ZCG

Briefing Global Economic & Credit Market Week 19 Ending – May 10, 2024

www.zcg.com

Economic Calendar

- o Tuesday, May 14: Producer Price Index
- Wednesday, May 15: Consumer Price Index
- o Thursday, May 16: Housing Starts

Key Market Metrics

- S&P 500: +1.82% WoW; +9.46% YTD; +26.40% YoY; 14.0x LTM EBITDA; 12.7x NTM EBITDA
- Dow Jones: +2.16% WoW; +4.84% YTD; +18.62% YoY; 11.5x LTM EBITDA; 12.5x NTM EBITDA
- Nasdaq: +1.14% WoW; +8.86% YTD; +32.55% YoY
- Ten Year US Treasury Yield: 4.56% +64 bps YTD; +114 bps YoY
- Currency:
 - British Pound per USD: \$1.25; (0.2%) WoW; (1.6%)YTD; 0.1% YoY
 - Euro per USD: \$1.08; 0.1% WoW; (2.5%)YTD; (1.3%)YoY
 - USD per Yen: ¥155.79; 1.8% WoW; 10.6% YTD; 15.8% YoY
 - Swiss franc per EUR: 1.02 CHF; (0.2%)WoW; (4.9%)YTD; (0.0%)YoY

U.S. News

Stock Buy Backs

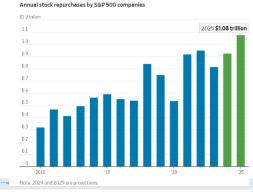
- S&P 500 companies that have reported first quarter results as of Monday have disclosed buying back \$181.2 billion of shares in the first quarter
- The amount represents a 16% increase from last year's first quarter
- Meta Platforms repurchased \$14.5 billion of shares in the first quarter, up about \$5 billion from a year earlier

Consumer Credit

- Total consumer credit rose at a 1.5% annual rate in March, down from a 3.6% annual rate in February
- Credit card borrowing rose 0.1% in March after a 9.7% gain in February, the slowest pace since April 2021
- Nonrevolving loans, mainly student and auto loans, rose 2% after a 1.4% gain in February

Wholesale Inventories

- Wholesale inventories in the U.S. fell 0.4% in March and are down 2.3% over the past year
- The inventory-to-sales ratio fell 1.35x in March, down from 1.4x a year ago
- Private inventory investment cut 0.4% from GDP growth in the first guarter





Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., increased to 231,000 in the week ended May 3, up 22,000 from the prior week
- The four-week moving average was 215,000, up 4,750 from the prior week
- Continuing claims those filed by workers unemployed for longer than a week increased by 17,000 to 1.785 million in the week ended April 26. This figure is reported with a one-week lag



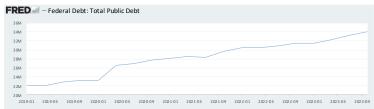
Fed's Balance Sheet

- The Federal Reserve's assets totaled \$7.353 trillion in the week ended May 10, down
 \$9.1 billion from the prior week
- o Treasury holdings totaled \$4.518 trillion, down \$15.4 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.37 trillion in the week, down \$14.7 billion from the prior week



Total Public Debt

- Total public debt outstanding was \$34.54 trillion as of May 10, an increase of 9.8% from the previous year
- Debt held by the public was \$24.64 trillion, and intragovernmental holdings were \$7.14 trillion





Inflation Factors

- o CPI:
 - The consumer-price index rose 3.5% in March year over year
 - On a monthly basis, the CPI increased 0.4% in March on a seasonally adjusted basis, after increasing 0.4% in February
 - The index for all items less food and energy (core CPI) rose 0.4% in March, after rising 0.4% in February
 - Core CPI increased 3.8% for the 12 months ending March
- Food & Beverages:
 - The food at home index increased 1.2% in March from the same month a year earlier, and decreased 0.0% in March month over month
 - The food away from home index increased 4.2% in March from the same month a year earlier, and increased 0.3% in March month over month
- o Commodities:
 - The energy commodities index increased 1.5% in March after increasing 3.6% in
 - The energy commodities index rose 0.9% over the last 12 months
 - The energy services index (0.0%) in March after increasing 0.1% in February
 - The energy services index rose 3.1% over the last 12 months
 - The gasoline index rose 1.3% over the last 12 months
 - The fuel oil index fell (3.7%) over the last 12 months
 - The index for electricity rose 5.0% over the last 12 months
 - The index for natural gas fell (3.2%) over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index increased to \$3,158.60 per 40ft
 - Drewry's composite World Container Index has increased by 81.4% over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in March after increasing 0.4% in February
 - The rent index increased 0.5% in March after increasing 0.4% in February
 - The index for lodging away from home increased 5.6% in March after increasing 3.1% in February

Federal Funds Rate

o The effective Federal Funds Rate is at 5.33%, flat 0.00% year to date





World News

Israel

- President Biden is withholding weapon deliveries to Israel after Israel launched an assault on the southern Gaza city of Rafah, where more than one million Palestinians are sheltering from the war
- Israel's military is pressing deeper into the outskirts of Rafah after negotiations between Israel and Hamas about a cease-fire and hostage release hit another impasse
- Israel forces have not launched an all-out offensive yet but have moved into areas east of Rafah, including seizing the main border crossing to Egypt
- The U.S. is close to finishing a \$320 million floating pier to receive aid for the Gaza Strip. The pier will enable up to 150 aid trucks to enter into Gaza each day

China

- In a new push to boost the Chinese economy, China's leaders are resurrecting a policy familiar to many Americans from the 2008-09 financial crisis: cash for clunkers
- The trade-in program is a stimulus package aimed at lifting gross domestic product by allowing households to swap out old home appliances for new ones and for factories replace old equipment
- Officials hope the policy will encourage Chinese factories to expand and churn out more goods to boost GDP

Russia

- Russia launched armored attacks across the border in Ukraine's northeast on Friday, opening a new front against Ukrainian forces that are struggling to hold the line as they wait for U.S. aid
- Attacks will force Ukraine to make hard choices on where to deploy troops with limited weaponry
- The U.S. recently restarted shipments following the passage last month of funding legislation, but significant deliveries will take time to reach Ukraine's front-line troops

U.K.

- The U.K. central bank left its key rate unchanged at a 16-year high but indicated that it is on course to cut rates over the coming months and possibly as early as June
- Two of the nine members voted to lower the rate. A lowering of the interest rate could weaken the pound sterling against the U.S. dollar and push prices of imported goods and services higher



Geopolitical Hotspots

UK

The U.K. government expelled a Russian diplomat it says was a spy. Additionally, it is removing diplomatic protection from several Russian government owned properties that it said was being used for intelligence gathering

Chad

 Chad's state election body said interim Pesident Mahamat Idriss Derby had won the election with 61% of the vote. His opponent has also declared himself the winner, citing vote-rigging concerns.

France

 French President Emmanuel Macron is rekindling debate over whether France's nuclear arsenal should play a role in deterring attacks against European allies, igniting criticism across the political spectrum from lawmakers who say any move to extend the country's nuclear umbrella risks compromising a linchpin of national sovereignty

Germany

 German inflation held steady this month, adding to signs that price pressures have cooled sustainably in the eurozone's most important economy. Consumer prices were on average 2.2% higher than in April of last year, the same rate booked in March, according to national-standard figures set out Monday by German statistics authority Destatis

Japan

Japan has intervened to prop up the yen after it hit a multidecade low against the dollar. The currency has plummeted against the dollar this year, hurt by increasing doubts among traders about the timing of U.S. interest rate cuts

Finland

 Finland, sharing NATO's longest border with Russia at 830 miles, has escalated its security measures, including constructing new fences and enhancing surveillance, in response to increased Russian aggression and hybrid warfare tactics

South Korea

 SK Hynix plans to invest an additional \$14.6 billion to expand its semiconductor production capacity in South Korea, aiming to meet the increasing demand for artificial intelligence chips

Canada

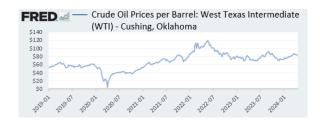
Honda is nearing a deal to build an electric vehicle assembly plant in Ontario, Canada, with the Canadian government agreeing to offset some of the capital costs through newly introduced tax breaks

ZCG

Commodities

Oil Prices

- WTI: \$78.37 per barrel
 - +0.33% WoW; +9.38% YTD; +10.58%
 YoY
- Brent: \$82.91 per barrel
 - (0.06%) WoW; +7.62% YTD; +10.58%YoY



US Production

U.S. oil production amounted to 13.1 million bpd for the week ended May 3, down
 0.1 million bpd from the prior week

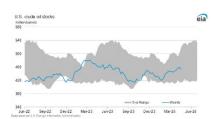
Rig Count

The total number of oil rigs amounted to 603, down 2 from last week

Inventories

Crude Oil

- Total U.S. crude oil inventories now amount to 459.5 million barrels, down (0.7%) YoY
- Refiners operated at a capacity utilization rate of 88.5% for the week, up from 87.5% in the prior week
- U.S. crude oil imports now amount to 6.772 million barrels per day, down 25.5% YoY



US Regular All Forumlations Gas Price / Gallor

FRED #

\$4.5

\$3.5

Gasoline

- Retail average regular gasoline prices amounted to \$3.64 per gallon in the week of May 10, up 2.7% YoY
 - Gasoline prices on the East Coast amounted to \$3.65,up 3.6% YoY
 - Gasoline prices in the Midwest amounted to \$3.47, up 0.2% YoY
 - Gasoline prices on the Gulf Coast amounted to \$3.34, up 6.6% YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$3.58, down (2.1%) YoY
 - Gasoline prices on the West Coast amounted to \$4.88, up 5.5% YoY
- Motor gasoline inventories were up by 0.9 million barrels from the prior week
- Motor gasoline inventories amounted to 228.0 million barrels, up 3.8% YoY
- Production of motor gasoline averaged 9.50 million bpd, down (3.3%) YoY
- Demand for motor gasoline amounted to 8.797 million bpd, down (5.4%) YoY

Distillates

- Distillate inventories decreased by 0.6 million in the week of May 10
- Total distillate inventories amounted to 116.4 million barrels, up 9.7% YoY
- Distillate production averaged 4.783 million bpd, up 3.8% YoY
- Demand for distillates averaged 3.489 million bpd in the week, down (13.5%)

Natural Gas

- Natural gas inventories increased by 79 billion cubic feet last week
- Total natural gas inventories now amount to 2,563 billion cubic feet, up 19.7% YoY





Credit News

High yield bond yields decreased 12bps to 7.80% and spreads decreased 2bps to 323bps. Leveraged loan yields decreased 21bps to 9.41% and spreads decreased 9bps to 492bps. WTD Leveraged loan returns were positive 35bps. WTD high yield bond returns were positive 54bps. 10yr treasury yields decreased 12bps to 4.45%. For the week, yields and spreads tightened following last week's less hawkish than expected FOMC meeting, softer payroll growth, this week's rise in initial claims to a high since August, and one of the strongest earnings seasons in years continues.

High-yield:

Week ended 05/10/2024

Yields & Spreads¹

Current	t Week	Prior Week		Δ(bps)
Yield	Spread	Yield	Spread	Yield	Spread
7.80%	323	7.92%	325	(12)	(2)

Pricing & Returns¹

Pricing Pricing				Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023	
\$93.39	\$93.00	39	0.54%	0.93%	1.84%	13.5%	

Fund Flows²

Total Flows (\$) \$2,400mm

New Issue²

Week			YTD				
	# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY		
	25	\$13.5bn	\$128.9bn	\$61.2bn	+111%		

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

4/30/24 3/28/24 2/29/24 6.55% 6.00% 6.20%

Total HY Defaults

4/30/24 3/28/24 2/29/24 1.55% 1.67% 1 66%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan



Leveraged loans:

Week ended 05/10/2024

Yields & Spreads¹

Current	Week	Prior Week			Δ((bps)
Yield	Spread	Yield	Spread	Yi	eld	Spread
9.41%	492	9.62%	501	(2	21)	(9)

Leveraged Loan Index¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YΤD	2023
\$96.17	\$96.01	16	0.35%	0.39%	3.63%	12.9%

Fund Flows²

Total Flows (\$) \$2,000mm

New Issue²

Wee	ek		YTD	
# New Deals	Total (\$)	Total (\$) Prior Year YTD	CY vs PY
25	\$27.7bn	\$424.6b	n \$92.2bn	+361%

Distressed Level (loan price below \$80)1

4/30/24	3/28/24	2/29/24
5.57%	5.44%	5.30%

Total Loan Defaults

4/30/24	3/28/24	2/29/24
1.32%	1.86%	1.77%

Default activity:

Most recent defaults include: 99 Cents Only Stores (\$350mn, 4/7/24), ConvergeOne (\$1.3bn, 4/4/24), Xplornet Communications (\$1.2bn, 3/31/24), JoAnn Stores (\$658mn, 3/18/24), New Insight Holdings (\$1.2bn, 3/13/24), Robertshaw (\$820mn, 2/29/24), Thrasio LLC (\$724mn, 2/28/24), Hornblower (\$838mn, 2/20/24), and Careismatic (\$700mn, 1/22/24).

CLOs:

Week ended 05/10/2024

New U.S. CLO Issuance²

# Priced	Total (\$)	New Issue	Refis/Resets
18	\$7.9bn	\$2.3bn	\$5.6bn

New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
292	\$131.1bn	\$69.4bn	\$61.7bn	\$41.9bn	+213%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

ZCG

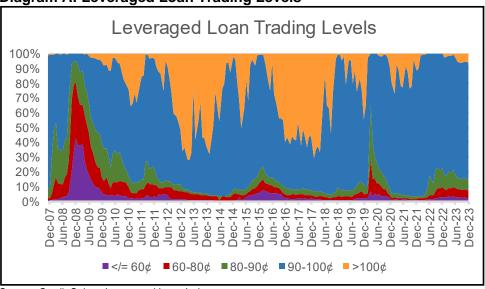
Ratings activity:

S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7×
Week Ending 01/05/24	1	2	0.5×	0	2	O.Ox
Week Ending 01/12/24	8	6	1.3x	3	7	0.4x
Week Ending 01/19/24	2	6	0.3x	12	6	2.0x
Week Ending 01/26/24	10	О	n/a	15	6	2.5x
Week Ending 02/02/24	3	13	0.2x	11	7	1.6x
Week Ending 02/09/24	18	6	3.0x	5	7	0.7x
Week Ending 02/16/24	8	2	4.0x	14	9	1.6x
Week Ending 02/23/24	3	8	0.4x	16	16	1.0x
Week Ending 03/01/24	14	5	2.8x	6	2	3.0x
Week Ending 03/08/24	16	10	1.6x	15	14	1.1×
Week Ending 03/15/24	12	7	1.7×	15	5	3.0x
Week Ending 03/22/24	6	5	1.2×	7	10	0.7x
Week Ending 03/29/24	9	2	4.5×	15	14	1.1×
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7×	8	7	1.1×
Week Ending 04/19/24	14	10	1.4×	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4×	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
YTD 2024	161	123	1.3×	191	151	1.3×

Source: Bloomberg **Appendix:**

Diagram A: Leveraged Loan Trading Levels



Source: Credit Suisse Leveraged Loan Index

Diagram B: High Yield and Leveraged Loan LTM Price

High Yield and Leveraged Loan Data [1]								
	LTM Price							
	Avg. Price	High [2]	Low [3]	LTM High vs. Low Δ				
High Yield	89.9	93.9	85.4	8.5				
Leveraged Loans	94.8	96.2	92.1	4.1				

[1] Data is from Credit Suisse High Yield Market Index and Credit Suisse Leveraged Loan Index

[2] HY high price as of 3/22/24. LL high price as of 5/8/24

[3] HY low price as of 10/20/23. LL low price as of 5/31/23

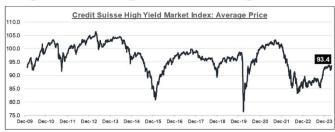
Diagram C: Leveraged Loan and High Yield Returns

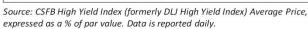
	Leveraged	Loan and High Yield R	eturns			
	Leveraged Levera	oan Indices	High Yield Indices			
	Credit Suisse [1]	S&P/LSTA [2]	Credit Suisse [1]	S&P [2]		
Weekly Return	0.35%	0.33%	0.54%	0.70%		
MTD Return	0.39%	0.43%	0.93%	1.19%		
YTD Return	3.63%	3.49%	1.84%	0.86%		

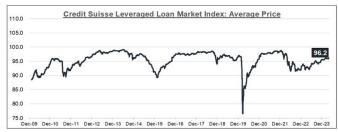
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 05/10/2024

[2] Yield data as of 05/10/2024

Diagram D: Average Bid Price of High Yield Bonds & Loans





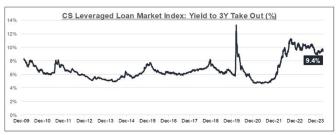


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

Diagram E: Leveraged Loans Spreads & Yields

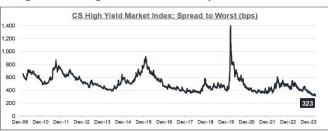


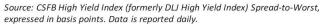
Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.

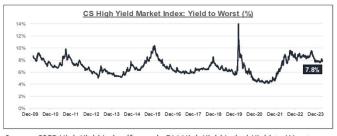


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

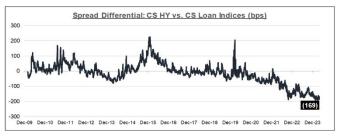






Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans



Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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





Source: CSFB. Data is reported monthly.

Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

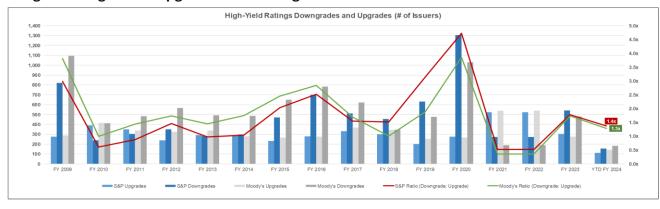
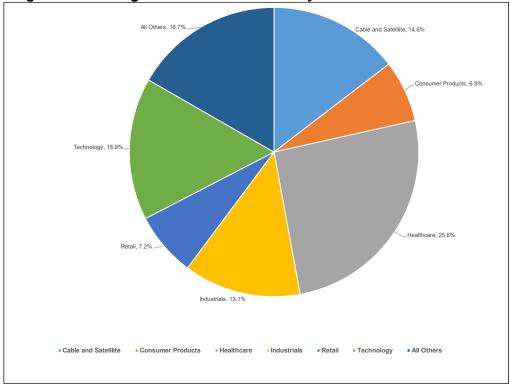


Diagram J: Leveraged Loan + HY Defaults by Sector - LTM



Source: JP Morgan Default Monitor.



Diagram L: CLO Economics

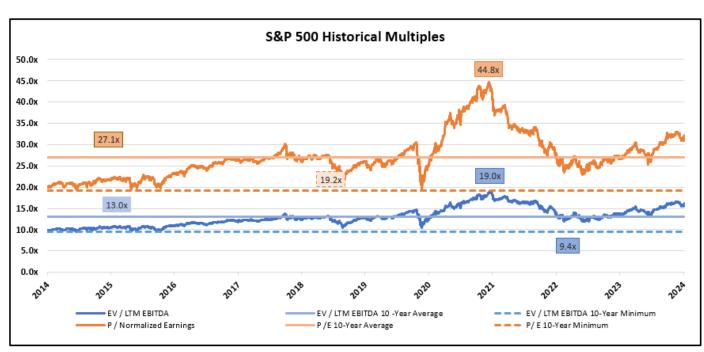
	CLO Economics									
AAA Coupons	AAA DMs	WAC Liabilities	DM Liabilities	Leverage	Asset WAS	All In WAS [1]	IRR est.	Cash on Cash est.		
L+135-150	L+135-150	L+200-240	L+220-280	9-11x	L+300-360	L+330-390	9-12%	10-14%		

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

Diagram N: Developed Country GovBond Yields (%)

					Change					
Ву	4/19/24	4/26/24	5/3/24	5/10/24	Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023	
France - 10 year	3.01%	3.07%	2.97%	3.00%	3 bps	(84 bps)	47 bps	14 bps	(32 bps)	
Germany - 10 year	2.50%	2.58%	2.50%	2.52%	2 bps	(82 bps)	45 bps	10 bps	(28 bps)	
Italy - 10 year	3.93%	3.93%	3.81%	3.86%	4 bps	(108 bps)	71 bps	(3 bps)	(62 bps)	
Japan - 10 year	0.89%	0.89%	0.90%	0.91%	1 bps	(20 bps)	42 bps	(9 bps)	2 bps	
UK - 10 year	4.21%	4.29%	4.22%	4.17%	(6 bps)	(103 bps)	18 bps	92 bps	(19 bps)	
US										
US - 2 year	4.97%	4.98%	4.82%	4.86%	5 bps	(73 bps)	11 bps	116 bps	(57 bps)	
US - 5 year	4.65%	4.64%	4.50%	4.51%	2 bps	(81 bps)	48 bps	88 bps	(47 bps)	
US - 10 year	4.61%	4.61%	4.51%	4.50%	(1 bps)	(80 bps)	80 bps	62 bps	(37 bps)	
US - 30 year	4.71%	4.73%	4.66%	4.65%	(2 bps)	(79 bps)	93 bps	36 bps	(23 bps)	
Source: Bloomberg					•	•			•	

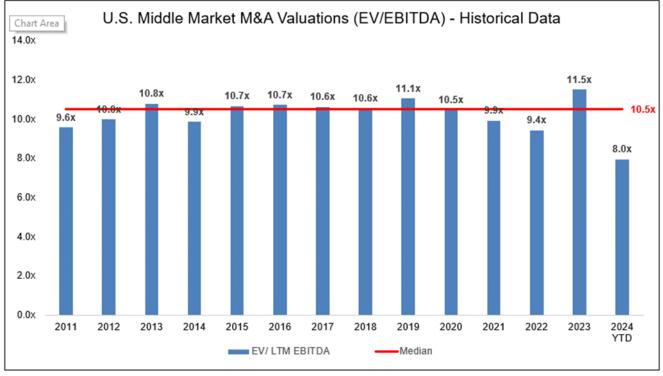
Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

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

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



Source: Pitchbook

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

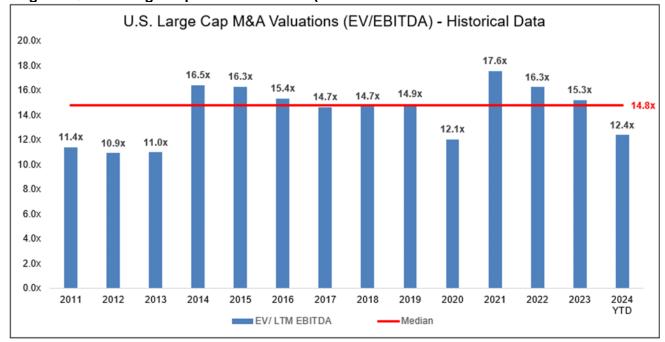
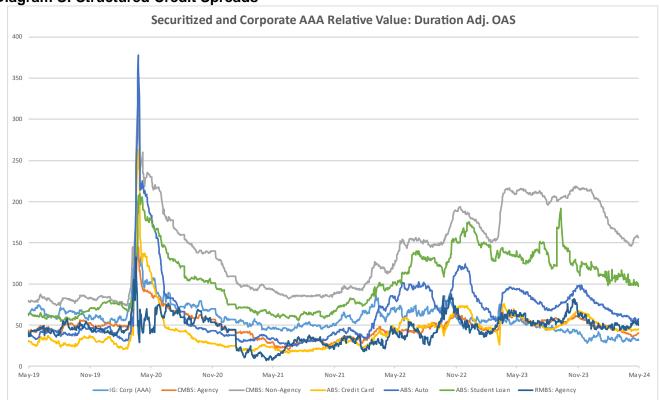


Diagram R: Dry Powder for All Private Equity Buyouts



Source: Pitchbook

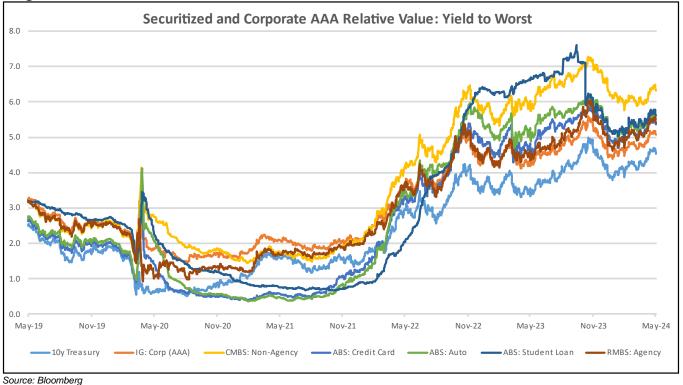
Diagram S: Structured Credit Spreads



Source: Bloomberg

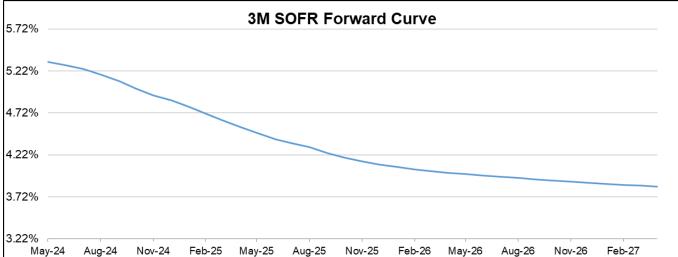
ZCG





-





ZCGC RE Research:

Section 1:

10-Year US Treasury

5/8/24: 4.48



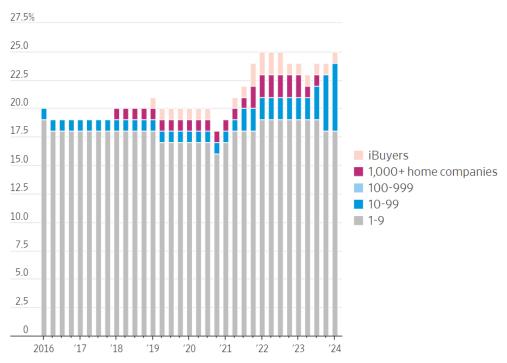
30-Year Fixed Mortgage

5/9/24: 7.09



Section 2: Institutional investors purchasing single family homes

Share of single-family homes purchased by investors, by portfolio size



Note: Quarterly data measures the trailing 12 months. iBuyers are a type of house flipper. Source: John Burns Research and Consulting

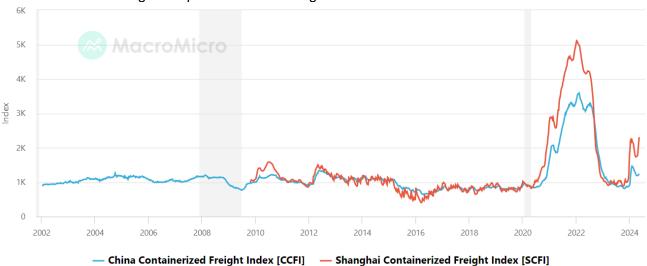
- Investor purchases, often all-cash offers from Wall Street-backed firms, have intensified competition for firsttime homebuyers.
- As shown in the above graph, during the pandemic, investors bought a significant number of homes, peaking in 2022 when they bought more than one in every four single-family homes sold.
- Despite a recent slowdown due to rising interest rates and limited supply, these investors still own 3% to 5% of U.S. rental properties.
- As home prices and rents approach record levels, U.S. legislators and officials at all levels of government are increasingly addressing housing issues.

Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



About ZCG

Z Capital Group, L.L.C. ("ZCG") is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, technology development and solutions.

ZCG's investors are some of the largest and most sophisticated global institutional investors including pension funds, endowments, foundations, sovereign wealth funds, central banks, and insurance companies.

For almost 30 years, ZCG Principals have invested tens of billions in capital and have industry leading track records in private equity and credit.

ZCG has a global team comprised of over 400 professionals. www.zcg.com

Asset Management

Z Capital Partners, **LLC** ("**ZCP**") is the private equity fund management platform of ZCG that has industry leading returns. ZCP pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turn arounds.

ZCP has a specialized approach including our consulting practice, ZCG Consulting ("ZCGC"), and technology affiliate, Haptiq, to assist in significant value-creation initiatives across portfolio companies.

Z Capital Credit Partners, LLC ("ZCCP") is the credit fund management platform of ZCG. ZCCP invests across a range of credit investments including leveraged loans, private debt, direct lending, and opportunistic credit. ZCCP manages closed and open ended funds as well as structured vehicles of strategic debt.

Both investment platforms share ZCG common resources, including infrastructure, legal, and cross global intelligence.

ZCG Consulting

ZCG Consulting ("**ZCGC**"), the strategic management consulting platform of ZCG, is a team of operating professionals within various disciplines of expertise including: financial reporting & planning, technology assessment & implementation, talent acquisition & analysis, global supply chain & logistics, c-suite advisory, real estate operations & management, insurance & risk management, in support of portfolio companies. The team works closely with company management teams and investment professionals to optimize operations and financial rigor, ultimately leading to value creation and increased performance.

Technology

Haptig, LLC ("Haptig Technology and Solutions" or "Haptig") - where insight meets innovation.

Haptiq offers a nuanced understanding of each client's performance and exactly how to leverage technology for sustained growth. Through its suite of software, digital solutions, and industry expertise, Haptiq equips business leaders with a clear path to accelerate growth and profitability.

www.haptiq.com

Olympus Fintech ("Olympus") is a software product and platform which provides private equity, debt, and CLO managers with customizable and simplified workflows, data management, and robust reporting capabilities.

www.olyfintech.com

IMPORTANT INFORMATION and DISCLAIMER: Certain information contained in this material has been obtained from third party sources that we deem to be reliable, but we do not warrant its accuracy or completeness, and any yield referenced is indicative and subject to change. The material contained herein is intended as a general market commentary. Any opinions or statements contained herein are purely the author's and may not reflect those of Z Capital or any affiliates. The opinions or statements expressed are for informational purposes only and are subject to change without notice. This material should not be regarded as research or a Z Capital research report or as including sufficient information to support an investment decision. Certain statements contained in this document are forward-looking statements. Forward-looking statements are inherently uncertain as they are based on expectations and assumptions concerning future events and are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Statements in this document are not intended to be, and should not be construed as, legal, business, investment, or tax advice. This document is not intended to be relied upon as the basis for any investment decision. Past performance is not a guarantee of future results. This material is not, and is not intended as, an offer or solicitation for the purchase or sale of any financial instrument.

PERFORMANCE Market Indices DJIA SSR POD MSCI - EARIE MSCI - Emerging Markets US Dollar Index UIX UIX UIX Equities Avg Daily Dollar Volum Market Ratios TED Spread 3 Month LIBC PUPUCall Ratio Commodities Indices (\$ USD) Core Commodity Index Gascline - Pump Saccline - Futures Turde Oil - WTT Turde Oil - Brent Valurar Gas Coepper ron Ore Steel - Hol Rolled Coil Ferent-Scrap Sold	e (\$ in Billions) DR - 3 Month T-Bills Equilies Metric CRY Index Gallon	10-May 39,512.84 5,222.68 16,340.87 2,346.16 1,071.64 105.30 12.55 321.79	3-May 38,675.68 5,127.79 16,156.33 2,309.49 1,061.45 105.03 13.49 332.32	WoW Change 2.16% 1.85% 1.14% 1.59% 0.96% 0.26% (6.97%)	4.84% 9.49% 8.86% 4.92% 4.68% 3.92%	YoY Change 16.03% 24.95% 33.93% 9.95% 2.49%	Market Indices S&P/LSTA Leveraged Lean Index Barclays High Yield Index Barclays Aggregate Loan Market Bids	10-May 3,861.93 2,516.04 2,119.50	3-May V 3,846.52 2,516.47 2,117.52 10-May	0.40% (0.02%) 0.09%	YTD Change 3.93% 1.86% (1.49%)	YoY Ch 14. 9. (0.
DJIA SSP 500 NASDAQ NASDAQ NASDAQ NASDAQ NASDAQ NASDAQ MSCI - Emerging Markets US Dollar Indiax VIX US Equities Avg Daily Dollar Volum Barket Ratios TED Spread 3 Month LIBG PUPUCall Ratio Commodities Indices (\$ USD) Core Commodity Index Gasoline - Pump Gasoline - Futures Crude Oil - WTI Crude Oil - WTI Crude Oil - Brent Natural Gas Coal (1 contract = 1,000 tons) Aluminum Copper Corn Ore Steel - Hot Rolled Coil Steel - Coil Rolled Coil Steel - Coil Rolled Coil	DR - 3 Month T-Bills Equities Metric CRY Index	39,512.84 5,222.68 16,340.87 2,346.16 1,071.64 105.30 12.55 321.79	5,127.79 16,156.33 2,309.49 1,061.45 105.03 13.49	1.85% 1.14% 1.59% 0.96% 0.26%	9.49% 8.86% 4.92% 4.68%	24.95% 33.93% 9.95%	S&P/LSTA Leveraged Loan Index Barclays High Yield Index Barclays Aggregate	3,861.93 2,516.04	3,846.52 2,516.47 2,117.52	(0.02%) 0.09%	1.86% (1.49%)	9
NASDAO MSCI - EAPE	DR - 3 Month T-Bills Equities Metric CRY Index	16,340.87 2,346.16 1,071.64 105.30 12.55 321.79 10-May 18.79	16,156.33 2,309.49 1,061.45 105.03 13.49	1.14% 1.59% 0.96% 0.26%	8.86% 4.92% 4.68%	33.93% 9.95%	Barclays Aggregate		2,117.52	0.09%	(1.49%)	
MSCI - Emerging Markets JS Dollar Index VIX JS Equities Avg Daily Dollar Volum JS Equities Avg Daily Dollar Volum Market Ratios TED Spread 3 Month LIBC PUPUCall Ratio Commodities Indices (\$ USD) Core Commodity Index Gascline - Pump Gascline - Futures Trude Oil - WTT Crude Oil - WTT Crude Oil - Brent Valural Cas Coel (1 contract = 1,000 tons) Aluminum Copper Iron Ore Steel - Hot Rolled Coil Steel - Cold Rolled Coil Ferrous Scrap	DR - 3 Month T-Bills Equities Metric CRY Index	1,071.64 105.30 12.55 321.79 10-May	1,061.45 105.03 13.49	0.96% 0.26%	4.68%		Lara Madest Pida		10-May	3-May		
US Dollar Index VIX US Equities Avg Daily Dollar Volum Market Ratios TEO Spread 3 Month LIBC PUPCall Ratio Commodities Indices (\$ USD) Core Commodities Indices (\$ USD) Core Commodities Indices Gasoline - Pump Gasoline - Futures Crude Oil - WTI Crude Oil - Brent Natural Gas Coal (1 contract = 1,000 tons) Aluminum Copper Ten Ore Steel - Hot Rolled Coil Steel - Coid Rolled Coil	DR - 3 Month T-Bills Equities Metric CRY Index	105.30 12.55 321.79 10-May 18.79	105.03 13.49	0.26%							WoW Change	YTD CI
Market Ratios TEO Spread 3 Month LIBC TEO Spread 3 Month LIBC PurtCall Ratio Commodities Indices (\$ USD) Core Commodity Index Gasoline - Pump Sasoline - Futures Crude Oil - WTT Crude Oil - WTT Crude Oil - Brent Natural Gas Coal (1 contract = 1,000 tons) Aluminum Copper Steel - Hot Rolled Coil Steel - Coid Rolled Coil Ferrous Scrap	DR - 3 Month T-Bills Equities Metric CRY Index	321.79 10-May 18.79		(6.97%)		3.49%	S&P Flow Name Index		100.29	100.13	0.16%	1
Market Ratios TED Spread 3 Month LIBO Put/Call Ratio Commodities Indices (\$ USD) Core Commodity Index Gasoline - Pump Gasoline - Futures Crude Oil - Brent Vatural Gasol Coal († contract = 1,000 tons) Aluminum Copper Ten Ore Crude Coil Steel - Hot Rolled Coil Ferrous Scrap	DR - 3 Month T-Bills Equities Metric CRY Index	10-May 18.79		(3.17%)	0.80%	(33.00%)	S&P 100 Name Index S&P BB's Index		97.21 99.70	96.93 99.55	0.29% 0.15%	0
TED Spread 3 Month LIBG Put/Call Ratio Commodities (\$ USD) Come Commodity Indiox Gasoline - Pump Gasoline - Futures Trude Oil - WTI Trude Oil - WTI Trude Oil - WTI Trude Oil - Hornt Autural Gas Coal (1 contract = 1,000 tons) Aluminum Copper Coro Cre Sieel - Hot Rolled Coil Terro Library - Terro Coil Terro Coro Rotal Terro Coil T	Equities Metric CRY Index	18.79					S&P B's Index S&P CCC's Index		98.62 80.01	98.34 80.39	0.28%	0
PutCall Ratio Commodities Indices (\$ USD) Core Commodity Index Sascine - Pump Sascine - Futures Tude Oil - WTT Tunde Oil - Stent Iduaria (Sascine) Auminum Copper Ton Oire Steel - Hot Rolled Coil Steel - Coid Rolled Coil Ferrous Scrap	Equities Metric CRY Index		3-May	WoW Change	YTD Change	YoY Change						
Core Commodity Index Sasciine - Pump Sasciine - Futures Trude Oil - WT1 Trude Oil - WT1 Trude Oil - WT1 Trude Oil - WT1 Sasciine - Futures Trude Oil - WT1 Sasciine - Sasciine - Sasciine - Void Rolled Coil	Metric CRY Index	0.60	18.01 0.60	4.35% 0.00%	(27.91%) (7.69%)	(3.29%) 22.45%	Loan Market Spreads S&P BB's Index		10-May L+298	3-May L+299	WoW Change (1 bps)	YTD CF 20:
Core Commodity Index Sasciine - Pump Sasciine - Futures Trude Oil - WT1 Trude Oil - WT1 Trude Oil - WT1 Trude Oil - WT1 Sasciine - Futures Trude Oil - WT1 Sasciine - Sasciine - Sasciine - Void Rolled Coil	CRY Index	10-May	3-May	WoW Change	YTD Change	YoY Change	S&P B's Index S&P CCC's Index		L+448 L+1389	L+444 L+1324	4 bps 65 bps	(25
Sasoline - Futures Zrude Oil - WTT Zrude Oil - WTT Zrude Oil - Serent Autural Case Coal (1 contract = 1,000 tons) Numinum Copper Ton Oile Steel - Hot Rolled Coil Terrous Scrap	Gallon	289.47	286.51	1.03%	9.72%	6.57%						
Sasoline - Futures Zrude Oil - WTT Zrude Oil - WTT Zrude Oil - Serent Autural Case Coal (1 contract = 1,000 tons) Numinum Copper Ton Oile Steel - Hot Rolled Coil Terrous Scrap		3.63	3.66	(0.90%)	16.33%	3.87%	Credit Default Swap - Volatility Indices	Index Markit	10-May 50.62	3-May 50.51	WoW Change 0.21%	YTD CI
Trudo Oil - Brent Valutural Gas Coal (1 contract = 1,000 tons) Vuluminum Copper Orn Ore Steel - Hot Rolled Coil Feerous Scrap	Gallon	2.50	2.56	(2.17%)	18.89%	1.93%	High Yield CDS	Markit	336.20	338.83	(0.77%)	(5
Coal (1 contract = 1,000 tons) Aluminum Copper ron Ore Steel - Hot Rolled Coil Steel - Cold Rolled Coil Ferrous Scrap	Barrel Barrel	78.26 82.79	78.11 82.96	0.19% (0.20%)	9.23% 7.46%	3.14% 0.75%	Credit		10-May	3-May	WoW Change	YOY C
Aluminum Copper ron Ore Steel - Hot Rolled Coil Steel - Cold Rolled Coil Ferrous Scrap	MM BTU	2.25	2.14	5.14%	(10.42%)	(8.31%)	High Yield	Ave Yield	T+415	T+410	5 bps	3
Copper ron Ore Steel - Hot Rolled Coil Steel - Cold Rolled Coil Ferrous Scrap	Contract	214.74	214.74	0.00%	0.05%	9.08%	LCD Flow Name	Ave Spread	L+235	L+238	(3 bps)	3
ron Ore Steel - Hot Rolled Coil Steel - Cold Rolled Coil Ferrous Scrap	Metric Ton	2,529.50	2,551.50	(0.86%)	6.10%	(3.34%)	US Treasury 2-Yr		4.93%	4.85%	8 bps	6
Steel - Cold Rolled Coil Ferrous Scrap	Metric Ton Metric Ton	10,004.00 116.93	9,910.00 118.03	0.95% (0.93%)	16.88% (14.26%)	10.51% (5.66%)	US Treasury 3-Yr US Treasury 5-Yr		4.79% 4.66%	4.70% 4.59%	9 bps 7 bps	7
Ferrous Scrap	Metric Ton	780.00	813.00	(4.06%)	(31.28%)	(0.64%)	US Treasury 7-Yr		4.66%	4.60%	6 bps	7
3old	Metric Ton Metric Ton	1,165.00 445.00	1,187.50 446.00	(1.89%) (0.22%)	(7.54%) (16.82%)	20.10% (6.32%)	US Treasury 10-Yr		4.65%	4.59%	5 bps	7
Silver	Troy Ounce Troy Ounce	2,360.50 28.18	2,301.74 26.56	2.55% 6.11%	14.42% 18.44%	23.41% 20.10%	US CLO Spreads - New Issue		10-May	3-May	WoW Change	YTD CI
Cotton	Pound	70.35	67.37	4.42%	(8.53%)	(15.68%)	AAA AA		S+157 S+204	S+155 S+200	2 bps 4 bps	(1 (1
JULIUN	rouna	70.35	67.37			(15.68%)	A		S+250	S+240	4 bps 10 bps	(1
Butter Cheese	Pound	2.99	3.08 1.86	(2.76%)	12.20% 20.86%	26.69% 3.75%	BBB BB		S+380 S+658	S+380 S+663	0 bps	
Cocoa	Pound Pound	1.88 4.03	3.69	1.13% 9.16%	111.89%	245.55%					(5 bps)	
Com Milk, Non Fat Dry	Bushel Pound	4.56 1.15	4.47 1.14	1.96% 1.01%	(3.29%) (4.41%)	(32.51%) (8.99%)	Market Rates Fed Fund Rate		10-May 5.31%	3-May 5.31%	WoW Change 0 bps	YTD C
Soybean	Bushel	12.05	12.02	0.27%	(6.84%)	(21.46%)	Prime Rate		8.50%	8.50%	0 bps	
Sugar Wheat	Pound Bushel	0.19 6.46	0.19 6.06	0.10% 6.56%	(6.22%) 2.83%	(10.90%) (15.14%)	Broker Call Rat 1M SOFR		7.25% 5.31%	7.25% 5.31%	0 bps 0 bps	
ive Cattle	Pound	1.76	1.77	(0.30%)	1.43%	(85.34%)	3M SOFR		5.35%	5.36%	(1 bps)	
Lean Hogs Beef, USDA Ground	Pound Pound	0.92 2.95	0.92 2.94	(0.76%) 0.13%	34.94% 1.68%	21.73% 11.12%	6M SOFR		5.39%	5.39%	0 bps	
Chicken, Boneless & Skinless	Pound	3.52	3.54	(0.56%)	0.00%	15.07%						
							Short Interest - Billions of shares		29-Feb	31-Jan	MoM Change	YTD C
	Spot Pri		Futu		10-Year Hi		NYSE Mkt Short Interest		16.23	16.04	1.22%	(
Currencies Metric Japanese Yen USDJPY	10-May 155.780	3-May 153.050	2024 141.000	2025 149.500	75.820	High 138.570	Nasdaq Short Interest		13.21	12.91	2.35%	2
Chinese Renminbi USDCNY	7.227	7.241	7.000	7.190	6.041	7.179	Fed Corp Primary Dealer Positions - \$ USD in	Billions	1-May	24-Apr	WoW Change	YTD C
Swiss Franc USDCHF British Pound GBPUSD	0.907 1.253	0.905 1.255	0.900 1.300	0.920 1.260	0.721 1.130	1.030 1.717	Net Outright Total Corp Securities		10.98	10.56	3.98%	(
Euro Zone Euro EURUSD Canadian Dollar USDCAD	1.077 1.367	1.076 1.369	1.120 1.300	1.080 1.350	0.986 0.943	1.483 1.458	Margin Debt - \$ USD in Billions Margin Debt		31-Mar 766.38	29-Feb 754.16	MoM Change 1.62%	YTD C
ECHNICALS (Supply / Dem Bank Loan & High Yield, Inflows		nd. \$ USD in Mi	llions. (Source: I	LCD News)			Leveraged Finance Primary Volume - \$ USD in	Rillions				
	Week Ending 8-May-24		Bank Loans \$ 2.041		High Yield \$ 2,350		5/10/2024	Dimono	Year To I 2024	Date 2023	Year End 2022	С
	1-May-24		\$ 665		\$ 63				176.8		588.4	
	24-Apr-24 17-Apr-24		\$ 435 \$ 153		\$ 604 \$ (3,747)		Bank Debt		1/6.8	73.8	588.4	139
	10-Apr-24 3-Apr-24		\$ 675 \$ 689		\$ (476) \$ (259)		Senior Secured Bonds Unsecured Bonds		50.0 56.0	37.5 17.8	147.9 313.8	30 214
	27-Mar-24		\$ 755		\$ 615		Total Bonds		106.0	55.3	461.7	91
	20-Mar-24 13-Mar-24		\$ 156 \$ 458		\$ (2,000) \$ 389		Totals		282.8	129.1	1,050.1	119
Year To Date 2024 Year Ended December 31, 2023			\$ 8,999		\$ 1,904							
rear Ended December 31, 2023		-	\$ (18,051) \$ (12,694)		\$ (17,252) \$ (48,558)							
NEW ISSUE SUMMARY - BI-	WEEKLY				تصنع		DEFAULT ACTIVITY					
nstitutional Loans _aunched	5/10/2024 Prior Two Weeks	Deals 12	Amt (\$mm) 8,233				Total Loan Defaults - as of: Default Rate by Total Amount of All Loans Outstar	idina		31-Mar 1.72%	29-Feb 1.56%	Y
orward Calendar	THO THO TOOLS	4	7,437				Default Rate by Total Number of All Loan Issuers	iding		1.89%	1.62%	
High Yield	5/10/2024	Deals	Amt (\$mm)				Default Rate by Total Number of All Loan Issuers			1.89%	1.62%	
_aunched Forward Calendar	Prior Two Weeks	9	6,532 4,711									
ECONOMIC DATA RECAP												
Key Economic Indicators: nitial Jobless Claims		Period	Actual 218K	Expected 218K	Prior 209K		Employment - Labor Participation Rates Civilian Employment as % of Total Labor Force			31-Mar 60.4%	29-Feb 60.4%	YTD C
Continuing Claims		April April	1,927K	1,865K	1,840K		Civilian Employment as % of Total Labor Force Labor Force Participation Rate			60.4% 62.6%	60.4% 62.6%	(C
Change in Non-Farm Payrolls		April	223K	205K 188K	263K		Government Assistance					YTD C
Change in Private Payrolls		April	220K		221K		SNAP fka Food Stamps - # of Participants	in Millions		31-Mar 39.276	29-Feb 39.525	YIDC
Inemployment Rate Inemployment Rate	U-3 U-6	April April	3.5% 6.6%	3.7% 6.5%	3.7% 6.7%		Retail Sales			31-Mar	29-Feb	YTD C
verage Work Week		April	34.3	6.5% 34.7	34.4		Adj. Retail & Food Services Sales Index - US Cen	sus		683.0	687.4	TIDE
xisting Home Sales		April	3.79M	3.90M	3.96M		US Home Foreclosures and Delinquencies			31-Mar	29-Feb	YTD C
lousing Starts		April	1,372K	1,350K	1,358K		Home Foreclosures Inventory	in Thousands		179	179	
&P/Case-Shiller Composite &P/Case-Shiller Composite	YoY MoM	April	19.1% 1.8%	18.6% 1.5%	18.6% 1.5%		Delinquency Rate			-0.51%	-0.34%	(3
							U.S. Rig Count - Active Drilling Rigs, Exploring					
Consumer Confidence	QoQ-Annualized	April 4Q23	91.3 2.4%	90.0 1.8%	88.9 2.0%		Type Peak- 1/1/00 to Date Oil 10/10/2014	# of Rigs 1.609	% Change (61,28%)	10-May 623	3-May 618	YTD C
	Low / Illiualized						Gas 9/12/2008	1,606	(90.66%)	150	152	1
Ourable Goods Orders Total Vehicle Sales		April April	2.0% 15.32M	1.9% 15.50M	1.9% 15.50M		Rail & Truck Volume			31-Mar	29-Feb	YTD C
Capacity Utilization		April	79.0%	77.0%	76.8%		Total Rail Carloads	Tons in Thousands		1,062.27	1,060.35	
Fed & Treasury Balance Sheet		8-May	1-Mav	WoW Change	YoY Change		Total Intermodal Truck Tonnage Index	Tons in Thousands		992.37 135.35	996.82 134.60	1:
ed Total Assets	\$ in Billions	7,353,408.0	7,362,474.0	(0.1%)	(13.5%)							
Public Debt	\$ in Billions	34,541.7	34,558.3	(0.0%)	9.8%		TSA Checkpoint Travel Numbers Weekly Traveler Throughput	in Thousands	9-May 17,661.0	2-May 17,091.6	WoW Change 3.33%	YoY C
JS Debt Outstanding Domestic Nonfinancial Debt	\$ in Billions	4Q23 69,511.9	3Q23 68.910.4	QoQ Change	YoY Change			10-May		WoW Change	YTD Change	YoY C
	φ IF1 DIIIIONS	69,511.9	68,910.4	0.9%	15.6%		Freight Rates Freightos Baltic Index	10-May 2,561	2,388	7.24%	14.02%	YoY C
Shared National Credit Shared National Credit Total Comm	itments	\$ in Billions	2023 5,178.8	2022 5,072.2	YoY Change 2.1%		Shanghai - Los Angeles Spot Rates Shanghai - NY Spot Rates	2,240 3,425	2,361 3,545	(5.12%) (3.39%)	(2.54%) (1.34%)	(78 (72
	unerits	\$ in Billions	217.3	263.9	-17.7%		Shanghai - NY Spot Rates Shanghai Containerized Freight Index	3,425 1,030	3,545 1,031	(3.39%)	(1.34%) (4.26%)	(72
Special Mention Commitments		\$ in Billions	332.8	365.9	-9.0%					,	,	*
Special Mention Commitments Classified Commitments		IME "World Ea	onomic Outlook	k")								
Special Mention Commitments Classified Commitments ECONOMIC / GDP DATA	with Dates (Carre	WOIIG EC	Onomic Outlook	.,								2024
Special Mention Commitments Classified Commitments ECONOMIC / GDP DATA International Monetary Fund Gro	wth Rates (Source:	0000				0001				0000		
Special Mention Commitments Classified Commitments ECONOMIC / GDP DATA International Monetary Fund Gro Country United States	wth Rates (Source:	2020 (3.5%)	2021 5.7%	2022 2.1%	2023 1.6%	2024 1.1%	Region World		2021 6.1%	2022 6.1%	2023 2.8%	3.0%
Special Mention Commitments Classified Commitments ECONOMIC / GDP DATA International Monetary Fund Gro Country United States Strazil	wth Rates (Source:	(3.5%) (4.1%) 2.3%	5.7% 4.6% 8.1%	2.1% 2.9% 3.0%	1.6% 0.9% 5.2%	1.1% 1.5% 4.5%	World Advanced Economies Euro Area		6.1% 5.2% 5.3%	6.1% 5.2% 5.3%	2.8% 1.3% 0.8%	3.0% 1.4% 1.4%
Special Mention Commitments Classified Commitments ECONOMIC / GDP DATA International Monetary Fund Gro Country United States Strazil	wth Rates (Source:	(3.5%) (4.1%)	5.7% 4.6%	2.1% 2.9%	1.6% 0.9%	1.1% 1.5%	World Advanced Economies		6.1% 5.2%	6.1% 5.2%	2.8% 1.3%	3.0% 1.4%