

Briefing

Global Economic & Credit Market

Week 29 Ending – July 19, 2024

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Economic Calendar

- Tuesday, July 23: Existing home sales
- Wednesday, July 24: New home sales
- Thursday, July 25: GDP; durable-goods orders
- Friday, July 26: PCE index

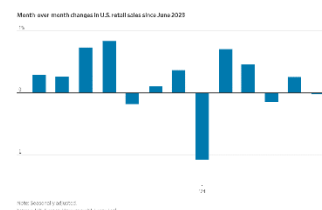
Key Market Metrics

- S&P 500: (1.97%) WoW; +15.41% YTD; +21.39% YoY; 15.6x LTM EBITDA; 13.4x NTM EBITDA
- Dow Jones: +0.72% WoW; +6.89% YTD; +14.37% YoY; 11.4x LTM EBITDA; 12.9x NTM EBITDA
- Nasdaq: (3.65%) WoW; +18.09% YTD; +26.05% YoY
- Ten Year US Treasury Yield: 4.29% +37 bps YTD; +39 bps YoY
- Currency:
 - British Pound per USD: \$1.29; (0.6%) WoW; 1.5% YTD; 0.4% YoY
 - Euro per USD: \$1.09; (0.2%) WoW; (1.5%)YTD; (2.2%)YoY
 - USD per Yen: ¥157.48; (0.2%)WoW; 11.8% YTD; 12.4% YoY
 - Swiss franc per EUR: 1.03 CHF; 0.8% WoW; (4.0%)YTD; (0.3%)YoY

U.S. News

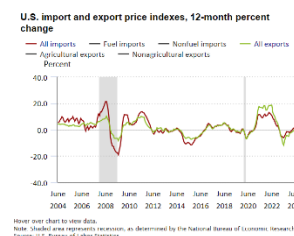
▪ Retail Sales

- Retail sales remained flat in June, beating expectations by 0.4%
- Spending in May was revised to a 0.3% increase, up from the 0.1% previously reported
- Excluding autos, retail sales increased 0.4% in June; economists only expected a 0.1% increase. Sales at motor vehicle and parts dealers dropped by 2%, partly due to a cyberattack that impacted car dealers



▪ Import/Export Price Indexes

- U.S. import prices were unchanged in June after a decrease of 0.2% the previous month
- Prices for U.S. exports fell 0.5% in June, following a 0.7% decrease in May
- Over the past year, import prices increased 1.6%, and export prices increased 0.7%



▪ Housing Starts

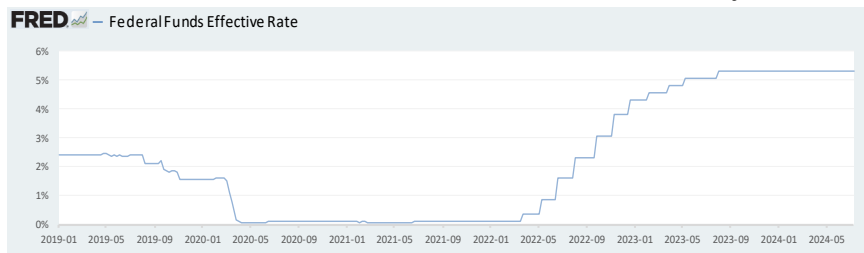
- Construction of new homes increased 3% in June to a 1.35 million annual pace. Single-family starts fell by 2.2% in June, but apartment starts rose by 22% over the same period. The reported figures beat WSJ forecasts of a 1.3 million pace
- The West posted a 6.1% drop in housing starts in June, while the Northeast recorded a 34.4% increase in June
- New home construction is down 4.4% from one year ago, largely due to elevated financing costs and 7% mortgage rates that have dropped home-buying activity

▪ Inflation Factors

- CPI:
 - The consumer-price index rose 3.3% in May year over year
 - On a monthly basis, the CPI increased 0.0% in May on a seasonally adjusted basis, after increasing 0.3% in April
 - The index for all items less food and energy (core CPI) rose 0.2% in May, after rising 0.3% in April
 - Core CPI increased 3.4% for the 12 months ending May
- Food & Beverages:
 - The food at home index increased 1.0% in May from the same month a year earlier, and decreased 0.0% in May month over month
 - The food away from home index increased 4.0% in May from the same month a year earlier, and increased 0.4% in May month over month
- Commodities:
 - The energy commodities index decreased (3.5%) in May after increasing 2.7% in April
 - 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 \$5,937.37 per 40ft container
 - Drewry's composite World Container Index has increased by 286.3% over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in May after increasing 0.4% in April
 - The rent index increased 0.4% in May after increasing 0.4% in April
 - The index for lodging away from home increased 1.4% in May after increasing 0.9% in April

▪ Federal Funds Rate

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



World News

▪ Israel/Gaza

- The Houthis conducted a drone attack in Tel Aviv that killed one person on Friday. This marks the first time that the Houthis successfully hit Tel Aviv after hundreds of attacks against Israel since October. The Houthis also claimed responsibility for a ballistic missile strike that was intercepted by Israel's Arrow 3 aerial defense system on Sunday
- In response to the drone attack, the Israeli military staged its first airstrike against the Houthis on Saturday. The attack targeted the port city of Hodeidah, which Israel claims is the main supply route for importing weapons from Iran. Hodeidah is also a launching point for missile and drone attacks on commercial shipping in the Red Sea
- Israel is moving healthcare centers underground in the border regions between Israel and Hezbollah in Lebanon, in preparation for an escalation between the two sides. Should that occur, military authorities expect 4,000 missiles and rockets to saturate air defenses per day, potentially inflicting thousands of daily casualties
- The International Court of Justice released an opinion stating that Israel is violating international law in its occupation of Palestinian territories through settlement construction in the West Bank, the demolition of Palestinian homes, land appropriation, and discriminatory policies against the Palestinians

▪ Russia

- The Ukrainian army pulled out from Urozhaine, an eastern village in the Donetsk region, on Thursday. The retreat marks the surrender of another front-line position to Russia during its summer offensive
- The top U.S. Middle East commander advised that Russia might arm the Houthis with antiship missiles to retaliate against the U.S.'s support for Ukrainian strikes inside Russia
- WSJ reporter Evan Gershkovich was convicted of espionage and sentenced to 16 years in prison on Friday. According to U.S. officials, this move is part of an ongoing Russian effort to amass American prisoners to exchange for Russians held in Western countries
- Iryna Farion, a Ukrainian former lawmaker, succumbed to her wounds after being shot in the street on Friday. Ukrainian authorities state they are investigating the event as an assassination and have a lead that links the attack to Russia

▪ France

- France's National Assembly re-elected its speaker, Yaël Braun-Pivet, who is part of President Emmanuel Macron's Renaissance party on Thursday
- Yaël Braun-Pivet received 220 votes out of the 577-seat assembly, after Les Républicains rallied behind her to block the election of a left-wing candidate
- French President Emmanuel Macron accepted the resignation of the Prime Minister, Gabriel Attalon, and his cabinet on Tuesday
- The cabinet members who resigned are expected to head their respective ministries as part of a caretaker government, which will oversee administrative affairs without the ability to propose new legislation

▪ China

- Xi Jinping and Communist Party officials released a communiqué, detailing how the government plans to address the recent decline in economic growth
- The document points to risks in the property sector, local-government debt, lackluster demand, and small and mid-sized financial institutions
- Officials committed to the 5% 2024 growth target and vow to nurture tech-led industries
- The outline signals a continued commitment to state-led development, despite growing concerns from both inside and outside China over the CCP's handling of the economy

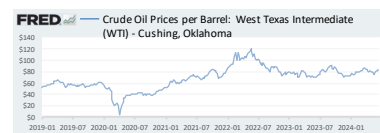
Geopolitical Hotspots

- **EU**
 - The EU proposed duties between 12.8% and 36.4% on Chinese biofuels, claiming that it found Chinese companies dumping biofuels into European markets at unfair prices
- **Rwanda**
 - Rwandan President Kagame won his election on Thursday with more than 99% of the vote, securing Kagame five more years in power. The results come after what international rights groups claim are the erosion of political liberties in Rwanda
- **Canada**
 - Potential railroad worker strikes at Canadian National Railway and Canadian Pacific Kansas City threaten to disrupt the country's logistics network. Business groups have warned that simultaneous strikes from the two railroads would cause major disruptions in the supply chain
 - Wildfires reemerge in Western Canada during a heat wave in Alberta. Last year, wildfires burned more than 45 million acres and costed the Canadian economy about \$10 billion
- **Japan**
 - Japan's Government Pension Investment Fund, which holds \$1.53 trillion in assets, is preparing its first portfolio overhaul in five years, potentially shifting investments from foreign assets back to yen assets due to the yen's weakness
- **Mexico**
 - The Biden administration is imposing tariffs on Mexican imports that contain steel or aluminum from China, with a 25% tariff on steel products and a 10% duty on aluminum products, to prevent Chinese metals from entering the U.S. duty-free
- **Germany**
 - German industrial production fell by 2.5% in May, significantly weaker than the 0.1% increase in April, as car manufacturing declined, indicating a slower-than-expected recovery for Europe's largest economy
- **India**
 - During his visit to Moscow, Indian Prime Minister Narendra Modi balanced reinforcing ties with Russia and publicly condemning a Russian missile attack on a children's hospital in Kyiv, exemplifying India's delicate diplomatic strategy amidst global tensions
- **Iran**
 - Iranians elected their first reformist president in two decades in a runoff election. Masoud Pezeshkian, who won more than 53% of the vote, campaigned on re-engaging in nuclear talks with the West and loosening moral codes for women

Commodities

Oil Prices

- WTI: \$80.13 per barrel
 - (2.53%) WoW; +11.84% YTD; +5.95% YoY
- Brent: \$82.63 per barrel
 - (2.82%) WoW; +7.26% YTD; +3.75% YoY



US Production

- U.S. oil production amounted to 13.3 million bpd for the week ended July 12, down 0.1 million bpd from the prior week

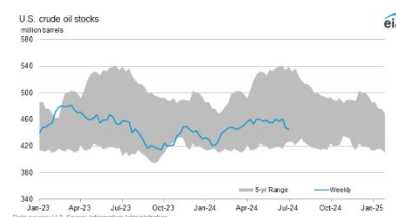
Rig Count

- The total number of oil rigs amounted to 586, up 2 from last week

Inventories

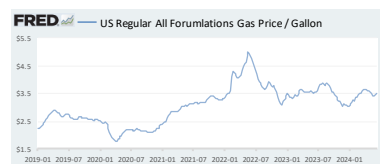
Crude Oil

- Total U.S. crude oil inventories now amount to 440.2 million barrels, down (3.8%) YoY
- Refiners operated at a capacity utilization rate of 93.7% for the week, down from 95.4% in the prior week
- U.S. crude oil imports now amount to 6.760 million barrels per day, down (1.9%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.50 per gallon in the week of July 19, down (2.3%) YoY
 - Gasoline prices on the East Coast amounted to \$3.57, up 1.4% YoY
 - Gasoline prices in the Midwest amounted to \$3.45, down (1.1%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$3.20, down (0.6%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$3.50, down (9.9%) YoY
 - Gasoline prices on the West Coast amounted to \$4.33, down (7.2%) YoY



- Motor gasoline inventories were up by 3.3 million barrels from the prior week
- Motor gasoline inventories amounted to 233.0 million barrels, up 6.7% YoY
- Production of motor gasoline averaged 9.55 million bpd, up 0.3% YoY
- Demand for motor gasoline amounted to 8.783 million bpd, down (0.8%) YoY

Distillates

- Distillate inventories decreased by 3.5 million in the week of July 19
- Total distillate inventories amounted to 128.1 million barrels, up 8.4% YoY
- Distillate production averaged 5.229 million bpd, up 3.9% YoY
- Demand for distillates averaged 3.585 million bpd in the week, down (2.3%) YoY

Credit News

High yield bond yields decreased 11bps to 7.55% and spreads decreased 9bps to 332bps. Leveraged loan yields decreased 7bps to 8.95% and spreads decreased 1bps to 498bps. WTD Leveraged loan returns were positive 20bps. WTD high yield bond returns positive 50bps. 10yr treasury yields increased 4bps to 4.23%. Yields and spreads declined amid solid earnings, better-than-expected retail sales, and expectations for the Fed to begin its cutting cycle in September.

High-yield:

Week ended 07/19/2024

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.55%	332	7.66%	341	(11)	(9)

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$94.56	\$94.21	35	0.50%	1.57%	4.16%	13.5%

- Fund Flows²

Total Flows (\$)
\$2,700mm

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
2	\$1.1bn	\$169.6bn	\$96.0bn	+77%

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

6/30/24	5/31/24	4/30/24
7.64%	7.63%	6.55%

- Total HY Defaults

6/30/24	5/31/24	4/30/24
1.17%	1.25%	1.55%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Ratings activity:

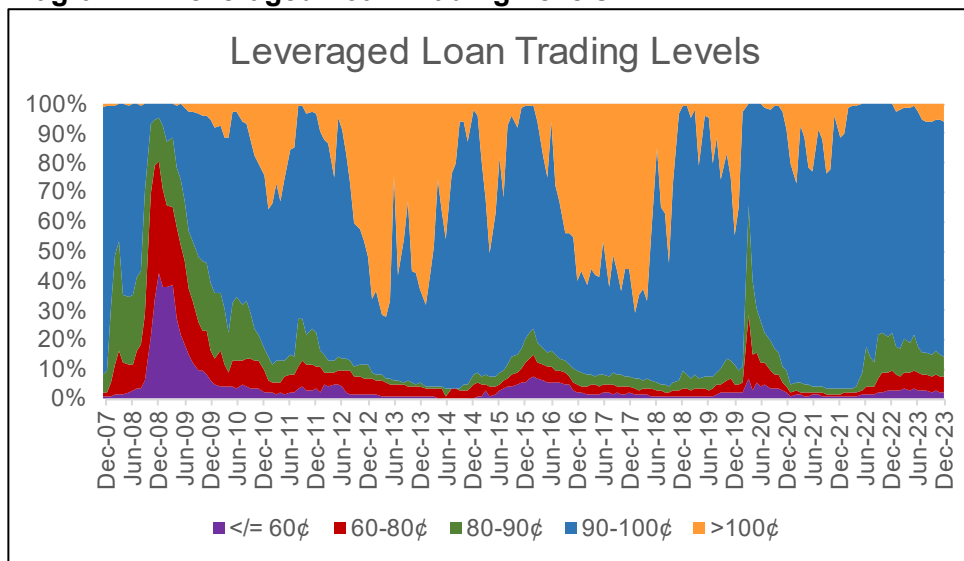
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7x
Week Ending 01/05/24	1	2	0.5x	0	2	0.0x
Week Ending 01/12/24	8	6	1.3x	3	7	0.4x
Week Ending 01/19/24	2	6	0.3x	12	6	2.0x
Week Ending 01/26/24	10	0	n/a	15	6	2.5x
Week Ending 02/02/24	3	13	0.2x	11	7	1.6x
Week Ending 02/09/24	18	6	3.0x	5	7	0.7x
Week Ending 02/16/24	8	2	4.0x	14	9	1.6x
Week Ending 02/23/24	3	8	0.4x	16	16	1.0x
Week Ending 03/01/24	14	5	2.8x	6	2	3.0x
Week Ending 03/08/24	16	10	1.6x	15	14	1.1x
Week Ending 03/15/24	12	7	1.7x	15	5	3.0x
Week Ending 03/22/24	6	5	1.2x	7	10	0.7x
Week Ending 03/29/24	9	2	4.5x	15	14	1.1x
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7x	8	7	1.1x
Week Ending 04/19/24	14	10	1.4x	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4x	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
Week Ending 05/17/24	13	7	1.9x	13	4	3.3x
Week Ending 05/24/24	10	6	1.7x	13	10	1.3x
Week Ending 05/31/24	12	3	4.0x	14	10	1.4x
Week Ending 06/07/24	9	14	0.6x	10	9	1.1x
Week Ending 06/14/24	10	7	1.4x	11	12	0.9x
Week Ending 06/21/24	9	6	1.5x	6	8	1.6x
Week Ending 06/28/24	5	4	1.3x	7	6	1.2x
Week Ending 07/05/24	5	8	0.6x	3	8	0.4x
Week Ending 07/12/24	1	4	0.3x	4	5	0.8x
Week Ending 07/19/24	6	4	1.5x	14	4	3.5x
YTD 2024	241	186	1.3x	293	227	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	91.0	94.6	85.4	9.2
Leveraged Loans	95.3	96.2	94.1	2.1

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

[2] HY high price as of 7/16/24. LL high price as of 5/15/24

[3] HY low price as of 10/20/23. LL low price as of 11/1/23

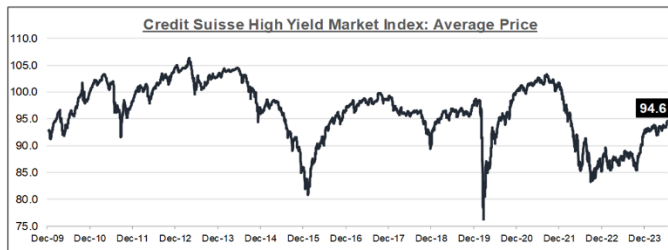
Diagram C: Leveraged Loan and High Yield Returns

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%	0.16%	0.50%	0.28%
MTD Return	0.42%	0.51%	1.57%	1.36%
YTD Return	4.98%	4.86%	4.16%	3.50%

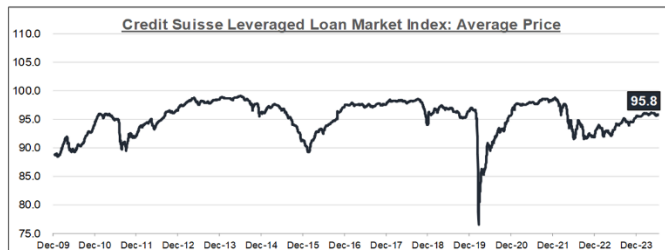
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 07/19/2024

[2] Yield data as of 07/19/2024

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

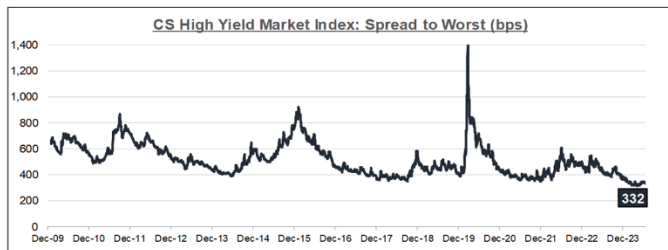


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



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

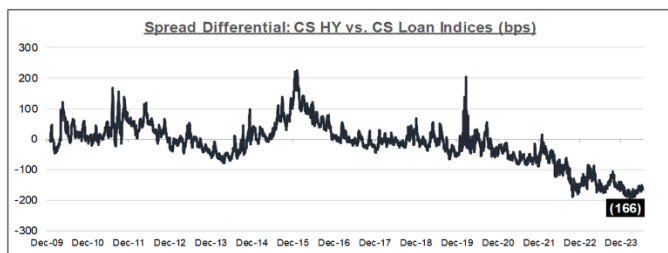


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



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 L: CLO Economics

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

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

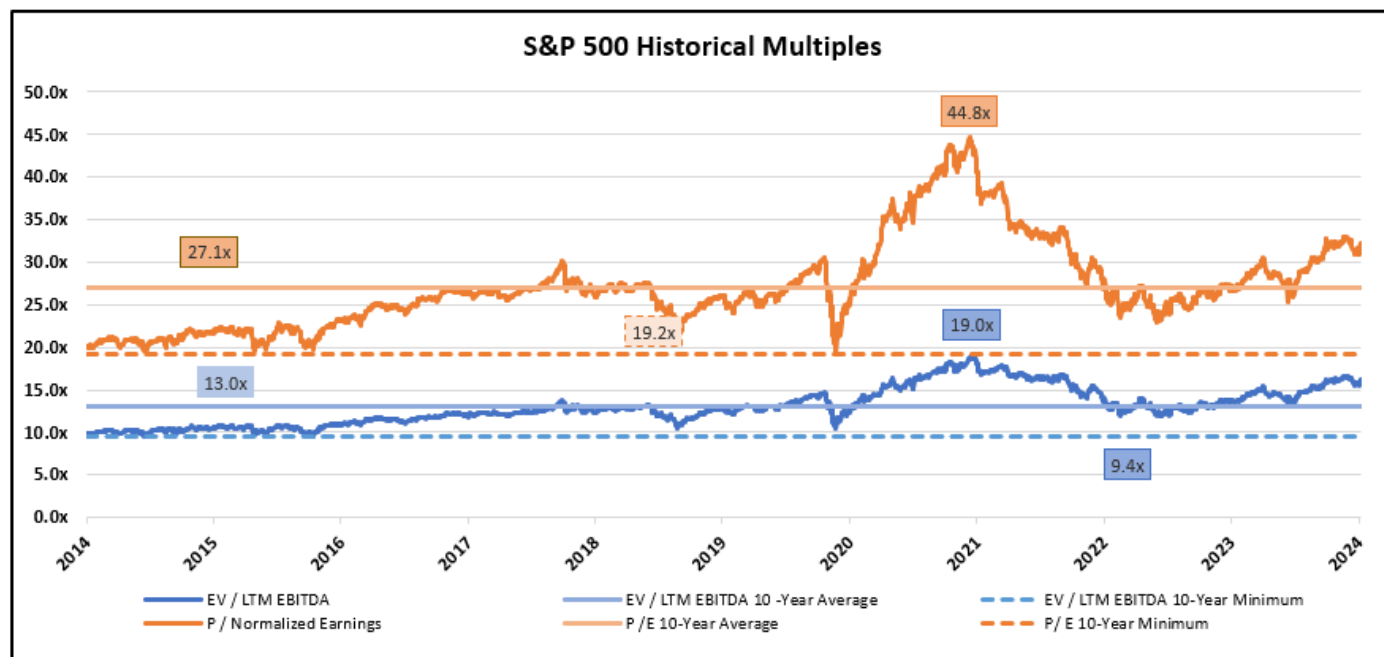
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	6/28/24	7/5/24	7/12/24	7/19/24	Change				
					Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.30%	3.21%	3.15%	3.13%	(3 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.50%	2.56%	2.50%	2.46%	(3 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	4.07%	3.94%	3.79%	3.76%	(3 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	1.06%	1.08%	1.07%	1.04%	(2 bps)	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.17%	4.13%	4.11%	4.12%	1 bps	(90 bps)	6 bps	93 bps	(18 bps)
US									
US - 2 year	4.75%	4.60%	4.45%	4.50%	5 bps	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.38%	4.23%	4.10%	4.15%	5 bps	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.40%	4.28%	4.18%	4.23%	5 bps	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.56%	4.48%	4.40%	4.44%	5 bps	(89 bps)	106 bps	27 bps	(24 bps)

Source: Bloomberg

Diagram O: S&P 500 Historical Multiples

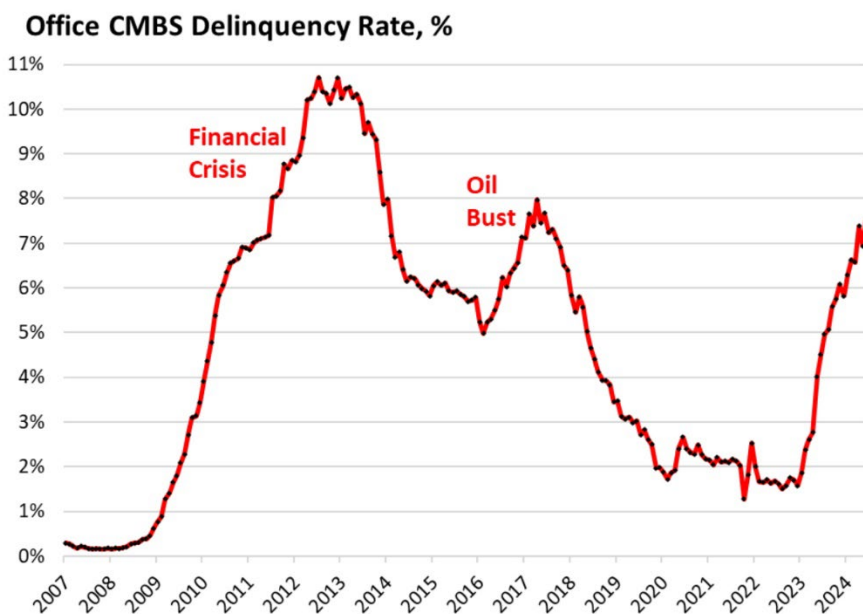


Source: S&P Capital IQ

Real Estate News

Office CMBS. Delinquency rates of office mortgages backing CMBS spiked to 7.6% in June, according to data by Trepp, which tracks and analyzes CMBS. This was the highest rate since the worst moments of the oil bust that had devastated the Houston office market in 2016. Mortgages are considered delinquent after the 30-day grace period has expired without interest payment.

About \$1.87 billion in office loans became newly delinquent in June, but \$900 million in formerly delinquent mortgages were no longer delinquent – producing a net increase in delinquent loans of about \$1 billion:



Source: Trepp, Wolf Street

The primary causes are threefold: a significant drop in office market demand, floating-rate mortgages, and loan maturities during a period of higher interest rates. A previous Trepp report indicated that the delinquency rate for floating-rate office loans was 20%, compared to 4.7% for fixed-rate loans.

Loans are removed from the delinquency list if the interest is paid, resolved through a foreclosure sale with substantial losses for CMBS holders, or if an agreement is reached between the landlord and the special servicer representing the CMBS holders, such as restructuring or modifying and extending the mortgage.

This **"extend-and-pretend"** strategy is now popular because CMBS holders want to avoid taking possession of nearly empty, aging office buildings, which gives landlords leverage over lenders. Many landlords have already defaulted on loans and properties over the past two years, forfeiting their equity and leaving lenders to bear the remaining losses. Even large landlords like Blackstone have abandoned major office towers in Manhattan, resulting in losses for CMBS holders, particularly for lower-rated tranches. This mutual threat dynamic between landlords and lenders has led to more frequent deals to restructure or modify loans, making them more economically feasible.

Despite these efforts, the office property market faces a severe structural problem with a vast surplus of vacant office space and property values plummeting by 50% to 70% in many markets. This issue, combined with rising interest rates, cannot be resolved merely through adjustments by the Federal Reserve.

PERFORMANCE

Market Indices	19-Jul	12-Jul	WoW Change	YTD Change	YoY Change
DJIA	40,287.53	40,000.90	0.72%	6.89%	18.31%
S&P 500	5,505.00	5,615.35	(1.97%)	15.41%	31.71%
NASDAQ	17,726.94	18,398.45	(3.65%)	18.09%	45.29%
MSCI - EAFE	2,260.51	2,418.31	(2.39%)	5.56%	10.62%
MSCI - Emerging Markets	1,089.61	1,123.56	(3.02%)	6.43%	4.21%
US Dollar Index	104.40	104.09	0.29%	3.02%	2.60%
VIX	16.52	12.46	32.58%	32.69%	(11.80%)
US Equities Avg Daily Dollar Volume (\$ in Billions)	269.19	279.71	(3.76%)	(28.22%)	(43.83%)

Market Ratios	19-Jul	12-Jul	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	21.57	18.01	19.75%	(17.27%)	10.99%
Put/Call Ratio	Equities	0.60	0.57	5.26%	(7.69%)	22.45%

Commodities Indices (\$ USD)	Metric	19-Jul	12-Jul	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	280.36	290.44	(3.47%)	6.27%	3.21%
Gasoline - Pump	Gallon	3.50	3.53	(0.68%)	12.42%	0.37%
Gasoline - Futures	Gallon	2.45	2.52	(2.58%)	16.54%	(0.08%)
Crude Oil - WTI	Barrel	80.13	82.21	(2.53%)	11.84%	5.60%
Crude Oil - Brent	Barrel	82.63	85.03	(2.82%)	7.26%	0.56%
Natural Gas	MM BTU	2.13	2.33	(8.63%)	(15.35%)	(13.36%)
Coal (1 contract = 1,000 tons)	Contract	196.01	196.01	0.00%	(8.68%)	(0.44%)

Commodities Indices (\$ USD)	Metric	19-Jul	12-Jul	WoW Change	YTD Change	YoY Change
Aluminum	Metric Ton	2,351.50	2,481.00	(5.22%)	(1.36%)	(10.15%)
Copper	Metric Ton	9,310.00	9,877.00	(5.74%)	8.77%	2.84%
Iron Ore	Metric Ton	108.45	109.58	(1.03%)	(20.47%)	(12.51%)
Steel - Hot Rolled Coil	Metric Ton	657.00	665.00	(1.20%)	(42.11%)	(17.46%)
Steel - Cold Rolled Coil	Metric Ton	990.00	995.00	(0.50%)	(21.43%)	2.06%
Ferrous Scrap	Metric Ton	405.00	405.00	0.00%	(24.30%)	(14.74%)
Lumber	Metric Ton	501.50	437.5	14.63%	(7.64%)	(7.64%)
Gold	Troy Ounce	2,400.83	2,411.43	(0.44%)	16.38%	25.52%
Silver	Troy Ounce	29.22	30.79	(5.08%)	22.81%	24.53%
Cotton	Pound	63.69	60.60	5.10%	(17.19%)	(23.66%)
Butter	Pound	3.08	3.10	(0.81%)	15.38%	30.30%
Cheese	Pound	1.98	1.97	0.20%	26.96%	26.23%
Cocoa	Pound	3.49	3.77	(7.60%)	83.25%	200.47%
Corn	Bushel	3.91	4.00	(2.38%)	(17.14%)	(42.17%)
Milk, Non Fat Dry	Pound	1.20	1.21	(0.44%)	(0.12%)	(4.91%)
Soybean	Bushel	10.97	11.35	(3.28%)	(15.17%)	(28.48%)
Sugar	Pound	0.19	0.19	(2.81%)	(9.33%)	(13.85%)
Wheat	Bushel	5.43	5.38	0.88%	(13.57%)	(28.68%)
Live Cattle	Pound	1.83	1.82	0.40%	5.43%	(83.86%)
Lean Hogs	Pound	0.92	0.89	3.24%	34.72%	21.53%
Beef, USDA Ground	Pound	3.14	3.22	(2.56%)	8.33%	18.38%
Chicken, Boneless & Skinless	Pound	4.05	4.05	0.00%	(0.88%)	(6.23%)

Currencies	Metric	Spot Prices	Futures	10-Year Historicals			
		19-Jul	12-Jul	2024	2025	Low	High
Japanese Yen	USD/JPY	157.480	157.830	143.000	153.000	75.820	139.570
Chinese Renminbi	USDCNY	7.270	7.250	7.040	7.240	6.041	7.179
Swiss Franc	USDCHF	0.889	0.894	0.900	0.910	0.721	1.030
British Pound	GBPUSD	1.291	1.299	1.310	1.270	1.130	1.717
Euro Zone Euro	EURUSD	1.088	1.091	1.120	1.080	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
	17-Jul-24	\$ 443	\$ 675
	10-Jul-24	\$ 533	\$ (206)
	3-Jul-24	\$ 29	\$ (224)
	26-Jun-24	\$ 47	\$ (78)
	19-Jun-24	\$ (16)	\$ 77
	12-Jun-24	\$ 547	\$ 10
	5-Jun-24	\$ 630	\$ 1,200
	29-May-24	\$ 386	\$ (407)
	22-May-24	\$ 379	\$ 2,454
Year To Date 2024		\$ 10,192	\$ 5,127
Year Ended December 31, 2023		\$ (18,051)	\$ (17,252)
Year Ended December 31, 2022		\$ (12,694)	\$ (48,558)

NEW ISSUE SUMMARY - BI-WEEKLY

Institutional Loans	7/19/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	5,233
Forward Calendar		4	7,437
High Yield	7/19/2024	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	July	233K	235K	238K	
Continuing Claims	July	1,839K	1,828K	1,821K	
Change in Non-Farm Payrolls	July	272K	180K	175K	
Change in Private Payrolls	July	229K	165K	167K	
Unemployment Rate	U-3	4.0%	3.9%	3.9%	
Unemployment Rate	U-6	6.6%	6.5%	6.7%	
Average Work Week	July	34.3	34.7	34.4	
Existing Home Sales	July	4.11M	4.10M	4.14M	
Housing Starts	July	1,277K	1,370K	1,360K	
S&P/Case-Shiller Composite	YoY	7.2%	7.0%	7.4%	
S&P/Case-Shiller Composite	MoM	0.4%	0.3%	0.3%	
Consumer Confidence	June	91.3	90.0	88.9	
GDP	QoQ-Annualized	1Q24	1.4%	1.4%	1.3%
Durable Goods Orders	June	0.6%	0.7%	0.7%	
Total Vehicle Sales	June	15.32M	15.50M	15.50M	
Capacity Utilization	June	79.0%	77.0%	76.8%	
Fed & Treasury Balance Sheet	17-Jul	10-Jul	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	7,208,247.0	7,224,079.0	(0.2%)	(12.9%)
Public Debt	\$ in Billions	34,679.3	34,861.3	(0.5%)	6.5%
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

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

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%	2.8%	3.0%	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	19-Jul	12-Jul	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	3,911.06	3,904.12	0.18%	5.26%	15.57%
Barclays High Yield Index	2,579.31	2,571.52	0.30%	4.42%	11.86%
Barclays Aggregate	2,172.57	2,179.73	(0.33%)	0.97%	2.11%

Loan Market Bids	19-Jul	12-Jul	WoW Change	YTD Change
S&P Flow Name Index	99.60	99.65	(0.05%)	1.27%
S&P 100 Name Index	97.22	97.22	(0.00%)	0.35%
S&P BB's Index	99.43	99.41	0.02%	(0.16%)
S&P B's Index	98.18	98.18	0.00%	0.25%
S&P CCC's Index	76.21	76.59	(0.50%)	(8.99%)

Loan Market Spreads	19-Jul	12-Jul	WoW Change	YTD Change
S&P BB's Index	L+288	L+289	(1 bps)	192 bps
S&P B's Index	L+488	L+484	4 bps	48 bps
S&P CCC's Index	L+2039	L+1974	65 bps	399 bps

Credit Default Swap - Volatility Indices	Index	19-Jul	12-Jul	WoW Change	YTD Change
Investment Grade CDS	Market	50.83	48.20	5.46%	(10.35%)
High Yield CDS	Market	332.73	321.21	3.59%	(6.63%)

Credit	19-Jul	12-Jul	WoW Change	YOY Change	
High Yield	Ave Yield	T+465	T+460	5 bps	80 bps
LCD Flow Name	Ave Spread	L+205	L+208	(3 bps)	9 bps
US Treasury 2-Yr		4.47%	4.50%	(3 bps)	15 bps
US Treasury 3-Yr		4.24%	4.28%	(4 bps)	20 bps
US Treasury 5-Yr		4.12%	4.14%	(2 bps)	24 bps
US Treasury 7-Yr		4.13%	4.15%	(1 bps)	22 bps
US Treasury 10-Yr		4.20%	4.20%	(1 bps)	30 bps

US CLO Spreads - New Issue	19-Jul	12-Jul	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	19-Jul	12-Jul	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	5.34%	5.34%	0 bps	(4 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	31-May	30-Apr	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	10-Jul	3-Jul	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

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

Leveraged Finance Primary Volume - \$ USD in Billions

	Year To Date 2024	2023	Year End 2022	YoY Change
7/19/2024				
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-May	30-Apr	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	1.89%	1.62%	0.98%

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

Government Assistance	31-May	30-Apr	YTD Change
SNAP Ika Food Stamps - # of Participants in Millions	38.778	39,027	(6.22%)