

# **Briefing Global Economic & Credit Market** Week 25 Ending - June 21, 2024

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### Economic Calendar

- o Tuesday, June 25: Consumer confidence
- Wednesday, June 26: New home sales
- Thursday, June 27: Initial jobless claims; pending home sales
- o Friday, June 28: Consumer sentiment

## **Key Market Metrics**

- o S&P 500: +0.61% WoW; +14.57% YTD; +24.71% YoY; 15.6x LTM EBITDA; 13.3x NTM **EBITDA**
- Dow Jones: +1.45% WoW; +3.88% YTD; +15.33% YoY; 11.4x LTM EBITDA; 12.5x NTM **EBITDA**
- Nasdag: +0.00% WoW; +17.84% YTD; +29.78% YoY
- Ten Year US Treasury Yield: 4.31% +39 bps YTD; +46 bps YoY
- Currency:
  - British Pound per USD: \$1.26; (0.4%) WoW; (0.7%)YTD; (0.9%)YoY
  - Euro per USD: \$1.07; (0.1%) WoW; (3.2%)YTD; (2.4%)YoY
  - USD per Yen: ¥159.80; 1.5% WoW; 13.4% YTD; 11.7% YoY
  - Swiss franc per EUR: 1.05 CHF; (0.4%)WoW; (2.9%)YTD; 2.5% YoY

#### U.S. News

#### **Retail Sales**

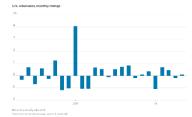
- U.S. retail sales rose 0.1% in May from April, lower than the 0.2% increase that economists expected
- Excluding autos, retail sales slipped 0.1% in May from April; economists expected a 0.2% gain
- Consumers increased their spending on cars, electronics and clothing, while pulling away from purchases at gas stations and stores selling furntiture, building materials and sporting goods

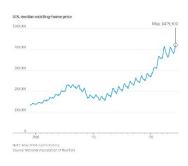
#### **Existing Home Sales**

- Prices for existing homes rose to \$419,300 in May, a year over year increase of 5.8%
- Sales of previously owned homes decreased 0.7% from April, the third straight monthly decline
- Despite lower demand, low inventory continues to spur bidding wars among home buyers, triggering an increase in prices
- Inventory has declined because high mortgage rates are deterring potential seller from listing their homes

## **Housing Starts Data**

- Privately-owned housing starts were at a seasonally adjusted annual rate of 1,277,000 in May, which is down 5.5% from the April estimate of 1,352,000
- The May results were 19.3% lower than the May 2023 rate of 1,583,000
- Single-family housing starts were at a seasonally adjusted annual rate of 982,000 in May, which is down 5.2% from the April estimate of 1,036,000

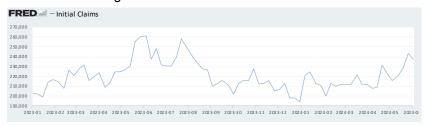






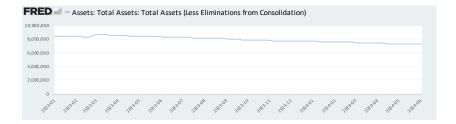
#### Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S.,
   decreased to 238,000 in the week ended June 14, down 5,000 from the prior week
- The four-week moving average was 232,750, up 5,500 from the prior week
- Continuing claims those filed by workers unemployed for longer than a week –
  increased by 15,000 to 1.828 million in the week ended June 7. This figure is reported
  with a one-week lag



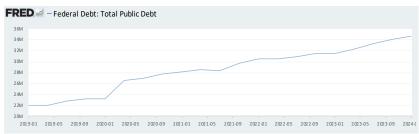
#### Fed's Balance Sheet

- The Federal Reserve's assets totaled \$7.253 trillion in the week ended June 21, down \$6.4 billion from the prior week
- Treasury holdings totaled \$4.458 trillion, down \$3.4 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.35 trillion in the week, up \$0.0 billion from the prior week



#### Total Public Debt

- Total public debt outstanding was \$34.73 trillion as of June 21, an increase of 7.9% from the previous year
- Debt held by the public was \$25.30 trillion, and intragovernmental holdings were \$7.06 trillion



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#### Inflation Factors

- o 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
- o 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
- o 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 \$5,116.87 per 40ft
  - Drewry's composite World Container Index has increased by 233.2% 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

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





#### World News

#### Israel/Gaza

- Israel conducted an airstrike on Saturday targeting Hamas military infrastructure in the residential Al-Shati refugee camp and the Al-Tuffah neighborhood. Hamas claims the attack killed 38 people and wounded 50 more
- Israeli military plans outline an assault into Lebanon should a larger-scale conflict between Israel and Hezbollah break out. The operation pends approval from the Israeli government
- Prime Minister Netanyahu dismantled the war cabinet, a small group intended to bring a unified approach in the war against Hamas, following disagreements among cabinet members in how to manage the Gaza war and the hostage crisis
- An Israeli military spokesperson last week questioned Prime Minister Netanyahu's aim of destroying Hamas, claiming this goal is not achievable without simultaneously replacing Hamas with another governing authority in the Gaza Strip. This statement highlighted the growing rift between Netanyahu and the Israeli military leadership

#### Russia

- Putin visited Vietnam on Thursday, securing university partnerships and cooperation between national tax authorities. Russia was unable to secure defensive or military arrangements regarding the war in Ukraine
- o Russia and North Korea signed a defensive pact, agreeing to provide 'military and other assistance' should the other be attacked
- Russia stated it is awaiting a response from the U.S. on proposals for a potential prisoner exchange, likely referring to Wall Street Journal reporter Evan Gershkovich and other detained U.S. citizens

#### Europe

- The European Commission recommended launching an Excessive Deficit Procedure against France, Italy, Belgium, Poland, Hungary, Slovakia, and Malta. EU policy requires governments to maintain budget deficits below 3% of GDP
- The European Union plans to impose additional tariffs on Chinese electric vehicles, in response to high Chinese state subsidies that could price out European EV car manufacturers. The tariffs will fall below the levels announced by the Biden administration
- 23 of 32 EU countries are currently on track to spend at least 2% of their economy on national defense this year, which is up from 6 in 2018

#### China

- Several Chinese companies announced that they have been told by the government to pay tax bills for tax misconduct dating as far back as the 1990s. The Chinese government denies that they are investigating tax evasion on a national scale
- Xi Jinping ordered an escalation in the purge of the Chinese military, emphasizing the dangers of corruption and ideological subversion in the People's Liberation Army
- China urges the U.S. to avoid interfering in internal affairs after U.S. leaders visited the Dalai Lama in India



## Geopolitical Hotspots

#### Saudi Arabia

 More than 1,170 pilgrims have died during the annual Hajj event, due to temperatures peaking above 125 degrees. This is the highest death toll at the pilgrimage since a stampede in 2015

#### Mexico

Tropical storm Alberto ravages Mexico's Gulf Coast, bringing heavy rain and flooding. While the storm brought little damage, it is the first named storm of what is expected to be a busy Atlantic hurricane season

#### France

Reports indicate that most French Jews are expected to vote for the far-right National Rally party in the upcoming snap elections. This marks a significant shift, driven by the left's perceived softness on the October 7 attack and the rising antisemitic sentiments in the country

#### **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

#### Argentina

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

#### 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

- o WTI: \$80.62 per barrel
  - +2.77% WoW; +12.52% YTD; +15.98% YoY
- o Brent: \$85.09 per barrel
  - +2.99% WoW: +10.45% YTD: +14.77% YoY



#### US Production

U.S. oil production amounted to 13.2 million bpd for the week ended June 14, down 0.1 million bpd from the prior week

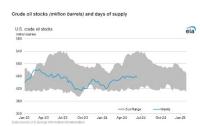
#### Rig Count

The total number of oil rigs amounted to 588, down 2 from last week

#### Inventories

#### o Crude Oil

- Total U.S. crude oil inventories now amount to 457.1 million barrels, down (1.3%) YoY
- Refiners operated at a capacity utilization rate of 93.5% for the week, down from 95.0% in the prior week
- U.S. crude oil imports now amount to 8.304 million barrels per day, down 14.5% YoY



#### o Gasoline

- Retail average regular gasoline prices amounted to \$3.46 per gallon in the week of June 21, down (3.6%) YoY
  - Gasoline prices on the East Coast amounted to \$3.47, down (1.4%) YoY



- Gasoline prices in the Midwest amounted to \$3.40, down (4.8%) YoY
- Gasoline prices on the Gulf Coast amounted to \$3.09, down (3.3%) YoY
- Gasoline prices in the Rocky Mountain region amounted to \$3.45, down (10.1%) YoY
- Gasoline prices on the West Coast amounted to \$4.42, down (5.5%)
- Motor gasoline inventories were down by 2.3 million barrels from the prior
- Motor gasoline inventories amounted to 231.2 million barrels, up 4.4% YoY
- Production of motor gasoline averaged 10.17 million bpd, up 3.6% YoY
- Demand for motor gasoline amounted to 9.386 million bpd, up 0.1% YoY

#### Distillates

- Distillate inventories decreased by -1.7 million in the week of June 21
- Total distillate inventories amounted to 121.6 million barrels, up 6.4% YoY
- Distillate production averaged 4.760 million bpd, down (6.2%) YoY
- Demand for distillates averaged 3.977 million bpd in the week, down (0.0%)

#### **Natural Gas**

- Natural gas inventories increased by 71 billion cubic feet last week
- Total natural gas inventories now amount to 3,045 billion cubic feet, up 11.6% YoY





#### **Credit News**

High yield bond yields increased 5bps to 7.82% and spreads increased 3bps to 341bps. Leveraged loan yields increased 10bps to 9.32% and spreads increased 10bps to 506bps. WTD Leveraged loan returns were negative 5bps. WTD high yield bond returns were flat. 10yr treasury yields increased 1bps to 4.25%. Yields and spreads rose amid a softer tone in economic data, mild flows, and the slower pace of capital market activity.

#### High-yield:

#### Week ended 06/21/2024

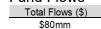
Yields & Spreads<sup>1</sup>

| Current Week |        | Prior | Week   | Δ (bps) |        |  |
|--------------|--------|-------|--------|---------|--------|--|
| Yield        | Spread | Yield | Spread | Yield   | Spread |  |
| 7.82%        | 341    | 7.77% | 339    | 5       | 3      |  |

Pricing & Returns<sup>1</sup>

|              | Pricing    | Returns |       |       |       |       |
|--------------|------------|---------|-------|-------|-------|-------|
| Current Week | Prior Week | Δ (bps) | WTD   | MTD   | YTD   | 2023  |
| \$93.63      | \$93.80    | -17     | 0.00% | 0.61% | 2.73% | 13.5% |

Fund Flows<sup>2</sup>



New Issue<sup>2</sup>

| Week                   |   |                                 | YTD       |          |          |      |
|------------------------|---|---------------------------------|-----------|----------|----------|------|
| # New Deals Total (\$) |   | Total (\$) Prior Year YTD CY vs |           |          | CY vs PY |      |
|                        | 7 | \$3.4bn                         | \$162.1bn | \$92.0bn |          | +76% |

Distressed Level (trading in excess of 1,000 bps)<sup>2</sup>

| 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%   |

<sup>&</sup>lt;sup>1</sup> Source: Credit Suisse High Yield and Leveraged Loan Index

<sup>&</sup>lt;sup>2</sup> Source: JP Morgan



#### Leveraged loans:

Week ended 06/21/2024

Yields & Spreads<sup>1</sup>

| Curren | Current Week |       | Prior Week |       | Δ (bps) |  |  |
|--------|--------------|-------|------------|-------|---------|--|--|
| Yield  | Spread       | Yield | Spread     | Yield | Spread  |  |  |
| 9.32%  | 506          | 9.22% | 496        | 10    | 10      |  |  |

Leveraged Loan Index1

| Pricing |              |            |         | Returns |       |       |       |
|---------|--------------|------------|---------|---------|-------|-------|-------|
|         | Current Week | Prior Week | Δ (bps) | WTD     | MTD   | YTD   | 2023  |
|         | \$95.75      | \$96.00    | -25     | -0.05%  | 0.10% | 4.33% | 12.9% |

Fund Flows<sup>2</sup>

Total Flows (\$) (\$16mm)

New Issue<sup>2</sup>

| Week        |            |  | YTD        |                |          |  |
|-------------|------------|--|------------|----------------|----------|--|
| # New Deals | Total (\$) |  | Total (\$) | Prior Year YTD | CY vs PY |  |
| 31          | \$25.5bn   |  | \$660.0bn  | \$129.2bn      | +411%    |  |

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 06/21/2024

New U.S. CLO Issuance<sup>2</sup>

| # Priced | Total (\$) | New Issue | Refis/Resets |  |
|----------|------------|-----------|--------------|--|
| 21       | \$9.8bn    | \$2.7bn   | \$7.1bn      |  |

New U.S. CLO YTD Issuance<sup>2</sup>

|   | Total U.S. CLOs | Total (\$) | New Issue | Refis/Resets | Prior Year YTD | CY vs. PY |
|---|-----------------|------------|-----------|--------------|----------------|-----------|
| ı | 422             | \$190 8bn  | \$96.8hn  | \$94 Ohn     | \$54 1bn       | +253%     |

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

<sup>&</sup>lt;sup>1</sup> Source: Credit Suisse High Yield and Leveraged Loan Index

<sup>&</sup>lt;sup>2</sup> Source: JP Morgan

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#### Ratings activity:

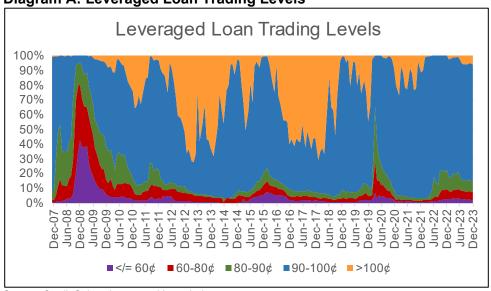
S&P and Moody's High Yield Ratings

| •                    |            | S&P      |       |            | Moody's  |       |  |  |  |
|----------------------|------------|----------|-------|------------|----------|-------|--|--|--|
|                      | Downgrades | Upgrades | Ratio | Downgrades | Upgrades | Ratio |  |  |  |
| Full Year 2023       | 546        | 304      | 1.8×  | 488        | 288      | 1.7×  |  |  |  |
| Week Ending 01/05/24 | 1          | 2        | 0.5x  | 0          | 2        | 0.0x  |  |  |  |
| Week Ending 01/12/24 | 8          | 6        | 1.3×  | 3          | フ        | 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        | 2.5×  |  |  |  |
| Week Ending 02/02/24 | 3          | 13       | 0.2x  | 11         | フ        | 1.6x  |  |  |  |
| Week Ending 02/09/24 | 18         | 6        | 3.0x  | 5          | フ        | 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       | 0.7×  |  |  |  |
| Week Ending 03/29/24 | 9          | 2        | 4.5×  | 15         | 14       | 1.1×  |  |  |  |
| Week Ending 04/05/24 | 8          | 11       | 0.7×  | 13         | 8        | 1.6x  |  |  |  |
| Week Ending 04/12/24 | 8          | 11       | 0.7×  | 8          | フ        | 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  |  |  |  |
| Week Ending 05/17/24 | 13         | 7        | 1.9×  | 13         | 4        | 3.3x  |  |  |  |
| Week Ending 05/24/24 | 10         | 6        | 1.7×  | 13         | 10       | 1.3×  |  |  |  |
| Week Ending 05/31/24 | 12         | 3        | 4.0x  | 14         | 10       | 1.4×  |  |  |  |
| Week Ending 06/07/24 | 9          | 14       | 0.6x  | 10         | 9        | 1.1×  |  |  |  |
| Week Ending 06/14/24 | 10         | 7        | 1.4×  | 11         | 12       | 0.9x  |  |  |  |
| Week Ending 06/21/24 | 9          | 6        | 1.5×  | 13         | 8        | 1.6x  |  |  |  |
| YTD 2024             | 224        | 166      | 1.3×  | 265        | 204      | 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. L |           |      |     |  |  |  |  |  |  |  |
| High Yield                             | 90.6                                       | 93.9      | 85.4 | 8.5 |  |  |  |  |  |  |  |
| Leveraged Loans                        | 95.1                                       | 96.2      | 93.2 | 3.0 |  |  |  |  |  |  |  |

<sup>[1]</sup> Data is from Credit Suisse High Yield Market Index and Credit Suisse Leveraged Loan Index

#### 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                             | (0.05%)           | (0.00%)      | 0.00%             | (0.12%) |  |  |  |  |  |  |
| MTD Return                                | 0.10%             | 0.18%        | 0.61%             | 0.97%   |  |  |  |  |  |  |
| YTD Return                                | 4.33%             | 4.20%        | 2.73%             | 2.24%   |  |  |  |  |  |  |

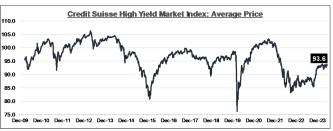
<sup>[1]</sup> Credit Suisse Total Return information is calculated weekly. Yield data is as of 06/21/2024

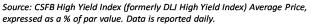
<sup>[2]</sup> HY high price as of 3/22/24. LL high price as of 5/15/24

<sup>[3]</sup> HY low price as of 10/20/23. LL low price as of 6/23/23

<sup>[2]</sup> Yield data as of 06/21/2024

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





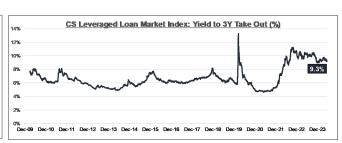


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

#### **Diagram E: Leveraged Loans Spreads & Yields**

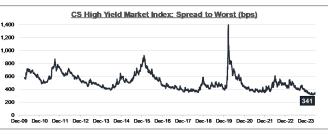


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



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) Spread-to-Worst, expressed in basis points. Data is reported daily.



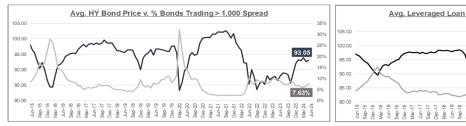
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

#### Diagram G: Spread between High Yield Bonds and Leveraged Loans



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

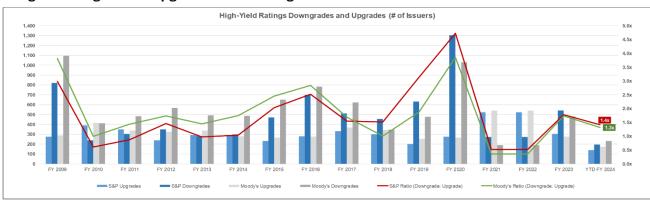
Diagram H: Percentage of Leveraged Loan and High Yield Market Trading at Distressed

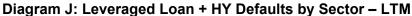


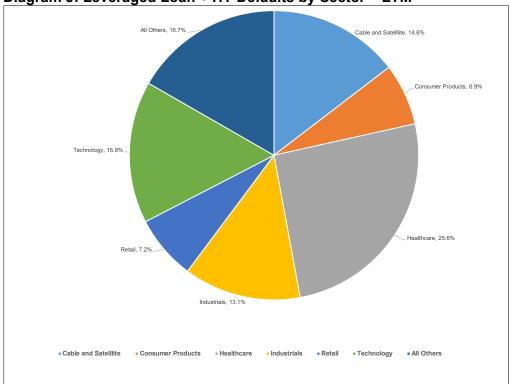


Source: CSFB. Data is reported monthly Source: JPM. Data is reported monthly.

#### Diagram I: High Yield Upgrades and Downgrades







Source: JP Morgan Default Monitor.



**Diagram L: CLO Economics** 

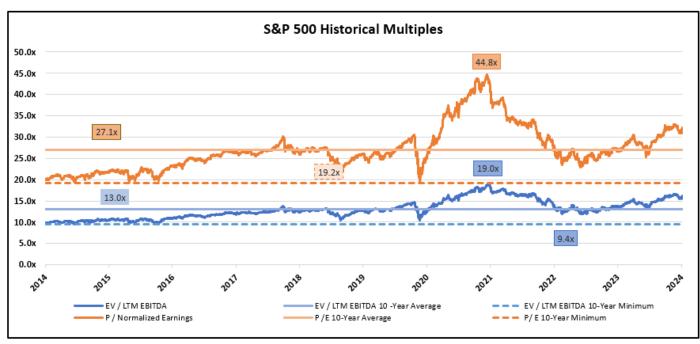
| CLO Economics |           |                 |                |          |           |                |          |                   |  |  |
|---------------|-----------|-----------------|----------------|----------|-----------|----------------|----------|-------------------|--|--|
| AAA Coupons   | 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%            |  |  |

<sup>\*</sup>Assumptions: 2% Default / 65% Recovery / 4 year Reinvestment Period

**Diagram N: Developed Country GovBond Yields (%)** 

|                   |         |        |         |         | Change |           |         |         |          |  |  |
|-------------------|---------|--------|---------|---------|--------|-----------|---------|---------|----------|--|--|
| Ву                | 5/31/24 | 6/7/24 | 6/14/24 | 6/21/24 | Weekly | Q4 2023   | Q3 2023 | Q2 2023 | Q1 2023  |  |  |
| France - 10 year  | 3.14%   | 3.10%  | 3.13%   | 3.21%   | 8 bps  | (84 bps)  | 47 bps  | 14 bps  | (32 bps) |  |  |
| Germany - 10 year | 2.66%   | 2.62%  | 2.36%   | 2.41%   | 5 bps  | (82 bps)  | 45 bps  | 10 bps  | (28 bps) |  |  |
| Italy - 10 year   | 3.98%   | 3.96%  | 3.93%   | 3.94%   | 1 bps  | (108 bps) | 71 bps  | (3 bps) | (62 bps) |  |  |
| Japan - 10 year   | 1.07%   | 0.98%  | 0.94%   | 0.98%   | 3 bps  | (20 bps)  | 42 bps  | (9 bps) | 2 bps    |  |  |
| UK - 10 year      | 4.32%   | 4.26%  | 4.06%   | 4.08%   | 3 bps  | (90 bps)  | 6 bps   | 93 bps  | (18 bps) |  |  |
| US                |         |        |         |         |        |           |         |         |          |  |  |
| US - 2 year       | 4.87%   | 4.89%  | 4.70%   | 4.73%   | 3 bps  | (90 bps)  | 21 bps  | 111 bps | (54 bps) |  |  |
| US - 5 year       | 4.51%   | 4.46%  | 4.24%   | 4.27%   | 4 bps  | (95 bps)  | 61 bps  | 80 bps  | (51 bps) |  |  |
| US - 10 year      | 4.50%   | 4.43%  | 4.22%   | 4.26%   | 3 bps  | (92 bps)  | 94 bps  | 52 bps  | (40 bps) |  |  |
| US - 30 year      | 4.65%   | 4.55%  | 4.35%   | 4.40%   | 5 bps  | (89 bps)  | 106 bps | 27 bps  | (24 bps) |  |  |
| Source: Bloombera | •       |        |         |         |        |           |         |         |          |  |  |

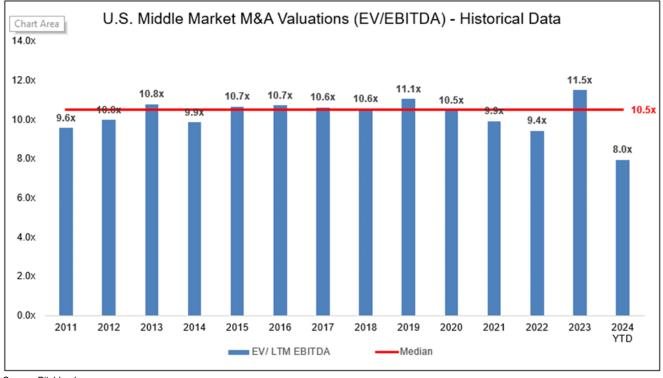
#### Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

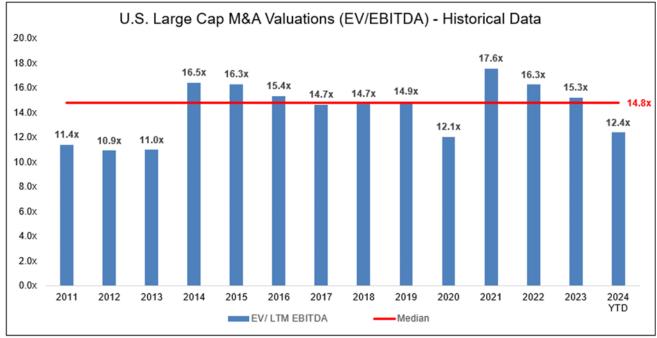
<sup>[1]</sup> Spread includes OID benefit based on 4 year repayment

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

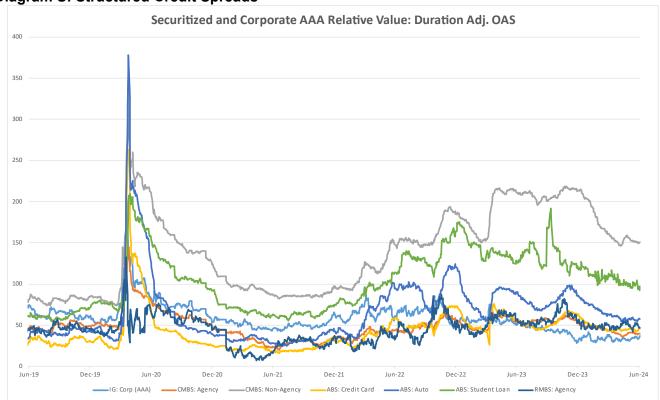


#### Diagram R: Dry Powder for All Private Equity Buyouts



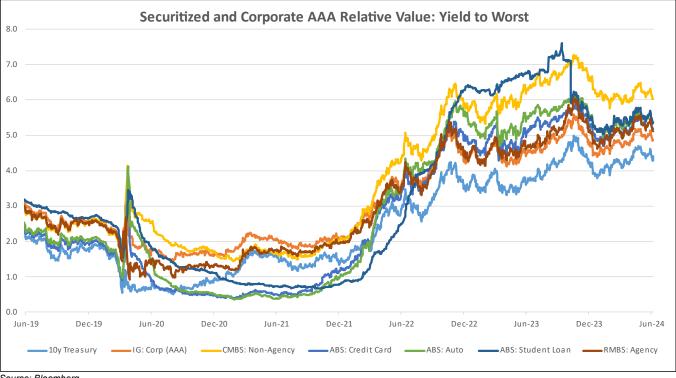
Source: Pitchbook

## **Diagram S: Structured Credit Spreads**



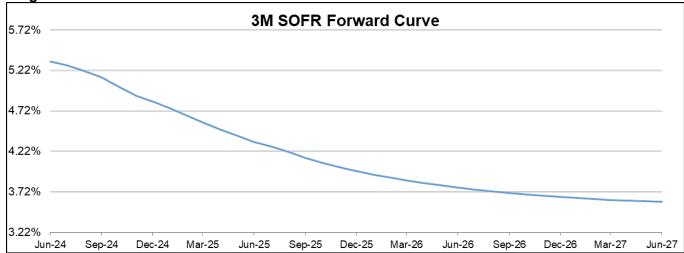
Source: Bloomberg





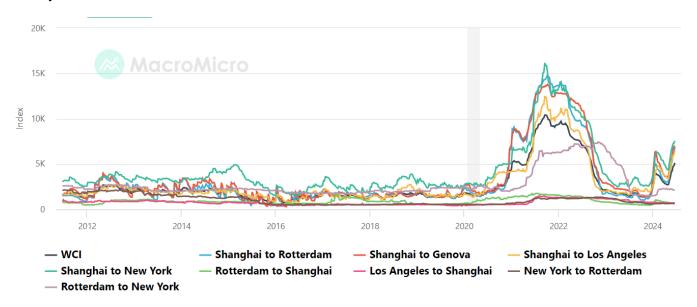
Source: Bloomberg

### **Diagram U: SOFR CURVE**

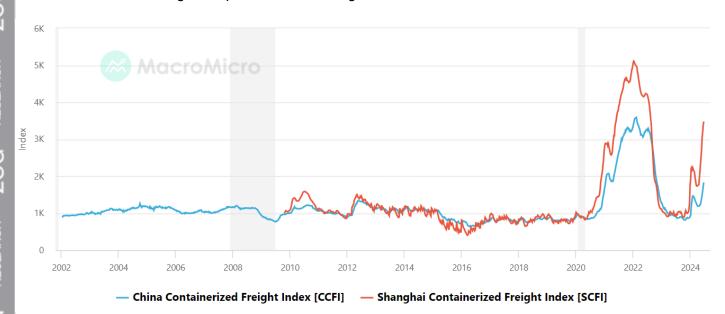


## **Freight Rates**

#### **Drewry World Container Index**



#### China-Global & Shanghai Export Container Freight Index

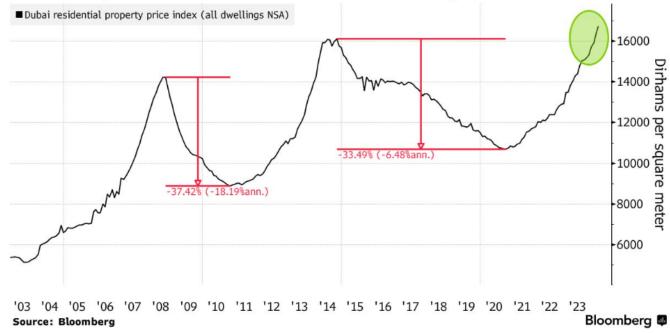


# ZCG

#### **Real Estate**

#### Section 1:

# Dubai Property Can See Wild Swings Prices in city have seen corrections of more than 30% in past



- Dubai's real estate market is defying predictions of a slowdown, with property prices rising for 15 consecutive quarters and home values up 20% year-on-year as of May 2024, driven by strong demand from Europe, India, and South Asia.
- Despite geopolitical tensions and rising living costs, Dubai saw record property transactions in 2023 and early 2024, with prices surging 60% and rents up 83% since 2020, due to an influx of wealthy investors and favorable policies.
- Dubai's property market has experienced sharp booms and busts, notably a major downturn in 2009 due to debt-fueled growth. Prices rebounded in 2011 but slumped again in 2014 following an oil price collapse. To limit volatility, the government introduced reforms, such as increasing required down payments for mortgages to 20%.
- Still, CBRE expects prices to start moderating from next year through 2027 as the bulk of new
  homes hits the market. CBRE thought the market would moderate by now considering the massive
  increases over the past few years. But now, looking at the dynamics, we're unlikely to see as big of
  a drop as the previous cycles in the near future.

Section 2: 30 Year Fixed Mortgage 6/20/24: 6.87



# 10-year US Treasury



Spread 6/20/24: 2.62



#### **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**.

#### **Technology**

Haptiq, LLC ("Haptiq") – 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. For more information on Haptiq, please visit www.haptiq.com.

**Olympus Fintech, LLC ("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. For more information on Olympus, please visit **www.olyfintech.com**.

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| Market Indices  DJIA SAP 500 NASDAQ MSCI - EAFE MSCI - Emerging Markets US Dollar Index VIX US Equities Avg Daily Dollar Volume  Market Ratios TED Spread 3 Month LIBO Put'Call Ratio  Commodities Indices (\$ USD)  Core Commodity Index  Gasdline - Pump |                              | 21-Jun<br>39,150.33<br>5,464.62<br>17,689.36<br>2,307.56 | 14-Jun<br>38,589.16<br>5,431.60 | WoW Change<br>1.45%  | YTD Change<br>3.88%     | YoY Change           | Market Indices  | 21-Jun<br>3,885.86                     | 14-Jun<br>3,885.73      | WoW Change          | YTD Change            | YoY Ci         |
|--|------------------------------|--|---------------------------------|----------------------|-------------------------|----------------------|---|--|-------------------------|---------------------|-----------------------|----------------|
| SAP 500 NASDAQ MSCI - EAFE MSCI - Emerging Markets US Dollar Index VIX US Equities Avg Daily Dollar Volume Market Ratios TED Spread 3 Month LIBO Put/Call Ratio Commodities Indices (\$ USD) Core Commodity Index  |                              | 39,150.33<br>5,464.62<br>17,689.36                       | 38,589.16<br>5,431.60           |                      | 2 000/                  |                      |   |  | 2.005.72                |                     |                       |                |
| MSCI - EAFE MSCI - Emerging Markets JS Dollar Index JIX JS Dollar Index JIX JS Equities Avg Daily Dollar Volume  Market Ratios FED Spread 3 Month LIBO Put/Call Ratio  Commodities Indices (\$ USD)  Tore Commodity Index                                  |                              |  |                                 | 0.61%                | 14.57%                  | 14.97%<br>30.74%     | S&P/LSTA Leveraged Loan Index<br>Barclays High Yield Index  | 2,542.99                               | 2,537.69                | 0.00%<br>0.21%      | 4.58%<br>2.95%        | 1              |
| MSCI - Emerging Markets US Dollar Index VIX US Equities Avg Daily Dollar Volume Market Ratios TED Spread 3 Month LIBO Put/Call Ratio Commodities Indices (\$ USD) Core Commodity Index   |                              | 4.307.56   | 17,688.88<br>2,306.41           | 0.00%<br>0.05%       | 17.84%<br>3.19%         | 44.99%<br>8.14%      | Barclays Aggregate  | 2,160.58                               | 2,163.85                | (0.15%)             | 0.42%                 |                |
| JIX JIS Equities Avg Daily Dollar Volume Market Ratios TED Spread 3 Month LIBO Pul/Call Ratio Commodities Indices (\$ USD) Core Commodity Index  |                              | 1,086.93<br>105.80                                       | 1,076.89<br>105.55              | 0.93%<br>0.23%       | 6.17%<br>4.40%          | 3.96%<br>3.98%       | Loan Market Bids<br>S&P Flow Name Index   |  | <b>21-Jun</b><br>99.81  | 14-Jun<br>99.86     | WoW Change<br>(0.05%) | YTD C          |
| Market Ratios TED Spread 3 Month LIBO Put/Call Ratio Commodities Indices (\$ USD) Core Commodity Index   | (\$ in Rillions)             | 13.20<br>311.27  | 12.66<br>321.79                 | 4.27%                | 6.02%                   | (29.52%)<br>(35.05%) | S&P 100 Name Index<br>S&P BB's Index  |  | 96.80<br>99.36          | 97.12<br>99.50      | (0.32%)<br>(0.14%)    | (              |
| TED Spread 3 Month LIBO Put/Call Ratio  Commodities Indices (\$ USD)  Core Commodity Index   | ( III Billiono)              | 011.27   | 021.70                          | (0.2170)             | (10.0070)               | (00.0070)            | S&P B's Index<br>S&P CCC's Index  |  | 98.16<br>77.73          | 98.34<br>78.11      | (0.18%)<br>(0.49%)    | (              |
| Put/Call Ratio  Commodities Indices (\$ USD)  Core Commodity Index   | AP 2 Month T Bills           | 21-Jun<br>24.86  | <b>14-Jun</b><br>18.01          | WoW Change<br>38.06% | YTD Change<br>(4.62%)   | YoY Change<br>27.95% | Loan Market Spreads   |  | 21-Jun                  | 14-Jun              | WoW Change            | YTD            |
| Core Commodity Index   | Equities                     | 0.63   | 0.58                            | 8.62%                | (3.08%)                 | 28.57%               | S&P BB's Index<br>S&P B's Index   |  | L+292<br>L+472          | L+293<br>L+468      | (1 bps)               | 1              |
|  | Metric                       | 21-Jun   |                                 | WoW Change           | YTD Change              | YoY Change           | S&P CCC's Index   |  | L+1779                  | L+1714              | 4 bps<br>65 bps       | 1              |
| Gasoline - Pumo  | CRY Index                    | 293.22   | 294.03                          | (0.28%)              | 11.14%                  | 7.95%                | Credit Default Swap - Volatility Indices  | Index                                  | 21-Jun                  | 14-Jun              | WoW Change            | YTD (          |
| Gasoline - Futures   | Gallon<br>Gallon             | 3.45<br>2.51   | 3.45<br>2.40                    | (0.03%)<br>4.75%     | 10.72%<br>19.55%        | (1.15%)<br>2.50%     | Investment Grade CDS<br>High Yield CDS  | Markit<br>Markit                       | 53.20<br>342.07         | 53.83<br>346.82     | (1.17%)<br>(1.37%)    | (              |
| Crude Oil - WTI<br>Crude Oil - Brent   | Barrel<br>Barrel             | 80.73<br>85.24   | 78.45<br>82.62                  | 2.91%<br>3.17%       | 12.67%<br>10.64%        | 6.39%<br>3.74%       | Credit  |  | 21-Jun                  | 14-Jun              | WoW Change            | YOY            |
| Natural Gas<br>Coal (1 contract = 1,000 tons)  | MM BTU<br>Contract           | 2.71<br>214.74   | 2.88<br>214.74                  | (6.11%)<br>0.00%     | 7.60%<br>0.05%          | 10.14%<br>9.08%      | High Yield<br>LCD Flow Name   | Ave Yield<br>Ave Spread                | T+445<br>L+217          | T+440<br>L+220      | 5 bps<br>(3 bps)      |                |
| Aluminum   | Metric Ton                   | 2,513.50   | 2,517.50                        | (0.16%)              | 5.43%                   | (3.95%)              | US Treasury 2-Yr  |  | 4.97%                   | 4.93%               | 4 bps                 |                |
| Copper<br>Iron Ore   | Metric Ton<br>Metric Ton     | 9,682.50<br>106.96                                       | 9,741.50<br>107.33              | (0.61%)<br>(0.34%)   | 13.13%<br>(21.57%)      | 6.96%<br>(13.71%)    | US Treasury 3-Yr<br>US Treasury 5-Yr  |  | 4.79%<br>4.63%          | 4.79%<br>4.66%      | 0 bps<br>(3 bps)      |                |
| Steel - Hot Rolled Coil<br>Steel - Cold Rolled Coil  | Metric Ton<br>Metric Ton     | 721.00<br>1,070.00                                       | 735.00<br>1,085.00              | (1.90%)<br>(1.38%)   | (36.48%)<br>(15.08%)    | (9.42%)<br>10.31%    | US Treasury 7-Yr<br>US Treasury 10-Yr   |  | 4.63%<br>4.61%          | 4.66%<br>4.65%      | (3 bps)<br>(3 bps)    |                |
| Ferrous Scrap  | Metric Ton                   | 395.00   | 400.00                          | (1.25%)              | (26.17%)                | (16.84%)             | Oo Heasary 10-11  |  | 4.0176                  | 4.0370              | (3 bps)               |                |
| Gold   | Troy Ounce                   | 2,321.98   | 2,333.04                        | (0.47%)              | 12.55%                  | 21.40%               |   |  |                         |                     |                       |                |
| Silver   | Troy Ounce                   | 29.55  | 29.55                           | (0.00%)              | 24.20%                  | 25.94%               | AAA   |  | 21-Jun<br>S+157         | 14-Jun<br>S+155     | WoW Change<br>2 bps   | YTD (          |
| Cotton   | Pound                        | 62.92  | 64.14                           | (1.90%)              | (18.19%)                | (24.58%)             | AA<br>A   |  | S+204<br>S+250          | S+200<br>S+240      | 4 bps<br>10 bps       | (              |
| Butter<br>Cheese   | Pound<br>Pound               | 3.09<br>2.00   | 3.09<br>2.00                    | 0.00%<br>(0.05%)     | 15.95%<br>28.11%        | 30.93%<br>11.95%     | BBB<br>BB   |  | S+380<br>S+658          | S+380<br>S+663      | 0 bps<br>(5 bps)      |                |
| Cocoa<br>Com   | Pound<br>Bushel              | 4.04<br>4.35   | 4.40<br>4.50                    | (8.21%)<br>(3.33%)   | 112.23%<br>(7.69%)      | 247.99%<br>(35.58%)  | Market Rates  |  | 21-Jun                  | 14-Jun              | WoW Change            | YTD            |
| Milk, Non Fat Dry<br>Soybean   | Pound<br>Bushel              | 1.18<br>11.61  | 1.18<br>11.80                   | 0.45%<br>(1.63%)     | (1.41%)<br>(10.28%)     | (6.14%)<br>(24.36%)  | Fed Fund Rate<br>Prime Rate   |  | 5.31%<br>8.50%          | 5.31%<br>8.50%      | 0 bps<br>0 bps        |                |
| Sugar<br>Wheat   | Pound<br>Bushel              | 0.19<br>5.62   | 0.19<br>6.13                    | (2.37%)              | (7.82%)<br>(10.59%)     | (12.42%)<br>(26.22%) | Broker Call Rat<br>1M SOFR  |  | 7.25%<br>5.32%          | 7.25%<br>5.31%      | 0 bps<br>1 bps        |                |
| vvneat<br>Live Cattle<br>Lean Hoos   | Pound<br>Pound               | 1.88<br>0.92   | 1.87<br>0.91                    | 0.41%<br>0.96%       | 8.02%<br>35.42%         | (84.10%)<br>22.16%   | 3M SOFR<br>6M SOFR  |  | 5.32%<br>5.35%<br>5.39% | 5.36%<br>5.39%      | (1 bps)<br>0 bps      |                |
| Beef, USDA Ground<br>Chicken, Boneless & Skinless  | Pound<br>Pound               | 3.22<br>4.12   | 3.20<br>4.12                    | 0.78%<br>0.00%       | 11.28%<br>0.88%         | 21.61% (4.57%)       | Short Interest - Billions of shares   |  | 29-Feb                  | 31-Jan              | MoM Change            | YTD (          |
| JIIICREII, DOITEIESS & SKITIESS  | round                        | 4.12   | 4.12                            | 0.00%                | 0.86%                   | (4.57 %)             | NYSE Mkt Short Interest   |  | 16.23                   | 16.04               | 1.22%                 |                |
|  | Spot Pri                     |  | Futu                            |                      | 10-Year Hi              |                      | Nasdaq Short Interest   |  | 13.21                   | 12.91               | 2.35%<br>WoW Change   | YTD (          |
| Currencies Metric  Japanese Yen USDJPY   | 21-Jun<br>159.800            | 14-Jun<br>157.400  | <b>2024</b><br>140.000          | 2025<br>150.000      | 75.820                  | High<br>138.570      | Fed Corp Primary Dealer Positions - \$ USD in<br>Net Outright Total Corp Securities               | Billions                               | <b>12-Jun</b><br>10.98  | 5-Jun<br>10.56      | 3.98%                 | TID            |
| Chinese Renminbi USDCNY<br>Swiss Franc USDCHF  | 7.261<br>0.894               | 7.256<br>0.891   | 7.000<br>0.910                  | 7.200<br>0.920       | 6.041<br>0.721          | 7.179<br>1.030       | Margin Debt - \$ USD in Billions  |  | 30-Apr                  | 31-Mar              | MoM Change            | YTD (          |
| British Pound GBPUSD<br>Euro Zone Euro EURUSD  | 1.265<br>1.069               | 1.269<br>1.070   | 1.300<br>1.120                  | 1.280<br>1.090       | 1.130<br>0.986          | 1.717<br>1.483       |   |  | 775.45                  | 784.14              | (1.11%)               | 1              |
| TECHNICALS (Supply / Dem:<br>Bank Loan & High Yield, Inflows (   | Outflows) Mutual Fu          | nd, \$ USD in Mil  |                                 | .CD News)            |                         |                      | Leveraged Finance Primary Volume - \$ USD   | n Billions                             |                         |                     |                       |                |
|  | Week Ending<br>12-Jun-24     |  | \$ 547                          |                      | High Yield<br>\$ 10     |                      | 6/21/2024   |  | Year To<br>2024         | 2023                | Year End<br>2022      | C              |
|  | 5-Jun-24<br>29-May-24        |  | \$ 630<br>\$ 386                |                      | \$ 1,200<br>\$ (407)    |                      | Bank Debt   |  | 226.1                   | 86.9                | 588.4                 | 16             |
|  | 22-May-24<br>15-May-24       |  | \$ 379<br>\$ 771                |                      | \$ 2,454<br>\$ 815      |                      | Senior Secured Bonds  |  | 66.1                    | 51.5                | 147.9                 | 2              |
|  | 8-May-24<br>1-May-24         |  | \$ 2,041<br>\$ 665              |                      | \$ 2,350<br>\$ 63       |                      | Unsecured Bonds Total Bonds   |  | 76.1<br>142.2           | 27.6<br><b>79.1</b> | 313.8<br>461.7        | 17<br><b>7</b> |
|  | 24-Apr-24<br>17-Apr-24       |  | \$ 435<br>\$ 153                |                      | \$ 604<br>\$ (3,747)    |                      | Totals  |  | 368.3                   | 166.0               | 1,050.1               | 12             |
| Year To Date 2024<br>Year Ended December 31, 2023  | •                            |  | \$ 10,192<br>\$ (18,051)        |                      | \$ 5,127<br>\$ (17,252) |                      |   |  |                         |                     | •                     |                |
| Year Ended December 31, 2022   |                              |  | \$ (12,694)                     |                      | \$ (48,558)             |                      |   |  |                         |                     |                       |                |
| NEW ISSUE SUMMARY - BI-<br>Institutional Loans   | WEEKLY<br>6/21/2024          | Deals  | Amt (\$mm)                      |                      |                         |                      | DEFAULT ACTIVITY Total Loan Defaults - as of:   |  |                         | 31-Mar              | 29-Feb                | Y              |
| Launched<br>Forward Calendar   | Prior Two Weeks              | 12<br>4  | 8,233<br>7,437                  |                      |                         |                      | Default Rate by Total Amount of All Loans Outsta  | nding                                  |                         | 1.72%               | 1.56%                 |                |
| High Yield<br>Launched   | 6/21/2024<br>Prior Two Weeks | Deals<br>9   | Amt (\$mm)<br>6,532             |                      |                         |                      | Default Rate by Total Number of All Loan Issuers  |  |                         | 1.89%               | 1.62%                 |                |
| Forward Calendar ECONOMIC DATA RECAP   | 110111011000                 | 3  | 4,711                           |                      |                         |                      |   |  |                         |                     |                       |                |
| Key Economic Indicators:   |                              | Period   | Actual                          | Expected             | Prior                   |                      | Employment - Labor Participation Rates  |  |                         | 31-Mar              | 29-Feb                | YTD (          |
| Initial Jobless Claims<br>Continuing Claims  |                              | June<br>June   | 218K<br>1,927K                  | 218K<br>1,865K       | 209K<br>1,840K          |                      | Civilian Employment as % of Total Labor Force<br>Labor Force Participation Rate                   |  |                         | 60.4%<br>62.6%      | 60.4%<br>62.6%        | (              |
| Change in Non-Farm Payrolls<br>Change in Private Payrolls  |                              | June<br>June   | 223K<br>220K                    | 205K<br>188K         | 263K<br>221K            |                      | Government Assistance   |  |                         | 31-Mar              | 29-Feb                | YTD (          |
| Unemployment Rate  | U-3                          | June   | 3.5%                            | 3.7%                 | 3.7%                    |                      | SNAP fka Food Stamps - # of Participants  | in Millions                            |                         | 39.276              | 39.525                | (              |
| Unemployment Rate<br>Average Work Week   | U-6                          | June<br>June   | 6.6%<br>34.3                    | 6.5%<br>34.7         | 6.7%<br>34.4            |                      | Retail Sales  Adj. Retail & Food Services Sales Index - US Cer                                    | nerie                                  |                         | 31-Mar<br>683.0     | 29-Feb<br>687.4       | YTD (          |
| Existing Home Sales  |                              | June   | 3.79M                           | 3.90M                | 3.96M                   |                      | US Home Foreclosures and Delinquencies  |  |                         | 31-Mar              | 29-Feb                | YTD (          |
| Housing Starts   | YoY                          | June   | 1,372K                          | 1,350K               | 1,358K                  |                      | Home Foreclosures Inventory   | in Thousands                           |                         | 179<br>-0.51%       | 179                   |                |
| S&P/Case-Shiller Composite<br>S&P/Case-Shiller Composite   | MoM                          | June   | 19.1%<br>1.8%                   | 18.6%<br>1.5%        | 18.6%<br>1.5%           |                      | Delinquency Rate  | a or Dovelent Sur                      | Notur-1 C               | *U.31%              | -0.34%                | (:             |
| Consumer Confidence  |                              | June   | 91.3                            | 90.0                 | 88.9                    |                      | U.S. Rig Count - Active Drilling Rigs, Explorin Type Peak- 1/1/00 to Date                         | # of Rigs                              | % Change                | 21-Jun              | 14-Jun                | YTD            |
| GDP  | QoQ-Annualized               | 1Q24   | 2.4%                            | 1.8%                 | 2.0%                    |                      | Oil 10/10/2014<br>Gas 9/12/2008   | 1,609<br>1,606                         | (61.28%)<br>(90.66%)    | 623<br>150          | 618<br>152            | 1              |
| Durable Goods Orders<br>Total Vehicle Sales  |                              | June<br>June   | 2.0%<br>15.32M                  | 1.9%<br>15.50M       | 1.9%<br>15.50M          |                      | Rail & Truck Volume   |  |                         | 31-Mar              | 29-Feb                | YTD (          |
| Capacity Utilization   |                              | June   | 79.0%                           | 77.0%                | 76.8%                   |                      | Total Rail Carloads<br>Total Intermodal   | Tons in Thousands<br>Tons in Thousands |                         | 1,062.27<br>992.37  | 1,060.35<br>996.82    |                |
| Fed & Treasury Balance Sheet Fed Total Assets  | \$ in Billions               | 19-Jun<br>7,252,542.0                                    | <b>12-Jun</b><br>7,258,974.0    | WoW Change<br>(0.1%) | YoY Change<br>(13.3%)   |                      | Truck Tonnage Index   |  |                         | 135.35              | 134.60                | 1              |
|  | \$ in Billions               | 34,681.3   | 34,681.3                        | 0.0%                 | 8.1%                    |                      | TSA Checkpoint Travel Numbers  Weekly Traveler Throughput   | in Thousands                           | 20-Jun<br>19,178.7      | 13-Jun<br>19,014.5  | WoW Change<br>0.86%   | YoY C          |
| US Debt Outstanding Domestic Nonfinancial Debt   | \$ in Billions               | 4Q23<br>69.511.9   | 3Q23<br>68.910.4                | QoQ Change<br>0.9%   | YoY Change<br>15.6%     |                      | Freight Rates   | 21-Jun                                 |                         | WoW Change          | YTD Change            | YoY            |
| Shared National Credit   | - III UNIUIO                 | 33,311.8   | 2023                            | 2022                 | YoY Change              |                      | Freightos Baltic Index Shanghai - Los Angeles Spot Rates  | 3,481<br>2,240                         | 3,481<br>2,361          | 0.00%<br>(5.12%)    | 54.99%<br>(2.54%)     | (4             |
| Shared National Credit Total Commit  | tments                       | \$ in Billions   | 5,178.8                         | 5,072.2              | 2.1%                    |                      | Shanghai - NY Spot Rates  | 3,425                                  | 3,545                   | (3.39%)             | (1.34%)               | (7             |
| Special Mention Commitments<br>Classified Commitments  |                              | \$ in Billions<br>\$ in Billions                         | 217.3<br>332.8                  | 263.9<br>365.9       | -17.7%<br>-9.0%         |                      | Shanghai Containerized Freight Index  | 1,030                                  | 1,031                   | (0.16%)             | (4.26%)               | (7             |
| ECONOMIC / GDP DATA International Monetary Fund Grow   | wth Rates (Source:           | IMF "World For   | onomic Outlook                  | :-)                  |                         |                      |   |  |                         |                     |                       |                |
| Country  | (Joures.                     | 2020   | 2021                            | 2022                 | 2023                    | 2024                 | Region  |  | 2021                    | 2022                | 2023                  | 2024           |
| United States<br>Brazil  |                              | (3.5%)<br>(4.1%)   | 5.7%<br>4.6%                    | 2.1%<br>2.9%         | 1.6%<br>0.9%            | 1.1%<br>1.5%         | World<br>Advanced Economies   |  | 6.1%<br>5.2%            | 6.1%<br>5.2%        | 2.8%<br>1.3%          | 3.0%<br>1.4%   |
| China<br>Germany   |                              | 2.3%<br>(4.9%)   | 8.1%<br>2.8%                    | 3.0%<br>1.8%         | 5.2%<br>(0.1%)          | 4.5%<br>1.1%         | Euro Area Emerging Mkts and Developing Economies  |  | 5.3%<br>6.8%            | 5.3%<br>6.8%        | 0.8%<br>3.9%          | 1.4%<br>4.2%   |
| India  |                              | (8.0%)<br>(4.8%)<br>(10.0%)                              | 8.9%<br>1.6%<br>7.4%            | 6.8%<br>1.1%<br>4.0% | 5.9%<br>1.3%<br>(0.3%)  | 6.3%<br>1.0%         | Emerging and Developing Asia<br>Emerging and Developing Europe<br>Latin America and the Caribbean |  | 7.3%<br>6.7%<br>6.8%    | 7.3%<br>6.7%        | 5.3%<br>1.2%          | 5.1%<br>2.5%   |

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