

Briefing

Global Economic & Credit Market

Week 24 Ending – June 14, 2024

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Economic Calendar

- Tuesday, June 18: U.S. Retail Sales
- Thursday, June 20: Initial Jobless Claims
- Friday, June 21: Existing Homes Sales

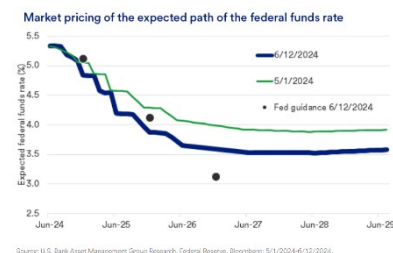
Key Market Metrics

- S&P 500: +1.58% WoW; +13.87% YTD; +22.72% YoY; 15.6x LTM EBITDA; 13.2x NTM EBITDA
- Dow Jones: (0.54%) WoW; +2.39% YTD; +12.15% YoY; 11.4x LTM EBITDA; 12.3x NTM EBITDA
- Nasdaq: +3.24% WoW; +17.84% YTD; +28.34% YoY
- Ten Year US Treasury Yield: 4.27% +35 bps YTD; +50 bps YoY
- Currency:
 - British Pound per USD: \$1.27; (0.3%) WoW; (0.3%)YTD; (0.8%)YoY
 - Euro per USD: \$1.07; (0.9%) WoW; (3.1%)YTD; (2.2%)YoY
 - USD per Yen: ¥157.41; 0.4% WoW; 11.7% YTD; 12.2% YoY
 - Swiss franc per EUR: 1.05 CHF; 1.6% WoW; (2.6%)YTD; 2.4% YoY

U.S. News

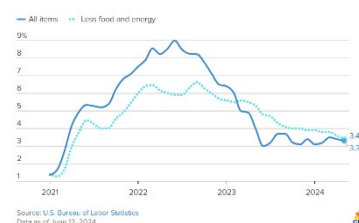
▪ FOMC Interest Rate Decision

- Fed Reserve held interest rates steady at their current range of 5.25% to 5.5% and revised its outlook for rate cuts to just one in 2024
- Fed Chair Jerome Powell emphasized the cautious approach due to the volatility in inflation data and the resilient job market
- Recent indicators show solid economic activity, strong job gains, low unemployment, and easing but still elevated inflation



▪ Consumer Price Index

- CPI for May remained unchanged, the first flat month in almost two years, with annual inflation falling to 3.3% from 3.4% in April
- Gasoline prices declined by 2.8% in May, contributing to the flat inflation reading
- The core inflation rate, which excludes food and energy, rose by 0.2%, the smallest increase in seven months, with the annual core rate slowing to 3.4% from 3.6%

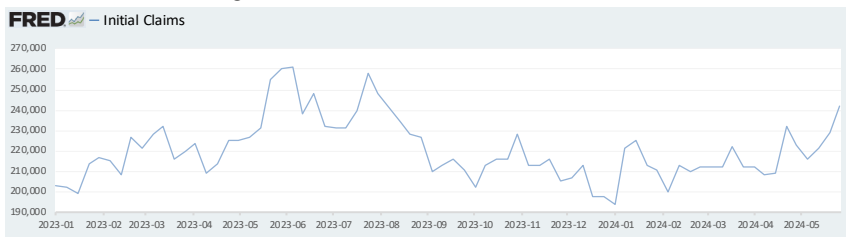


▪ Consumer Sentiment

- U.S. consumer sentiment fell to a seven-month low in June, dropping to 65.6 from 69.1 in May
- A gauge measuring consumer views on the current state of the economy dropped to 62.5, the lowest since the end of 2022
- Consumers expect inflation to average 3.3% over the next year, consistent with the current annual rate of inflation reported for May

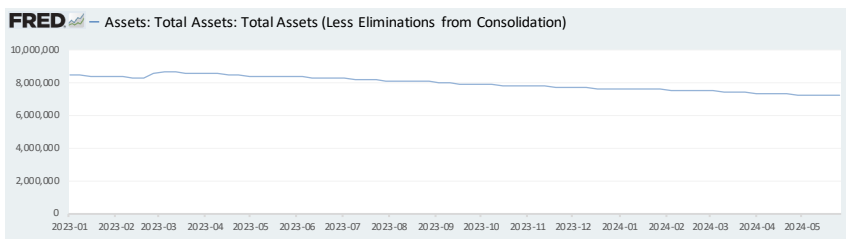
▪ **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., increased to 242,000 in the week ended June 7, up 13,000 from the prior week
- The four-week moving average was 227,000, up 4,750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 30,000 to 1.820 million in the week ended May 31. This figure is reported with a one-week lag



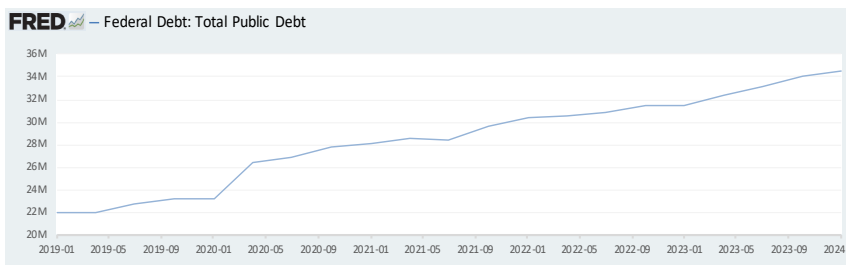
▪ **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$7.259 trillion in the week ended June 14, up \$3.3 billion from the prior week
- Treasury holdings totaled \$4.462 trillion, down \$3.6 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.35 trillion in the week, down \$9.7 billion from the prior week



▪ **Total Public Debt**

- Total public debt outstanding was \$34.68 trillion as of June 14, an increase of 8.3% from the previous year
- Debt held by the public was \$25.18 trillion, and intragovernmental holdings were \$7.06 trillion

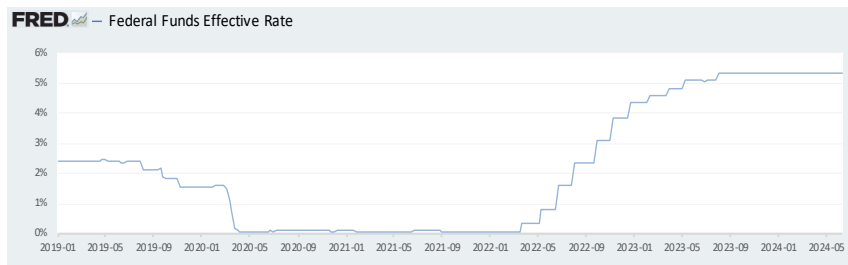


▪ Inflation Factors

- CPI:
 - The consumer-price index rose 3.3% in May year over year
 - On a monthly basis, the CPI increased 0.0% in May on a seasonally adjusted basis, after increasing 0.3% in April
 - The index for all items less food and energy (core CPI) rose 0.2% in May, after rising 0.3% in April
 - Core CPI increased 3.4% for the 12 months ending May
- Food & Beverages:
 - The food at home index increased 1.0% in May from the same month a year earlier, and decreased 0.0% in May month over month
 - The food away from home index increased 4.0% in May from the same month a year earlier, and increased 0.4% in May month over month
- Commodities:
 - The energy commodities index decreased (3.5%) in May after increasing 2.7% in
 - The energy commodities index rose 2.1% over the last 12 months
 - The energy services index 0.3% in May after decreasing (1.3%) in April
 - The energy services index rose 4.7% over the last 12 months
 - The gasoline index rose 2.2% over the last 12 months
 - The fuel oil index rose 3.6% over the last 12 months
 - The index for electricity rose 5.9% over the last 12 months
 - The index for natural gas rose 0.2% over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index increased to \$4,800.64 per 40ft container
 - Drewry's composite World Container Index has increased by 201.5% over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in May after increasing 0.4% in April
 - The rent index increased 0.4% in May after increasing 0.4% in April
 - The index for lodging away from home increased 1.4% in May after increasing 0.9% in April

▪ Federal Funds Rate

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



World News

▪ Israel/Gaza

- Hamas has hardened its stance on a cease-fire proposal, demanding a quicker Israeli withdrawal from Gaza and a permanent cease-fire before releasing additional hostages
- The U.S. Secretary of State Antony Blinken is consulting with other proponents of the peace plan regarding Hamas's new demands
- Violence continues on Israel's northern border with Lebanon, with Hezbollah launching significant attacks on Israel, further escalating tensions

▪ Russia

- Russia suspended trading in U.S. dollars, euros, and Hong Kong dollars on its flagship stock exchange due to new U.S. sanctions
- The U.S. Treasury sanctioned the Moscow exchange and Russia's central securities depository to limit Russia's access to foreign technology, equipment, software, and IT services
- The Biden administration imposed sanctions on over 300 entities and individuals, including seven China-based entities, for aiding Russia's war in Ukraine

▪ UK

- The U.K. economy was flat in April, with no growth compared to the previous month, due to declines in industrial production and construction
- The International Monetary Fund projects only 0.5% growth for the U.K. economy this year, highlighting ongoing issues like low productivity and high economic inactivity
- U.K. businesses expect wage rises to slow to 4.5% over the next 12 months, down from 4.8% in April, according to a BOE survey, indicating easing inflation concerns for policymakers

▪ China

- China is building a \$3.5 billion megaport in Chancay, Peru, which will be the first on South America's Pacific coast able to receive megaships due to its nearly 60 feet of depth
- The port, majority-owned by China Ocean Shipping group (Cosco), aims to speed trade between Asia and South America, benefiting regions as far away as Brazil by reducing sailing times across the Pacific
- The U.S. is concerned that China's control over this port could strengthen Beijing's influence over South America's resources and potentially provide strategic military advantages

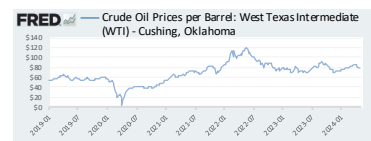
Geopolitical Hotspots

- **France**
 - Over a quarter of a million people protested across France against Marine Le Pen's far-right National Rally, which is projected to win the most seats in upcoming parliamentary elections, with antiracism groups, unions, and a new left-wing coalition participating in the demonstrations
- **South Africa**
 - South African President Cyril Ramaphosa was re-elected after forming a coalition government with the pro-business Democratic Alliance and the Inkatha Freedom Party, following the ANC's loss of its absolute majority in recent elections
- **Japan**
 - The Bank of Japan will reduce government bond purchases, signaling monetary tightening, but left its interest rate unchanged. Despite this, the yen weakened due to a lack of specifics on the bond reduction plan
- **Taiwan**
 - Taiwan's central bank kept interest rates unchanged at 2.000%, citing cooling inflation and solid economic growth. The bank also raised the reserve requirement ratio by 25 basis points to address the heating property market
- **South Korea**
 - South Korea's exports rose 11.7% in May, led by a 55% increase in semiconductor shipments, contributing to a trade surplus of \$4.96 billion
- **Iceland**
 - Argentina's Senate approved a slimmed-down version of President Javier Milei's economic reform package, including labor reforms and limited privatizations, amid violent protests and concerns about his ability to enact further measures
- **Mexico**
 - Claudia Sheinbaum, Mexico City's former mayor, is projected to become Mexico's first female president, winning by a landslide against the opposition coalition's candidate, Xóchitl Gálvez
- **Canada**
 - The Bank of Canada cut its main interest rate by 0.25%, becoming the first G-7 central bank to ease policy amid cooling inflation and slower economic growth

Commodities

Oil Prices

- WTI: \$78.37 per barrel
 - +3.76% WoW; +9.38% YTD; +10.97% YoY
- Brent: \$82.55 per barrel
 - +3.68% WoW; +7.15% YTD; +9.09% YoY



US Production

- U.S. oil production amounted to 13.2 million bpd for the week ended June 7, up 0.1 million bpd from the prior week

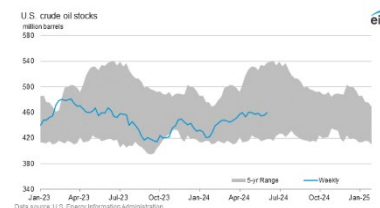
Rig Count

- The total number of oil rigs amounted to 590, down 4 from last week

Inventories

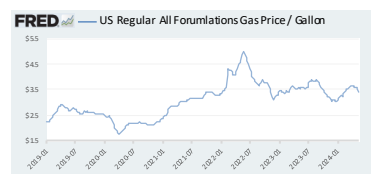
Crude Oil

- Total U.S. crude oil inventories now amount to 459.7 million barrels, down (1.6%) YoY
- Refiners operated at a capacity utilization rate of 95.0% for the week, down from 95.4% in the prior week
- U.S. crude oil imports now amount to 7.058 million barrels per day, down 30.1% YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.46 per gallon in the week of June 14, down (3.4%) YoY
 - Gasoline prices on the East Coast amounted to \$3.48, down (1.4%) YoY
 - Gasoline prices in the Midwest amounted to \$3.34, down (6.8%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$3.05, down (5.7%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$3.38, down (11.6%) YoY
 - Gasoline prices on the West Coast amounted to \$4.50, down (4.1%) YoY
- Motor gasoline inventories were up by 2.6 million barrels from the prior week
- Motor gasoline inventories amounted to 233.5 million barrels, up 5.7% YoY
- Production of motor gasoline averaged 10.09 million bpd, down (0.8%) YoY
- Demand for motor gasoline amounted to 9.040 million bpd, down (1.7%) YoY

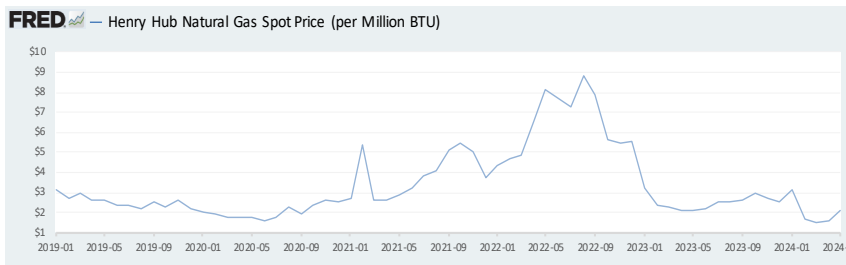


Distillates

- Distillate inventories decreased by 0.9 million in the week of June 14
- Total distillate inventories amounted to 123.4 million barrels, up 8.4% YoY
- Distillate production averaged 5.032 million bpd, up 0.9% YoY
- Demand for distillates averaged 3.649 million bpd in the week, up 2.1% YoY

○ **Natural Gas**

- Natural gas inventories increased by 74 billion cubic feet last week
- Total natural gas inventories now amount to 2,974 billion cubic feet, up 12.9% YoY



Credit News

High yield bond yields decreased 4bps to 7.85% and spreads increased 19bps to 348bps. Leveraged loan yields decreased 16bps to 9.21% and spreads increased 8bps to 500bps. WTD Leveraged loan returns were negative 3bps. WTD high yield bond returns were positive 27bps. 10yr treasury yields decreased 4bps to 4.24%. Spreads widened as investors absorbed softer US CPI report, political turmoil in France, rise in jobless claims, and Fed DOTS which support a view of delayed but not necessarily shallower easing cycle.

High-yield:

Week ended 06/14/2024

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.85%	348	7.89%	330	(4)	19

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$93.52	\$93.39	13	0.27%	0.37%	2.49%	13.5%

Fund Flows²

Total Flows (\$)
\$10mm

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
4	\$2.4bn	\$158.5bn	\$86.8bn	+83%

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

5/31/24	4/30/24	3/28/24
7.63%	6.55%	6.00%

Total HY Defaults

5/31/24	4/30/24	3/28/24
1.25%	1.55%	1.67%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 06/14/2024

▪ **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
9.21%	500	9.37%	492	(16)	8

▪ **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$95.90	\$96.10	-20	-0.03%	0.07%	4.31%	12.9%

▪ **Fund Flows²**

Total Flows (\$)
\$547mm

▪ **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
40	\$40.8bn	\$634.4bn	\$125.4bn	+406%

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

5/31/24	4/30/24	3/28/24
6.02%	5.57%	5.44%

▪ **Total Loan Defaults**

5/31/24	4/30/24	3/28/24
1.25%	1.32%	1.86%

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 06/14/2024

▪ **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
23	\$11.0bn	\$4.5bn	\$6.5bn

▪ **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
401	\$181.0bn	\$94.0bn	\$87.0bn	\$52.9bn	+242%

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

Ratings activity:

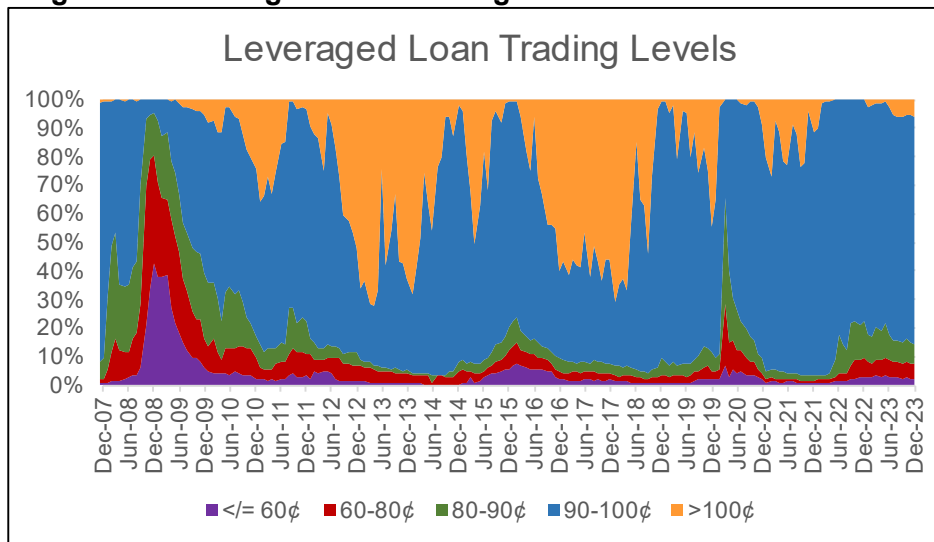
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7x
Week Ending 01/05/24	1	2	0.5x	0	2	0.0x
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	0	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	1.1x
Week Ending 03/15/24	12	7	1.7x	15	5	3.0x
Week Ending 03/22/24	6	5	1.2x	7	10	0.7x
Week Ending 03/29/24	9	2	4.5x	15	14	1.1x
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7x	8	7	1.1x
Week Ending 04/19/24	14	10	1.4x	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4x	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
Week Ending 05/17/24	13	7	1.9x	13	4	3.3x
Week Ending 05/24/24	10	6	1.7x	13	10	1.3x
Week Ending 05/31/24	12	3	4.0x	14	10	1.4x
Week Ending 06/07/24	9	14	0.6x	10	9	1.1x
Week Ending 06/14/24	10	7	1.4x	11	12	0.9x
YTD 2024	215	160	1.3x	252	196	1.3x

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	90.5	93.9	85.4	8.5
Leveraged Loans	95.1	96.2	93.2	3.0

[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 5/15/24

[3] HY low price as of 10/20/23. LL low price as of 6/21/23

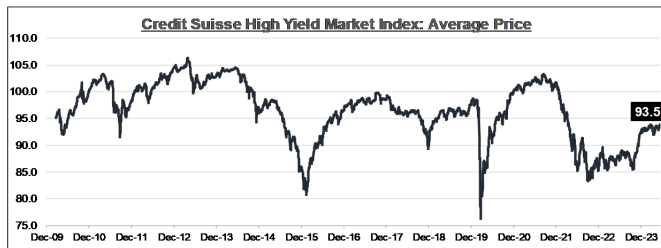
Diagram C: Leveraged Loan and High Yield Returns

Leveraged Loan and High Yield Returns				
	Leveraged Loan Indices		High Yield Indices	
	Credit Suisse [1]	S&P/LSTA [2]	Credit Suisse [1]	S&P [2]
Weekly Return	(0.03%)	0.07%	0.27%	0.25%
MTD Return	0.07%	0.27%	0.37%	1.08%
YTD Return	4.31%	4.29%	2.49%	2.36%

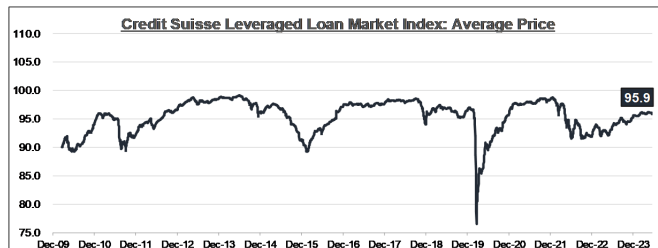
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 06/14/2024

[2] Yield data as of 06/14/2024

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

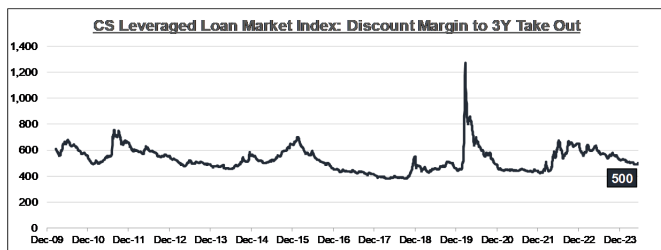


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.

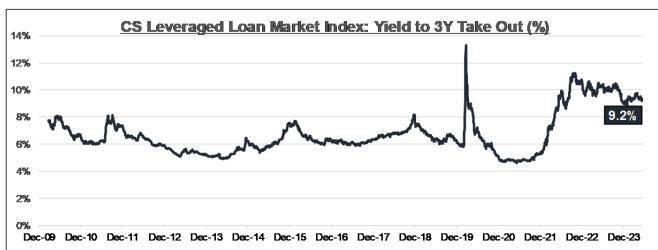


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

Diagram E: Leveraged Loans Spreads & Yields

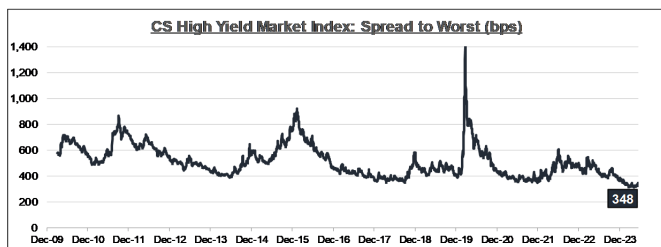


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.

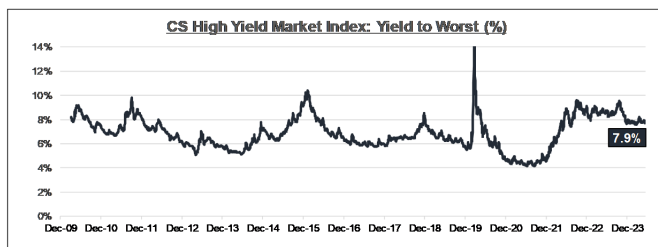


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

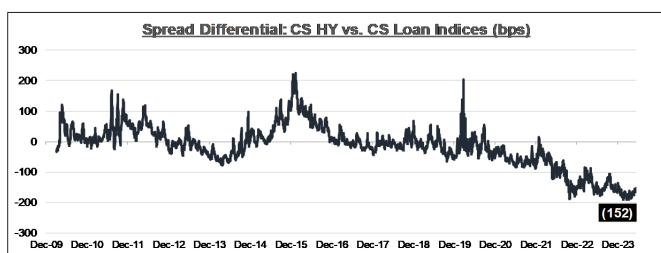


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



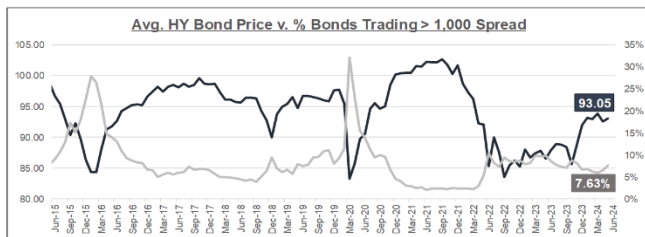
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans

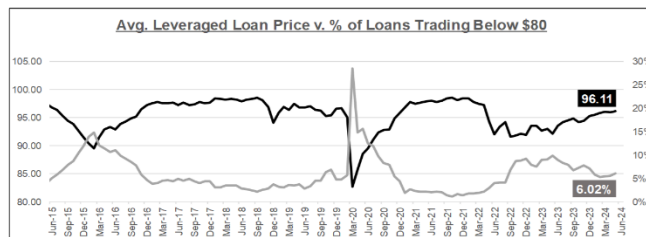


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

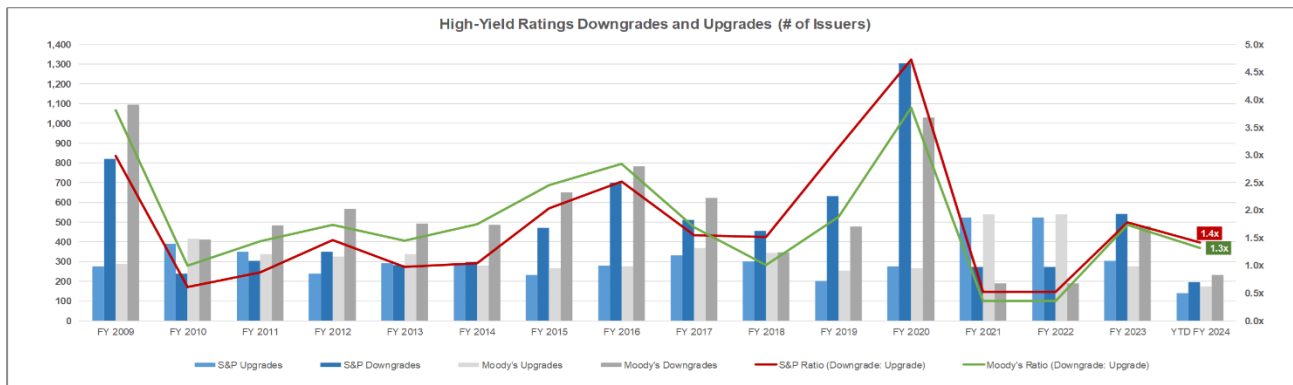
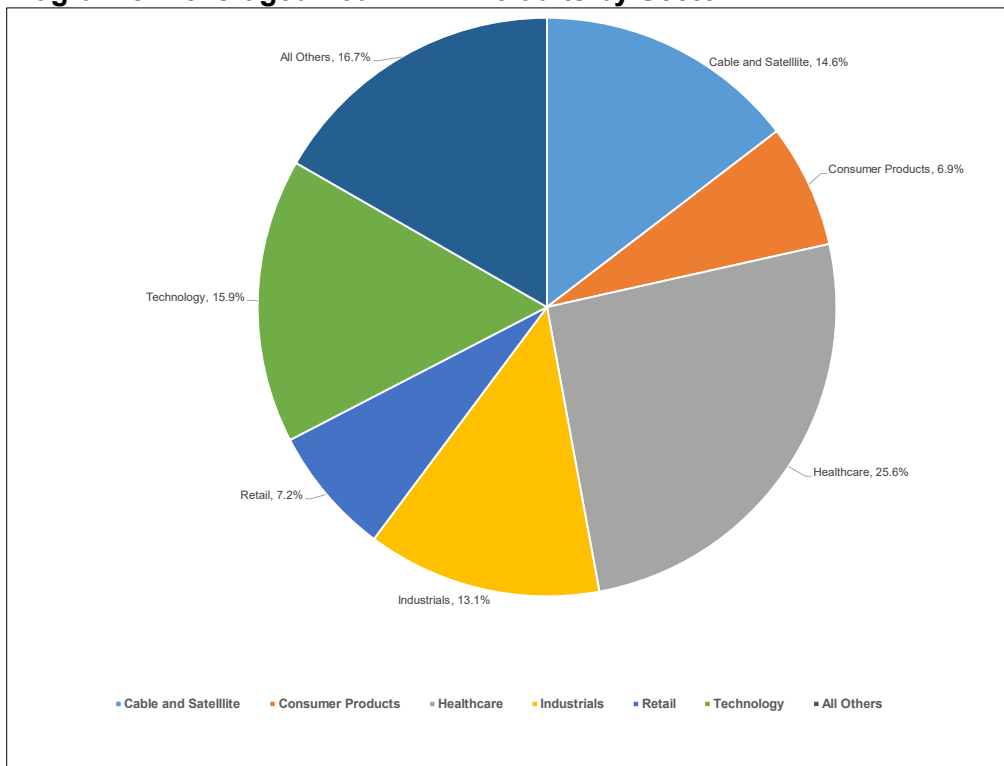


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



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

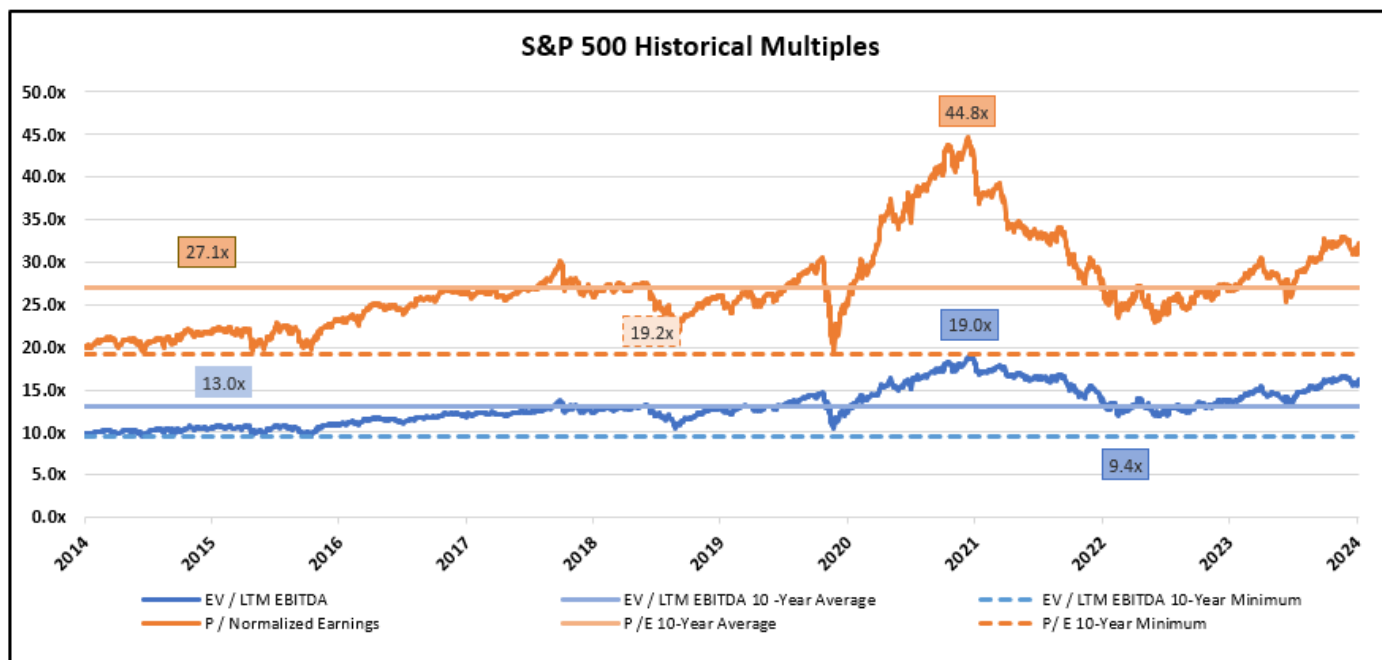
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	5/24/24	5/31/24	6/7/24	6/14/24	Change				
					Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.06%	3.14%	3.10%	3.13%	3 bps	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.58%	2.66%	2.62%	2.36%	(26 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.89%	3.98%	3.96%	3.93%	(3 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	1.01%	1.07%	0.98%	0.94%	(3 bps)	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.26%	4.32%	4.26%	4.06%	(21 bps)	(90 bps)	6 bps	93 bps	(18 bps)
US									
US - 2 year	4.94%	4.87%	4.89%	4.70%	(18 bps)	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.53%	4.51%	4.46%	4.24%	(22 bps)	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.48%	4.50%	4.43%	4.22%	(21 bps)	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.58%	4.65%	4.55%	4.35%	(21 bps)	(89 bps)	106 bps	27 bps	(24 bps)

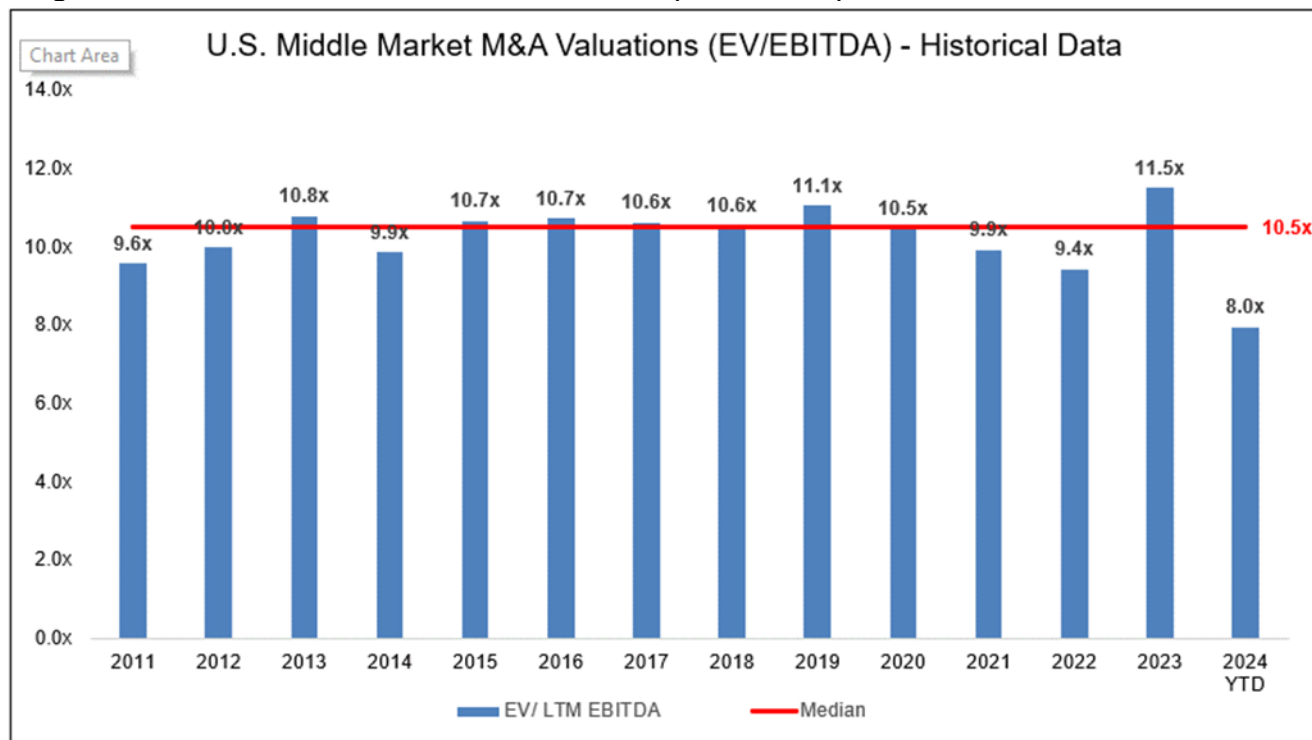
Source: Bloomberg

Diagram O: S&P 500 Historical Multiples



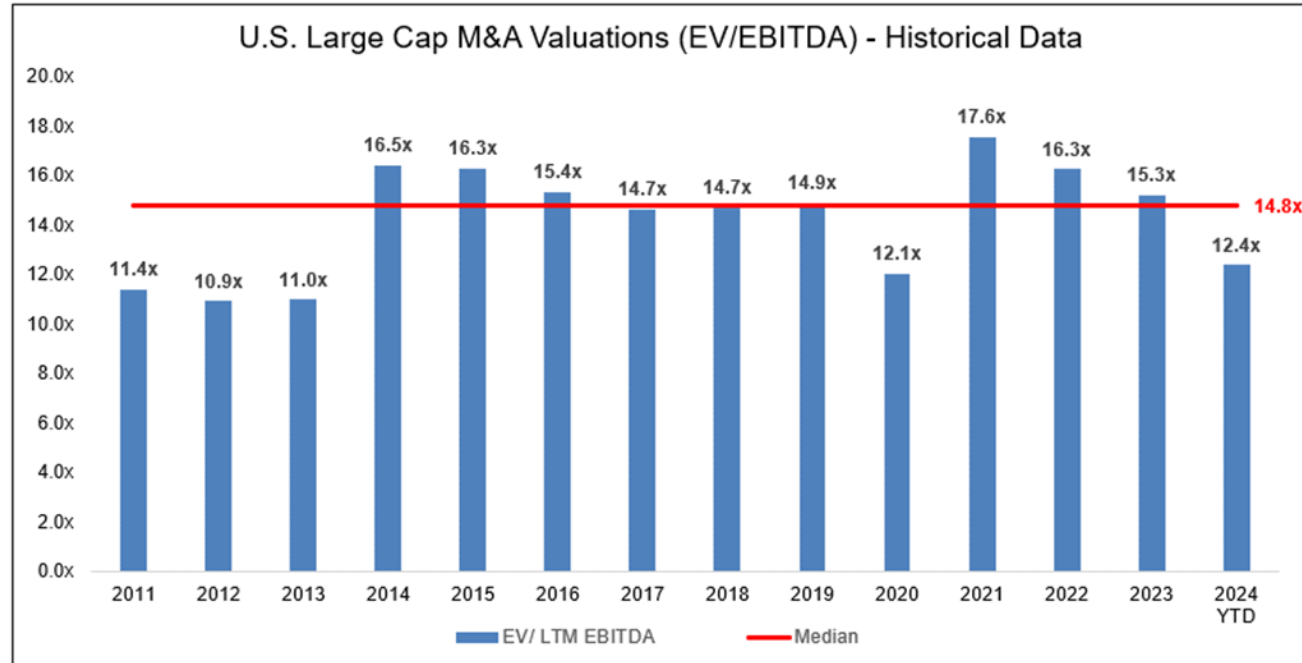
Source: S&P Capital IQ

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



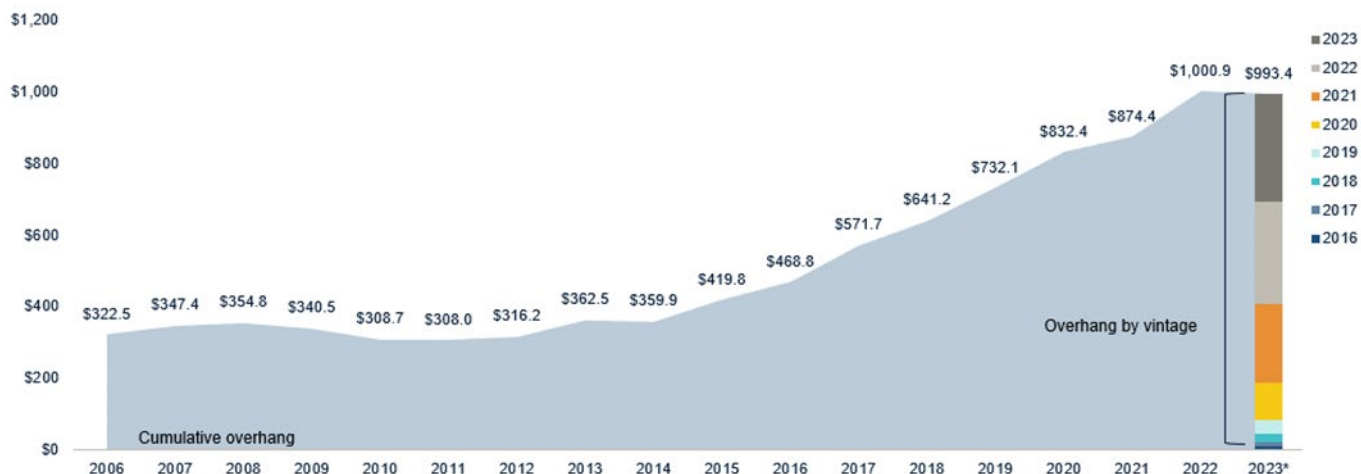
Source: Pitchbook

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



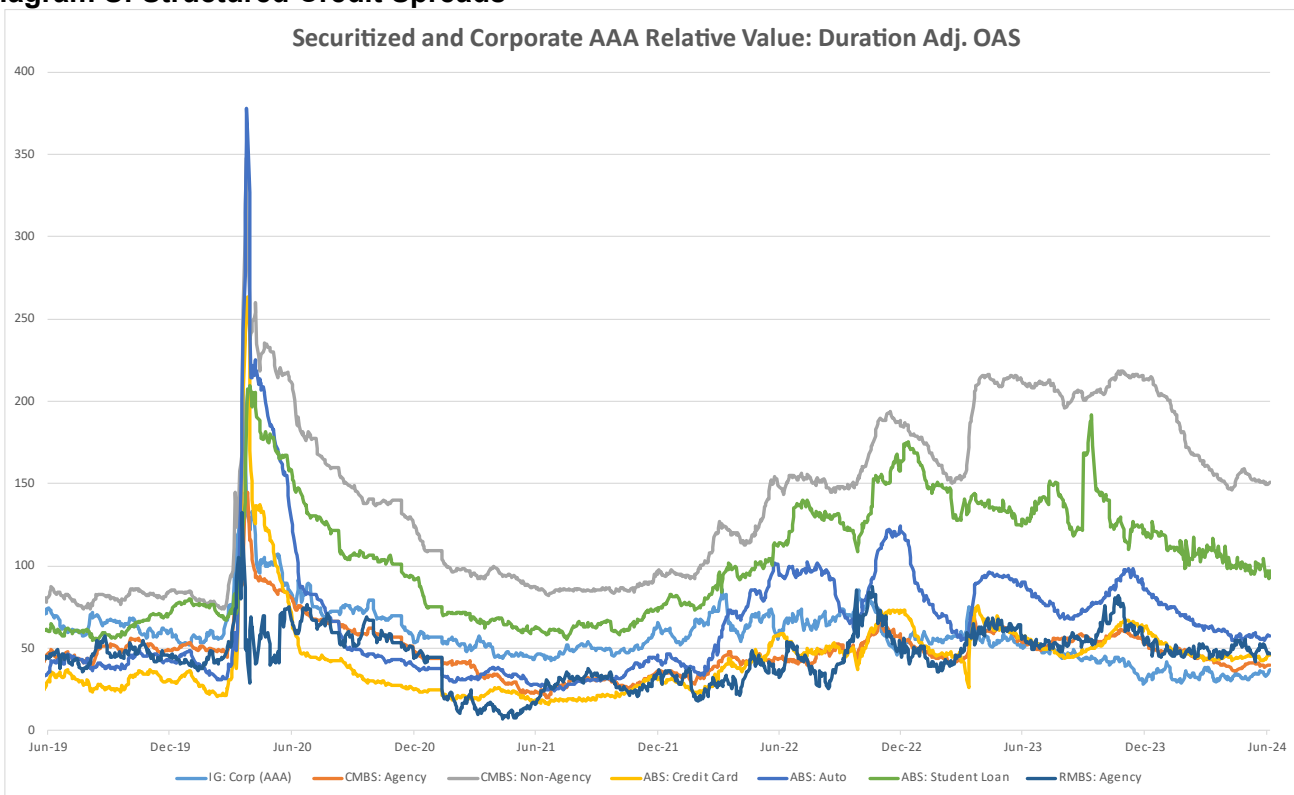
Source: Pitchbook

Diagram R: Dry Powder for All Private Equity Buyouts



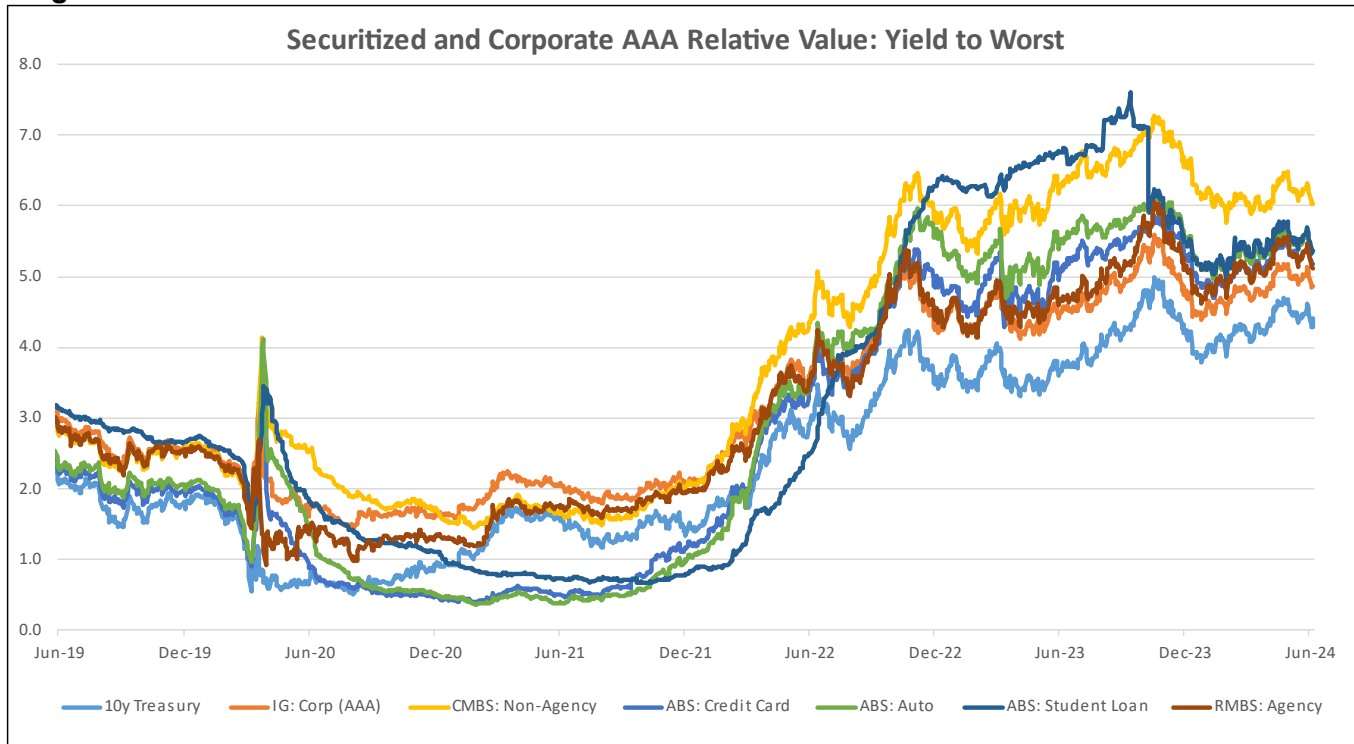
Source: Pitchbook

Diagram S: Structured Credit Spreads



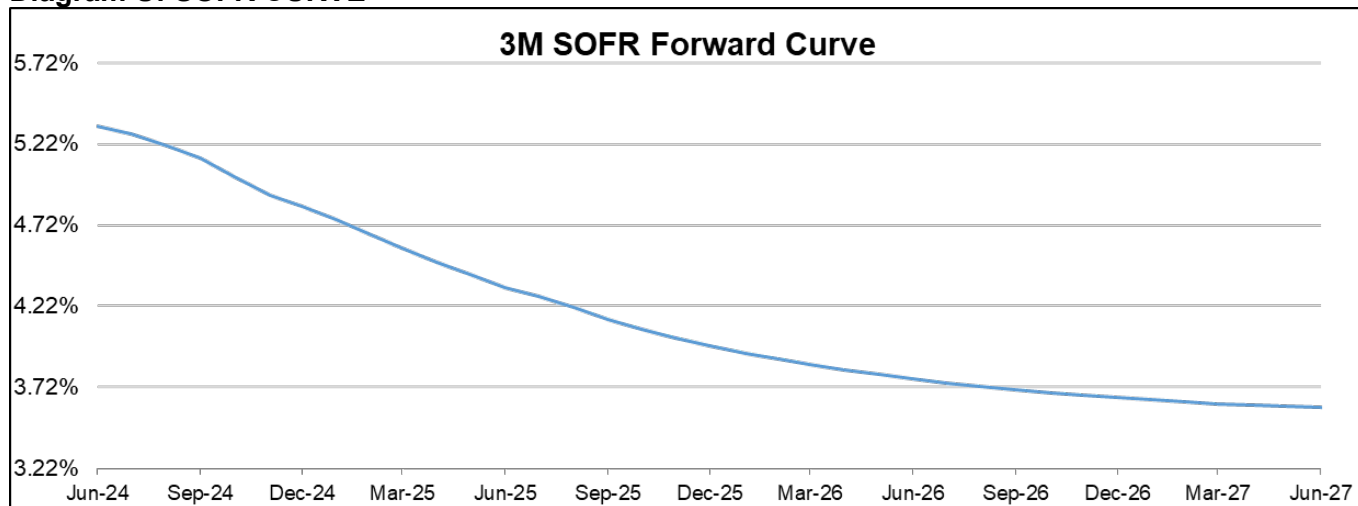
Source: Bloomberg

Diagram T: Structured Credit Yield



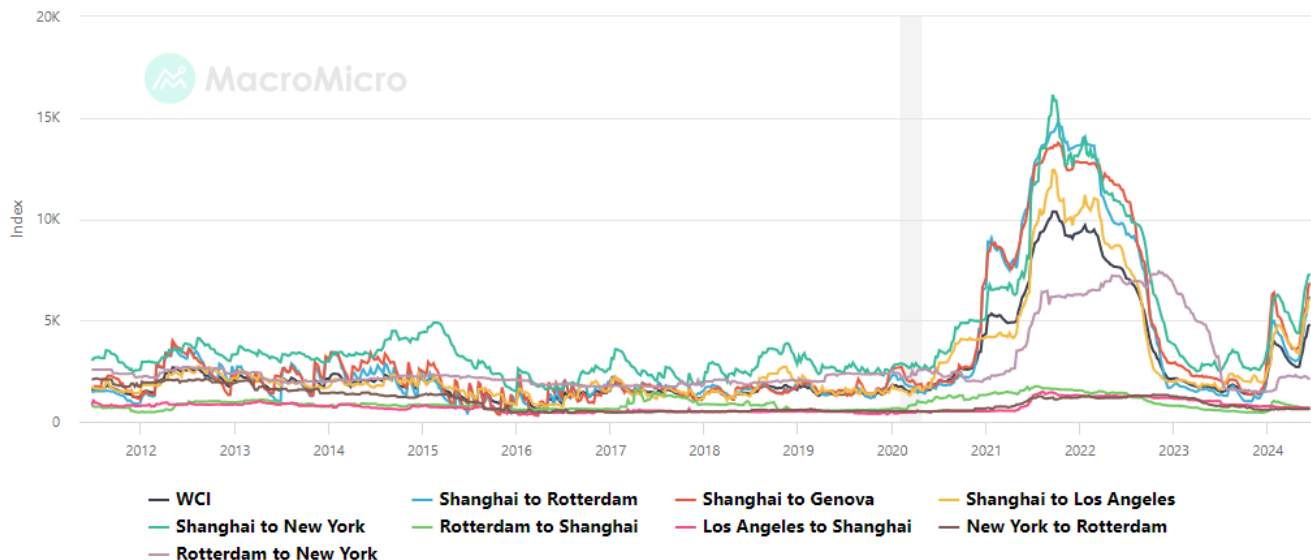
Source: Bloomberg

Diagram U: SOFR CURVE

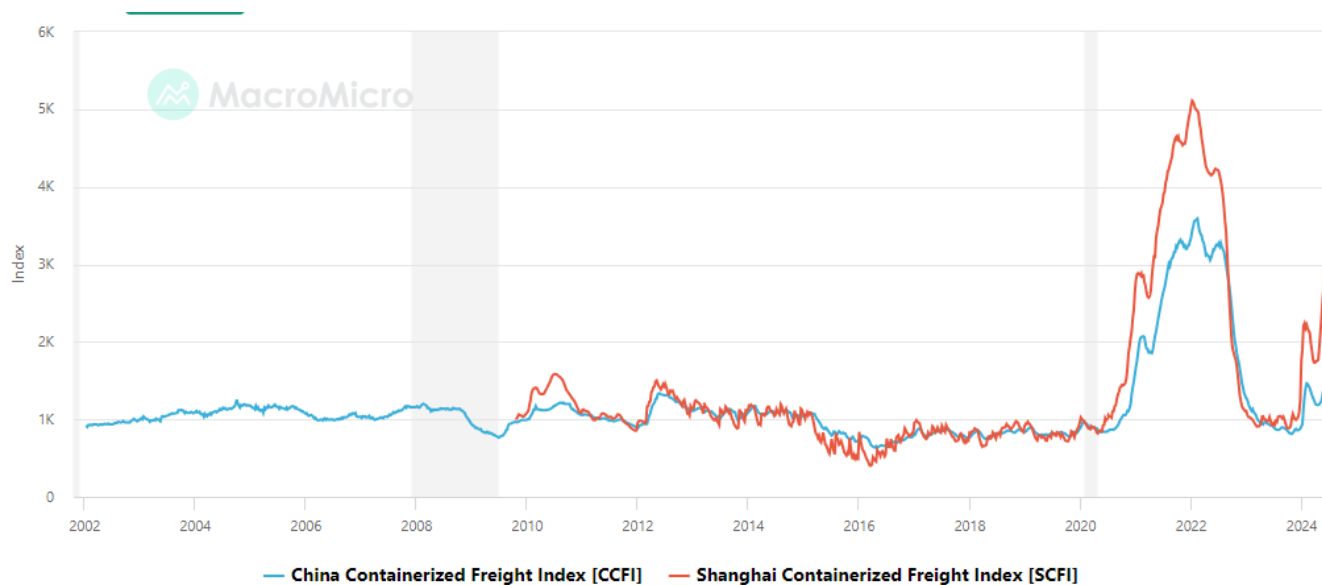


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index

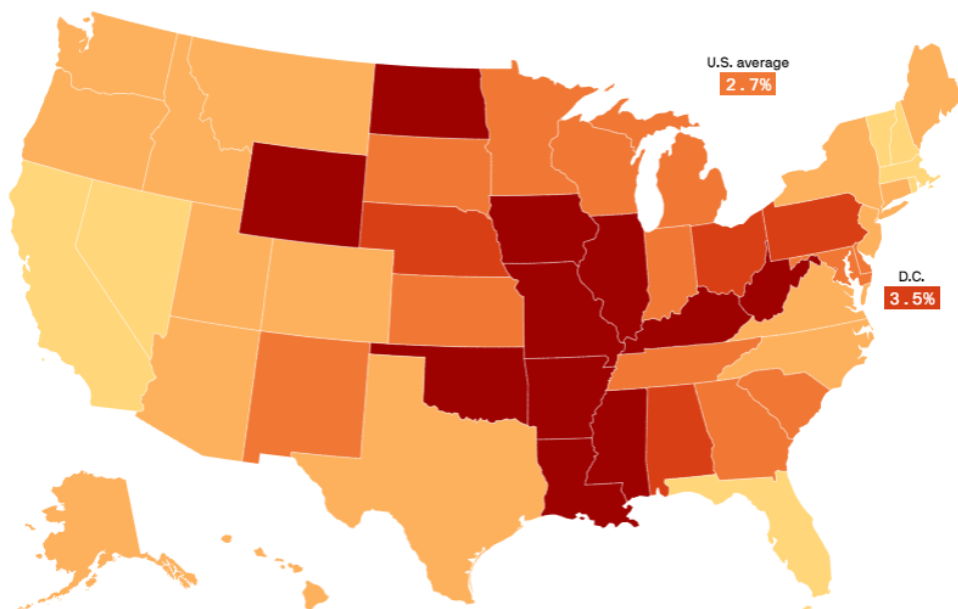
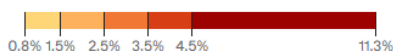


Real Estate

Section 1:

Share of mortgaged homes considered "seriously underwater", Q1 2024

Defined as 25% or more owed above the total estimated market value of the property



Data: [Attom](#); Map: Tory Lysik/Axios Visuals

- While most U.S. homeowners are sitting on a mountain of home equity after years of rising house prices, in some pockets of the country an increasing share of mortgage holders are underwater on their loans.
- Why it matters: That means these folks owe more on the mortgage than their home is worth, which puts them in a horrendous financial situation if they need to sell their house.
- State of play: The South and Midwest have the highest share of underwater mortgages, per Attom.
 - That's because in these areas home values have fallen from their peak during the pandemic housing boom.
 - And people who bought at the top are seeing their home value dip below what they paid (or borrowed) for the house.
- Zoom in: Louisiana has highest share of underwater mortgages (11.3%), up about a percentage point from a year ago. Home values dropped 6% from their summer 2022 peak, per Redfin data.
 - In Wyoming, No. 2 on the list, the share grew from 3.3% to 8.8%, and home values are down roughly 12% since June 2023.
- Reality check: These shares are still relatively small. After the housing crisis of 2008 1 in 4 homes with mortgages were underwater.
 - Unemployment was high in that recession and many people who couldn't pay back their loans by selling their house were forced into foreclosure or short sales.
 - Right now unemployment in the U.S. is low — and the economy is strong.
- What they're saying: Don't panic. "It could be a temporary increase and not necessarily a major concern," National Association of Realtors chief economist Lawrence Yun tells us.

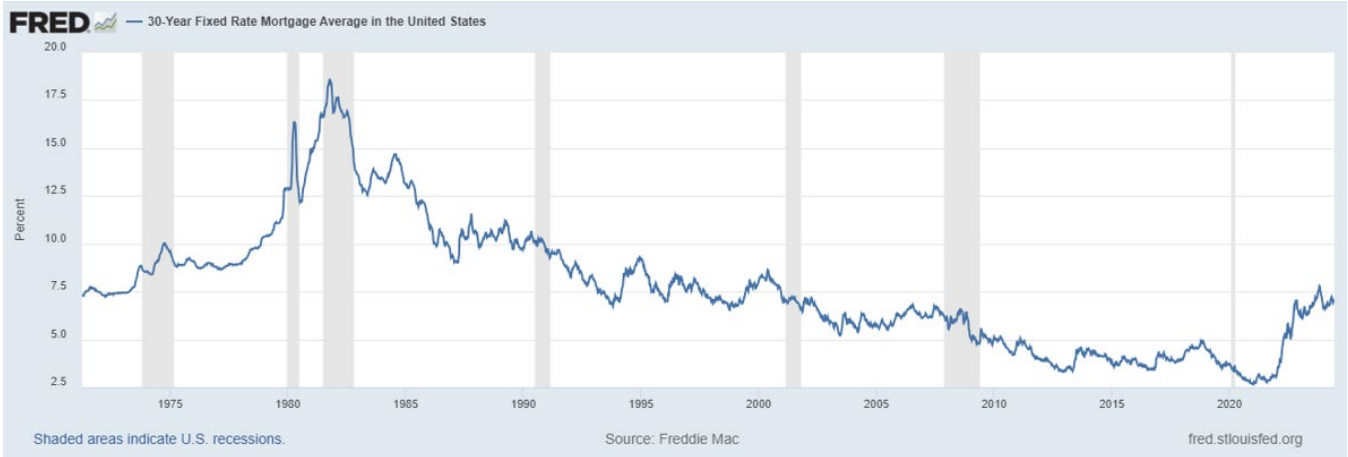
- Yes, but: If the labor market or economy takes a turn, underwater homeowners are more at risk.
 - With today's high mortgage rates, the most financially secure people are buying in cash, Redfin chief economist Daryl Fairweather says.
 - Recent buyers who took out a mortgage likely have less cash to fall back on.
- What's next: "This year's spring buying season will be of heightened importance in telling us if there is a new long-term market pattern developing," according to Attom CEO Rob Barber.

Source: Axios

Section 2:

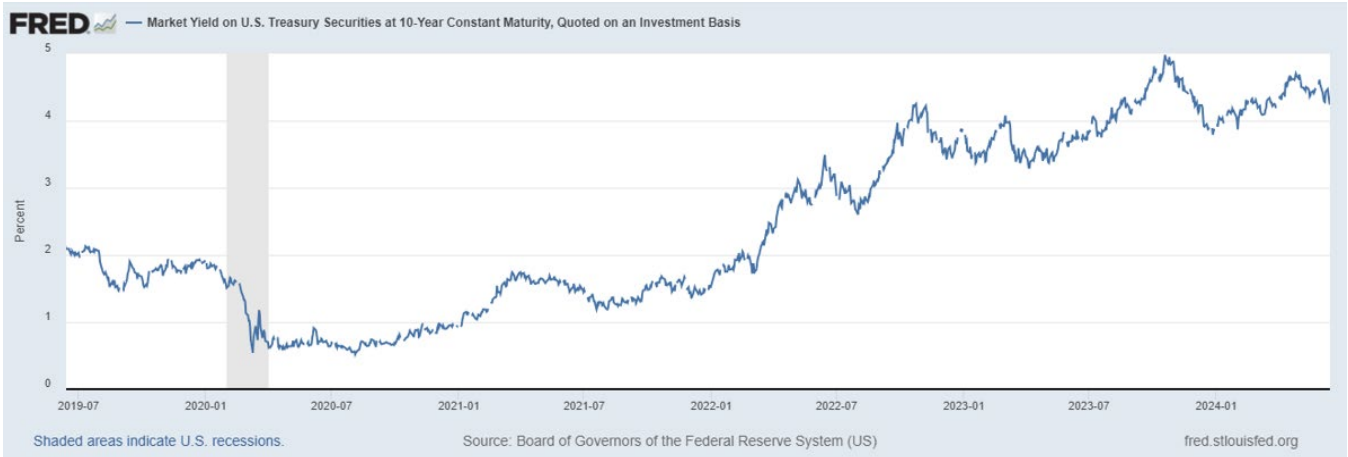
30 Year Fixed Mortgage

6/13/24: 6.95



10-year US Treasury

6/13/24: 4.24



About ZCG

Z Capital Group, LLC (“ZCG”) is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, and 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 of dollars of capital and have industry leading track records in private equity and credit.

ZCG has a global team comprised of over 400 professionals. For more information on ZCG, please visit www.zcg.com.

Asset Management

Z Capital Partners, LLC (“ZCP”) is the private equity fund management platform of ZCG. ZCP pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turnarounds.

ZCP has a specialized approach including our consulting practice, ZCG Consulting, LLC, and technology affiliate, Haptiq, LLC, 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 of the ZCP and ZCCP investment platforms share ZCG common resources, including infrastructure, legal, and cross global intelligence.

Consulting

ZCG Consulting, LLC (“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, business operations, c-suite advisory, real estate operations & management, and insurance & risk management. 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. For more information on ZCGC, please visit www.zcgc.com.

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PERFORMANCE

Market Indices table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes DJIA, S&P 500, NASDAQ, MSCI - EAFE, MSCI - Emerging Markets, US Dollar Index, VIX, US Equities Avg Daily Dollar Volume.

Market Ratios table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes TED Spread, Put/Call Ratio.

Commodities Indices (\$ USD) table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes Core Commodity Index, Crude Oil - Brent, Natural Gas, Coal.

Metals table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes Aluminum, Copper, Iron Ore, Steel - Hot Rolled Coil, Steel - Cold Rolled Coil, Ferrous Scrap.

Agriculture table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes Butter, Cheese, Cocoa, Corn, Milk, Non Fat Dry, Soybean, Sugar, Wheat, Live Cattle, Lean Hogs, Beef, USDA Ground, Chicken.

Energy & Metals table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes Gasoline - Pump, Gasoline - Futures, Crude Oil - WTI, Natural Gas, Coal.

Currencies table with columns for 14-Jun, 7-Jun, 2024, 2025, Low, High. Includes Japanese Yen, Chinese Renminbi, Swiss Franc, British Pound, Euro Zone Euro.

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: LCD News)

Table showing weekly ending bank loans, high yield, and mutual fund inflows/outflows from 12-Jun-24 to 17-Apr-24.

NEW ISSUE SUMMARY - BI-WEEKLY

Table showing institutional loans and high yield new issues with columns for 6/14/2024, Deals, Amt (\$mm).

ECONOMIC DATA RECAP

Table showing key economic indicators: Initial Jobless Claims, Continuing Claims, Change in Non-Farm Payrolls, Change in Private Payrolls.

Table showing unemployment rates and average work week for U-3, U-6, and Average Work Week.

Table showing housing and mortgage indicators: Existing Home Sales, Housing Starts, S&P/Case-Shiller Composite.

Table showing consumer confidence and GDP: Consumer Confidence, GDP (YoY, QoQ-Annualized).

Fed & Treasury Balance Sheet table with columns for 12-Jun, 5-Jun, WoW Change, YoY Change.

US Debt Outstanding table with columns for 4Q23, 3Q23, QoQ Change, YoY Change.

Shared National Credit table with columns for 2023, 2022, YoY Change.

ECONOMIC / GDP DATA

International Monetary Fund Growth Rates (Source: IMF "World Economic Outlook")

Table showing international monetary fund growth rates for 2020, 2021, 2022, 2023, 2024 for various countries.

Market Indices table (continued) with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change. Includes S&P/LSTA Leveraged Loan Index, Barclays High Yield Index, Barclays Aggregate.

Loan Market Bids table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change. Includes S&P Flow Name Index, S&P 100 Name Index, S&P BB's Index, S&P B's Index, S&P CCC's Index.

Loan Market Spreads table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change. Includes S&P BB's Index, S&P B's Index, S&P CCC's Index.

Credit Default Swap - Volatility Indices table with columns for Index, 14-Jun, 7-Jun, WoW Change, YTD Change. Includes Investment Grade CDS, High Yield CDS.

Credit table with columns for 14-Jun, 7-Jun, WoW Change, YOY Change. Includes High Yield, LCD Flow Name, US Treasury 2-Yr, US Treasury 3-Yr, US Treasury 5-Yr, US Treasury 7-Yr, US Treasury 10-Yr.

US CLO Spreads - New Issue table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change. Includes AAA, AA, A, BBB, BB.

Market Rates table with columns for 14-Jun, 7-Jun, WoW Change, YTD Change. Includes Fed Fund Rate, Prime Rate, Broker Call Rat, 1M SOFR, 3M SOFR, 6M SOFR.

Short Interest - Billions of shares table with columns for 29-Feb, 31-Jan, MoM Change, YTD Change. Includes NYSE Mkt Short Interest, Nasdaq Short Interest.

Fed Corp Primary Dealer Positions - \$ USD in Billions table with columns for 5-Jun, 29-May, WoW Change, YTD Change. Includes Net Outright Total Corp Securities.

Margin Debt - \$ USD in Billions table with columns for 30-Apr, 31-Mar, MoM Change, YTD Change.

Leveraged Finance Primary Volume - \$ USD in Billions

Table showing leveraged finance primary volume with columns for 6/14/2024, Year To Date 2024, 2023, Year End 2022, YoY Change.

DEFAULT ACTIVITY

Table showing total loan defaults as of 6/14/2024 with columns for 31-Mar, 29-Feb, YE 2023.

Table showing default rates by total amount of all loans outstanding and by total number of all loan issuers.

Employment - Labor Participation Rates

Table showing labor force participation rates with columns for 31-Mar, 29-Feb, YTD Change.

Government Assistance

Table showing government assistance programs with columns for 31-Mar, 29-Feb, YTD Change.

Retail Sales

Table showing retail sales with columns for 31-Mar, 29-Feb, YTD Change.

US Home Foreclosures and Delinquencies

Table showing home foreclosures and delinquency rates with columns for 31-Mar, 29-Feb, YTD Change.

U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas

Table showing US rig counts with columns for 14-Jun, 7-Jun, YTD Change.

Rail & Truck Volume

Table showing rail and truck volume with columns for 31-Mar, 29-Feb, YTD Change.

TSA Checkpoint Travel Numbers

Table showing TSA checkpoint travel numbers with columns for 13-Jun, 6-Jun, WoW Change, YoY Change.

Freight Rates

Table showing freight rates with columns for 14-Jun, 7-Jun, WoW Change, YTD Change, YoY Change.