

## Briefing

### Global Economic & Credit Market

Week 23 Ending – June 07, 2024

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### Economic Calendar

- Wednesday, June 12: FOMC interest-rate decision
- Thursday, June 13: Initial Jobless Claims
- Friday, June 14: Import Price Index

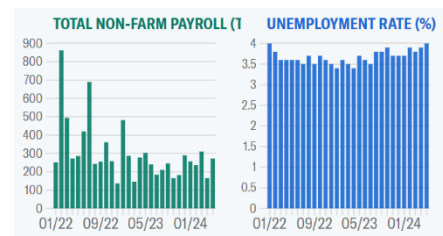
### Key Market Metrics

- S&P 500: +1.32% WoW; +12.10% YTD; +24.52% YoY; 15.6x LTM EBITDA; 13.0x NTM EBITDA
- Dow Jones: +0.29% WoW; +2.94% YTD; +14.68% YoY; 11.4x LTM EBITDA; 12.4x NTM EBITDA
- Nasdaq: +2.38% WoW; +14.13% YTD; +29.42% YoY
- Ten Year US Treasury Yield: 4.49% +57 bps YTD; +72 bps YoY
- Currency:
  - British Pound per USD: \$1.27; (0.2%) WoW; (0.0%)YTD; 1.3% YoY
  - Euro per USD: \$1.08; (0.4%) WoW; (2.2%)YTD; 0.2% YoY
  - USD per Yen: ¥156.76; (0.3%)WoW; 11.3% YTD; 12.8% YoY
  - Swiss franc per EUR: 1.03 CHF; 1.1% WoW; (4.1%)YTD; 0.1% YoY

### U.S. News

#### U.S. Employment Report

- U.S. added 272,000 jobs in May, surpassing the expected 180,000 and the 165,000 jobs added in April
- The unemployment rate increased to 4% in May, up from 3.9% in April, marking the first time it has reached this level since January 2022
- Average hourly earnings rose by 0.4% in May and 4.1% year-over-year, reversing a previous downward trend



#### Factory Orders

- New orders for manufactured goods in April increased by \$4.3 billion (0.7%) to \$588.2 billion, marking the third consecutive month of growth
- Shipments of manufactured goods in April increased by \$5.9 billion (1.0%) to \$590.2 billion
- Inventories of manufactured goods in April increased by \$0.9 billion (0.1%) to \$858.3 billion

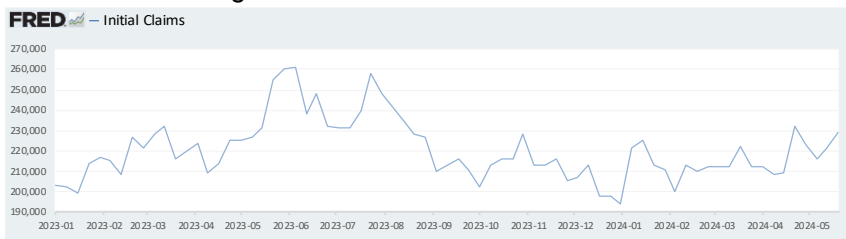


#### Trade Deficit

- The U.S. trade deficit surged by almost 9% in April to \$74.6 billion, the highest in 18 months
- Imports rose by 2.4% to \$338.2 billion, driven by higher demand for cars, computer accessories, and capital goods
- Exports increased by 0.8% to \$263.7 billion, with a notable rise in pharmaceutical drug shipments

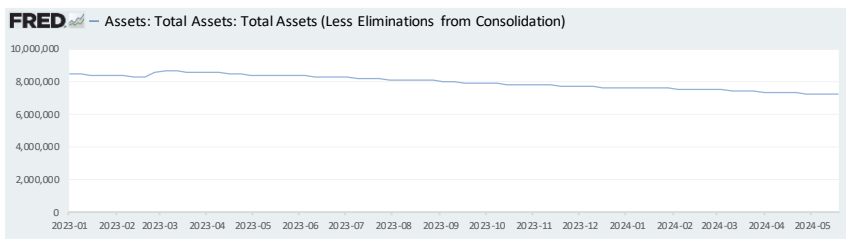
▪ **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., increased to 229,000 in the week ended May 31, up 8,000 from the prior week
- The four-week moving average was 222,250, down 750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 2,000 to 1.792 million in the week ended May 24. This figure is reported with a one-week lag



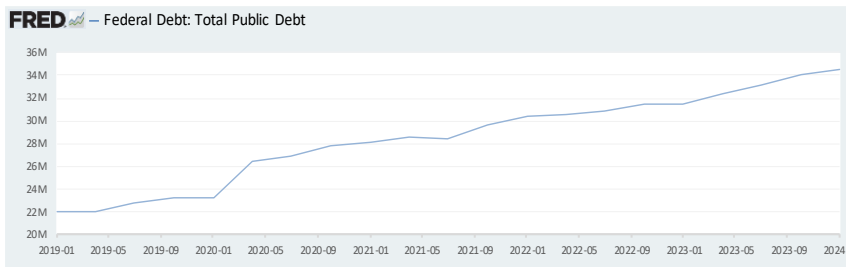
▪ **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$7.256 trillion in the week ended June 7, down \$28.6 billion from the prior week
- Treasury holdings totaled \$4.465 trillion, down \$24.1 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.35 trillion in the week, down \$15.7 billion from the prior week



▪ **Total Public Debt**

- Total public debt outstanding was \$34.67 trillion as of June 7, an increase of 8.6% from the previous year
- Debt held by the public was \$25.07 trillion, and intragovernmental holdings were \$7.06 trillion

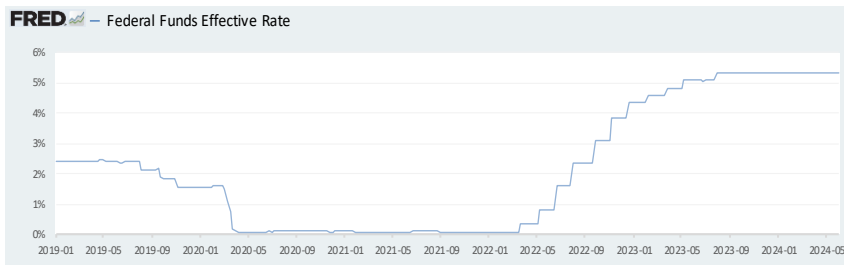


## ▪ Inflation Factors

- CPI:
  - The consumer-price index rose 3.4% in April year over year
  - On a monthly basis, the CPI increased 0.3% in April on a seasonally adjusted basis, after increasing 0.4% in March
  - The index for all items less food and energy (core CPI) rose 0.3% in April, after rising 0.4% in March
  - Core CPI increased 3.6% for the 12 months ending April
- Food & Beverages:
  - The food at home index increased 1.1% in April from the same month a year earlier, and decreased -0.2% in April month over month
  - The food away from home index increased 4.1% in April from the same month a year earlier, and increased 0.3% in April month over month
- Commodities:
  - The energy commodities index increased 2.7% in April after increasing 1.5% in March
  - The energy commodities index rose 1.1% over the last 12 months
  - The energy services index (1.3%) in April after decreasing (0.0%) in March
  - The energy services index rose 3.6% over the last 12 months
  - The gasoline index rose 1.2% over the last 12 months
  - The fuel oil index fell (0.8%) over the last 12 months
  - The index for electricity rose 5.1% over the last 12 months
  - The index for natural gas fell (1.9%) over the last 12 months
- Supply Chain:
  - Drewry's composite World Container Index increased to \$4,716.22 per 40ft container
  - Drewry's composite World Container Index has increased by 180.6% over the last 12 months
- Housing Market:
  - The shelter index increased 0.4% in April after increasing 0.4% in March
  - The rent index increased 0.4% in April after increasing 0.5% in March
  - The index for lodging away from home increased 0.9% in April after increasing 5.6% in March

## ▪ Federal Funds Rate

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



## World News

- **Israel/Gaza**
  - An Israeli military operation on Saturday rescued four Israeli hostages from Gaza, resulting in over 200 Palestinian casualties according to Hamas, although Israel disputes this number
  - The U.S. and Israeli officials are renewing efforts for a cease-fire and a broader deal, with U.S. Secretary of State Antony Blinken visiting the Middle East to push for negotiations
  - The rescue operation has intensified positions on both sides, with Israel emphasizing military pressure and Hamas demanding guarantees for the safety of Gazans before further talks
- **Russia**
  - French President Emmanuel Macron and US President Joe Biden released a joint "roadmap" supporting efforts to use frozen Russian assets to aid Ukraine during Biden's state visit to Paris
  - At least 28 people died after Ukrainian attacks on Russian-held areas in the Luhansk and Kherson regions, according to Russian-installed authorities
  - Russian forces have installed eight barges on the southern side of the Kerch Bridge in Crimea to defend against Ukrainian attacks, according to the UK Ministry of Defence
- **Europe**
  - The European Central Bank (ECB) lowered its key interest rate to 3.75% from 4%, marking the first rate cut since 2019
  - The ECB's decision diverges from the Federal Reserve, which is not expected to reduce rates for several months
  - The ECB's decision comes amid persistent inflationary pressures in Europe, with underlying inflation in the eurozone rising to 2.9% in May from 2.7% in April
- **China**
  - China's exports rose by 7.6% in May compared to the previous year, up from a 1.5% increase in April
  - Exports to the Association of Southeast Asian Nations increased by 22.5% in May, while exports to the U.S. rose by 3.6%, reversing a decline in April
  - China's imports grew by 1.8% in May, down from an 8.4% increase in April, resulting in a trade surplus of \$82.62 billion for the month

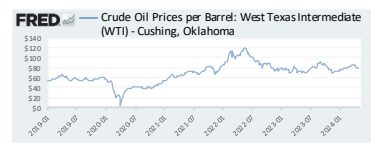
## Geopolitical Hotspots

- **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
- **India**
  - Indian Prime Minister Narendra Modi's BJP failed to secure an outright majority in the recent election, winning around 240 seats, but Modi is poised to keep power for a third term through coalition alliances
- **South Africa**
  - South Africa's ruling African National Congress (ANC) is seeking to form a government of national unity after losing its absolute majority in the recent national elections, winning only 40% of the vote
- **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
- **UK**
  - Nigel Farage has re-entered British politics as the leader of Reform UK, aiming to challenge the Conservative Party and influence the upcoming election with his anti-immigration and populist platform
- **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
- **Germany**
  - German industrial production decreased by 0.1% in April compared to the previous month, following a 0.4% decline in March, and missed economists' forecast of a 0.2% increase
- **Iceland**
  - A volcano in southwestern Iceland erupted for a fifth time since December, forcing the evacuation of a nearby town and the Blue Lagoon geothermal spa

## Commodities

### Oil Prices

- WTI: \$75.28 per barrel
  - (2.22%) WoW; +5.07% YTD; +5.60% YoY
- Brent: \$79.39 per barrel
  - (2.73%) WoW; +3.05% YTD; +4.52% YoY



### US Production

- U.S. oil production amounted to 13.1 million bpd for the week ended May 31, down 0.0 million bpd from the prior week

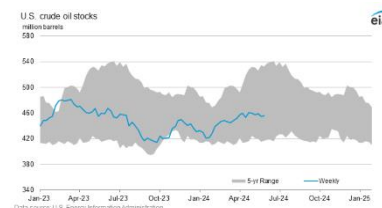
### Rig Count

- The total number of oil rigs amounted to 594, down 6 from last week

### Inventories

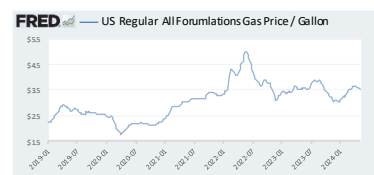
#### Crude Oil

- Total U.S. crude oil inventories now amount to 455.9 million barrels, down (0.7%) YoY
- Refiners operated at a capacity utilization rate of 95.4% for the week, up from 94.3% in the prior week
- U.S. crude oil imports now amount to 6.769 million barrels per day, down 10.3% YoY



#### Gasoline

- Retail average regular gasoline prices amounted to \$3.47 per gallon in the week of June 7, down (3.1%) YoY
  - Gasoline prices on the East Coast amounted to \$3.55, up 1.1% YoY
  - Gasoline prices in the Midwest amounted to \$3.43, down (2.1%) YoY
  - Gasoline prices on the Gulf Coast amounted to \$3.14, down (0.3%) YoY
  - Gasoline prices in the Rocky Mountain region amounted to \$3.48, down (7.8%) YoY
  - Gasoline prices on the West Coast amounted to \$4.61, down (0.3%) YoY
- Motor gasoline inventories were up by 2.1 million barrels from the prior week
- Motor gasoline inventories amounted to 230.9 million barrels, up 5.5% YoY
- Production of motor gasoline averaged 9.48 million bpd, down (5.8%) YoY
- Demand for motor gasoline amounted to 8.946 million bpd, down (3.0%) YoY

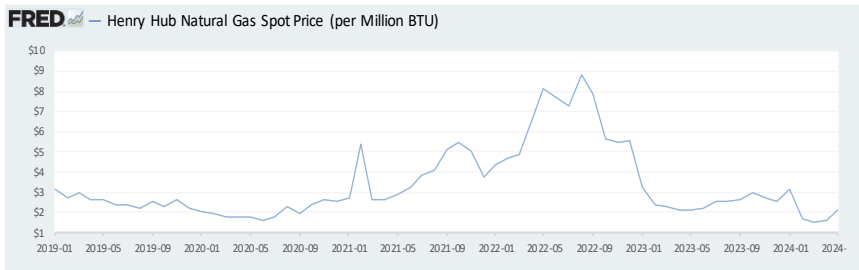


#### Distillates

- Distillate inventories decreased by 3.2 million in the week of June 7
- Total distillate inventories amounted to 122.5 million barrels, up 9.6% YoY
- Distillate production averaged 5.061 million bpd, down (3.5%) YoY
- Demand for distillates averaged 3.367 million bpd in the week, down (11.7%)

○ **Natural Gas**

- Natural gas inventories increased by 98 billion cubic feet last week
- Total natural gas inventories now amount to 2,893 billion cubic feet, up 13.5% YoY



## Credit News

High yield bond yields decreased 14bps to 7.81% and spreads increased 9bps to 337bps. Leveraged loan yields decreased 26bps to 9.24% and spreads decreased 1bps to 492bps. WTD Leveraged loan returns were positive 20bps. WTD high yield bond returns were positive 80bps. 10yr treasury yields decreased 27bps to 4.28%. Yields came down due to the recent rise in rate volatility, stronger-than-expected non-farm US payroll, job growth rebound, and expectation of only one Fed rate cut for 2024.

### High-yield:

Week ended 06/07/2024

- Yields & Spreads<sup>1</sup>

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.81%	337	7.95%	328	(14)	9

- Pricing & Returns<sup>1</sup>

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$93.63	\$92.88	75	0.80%	0.31%	2.42%	13.5%

- Fund Flows<sup>2</sup>

Total Flows (\$)
\$1,200mm

- New Issue<sup>2</sup>

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
13	\$8.6bn	\$156.1bn	\$85.9bn	+82%

- 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>1</sup> Source: Credit Suisse High Yield and Leveraged Loan Index

<sup>2</sup> Source: JP Morgan



**Leveraged loans:**

Week ended 06/07/2024

▪ Yields & Spreads<sup>1</sup>

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
9.24%	492	9.50%	493	(26)	(1)

▪ Leveraged Loan Index<sup>1</sup>

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.13	\$96.11	2	0.20%	0.10%	4.34%	12.9%

▪ Fund Flows<sup>2</sup>

Total Flows (\$)
\$630mm

▪ New Issue<sup>2</sup>

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
47	\$55.6bn	\$592.2bn	\$122.8bn	+382%

▪ Distressed Level (loan price below \$80)<sup>1</sup>

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 06/07/2024

▪ New U.S. CLO Issuance<sup>2</sup>

# Priced	Total (\$)	New Issue	Refis/Resets
22	\$8.0bn	\$3.7bn	\$4.3bn

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

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
378	\$170.0bn	\$89.6bn	\$80.4bn	\$52.4bn	+224%

**Note: High-yield and leveraged loan yields and spreads are swap-adjusted**<sup>1</sup> Source: Credit Suisse High Yield and Leveraged Loan Index<sup>2</sup> Source: JP Morgan

Ratings activity:

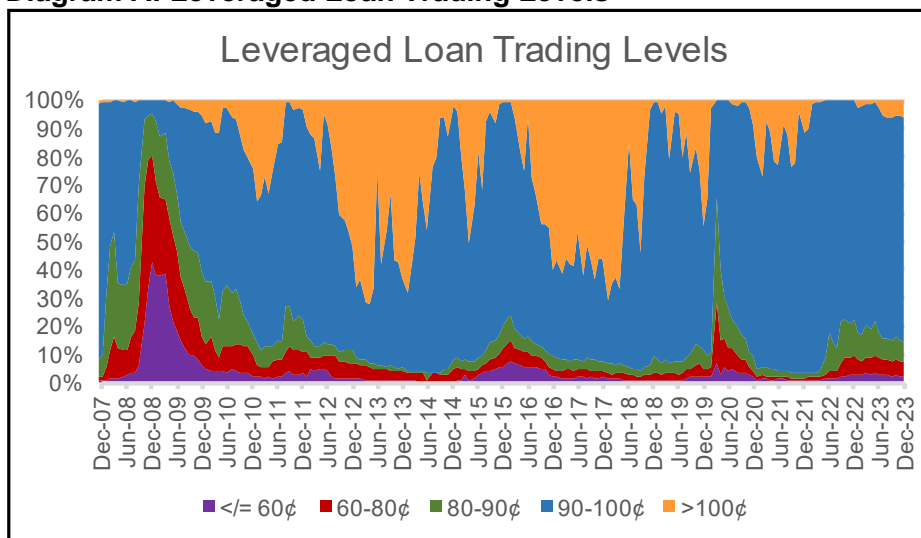
- S&P and Moody's High Yield Ratings

	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
YTD 2024	205	153	1.3x	241	184	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	90.4	93.9	85.4	8.5
Leveraged Loans	95.0	96.2	92.8	3.5

[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 6/8/23

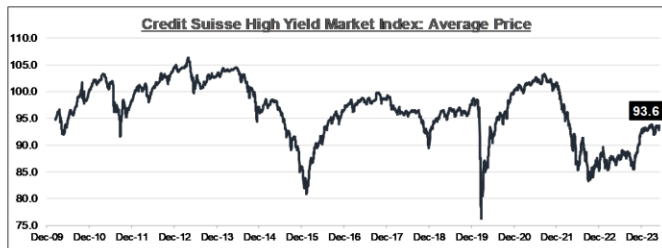
Diagram C: Leveraged Loan and High Yield Returns

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	0.20%	0.18%		0.80%	1.15%
MTD Return	0.10%	0.18%		0.31%	0.83%
YTD Return	4.34%	4.20%		2.42%	2.10%

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 06/07/2024

[2] Yield data as of 06/07/2024

### 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.

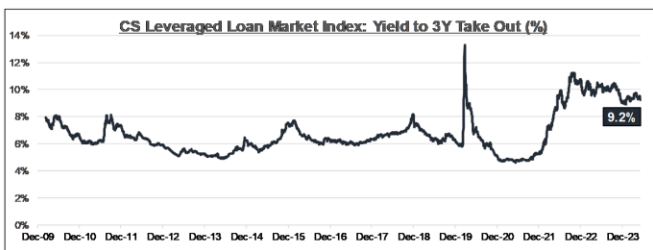


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

### Diagram E: Leveraged Loans Spreads & Yields

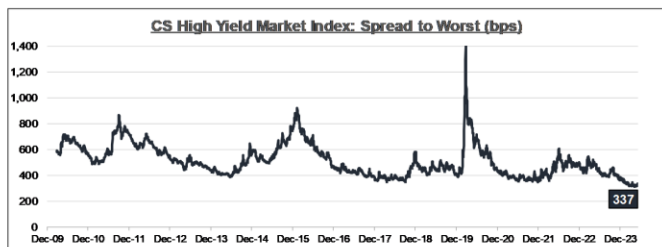


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



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

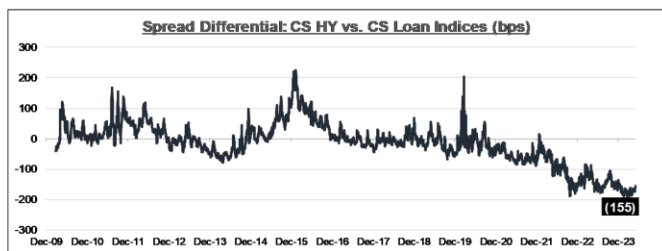


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



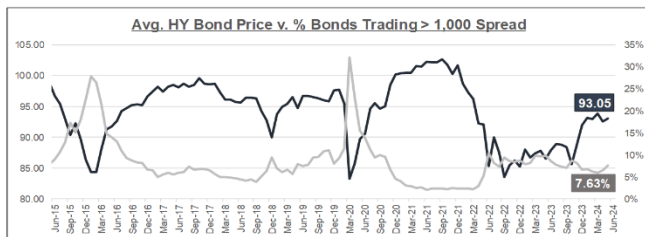
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

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

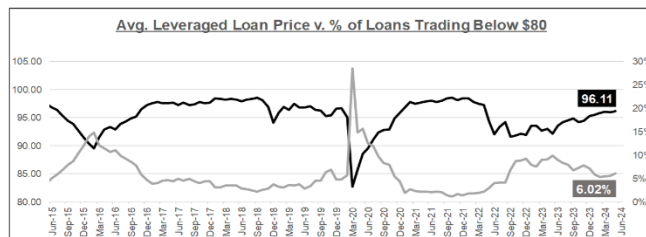


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

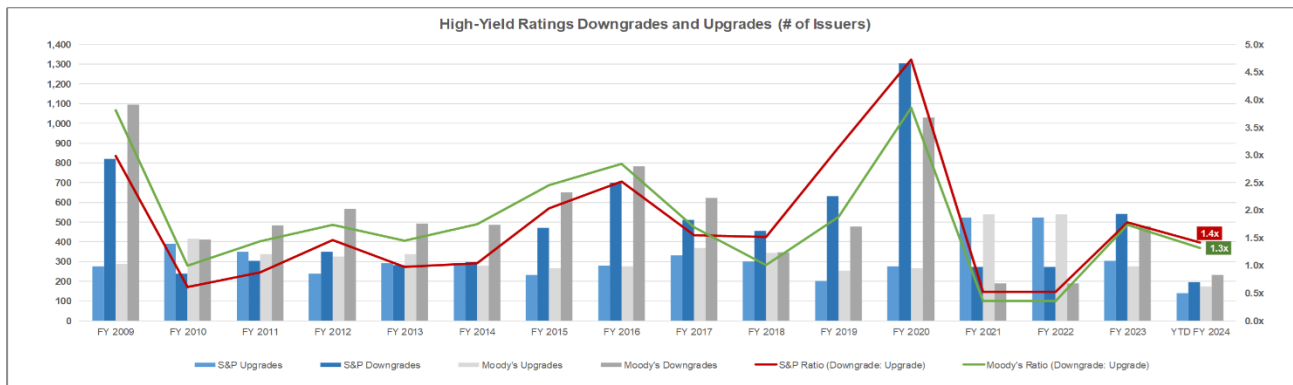
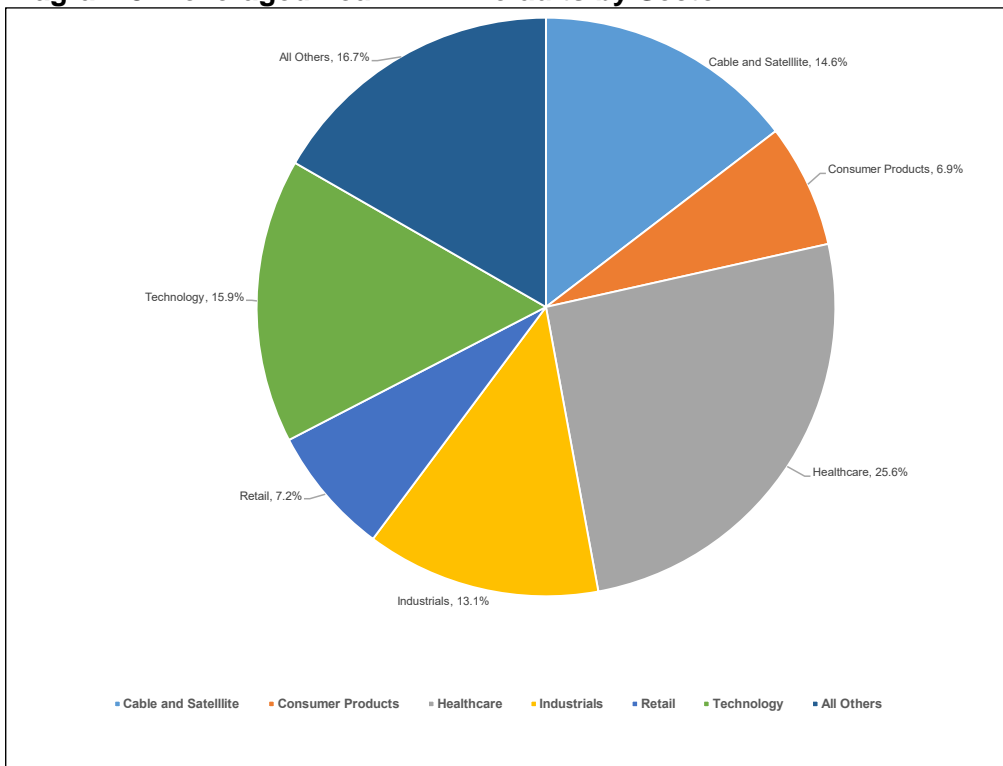


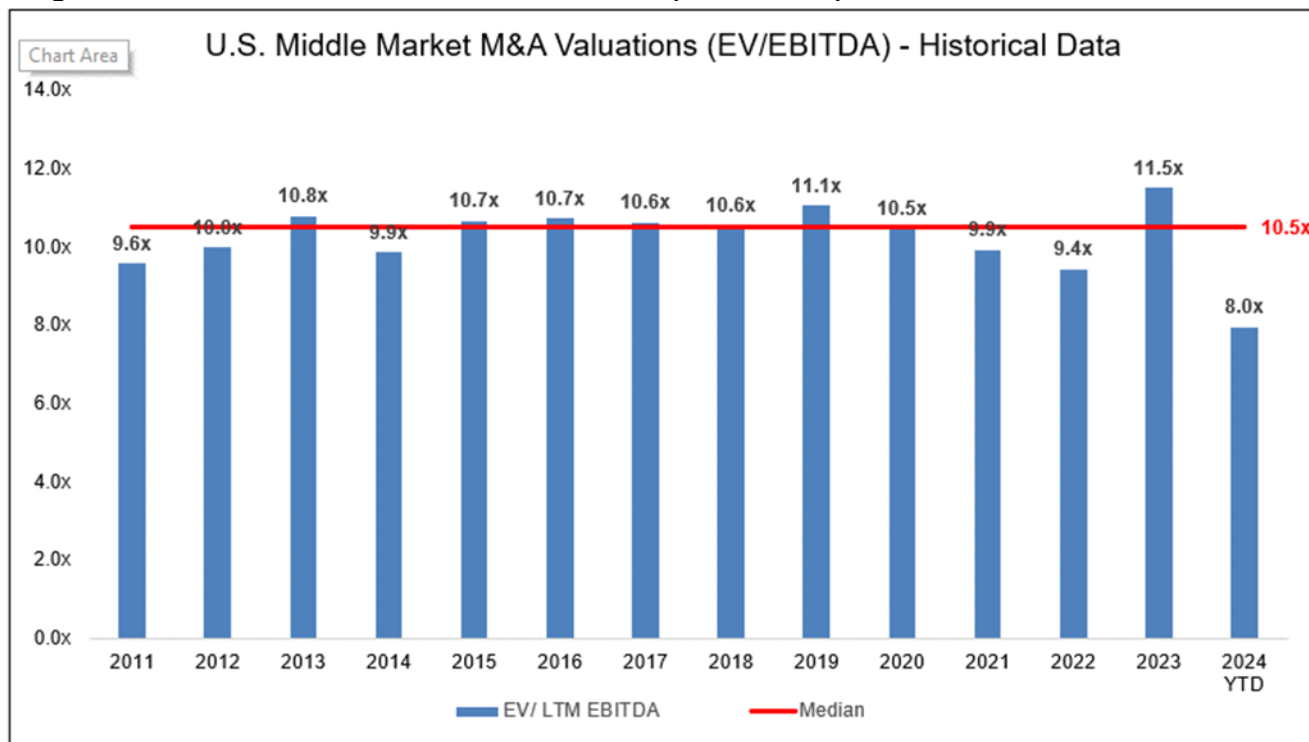
Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



Source: JP Morgan Default Monitor.



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



Source: Pitchbook

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

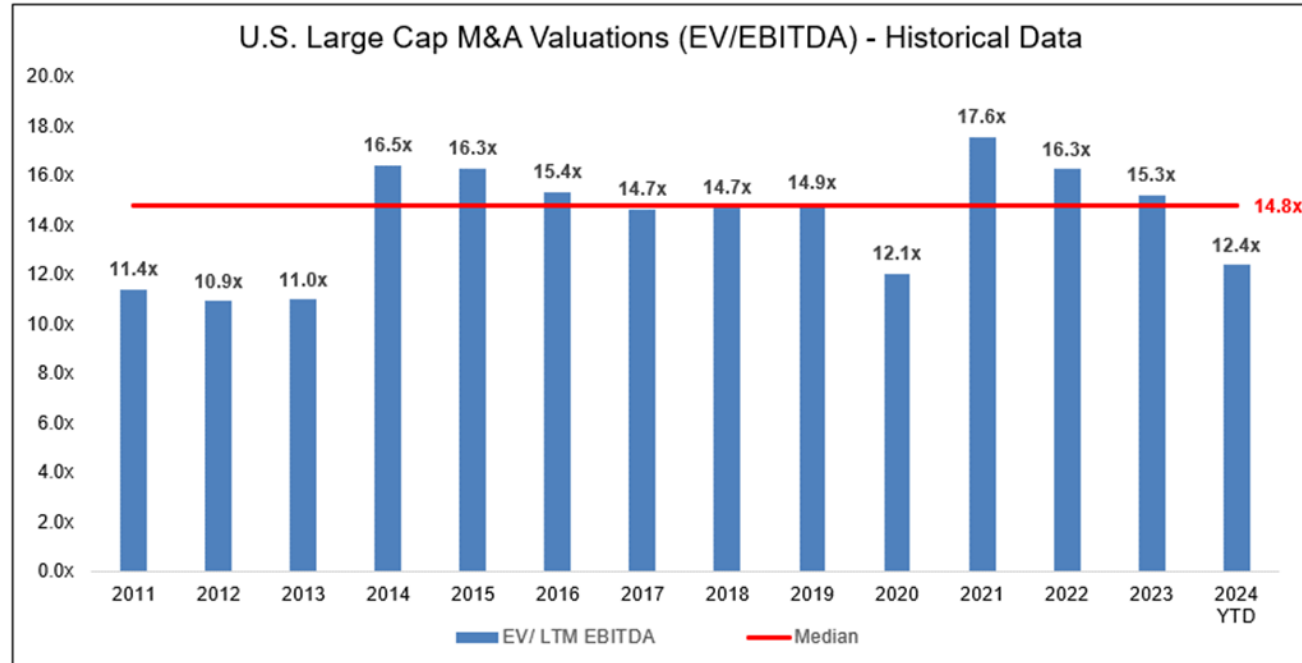
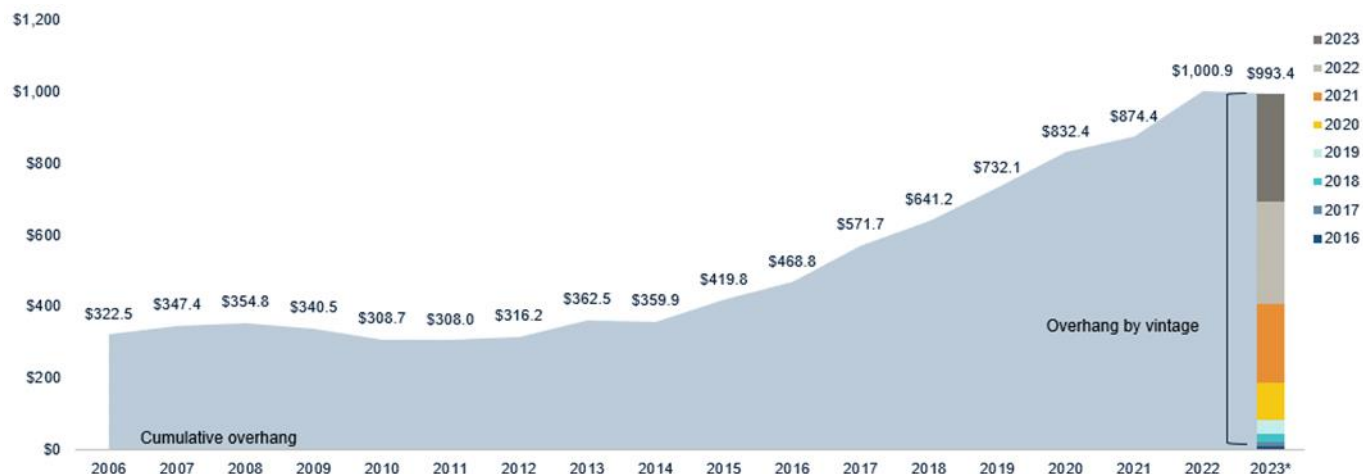
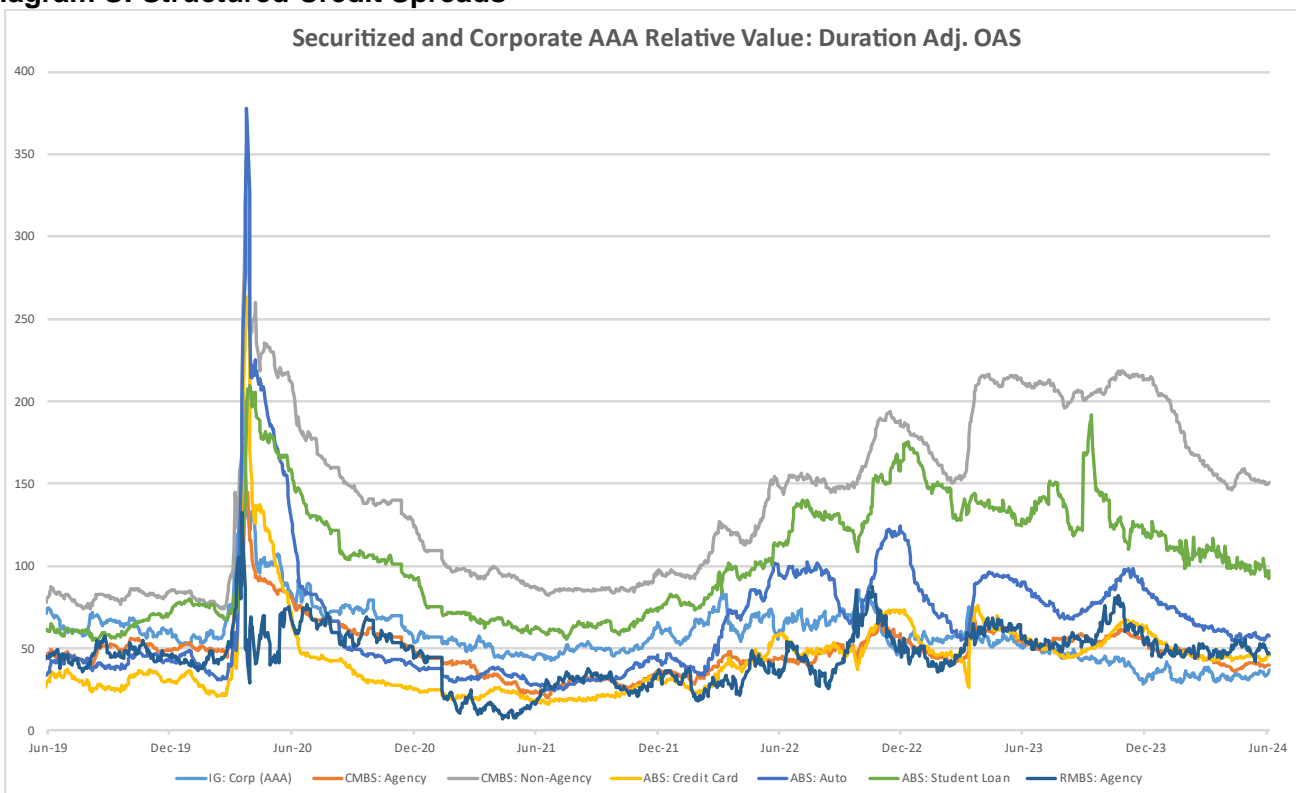


Diagram R: Dry Powder for All Private Equity Buyouts



Source: Pitchbook

Diagram S: Structured Credit Spreads



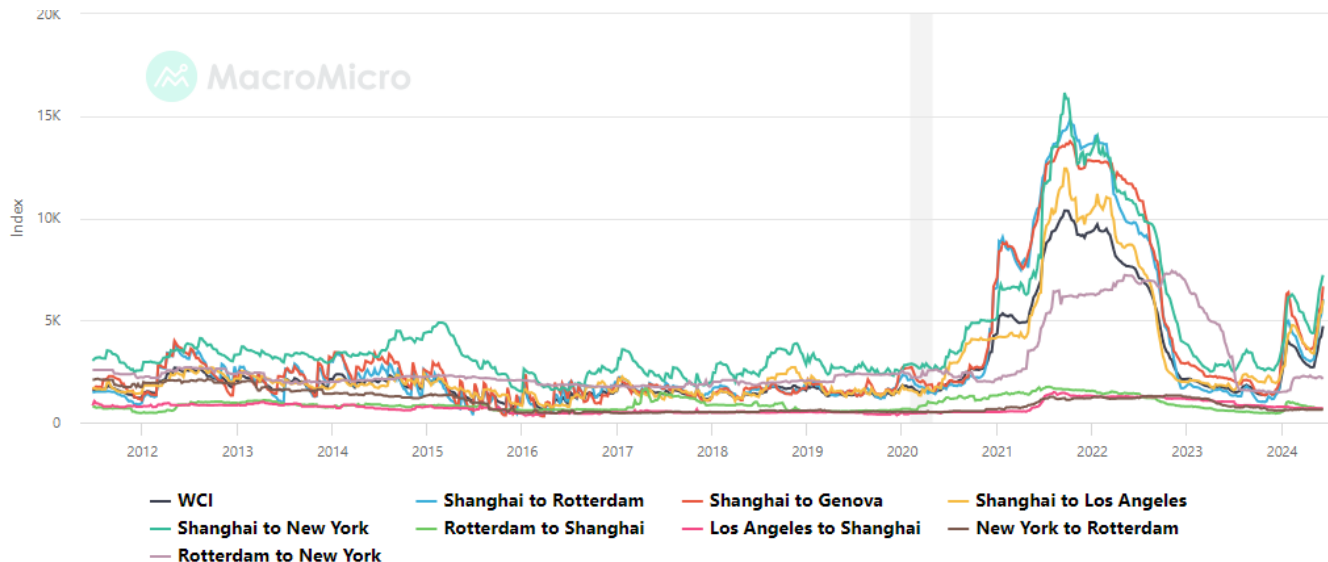
Source: Bloomberg



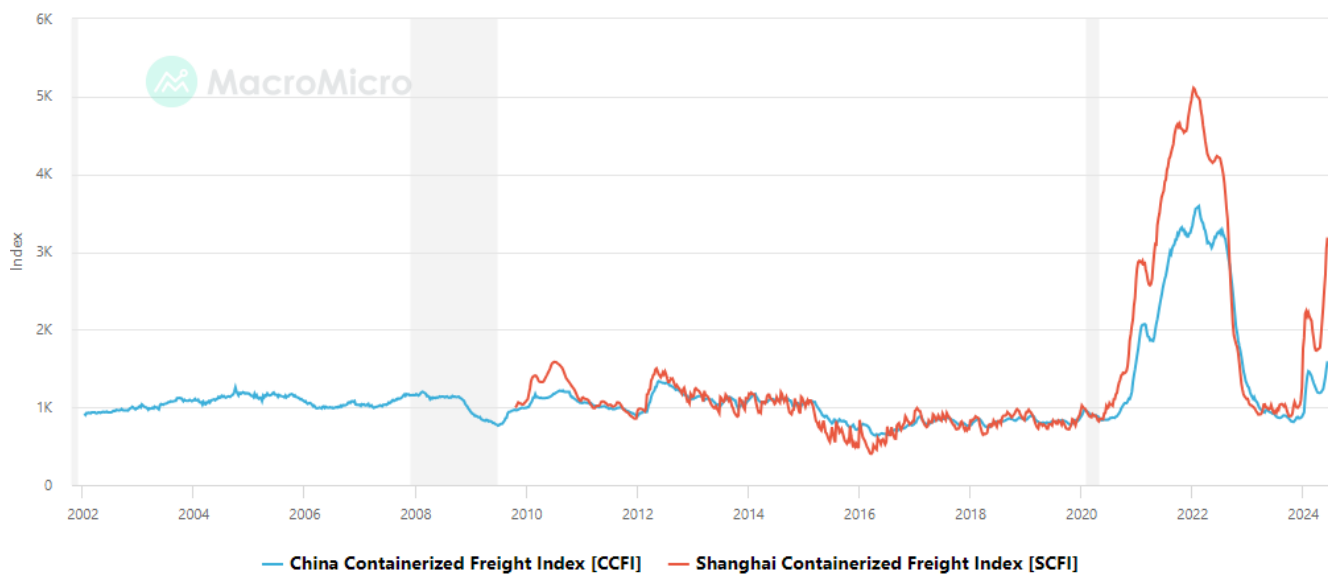


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



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Real Estate

Section 1:

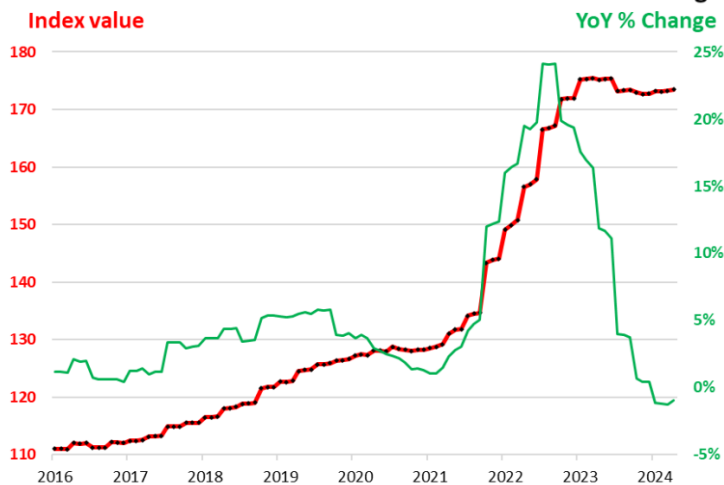
**Construction Spending for Factories, Annual Rate**  
\$ billion, seasonally adjusted



Source: Census Bureau

- During the record year of 2023, spending on factory construction spiked by 71% from 2022, and by 138% from 2021, to \$196 billion
- As seen in the above graph, a notable spike started in late 2021. The surge coincides with the passage of the CHIPS Act in August 2022, which could be a contributing factor
- A result of a massive corporate and government rethink after the supply-chain and transportation chaos during the pandemic

**Producer Price Index: Construction Nonresidential Buildings**



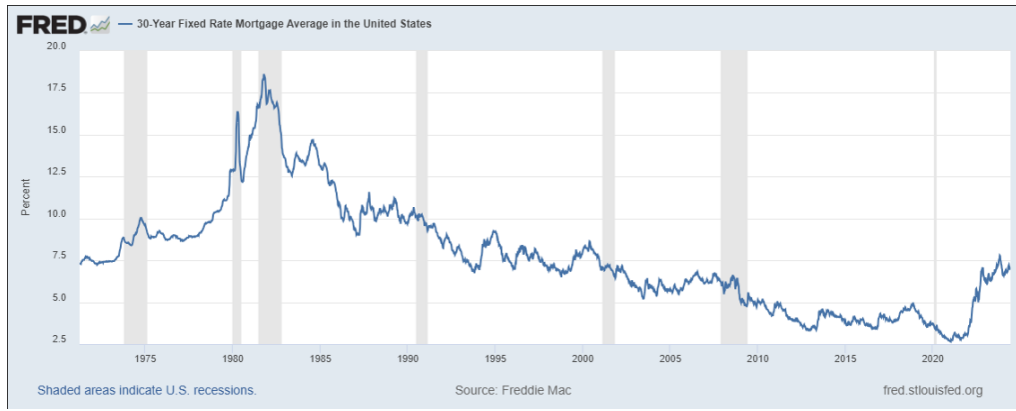
Source: BLS

- On a year-over-year basis, the PPI for nonresidential construction has been negative for the first four months of 2024
- Construction costs for non-factory buildings are down, yet factory building investment is surging.
- Businesses are prioritizing building new factories despite potentially lower overall construction costs elsewhere
- The explanation lies in expensive, specialized equipment needed for modern factories, which isn't captured in construction spending data

**Section 2:**

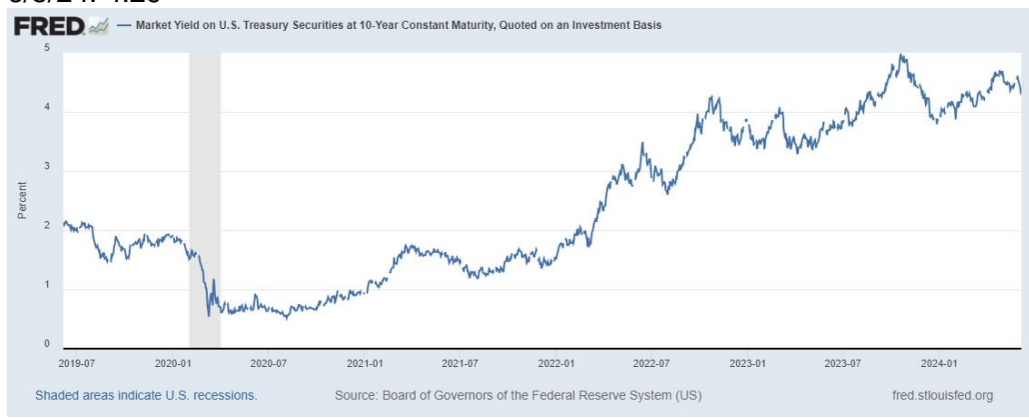
**30 Year Fixed Mortgage**

6/6/24: 6.99



**10-year US Treasury**

6/5/24: 4.29



### 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](http://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](http://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](http://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](http://www.olyfintech.com).

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PERFORMANCE

Market Indices	7-Jun	31-May	WoW Change	YTD Change	YoY Change
DJIA	38,798.99	38,686.32	0.29%	2.94%	13.93%
S&P 500	5,346.99	5,277.51	1.32%	12.10%	27.93%
NASDAQ	17,133.13	16,735.02	2.38%	14.13%	40.43%
MSCI - EAFE	2,368.97	2,355.67	0.56%	5.94%	11.02%
MSCI - Emerging Markets	1,073.14	1,048.96	2.31%	4.83%	2.64%
US Dollar Index	104.89	104.67	0.20%	3.51%	3.08%
VIX	12.22	12.92	(5.42%)	(1.85%)	(34.76%)
US Equities Avg Daily Dollar Volume (\$ in Billions)	332.32	342.84	(3.07%)	(11.38%)	(30.66%)

Market Ratios	7-Jun	31-May	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	21.04	18.01	16.81%	(19.30%)	8.26%
Put/Call Ratio	Equities	0.58	0.73	(20.55%)	(10.77%)	18.37%

Commodities Indices (\$ USD)	Metric	7-Jun	31-May	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	289.86	290.16	(0.10%)	9.87%	6.71%
Gasoline - Pump	Gallon	3.46	3.54	(2.48%)	10.88%	(1.00%)
Gasoline - Futures	Gallon	2.38	2.43	(1.79%)	13.32%	(2.84%)
Crude Oil - WTI	Barrel	75.53	76.99	(1.90%)	5.42%	(0.46%)
Crude Oil - Brent	Barrel	79.62	81.62	(2.45%)	3.35%	(3.10%)
Natural Gas	MM BTU	2.92	2.59	12.79%	16.07%	18.81%
Coal (1 contract = 1,000 tons)	Contract	214.74	214.74	0.00%	0.05%	9.08%
Aluminum	Metric Ton	2,578.00	2,652.50	(2.81%)	8.14%	(1.49%)
Copper	Metric Ton	9,762.50	10,040.00	(2.76%)	14.06%	7.84%
Iron Ore	Metric Ton	108.48	117.52	(7.69%)	(20.45%)	(12.48%)
Steel - Hot Rolled Coil	Metric Ton	728.00	761.00	(4.34%)	(35.86%)	(8.54%)
Steel - Cold Rolled Coil	Metric Ton	1,105.00	1,130.00	(2.21%)	(12.30%)	13.92%
Ferrous Scrap	Metric Ton	410.00	421.00	(2.61%)	(23.36%)	(13.68%)
Gold	Troy Ounce	2,293.78	2,327.33	(1.44%)	11.19%	19.92%
Silver	Troy Ounce	29.15	30.41	(4.13%)	22.52%	24.23%

Cotton	Pound	7-Jun	31-May	WoW Change	YTD Change	YoY Change
Cotton	Pound	67.94	70.26	(3.30%)	(11.66%)	(18.57%)
Butter	Pound	3.09	3.09	0.08%	16.04%	31.04%
Cheese	Pound	1.96	1.95	0.51%	25.87%	9.98%
Cocoa	Pound	4.16	3.89	6.72%	118.37%	258.07%
Corn	Bushel	4.49	4.46	0.56%	(4.77%)	(33.54%)
Milk, Non Fat Dry	Pound	1.18	1.15	2.83%	(1.79%)	(6.50%)
Soybean	Bushel	11.79	12.05	(2.14%)	(8.83%)	(23.14%)
Sugar	Pound	0.19	0.18	3.83%	(7.88%)	(12.28%)
Wheat	Bushel	6.28	6.79	(7.52%)	(0.08%)	(17.54%)
Live Cattle	Pound	1.82	1.82	0.34%	4.89%	(84.88%)
Lean Hogs	Pound	0.93	0.94	(1.93%)	36.12%	22.79%
Beef, USDA Ground	Pound	3.17	3.13	1.13%	9.33%	19.48%
Chicken, Boneless & Skinless	Pound	4.06	4.06	0.00%	(0.51%)	(5.89%)

Currencies	Metric	Spot Prices	Futures	10-Year Historicals			
		7-Jun	31-May	2024	2025	Low	High
Japanese Yen	USD/JPY	156.750	157.310	140.000	149.000	75.320	139.570
Chinese Renminbi	USDCNY	7.248	7.242	7.000	7.200	6.041	7.179
Swiss Franc	USDCHF	0.897	0.902	0.910	0.920	0.721	1.030
British Pound	GBPUSD	1.272	1.274	1.300	1.270	1.130	1.717
Euro Zone Euro	EURUSD	1.080	1.085	1.120	1.090	0.986	1.483

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: LCD News)	Week Ending		Bank Loans		High Yield	
	7-Jun	31-May	2024	2025	2024	2025
	\$	\$	\$	\$	\$	\$
	5-Jun-24	5-Jun-24	5-Jun-24	5-Jun-24	5-Jun-24	5-Jun-24
	29-May-24	29-May-24	29-May-24	29-May-24	29-May-24	29-May-24
	22-May-24	22-May-24	22-May-24	22-May-24	22-May-24	22-May-24
	15-May-24	15-May-24	15-May-24	15-May-24	15-May-24	15-May-24
	8-May-24	8-May-24	8-May-24	8-May-24	8-May-24	8-May-24
	1-May-24	1-May-24	1-May-24	1-May-24	1-May-24	1-May-24
	24-Apr-24	24-Apr-24	24-Apr-24	24-Apr-24	24-Apr-24	24-Apr-24
	17-Apr-24	17-Apr-24	17-Apr-24	17-Apr-24	17-Apr-24	17-Apr-24
	10-Apr-24	10-Apr-24	10-Apr-24	10-Apr-24	10-Apr-24	10-Apr-24
Year To Date 2024	\$	\$	\$	\$	\$	\$
	10,192	10,192	5,127	5,127	5,127	5,127
Year Ended December 31, 2023	\$	(18,051)	(17,252)	(17,252)	(17,252)	(17,252)
Year Ended December 31, 2022	\$	(12,694)	(48,558)	(48,558)	(48,558)	(48,558)

NEW ISSUE SUMMARY - BI-WEEKLY

Institutional Loans	6/7/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	5,233
Forward Calendar	4	7,437	
High Yield	6/7/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	9	6,532
Forward Calendar	3	4,711	

ECONOMIC DATA RECAP

Key Economic Indicators:	Period	Actual	Expected	Prior	
Initial Jobless Claims	May	218K	218K	209K	
Continuing Claims	May	1,927K	1,865K	1,840K	
Change in Non-Farm Payrolls	May	223K	205K	263K	
Change in Private Payrolls	May	220K	186K	221K	
Unemployment Rate	U-3	May 3.5%	3.7%	3.7%	
Unemployment Rate	U-6	May 6.6%	6.5%	6.7%	
Average Work Week	May	34.3	34.7	34.4	
Existing Home Sales	May	3.79M	3.90M	3.96M	
Housing Starts	May	1,372K	1,350K	1,358K	
S&P/Case-Shiller Composite	YoY	May 19.1%	18.6%	18.6%	
S&P/Case-Shiller Composite	MoM	May 1.8%	1.5%	1.5%	
Consumer Confidence	May	91.3	90.0	88.9	
GDP	QoQ-Annualized	4Q23 2.4%	1.8%	2.0%	
Durable Goods Orders	May	2.0%	1.9%	1.9%	
Total Vehicle Sales	May	15,32M	15,50M	15,50M	
Capacity Utilization	May	79.0%	77.0%	76.8%	
Fed & Treasury Balance Sheet	5-Jun	29-May	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	7,255,687.0	7,284,319.0	(0.4%)	(13.5%)
Public Debt	\$ in Billions	34,659.9	34,621.7	0.1%	8.8%
US Debt Outstanding	4Q23	3Q23	QoQ Change	YoY Change	
Domestic Nonfinancial Debt	\$ in Billions	69,511.9	68,910.4	0.9%	15.6%
Shared National Credit	2023	2022	YoY Change		
Shared National Credit Total Commitments	\$ in Billions	5,178.8	5,072.2	2.1%	
Special Mention Commitments	\$ in Billions	217.3	263.9	-17.7%	
Classified Commitments	\$ in Billions	332.8	365.9	-9.0%	

ECONOMIC / GDP DATA

Country	2020	2021	2022	2023	2024	Region	2021	2022	2023	2024
United States	(3.5%)	5.7%	2.1%	1.0%	1.1%	World	6.1%	6.1%	2.8%	3.0%
Brazil	(4.1%)	4.6%	2.9%	0.9%	1.5%	Advanced Economies	5.2%	5.2%	1.3%	1.4%
China	2.3%	8.1%	3.0%	5.2%	4.5%	Euro Area	5.3%	5.3%	0.8%	1.4%
Germany	(4.9%)	2.8%	1.8%	(0.1%)	1.1%	Emerging Mkts and Developing Economies	6.8%	6.8%	3.9%	4.2%
India	(8.0%)	8.9%	6.8%	5.9%	6.3%	Emerging and Developing Asia	7.3%	7.3%	5.3%	5.1%
Japan	(4.8%)	1.8%	1.1%	1.3%	1.0%	Emerging and Developing Europe	6.7%	6.7%	1.2%	2.2%
United Kingdom	(10.0%)	7.4%	4.0%	(0.3%)	1.0%	Latin America and the Caribbean	6.8%	6.8%	1.6%	2.2%

Market Indices	7-Jun	31-May	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	3,886.57	3,878.87	0.20%	4.60%	14.84%
Barclays High Yield Index	2,531.00	2,520.25	0.43%	2.46%	9.77%
Barclays Aggregate	2,135.85	2,126.49	0.44%	(0.73%)	0.38%

Loan Market Bids	7-Jun	31-May	WoW Change	YTD Change
S&P Flow Name Index	99.92	99.92	(0.05%)	1.59%
S&P 100 Name Index	97.29	97.20	0.09%	0.42%
S&P BB's Index	99.67	99.66	0.01%	0.08%
S&P B's Index	98.57	98.60	(0.03%)	0.64%
S&P CCC's Index	78.49	78.87	(0.48%)	(6.27%)

Loan Market Spreads	7-Jun	31-May	WoW Change	YTD Change
S&P BB's Index	L+294	L+295	(1 bps)	198 bps
S&P B's Index	L+464	L+460	4 bps	24 bps
S&P CCC's Index	L+1649	L+1584	65 bps	9 bps

Credit Default Swap - Volatility Indices	Index	7-Jun	31-May	WoW Change	YTD Change
Investment Grade CDS	Market	50.01	49.85	0.34%	(11.79%)
High Yield CDS	Market	334.90	332.84	0.62%	(6.02%)

Credit	7-Jun	31-May	WoW Change	YOY Change	
High Yield	Ave Yield	T+435	T+430	5 bps	50 bps
LCD Flow Name	Ave Spread	L+223	L+226	(3 bps)	27 bps
US Treasury 2-Yr		4.97%	4.93%	4 bps	65 bps
US Treasury 3-Yr		4.79%	4.79%	0 bps	75 bps
US Treasury 5-Yr		4.63%	4.66%	(3 bps)	75 bps
US Treasury 7-Yr		4.63%	4.66%	(3 bps)	72 bps
US Treasury 10-Yr		4.61%	4.65%	(3 bps)	71 bps

US CLO Spreads - New Issue	7-Jun	31-May	WoW Change	YTD Change
AAA	S+157	S+155	2 bps	(10 bps)
AA	S+204	S+200	4 bps	(10 bps)
A	S+250	S+240	10 bps	(15 bps)
BBB	S+380	S+380	0 bps	(5 bps)
BB	S+658	S+663	(5 bps)	0 bps

Market Rates	7-Jun	31-May	WoW Change	YTD Change
Fed Fund Rate	5.31%	5.31%	0 bps	0 bps
Prime Rate	8.50%	8.50%	0 bps	0 bps
Broker Call Rat	7.25%	7.25%	0 bps	0 bps
1M SOFR	5.33%	5.34%	(1 bps)	(5 bps)
3M SOFR	5.35%	5.36%	(1 bps)	(4 bps)
6M SOFR	5.39%	5.39%	0 bps	(8 bps)

Short Interest - Billions of shares	29-Feb	31-Jan	MoM Change	YTD Change
NYSE Mkt Short Interest	16.23	16.04	1.22%	0.53%
Nasdaq Short Interest	13.21	12.91	2.35%	2.26%

Fed Corp Primary Dealer Positions - \$ USD in Billions	29-May	22-May	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

Margin Debt - \$ USD in Billions	30-Apr	31-Mar	MoM Change	YTD Change
	775.45	784.14	(1.11%)	10.66%

Leveraged Finance Primary Volume - \$ USD in Billions

	6/7/2024	Year To Date 2024	Year End 2022	YoY Change
Bank Debt	226.1	86.9	588.4	160.18%
Senior Secured Bonds	66.1	51.5	147.9	28.35%
Unsecured Bonds	76.1	27.6	313.8	175.72%
Total Bonds	142.2	79.1	461.7	79.77%
Totals	368.3	166.0	1,050.1	121.87%

DEFAULT ACTIVITY

Total Loan Defaults - as of:	31-Mar	29-Feb	YE 2023
Default Rate by Total Amount of All Loans Outstanding	1.72%	1.56%	0.98%
Default Rate by Total Number of All Loan Issuers</			