoming anti-ship ballistic missile in combat, officials say
- The number of commercial ships attacked near the crucial passageway between the Horn of Africa and the Middle East is now at 15. The shipping attacks are part of a broader regional confrontation between Iran's allies and the U.S. and Israel, and are increasing
- A declassified document from the Defense Department shows Houthi attacks on ships escalated during the first half of December to eight incidents, compared with just three during the last half of November

▪ Ukraine

- Ukraine claimed on Tuesday to have carried out an airstrike in Crimea that destroyed a Russian Navy tank landing ship in what would be, if confirmed, the third instance of major losses of Russian military hardware in less than a week
- In a post on Telegram, Ukrainian Air Force commander Mykola Oleshchuk thanked personnel involved in "the destruction of the Novocherkassk large landing ship" while it was in the port of Feodosia in Crimea, the Ukrainian peninsula illegally annexed by Russia in 2014

▪ Russia

- A debt-fueled surge in housing prices, along with fast-rising inflation, has exposed stark divisions among Russia's leaders even as the battle rages on in Ukraine. On one side is the hidebound central bank, tasked with maintaining financial stability. On the other is the Kremlin, which is trying to shore up popular support ahead of the 2024 presidential election
- President Vladimir Putin last week said he planned to extend a popular mortgage program, which offers discounted rates to families with children, through the end of next year

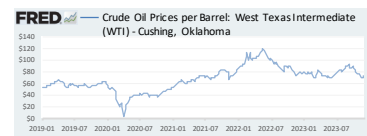
▪ China

- President Xi Jinping vowed on Tuesday to resolutely prevent anyone from "splitting Taiwan from China in any way", a little more than two weeks before Taiwan elects a new leader
- China views democratically-governed Taiwan as its own territory, despite the strong objections of the government in Taipei, and has ramped up military and political pressure to assert its sovereignty claims

Commodities

Oil Prices

- WTI: \$71.65 per barrel
 - (2.60%) WoW; (9.94%) YTD; (8.61%) YoY
- Brent: \$77.04 per barrel
 - (2.57%) WoW; (8.20%) YTD; (6.35%) YoY



US Production

- U.S. oil production amounted to 13.3 million bpd for the week ended December 22, down 0.2 million bpd from the prior week

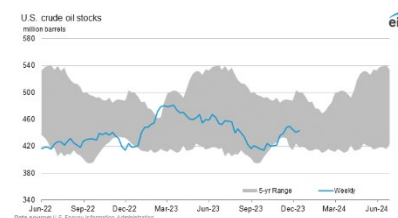
Rig Count

- The total number of oil rigs amounted to 622, up 2 from last week

Inventories

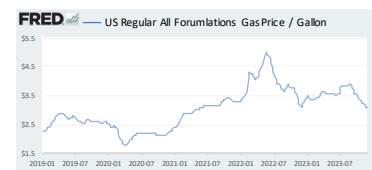
Crude Oil

- Total U.S. crude oil inventories now amount to 436.6 million barrels, up 4.2% YoY
- Refiners operated at a capacity utilization rate of 93.3% for the week, up from 92.4% in the prior week
- U.S. crude oil imports now amount to 6.750 million barrels per day, down 0.4% YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.12 per gallon in the week of December 29, down (1.9%) YoY
 - Gasoline prices on the East Coast amounted to \$3.23, up 1.7% YoY
 - Gasoline prices in the Midwest amounted to \$2.93, down (1.3%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.78, up 0.3% YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$2.98, down (4.7%) YoY
 - Gasoline prices on the West Coast amounted to \$4.18, up 3.8% YoY
- Motor gasoline inventories were down by 0.7 million barrels from the prior
- Motor gasoline inventories amounted to 226.1 million barrels, up 1.4% YoY
- Production of motor gasoline averaged 10.03 million bpd, down (1.1%) YoY
- Demand for motor gasoline amounted to 9.168 million bpd, down (1.7%) YoY



Distillates

- Distillate inventories decreased by 0.7 million in the week of December 29
- Total distillate inventories amounted to 115.8 million barrels, down (3.7%)
- Distillate production averaged 5.116 million bpd, up 0.6% YoY
- Demand for distillates averaged 3.977 million bpd in the week, up 2.5% YoY

Geopolitical Hotspots

- **Indonesia**
 - At a Chinese nickel smelter in Indonesia, workers were undertaking routine maintenance at dawn when a massive explosion rocked the facility. Waste from a furnace had flowed out and hit flammable material, resulting in the deaths of at least 19 workers and injuring dozens more as hot steam hissed out and fire ripped through the building
- **India**
 - The Indian navy has dispatched three guided-missile destroyers to protect commercial vessels in the Arabian Sea, after an attack last week on a chemical tanker off the Indian coast
- **North Korea**
 - North Korea appears to be operating a more powerful reactor for producing plutonium at its main nuclear site for the first time, the United Nations atomic agency said late Thursday
- **Czech Republic**
 - At least 14 people were killed and dozens more were injured in a mass shooting at a university in central Prague. The shooter was a student at the school, Charles University, according to a spokesman from the Czech Ministry of the Interior
- **Germany**
 - German authorities detained four alleged members of Hamas suspected of planning to attack Jewish institutions in the region—the first suggestion that the Gaza conflict might be spilling over beyond the Middle East
- **Japan**
 - Japan said it had asked the U.S. to suspend all non-emergency V-22 Osprey flights over its territory after one fell into the sea in western Japan. One crew member is confirmed dead with seven missing
- **Spain**
 - Amazon reached an agreement with most of its workers in Spain, averting the full impact of a strike that risked crippling its warehouses on one of the busiest days of the year

Credit News

High yield bond yields decreased 20bps to 7.62% and spreads tightened 7bps to 364bps. Leveraged loan yields decreased 21bps to 9.02% and spreads tightened 5bps to 530bps. WTD Leveraged loan returns were positive 36bps. WTD high yield bond returns were positive 81bps. The path of least resistance was upward, as both bonds and loans continued to rally in another seasonally quiet week. For the year, both high yields bonds and loans are set to post similar double-digit returns of ~13%.

High-yield:

Week ended 12/29/2023

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.62%	364	7.82%	371	(20)	(7)

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$92.42	\$91.80	62	0.81%	3.24%	13.54%	-10.55%

- Fund Flows²

Total Flows (\$)
\$54mm

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
0	\$0.0bn	\$177.5bn	\$106.5bn	+67%

- Distressed Level (trading in excess of 1,000 bps)²

11/30/23	10/31/23	9/30/23
7.80%	8.70%	7.10%

- Total HY Defaults

11/30/23	10/31/23	9/30/23
2.08%	1.76%	1.32%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 12/29/2023

▪ Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
9.02%	530	9.23%	535	(21)	(5)

▪ Leveraged Loan Index¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$95.27	\$95.13	14	0.36%	1.47%	12.93%	-1.06%

▪ Fund Flows²

Total Flows (\$)
\$96mm

▪ New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
0	\$0.0bn	\$360.4bn	\$251.9bn	+43%

▪ Distressed Level (loan price below \$80)¹

11/30/23	10/31/23	9/30/23
7.80%	7.20%	6.20%

▪ Total Loan Defaults

11/30/23	10/31/23	9/30/23
2.01%	2.01%	1.90%

Default activity:

- Most recent defaults include: Ligado Networks (\$4.2bn, 11/1/23), Air Methods (\$1.7bn, 10/24/23), WeWork (\$1.6bn, 10/15/23), Rite Aid (\$3.0bn 10/16/23), Mallinckrodt (\$2.8bn 8/28/23), Yellow Corp (\$485mm 8/8/23), Anchor Glass (\$675mm 7/11/23), Instant Brands (\$391mm 6/12/23), Cyxtera Technologies (\$768mm 6/4/23), Diebold (\$2.0bn 6/1/23), Envision Health (\$7.7bn 5/14/23), Venator Materials (\$1.1bn 5/12/23), Bed Bath & Beyond (\$5.2bn 4/22/23), David's Bridal (\$254mn 4/17/23), Monitronics International (\$794mm 4/15/23), Catalina (\$222mn 3/29/23), Diamond Sports (\$8.6bn, 2/15/23), Avaya (\$2.9bn, 2/14/23), Heritage Power (\$485mn, 1/24/23), Serta Simmons Bedding(\$1.9bn, 1/23/23), Party City Holdings (\$1.0bn, 01/17/23), Exela Intermediate (\$1.4bn, 1/15/23)

CLOs:

Week ended 12/29/2023

▪ New U.S. CLO Issuance²

Week of	# Priced	Total (\$)	New Issue	Refis/Resets
12/28/2023	0	\$0.0bn	\$0.0bn	\$0.0bn

▪ New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
267	\$115.6bn	\$111.1bn	\$4.5bn	\$128.2bn	-10%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted¹ Source: Credit Suisse High Yield and Leveraged Loan Index² Source: JP Morgan

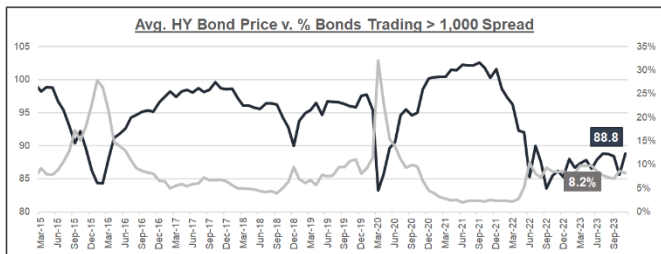
Ratings activity:

- S&P and Moody's High Yield Ratings

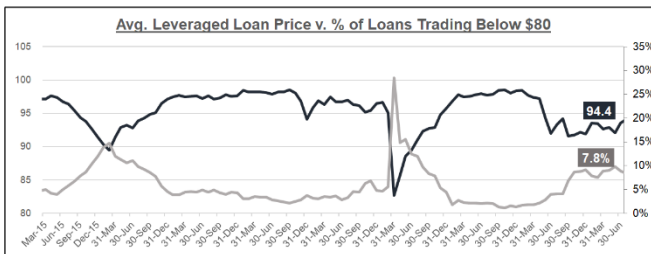
	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2022	404	314	1.3x	375	312	1.2x
Week Ending 01/06/23	8	2	4.0x	0	0	n/a
Week Ending 01/13/23	12	4	3.0x	12	1	12.0x
Week Ending 01/20/23	8	5	1.6x	8	3	2.7x
Week Ending 01/27/23	2	0	n/a	5	0	n/a
Week Ending 02/03/23	11	13	0.8x	15	22	0.7x
Week Ending 02/10/23	5	6	0.8x	2	1	2.0x
Week Ending 02/17/23	12	7	1.7x	8	1	8.0x
Week Ending 02/24/23	15	7	2.1x	8	10	0.8x
Week Ending 03/03/23	4	8	0.5x	11	17	0.6x
Week Ending 03/10/23	8	10	0.8x	26	5	5.2x
Week Ending 03/17/23	41	9	4.6x	11	8	1.4x
Week Ending 03/24/23	16	4	4.0x	13	4	3.3x
Week Ending 03/31/23	7	4	1.8x	8	6	1.3x
Week Ending 04/06/23	7	5	1.4x	6	1	6.0x
Week Ending 04/14/23	13	12	1.1x	7	5	1.4x
Week Ending 04/21/23	8	8	1.0x	11	5	2.2x
Week Ending 04/28/23	18	4	4.5x	15	4	3.8x
Week Ending 05/05/23	6	4	1.5x	14	7	2.0x
Week Ending 05/12/23	10	5	2.0x	11	5	2.2x
Week Ending 05/19/23	18	5	3.6x	9	2	4.5x
Week Ending 05/26/23	6	2	3.0x	6	1	6.0x
Week Ending 06/02/23	16	8	2.0x	16	5	3.2x
Week Ending 06/09/23	14	7	2.0x	6	2	3.0x
Week Ending 06/16/23	5	3	1.7x	17	5	3.4x
Week Ending 06/23/23	10	4	2.5x	11	4	2.8x
Week Ending 06/30/23	17	6	2.8x	7	11	0.6x
Week Ending 07/07/23	10	6	1.7x	5	3	1.7x
Week Ending 07/14/23	4	2	2.0x	5	13	0.4x
Week Ending 07/21/23	11	2	5.5x	10	9	1.1x
Week Ending 07/28/23	12	2	6.0x	14	5	2.8x
Week Ending 08/04/23	4	8	0.5x	1	4	0.3x
Week Ending 08/11/23	13	10	1.3x	6	8	0.8x
Week Ending 08/18/23	22	4	5.5x	7	3	2.3x
Week Ending 08/25/23	13	9	1.4x	11	6	1.8x
Week Ending 09/01/23	23	14	1.6x	7	4	1.8x
Week Ending 09/08/23	5	4	1.3x	4	5	0.8x
Week Ending 09/15/23	10	4	2.5x	12	8	1.5x
Week Ending 09/22/23	12	12	1.0x	15	6	2.5x
Week Ending 09/29/23	7	10	0.7x	10	5	2.0x
Week Ending 10/06/23	8	9	0.9x	9	14	0.6x
Week Ending 10/13/23	2	4	0.5x	0	1	0.0x
Week Ending 10/20/23	7	4	1.8x	5	4	1.3x
Week Ending 10/27/23	6	2	3.0x	7	7	1.0x
Week Ending 11/03/23	9	5	1.8x	14	7	2.0x
Week Ending 11/10/23	7	5	1.4x	6	4	1.5x
Week Ending 11/17/23	10	7	1.4x	16	7	2.3x
Week Ending 11/24/23	11	8	1.4x	6	8	0.8x
Week Ending 12/01/23	2	4	0.5x	1	4	0.3x
Week Ending 12/08/23	11	5	2.2x	20	5	4.0x
Week Ending 12/15/23	14	4	3.5x	20	6	3.3x
Week Ending 12/22/23	13	4	3.3x	14	2	7.0x
Week Ending 12/29/23	3	4	0.8x	0	5	0.0x
YTD 2023	546	304	1.8x	488	288	1.7x

Source: Bloomberg

Diagram H: Percentage of Leveraged Loan and High Yield Market Trading at Distressed Levels



Source: CSFB. Data is reported monthly.



Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

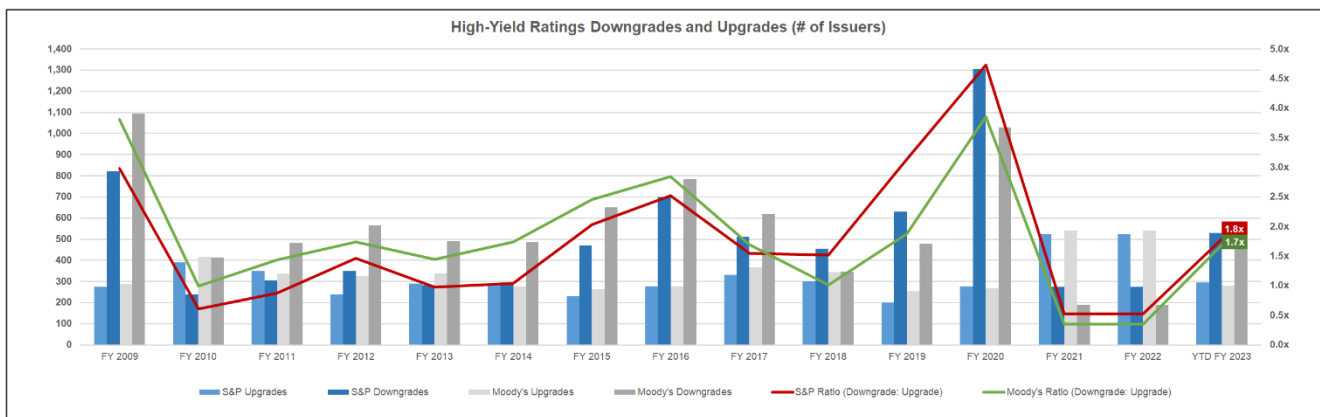
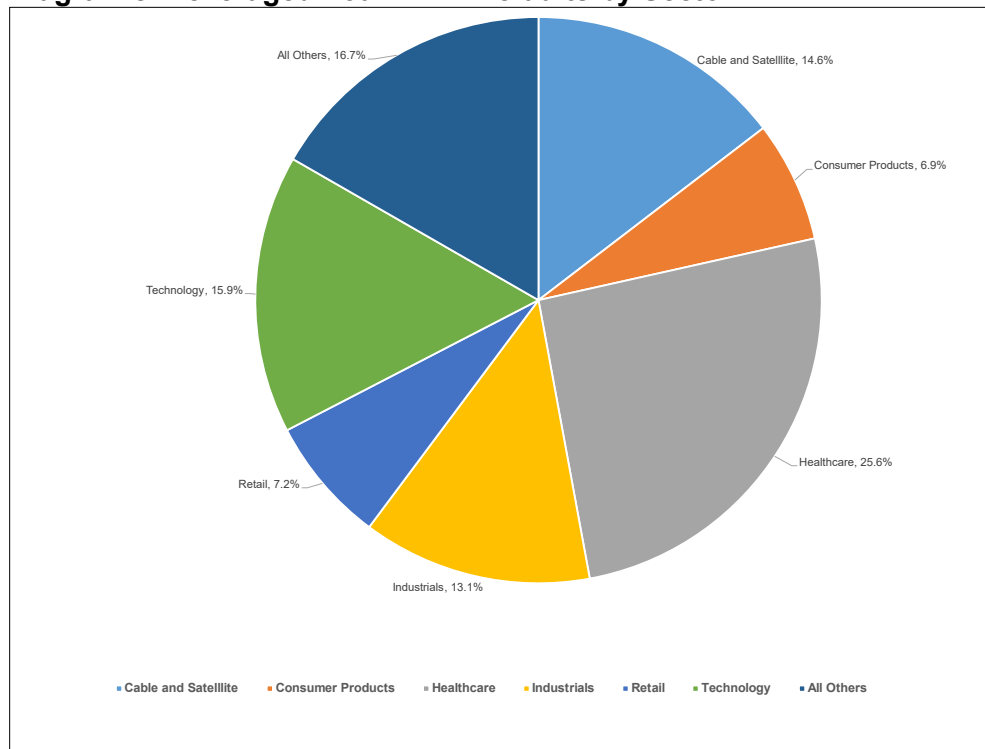


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



Source: JP Morgan Default Monitor.

Diagram L: CLO Economics

CLO Economics								
AAA Coupons	AAA DMs	WAC Liabilities	DM Liabilities	Leverage	Asset WAS	All In WAS [1]	IRR est.	Cash on Cash est.
L+135-150	L+135-150	L+200-240	L+220-280	9-11x	L+300-360	L+330-390	9-12%	10-14%

*Assumptions: 2% Default / 65% Recovery / 4 year Reinvestment Period

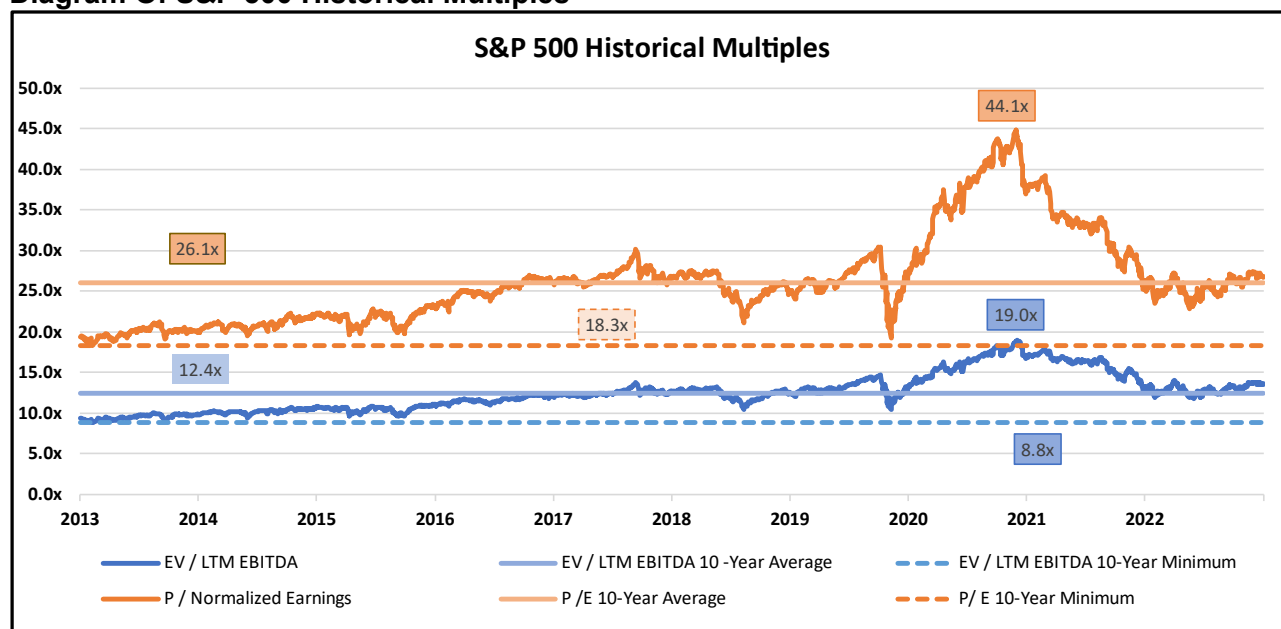
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	12/7/23	12/14/23	12/21/23	12/28/23	Change				
					Weekly	Q4 2022	Q3 2022	Q2 2022	Q1 2022
France - 10 year	2.73%	2.64%	2.47%	2.46%	(1 bps)	40 bps	80 bps	94 bps	78 bps
Germany - 10 year	2.19%	2.12%	1.96%	1.94%	(3 bps)	46 bps	77 bps	79 bps	73 bps
Italy - 10 year	3.94%	3.79%	3.59%	3.59%	1 bps	20 bps	126 bps	123 bps	87 bps
Japan - 10 year	0.77%	0.70%	0.63%	0.60%	(3 bps)	18 bps	2 bps	0 bps	15 bps
UK - 10 year	3.97%	3.79%	3.53%	3.48%	(5 bps)	(87 bps)	211 bps	75 bps	72 bps
US									
US - 2 year	4.72%	4.44%	4.32%	4.27%	(6 bps)	31 bps	128 bps	38 bps	169 bps
US - 5 year	4.24%	3.91%	3.87%	3.82%	(6 bps)	13 bps	100 bps	32 bps	120 bps
US - 10 year	4.23%	3.91%	3.90%	3.81%	(8 bps)	24 bps	76 bps	50 bps	75 bps
US - 30 year	4.30%	4.01%	4.05%	3.96%	(9 bps)	28 bps	58 bps	67 bps	41 bps

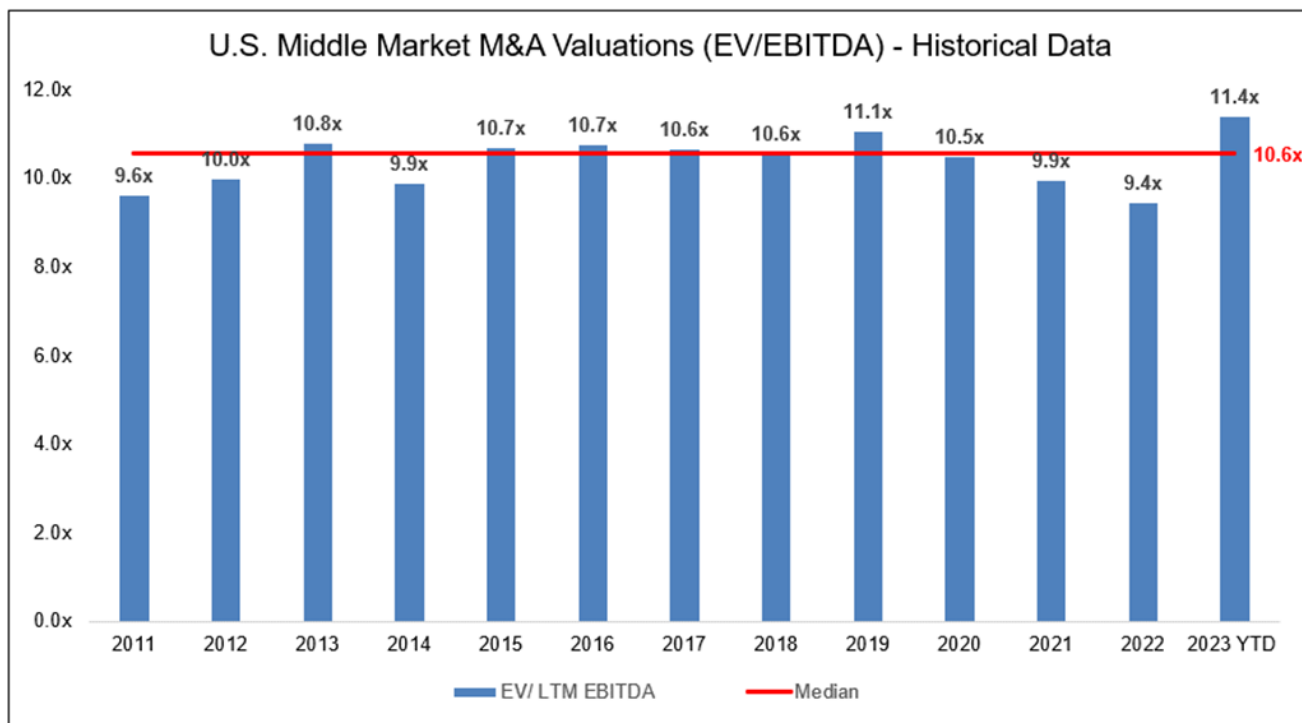
Source: Bloomberg

Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

Diagram P: U.S. Middle-Market M&A Valuations (EV/EBITDA)



Source: Pitchbook

Diagram Q: U.S. Large Cap M&A Valuations (EV/EBITDA)

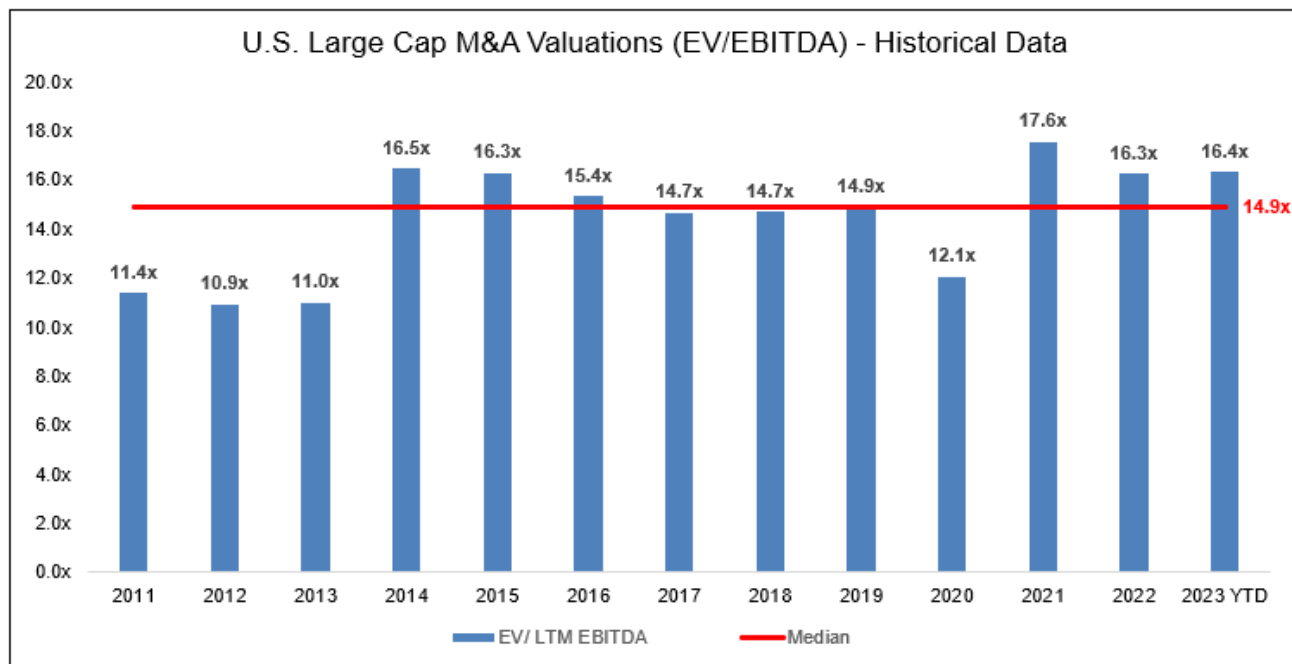
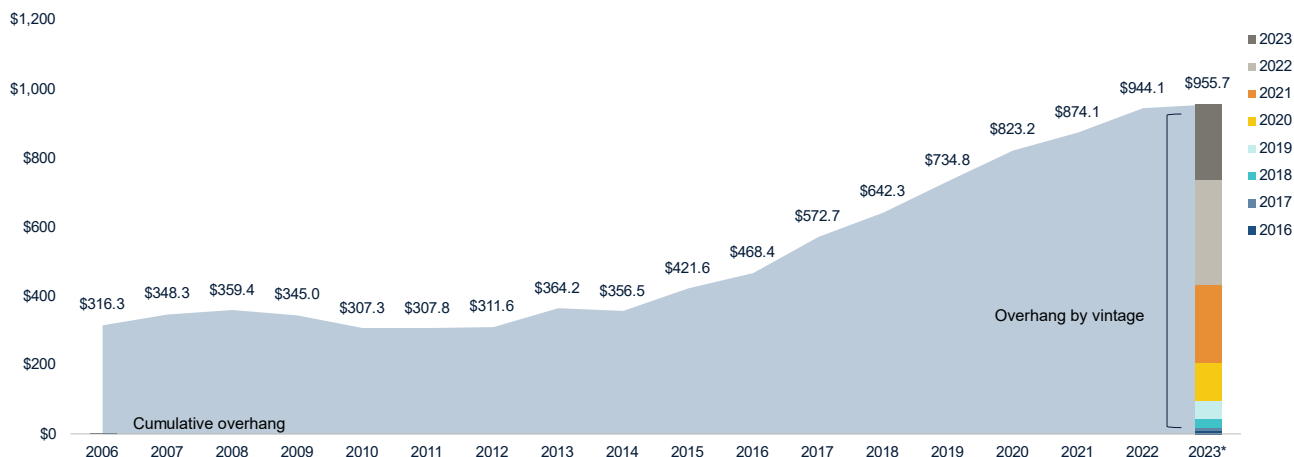
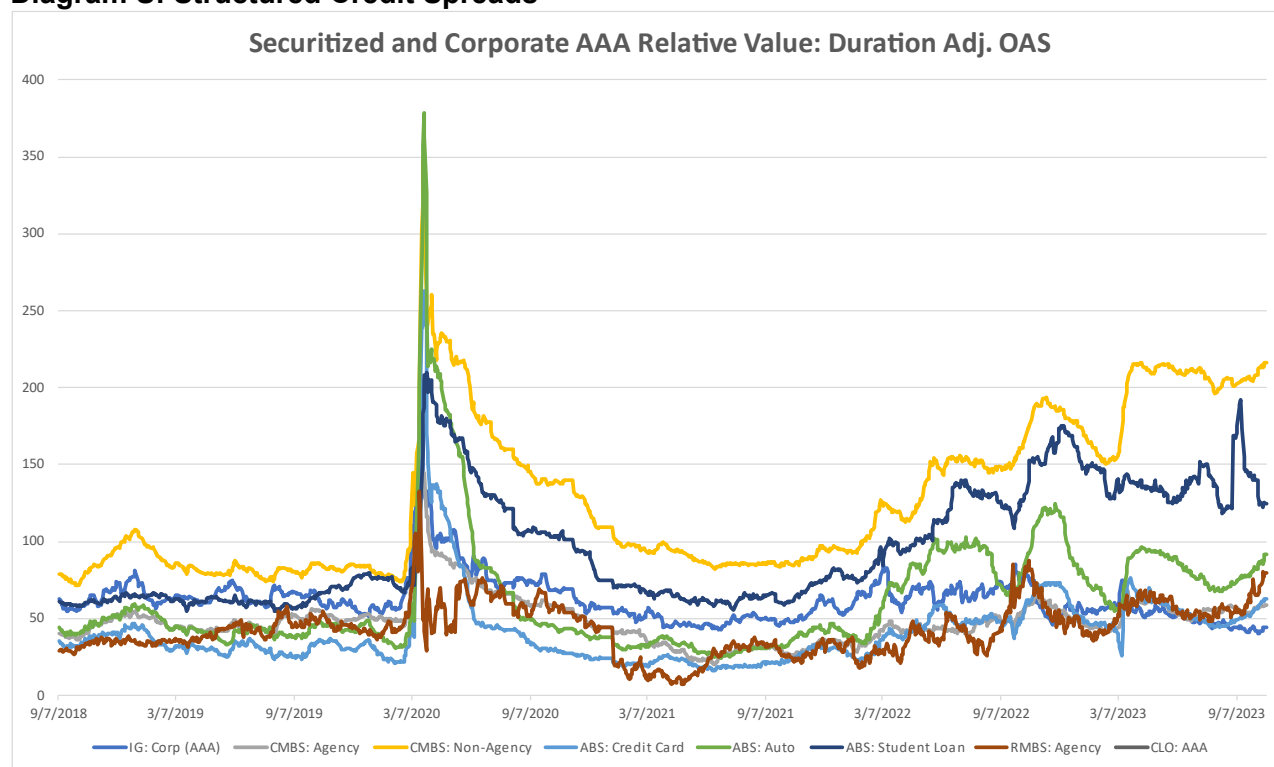


Diagram R: Dry Powder for All Private Equity Buyouts



Source: Pitchbook

Diagram S: Structured Credit Spreads



Source: Bloomberg

Manhattan Office Loan Maturities

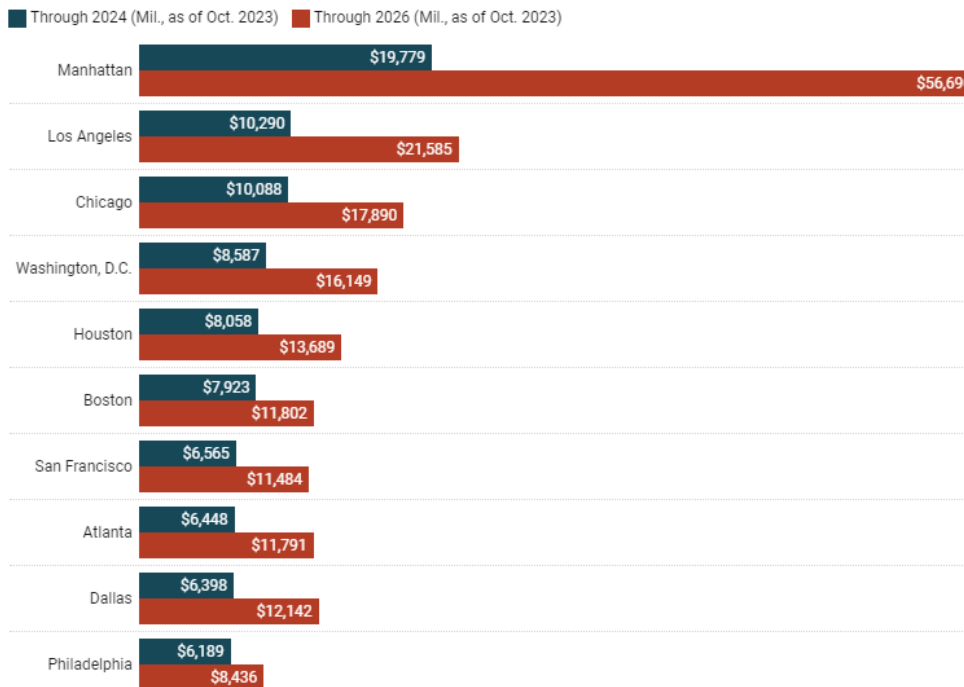
Manhattan Office Vacancy Rate



Source: Commercial Edge • Download image • Created with Datawrapper

- Notably, the center of this looming crisis is Manhattan, which leads the nation in distressed office properties
- For example, at the beginning of the pandemic, the market’s vacancy rate stood at 7.9%, whereas it had 17.7% of its office space available for lease this October.

Office Loan Maturities Through 2024 & 2026



Source: Commercial Edge • Download image • Created with Datawrapper

- Manhattan Leads U.S. in Maturing Office Debt by Dollar Volume
- Manhattan Has Largest Volume of Maturing Class A & B Office Loans Through 2026
- CommercialEdge identified 1,159 office properties in Manhattan, out of which 136 hold \$19.8 billion in loans that are set to mature by the end of 2024
- Manhattan leads the nation's top markets with \$56.7 billion in office loans due by the end of 2026.

Office Loan Maturities Through 2026 by Asset Type

Market	A/A+ Loan Volume (Mil., as of Oct. 2023)	B/C Loan Volume (Mil., as of Oct. 2023)
Manhattan	\$46,964	\$9,726
Los Angeles	\$15,544	\$6,041
Chicago	\$12,611	\$5,280
Washington, D.C.	\$11,945	\$4,204
Atlanta	\$9,533	\$2,258
San Francisco	\$8,705	\$2,779
Dallas	\$8,183	\$3,959
Boston	\$8,087	\$3,715
Houston	\$6,065	\$7,624
Bay Area	\$5,979	\$4,445
National	\$203,170	\$97,726

Created with [Datawrapper](#)

- More than three quarters (\$46.96 billion) of the maturing loans in Manhattan by the end of 2026 are backed by assets rated Class A+/A.
- Manhattan also leads the nation in maturing Class B and C office loans with \$9.72 billion loans due by the end of 2026
- Manhattan stands at the forefront of growing distress in the office property market, signaling potential challenges that extend beyond 2026.

Nationwide:

- Office debt totaled \$920 billion across the U.S. in October 2023
- Across the U.S., 32.7% of office loans are set to mature by the end of 2026

PERFORMANCE

Market Indices	29-Dec	22-Dec	WoW Change	YTD Change	YoY Change
DJIA	37,689.54	37,385.97	0.81%	13.51%	13.45%
S&P 500	4,769.83	4,754.63	0.32%	24.06%	23.91%
NASDAQ	15,011.35	14,992.97	0.12%	42.99%	43.26%
MSCI - EAFE	2,236.16	2,211.19	1.13%	15.05%	14.35%
MSCI - Emerging Markets	1,023.74	992.28	3.17%	7.22%	6.92%
US Dollar Index	101.33	101.70	(0.36%)	(2.86%)	(2.41%)
VIX	12.45	13.03	(4.45%)	(40.34%)	(41.93%)
US Equities Avg Daily Dollar Volume (\$ in Billions)	300.75	311.27	(3.38%)	(39.56%)	(43.08%)

Market Ratios	29-Dec	22-Dec	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	26.07	18.01	44.75%	12.85%	(31.00%)
Put/Call Ratio	Equities	0.65	0.50	30.00%	(24.42%)	(51.13%)

Commodities Indices (\$ USD)	Metric	29-Dec	22-Dec	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	263.83	266.59	(1.04%)	(5.14%)	(4.41%)
Gasoline - Pump	Gallon	3.12	3.13	(0.35%)	(0.65%)	(1.95%)
Gasoline - Futures	Gallon	2.10	2.13	(1.29%)	(11.79%)	(11.31%)
Crude Oil - WTI	Barrel	71.65	73.56	(2.60%)	(9.94%)	(8.61%)
Crude Oil - Brent	Barrel	77.04	79.07	(2.57%)	(8.20%)	(6.35%)
Natural Gas	MM BTU	2.51	2.61	(3.68%)	(43.88%)	(44.86%)
Coal (1 contract = 1,000 tons)	Contract	214.63	214.63	0.00%	7.03%	7.03%

Commodities Indices (\$ USD)	Metric	29-Dec	22-Dec	WoW Change	YTD Change	YoY Change
Aluminum	Metric Ton	2,384.00	2,326.00	2.49%	(0.23%)	(0.87%)
Copper	Metric Ton	8,559.00	8,573.50	(0.17%)	2.51%	1.67%
Iron Ore	Metric Ton	136.37	135.52	0.63%	23.43%	22.88%
Steel - Hot Rolled Coil	Metric Ton	1,135.00	1,126.00	0.80%	48.75%	37.08%
Steel - Cold Rolled Coil	Metric Ton	1,260.00	1,205.00	4.56%	38.46%	38.46%
Ferrous Scrap	Metric Ton	535.00	535.00	0.00%	23.56%	22.99%
Gold	Troy Ounce	2,062.98	2,053.08	0.48%	14.72%	13.67%
Silver	Troy Ounce	23.80	24.19	(1.62%)	0.26%	(0.42%)
Cotton	Pound	76.91	75.09	2.42%	(7.75%)	(6.58%)
Butter	Pound	2.67	2.54	4.92%	11.27%	11.97%
Cheese	Pound	1.63	1.63	(0.06%)	(17.91%)	(19.26%)
Cocoa	Pound	1.90	1.96	(2.67%)	59.67%	67.37%
Corn	Bushel	4.71	4.73	(0.37%)	(29.27%)	(30.65%)
Milk, Non Fat Dry	Pound	1.20	1.19	0.75%	(17.73%)	(17.66%)
Soybean	Bushel	12.94	13.00	(0.48%)	(12.54%)	(14.27%)
Sugar	Pound	0.21	0.21	(0.19%)	(1.91%)	1.43%
Wheat	Bushel	6.28	6.16	1.91%	(19.07%)	(18.86%)
Live Cattle	Pound	1.74	1.70	2.13%	10.69%	(86.64%)
Lean Hogs	Pound	0.68	0.71	(4.73%)	(22.60%)	(23.34%)
Beef, USDA Ground	Pound	2.90	2.93	(1.10%)	6.53%	3.89%
Chicken, Boneless & Skinless	Pound	3.52	3.54	(0.56%)	0.00%	15.07%

Currencies	Metric	Spot Prices	Futures	2025	10-Year Historicals
		29-Dec	22-Dec	2024	Low High
Japanese Yen	USDJPY	141.040	142.410	130.000	135.000 75.820 138.570
Chinese Renminbi	USDCNY	7.100	7.136	6.800	6.990 6.041 7.179
Swiss Franc	USDCHF	0.841	0.856	0.870	0.880 0.721 1.030
British Pound	GBPUSD	1.273	1.270	1.320	1.280 1.130 1.717
Euro Zone Euro	EURUSD	1.104	1.101	1.150	1.120 0.986 1.483
Canadian Dollar	USDCAD	1.324	1.327	1.270	1.310 0.943 1.458

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: LCD News)	Week Ending	Bank Loans	High Yield
	20-Dec-23	\$ (166)	\$ 1,064
	13-Dec-23	\$ 83	\$ 759
	6-Dec-23	\$ 82	\$ 2,051
	29-Nov-23	\$ 124	\$ 295
	22-Nov-23	\$ (715)	\$ 325
	15-Nov-23	\$ 287	\$ 4,574
	8-Nov-23	\$ 686	\$ 6,249
	1-Nov-23	\$ 126	\$ (953)
	25-Oct-23	\$ (123)	\$ (942)
Year To Date 2023		\$ (18,051)	\$ (17,252)
Year Ended December 31, 2022		\$ (12,694)	\$ (48,558)
Year Ended December 31, 2021		\$ 46,498	\$ (12,984)

NEW ISSUE SUMMARY - BI-WEEKLY

Institutional Loans	12/29/2023	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	8,233
Forward Calendar		4	7,437
High Yield	12/29/2023	Deals	Amt (\$mm)
Launched	Prior Two Weeks	9	6,532
Forward Calendar		3	4,711

ECONOMIC DATA RECAP

Key Economic Indicators:	Period	Actual	Expected	Prior
Initial Jobless Claims	Dec	218K	218K	209K
Continuing Claims	Dec	1,927K	1,865K	1,840K
Change in Non-Farm Payrolls	Dec	223K	205K	263K
Change in Private Payrolls	Dec	220K	188K	221K
Unemployment Rate	U-3	Dec 3.5%	3.7%	3.7%
Unemployment Rate	U-6	Dec 6.6%	6.5%	6.7%
Average Work Week		Dec 34.3	34.7	34.4
Existing Home Sales	Dec	3,79M	3,90M	3,96M
Housing Starts	Dec	1,372K	1,350K	1,358K
S&P/Case-Shiller Composite	YoY	Dec 19.1%	18.6%	18.6%
S&P/Case-Shiller Composite	MoM	Dec 1.8%	1.5%	1.5%
Consumer Confidence	Dec	91.3	90.0	88.9
GDP	QoQ-Annualized	3Q23 2.4%	1.8%	2.0%
Durable Goods Orders	Dec	2.0%	1.9%	1.9%
Total Vehicle Sales	Dec	15,92M	15,50M	15,50M
Capacity Utilization	Dec	79.0%	77.0%	76.8%

Fed & Treasury Balance Sheet	27-Dec	20-Dec	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	7,712,781.0	7,724,063.0	(0.1%)	(9.8%)
Public Debt	\$ in Billions	33,896.1	33,870.5	0.1%	10.6%

US Debt Outstanding	2023	1Q23	QoQ Change	YoY Change	
Domestic Nonfinancial Debt	\$ in Billions	69,511.9	68,910.4	0.9%	15.6%

Shared National Credit	2022	2021	YoY Change	
Shared National Credit Total Commitments	\$ in Billions	5,178.8	5,072.2	2.1%
Special Mention Commitments	\$ in Billions	217.3	263.9	-17.7%
Classified Commitments	\$ in Billions	332.8	365.9	-9.0%

ECONOMIC / GDP DATA

International Monetary Fund Growth Rates (Source: IMF "World Economic Outlook")	Actual	Projected
Country	2020 2021 2022	2023 2024
United States	(3.5%) 5.7% 2.1%	1.6% 1.1%
Brazil	(4.1%) 4.6% 2.9%	0.9% 1.5%
China	2.3% 8.1% 3.0%	5.2% 4.5%
Germany	(4.9%) 2.8% 1.8%	(0.1%) 1.1%
India	(8.0%) 8.9% 6.8%	5.9% 6.3%
Japan	(4.8%) 1.6% 1.1%	1.3% 1.0%
United Kingdom	(10.0%) 7.4% 4.0%	(0.3%) 1.0%

Market Indices	29-Dec	22-Dec	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	3,726.33	3,715.72	0.29%	13.26%	13.32%
Barclays High Yield Index	2,479.95	2,470.13	0.40%	12.39%	13.49%
Barclays Aggregate	2,162.00	2,151.63	0.48%	4.84%	5.28%

Loan Market Bids	29-Dec	22-Dec	WoW Change	YTD Change
S&P Flow Name Index	98.35	98.35	0.00%	(0.39%)
S&P 100 Name Index	96.88	96.72	0.17%	3.90%
S&P BB's Index	99.59	99.52	0.07%	2.04%
S&P B's Index	97.94	97.69	0.26%	5.89%
S&P CCC's Index	83.74	82.31	1.74%	14.24%

Loan Market Spreads	29-Dec	22-Dec	WoW Change	YTD Change
S&P BB's Index	L+96	L+108	(12 bps)	(246 bps)
S&P B's Index	L+443	L+443	(3 bps)	(157 bps)
S&P CCC's Index	L+1640	L+1618	22 bps	115 bps

Credit Default Swap - Volatility Indices	Index	29-Dec	22-Dec	WoW Change	YTD Change
Investment Grade CDS	Market	56.70	56.13	1.01%	(29.87%)
High Yield CDS	Market	356.36	357.12	(0.21%)	(25.16%)

Credit	29-Dec	22-Dec	WoW Change	YOY Change	
High Yield	Ave Yield	T+385	T+380	5 bps	(55 bps)
LCD Flow Name	Ave Spread	L+196	L+199	(3 bps)	(159 bps)

US Treasury	29-Dec	22-Dec	WoW Change	YTD Change
US Treasury 2-Yr	4.32%	4.45%	(13 bps)	90 bps
US Treasury 3-Yr	4.04%	4.14%	(10 bps)	67 bps
US Treasury 5-Yr	3.88%	3.93%	(5 bps)	63 bps
US Treasury 7-Yr	3.91%	3.96%	(5 bps)	71 bps
US Treasury 10-Yr	3.90%	3.93%	(3 bps)	75 bps

US CLO Spreads - New Issue	29-Dec	22-Dec	WoW Change	YTD Change
AAA	S+183	S+180	3 bps	(10 bps)
AA	S+250	S+255	(5 bps)	(10 bps)
A	S+295	S+318	(23 bps)	(15 bps)
BBB	S+460	S+480	(20 bps)	(5 bps)
BB	S+775	S+800	(25 bps)	0 bps

Market Rates	29-Dec	22-Dec	WoW Change	YTD Change
Fed Fund Rate	5.31%	5.31%	0 bps	99 bps
Prime Rate	8.50%	8.50%	0 bps	100 bps
Broker Call Rat	7.25%	7.25%	0 bps	100 bps
1M SOFR	5.40%	5.32%	8 bps	110 bps
3M SOFR	5.39%	5.30%	9 bps	115 bps
1M Libor	5.47%	5.47%	(0 bps)	108 bps
3M Libor	5.59%	5.61%	(2 bps)	87 bps
6M Libor	5.59%	5.62%	(3 bps)	43 bps

Short Interest - Billions of shares	31-Oct	30-Sep	MoM Change	YTD Change
NYSE Mkt Short Interest	16.14	16.04	0.68%	3.86%
Nasdaq Short Interest	12.92	12.91	0.09%	0.37%

Fed Corp Primary Dealer Positions - \$ USD in Billions	20-Dec	13-Dec	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

Margin Debt - \$ USD in Billions	31-Oct	30-Sep	MoM Change	YTD Change
Margin Debt	705.28	693.05	1.76%	8.57%

Leveraged Finance Primary Volume - \$ USD in Billions

12/29/2023	Year To Date 2023	Year End 2022	YoY Change	
Bank Debt	83.8	145.0	588.4	(42.21%)
Senior Secured Bonds	44.0	13.0	147.9	238.66%
Unsecured Bonds	22.0	42.0	313.8	(47.62%)
Total Bonds	66.0	55.0	461.7	20.00%
Totals	149.8	200.0	1,050.1	(25.10%)

DEFAULT ACTIVITY

Total Loan Defaults - as of:	30-Sep	31-Aug	YE 2022
Default Rate by Total Amount of All Loans Outstanding	1.72%	1.56%	0.98%
Default Rate by Total Number of All Loan Issuers	1.89%	1.62%	0.98%

Employment - Labor Participation Rates	31-Oct	30-Sep	YTD Change
Civilian Employment as % of Total Labor Force	60.4%	60.4%	0.60pp
Labor Force Participation Rate	62.6%	62.6%	(0.25pp)

Government Assistance	31-Oct	30-Sep	YTD Change
SNAP Ika Food Stamps - # of Participants in Millions	40.521	40.770	(2.01%)

Retail Sales	31-Oct	30-Sep	YTD Change
Adj. Retail & Food Services Sales Index - US Census	6		