

## Briefing

### Global Economic & Credit Market

### Week 31 Ending – August 02, 2024

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#### Economic Calendar

- Monday, August 05: S&P final U.S. services PMI
- Tuesday, August 06: U.S. trade deficit
- Wednesday, August 07: Consumer credit
- Thursday, August 08: Jobless claims; wholesale inventories

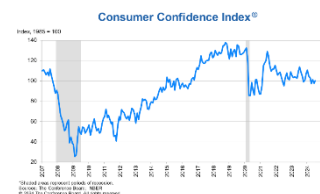
#### Key Market Metrics

- S&P 500: (2.06%) WoW; +12.09% YTD; +18.76% YoY; 15.6x LTM EBITDA; 13.0x NTM EBITDA
- Dow Jones: (2.10%) WoW; +5.43% YTD; +12.84% YoY; 11.4x LTM EBITDA; 12.7x NTM EBITDA
- Nasdaq: (3.35%) WoW; +11.76% YTD; +20.18% YoY
- Ten Year US Treasury Yield: 3.82% (10) bps YTD; (41) bps YoY
- Currency:
  - British Pound per USD: \$1.28; (0.5%) WoW; 0.6% YTD; 0.7% YoY
  - Euro per USD: \$1.09; 0.5% WoW; (1.2%)YTD; (0.3%)YoY
  - USD per Yen: ¥146.53; (4.7%)WoW; 4.0% YTD; 2.8% YoY
  - Swiss franc per EUR: 1.07 CHF; 2.5% WoW; (0.8%)YTD; 2.3% YoY

#### U.S. News

##### Consumer Confidence

- Consumer confidence rose to 100.3 in July, up from 97.8 in June and above the median forecast of 99.5
- Americans' short-term expectations for income, business and the job market rose to 78.2 from 72.8 in June
- Increased prices on food are the main drivers of consumers' view of the economy



##### FOMC Interest-Rate Decision

- The Federal Reserve held its benchmark rate, which is at a 23-year high
- The Federal Reserve is monitoring job-market indicators, as job gains slow and unemployment rises
- The Federal Reserve's goal is to get inflation below 2%; however, top officials have made it clear that, so long as inflation continues to trend downwards, a rate cut in September is on the table even if this target is not met

##### Factory Orders

- Factory orders fell 3.3% in June, a greater decrease than the forecasted 3.2%. The drop was mostly caused by lower demand for aircraft—both passenger planes and military aircraft. Excluding transportation, factory orders increased 0.1%
- Core orders increased by 0.9% in June, but business investment has hardly increased in the last year
- Weak shipments this year are mostly due to high interest rates and moderating demand for big-ticket goods, such as new cars



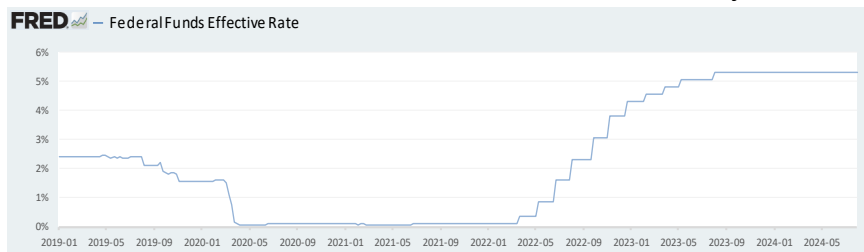


## ▪ Inflation Factors

- CPI:
  - The consumer-price index rose 3.0% in June year over year
  - On a monthly basis, the CPI decreased -0.1% in June on a seasonally adjusted basis, after increasing 0.0% in May
  - The index for all items less food and energy (core CPI) rose 0.1% in June, after rising 0.2% in May
  - Core CPI increased 3.3% for the 12 months ending June
- Food & Beverages:
  - The food at home index increased 1.1% in June from the same month a year earlier, and increased 0.1% in June month over month
  - The food away from home index increased 4.1% in June from the same month a year earlier, and increased 0.4% in June month over month
- Commodities:
  - The energy commodities index decreased (3.7%) in June after decreasing (3.5%) in May
  - The energy commodities index fell (2.3%) over the last 12 months
  - The energy services index rose 2.1% in June after increasing 0.3% in May
  - The energy services index rose 4.3% over the last 12 months
  - The gasoline index fell (2.5%) over the last 12 months
  - The fuel oil index rose 0.8% over the last 12 months
  - The index for electricity rose 4.4% over the last 12 months
  - The index for natural gas rose 3.7% over the last 12 months
- Supply Chain:
  - Drewry's composite World Container Index decreased to \$5,736.21 per 40ft container in June
  - Drewry's composite World Container Index has increased by 225.7% over the last 12 months
- Housing Market:
  - The shelter index increased 0.2% in June after increasing 0.4% in May
  - The rent index increased 0.2% in June after increasing 0.4% in May
  - The index for lodging away from home decreased (0.6%) in June after increasing 1.4% in May

## ▪ Federal Funds Rate

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



## World News

### ▪ Israel/Gaza

- Israel claims that it killed Fuad Shukur, a top Hezbollah military leader, in an airstrike in Beirut. The attack was retaliation for a Saturday attack on the Golan heights, which killed 12 young people
- A strike on Tehran killed Ismail Haniyeh, a Hamas negotiator and voice for a cease-fire. Haniyeh is the highest-ranking Hamas political official to be killed in this conflict
- Iranian investigations revealed that a bomb was planted in the negotiator's room, highlighting failure of Iranian security. Iran announced that retaliation for the attack on its soil will be "heavy and swift", raising concerns of further escalation in the region
- Israel announced that it killed Mohammed Deif, a top Hamas military commander, in a July airstrike. Mohammed Deif was a principal planner of the October 7<sup>th</sup> attacks and has been a designated terrorist by the U.S. government for decades

### ▪ Russia

- Ukraine claims that it sunk a Russian Rostov-on-Don submarine in a missile strike off the coast of Crimea. This would mark the first time that one of these vessels in the Black Sea Fleet has been sunk
- Russian television will not air the Olympic games for the first time in four decades. The Russian government criticized the Olympic committee for banning the Russian team
- Western governments coordinated the largest prisoner swap with Russia since the Cold War. Russia released 16 people, including WSJ reporter Evan Gershkovich and other journalists and activists. In return, Russia will receive 8 people, including hitmen, spies, weapons smugglers, and hackers. Putin greeted them when they landed on Russian soil, thanking them for their "loyalty to the motherland"
- There are still approximately 20 U.S. citizens who are still held by Russia, who could be used as potential bargaining chips in future prisoner exchanges

### ▪ France

- French officials stated that far-left saboteurs were responsible for the burning of rail lines that impacted the country's high-speed train network during the Olympics
- In addition to the rail lines, the far-left is also connected to the vandalism of fiber-optic networks, disrupting landline and cellular service. Whether the saboteurs acted on their own accord or were influenced by outside groups is currently being investigated
- Thomas Jolly, the artistic director behind the Opening Ceremony, filed a complaint regarding threatening messages, including death threats, after the Opening Ceremony came under criticism from conservative politicians and Christian religious groups
- While critics lamented the reinterpretation of Leonardo da Vinci's "The Last Supper" for being distasteful and offensive, Jolly claimed that the scene was meant to be a representation of the Greek gods

### ▪ China

- During the Politburo meeting, Chinese leaders pledged more measures to boost household income, increase consumer demand, and reduce funding costs for companies
- This announcement comes after Chinese economic growth slowed sharply during the second quarter, driven mainly by low consumer spending and a sluggish property sector
- Russian and Chinese militaries conducted a joint patrol near Alaska. U.S. and Canadian fighters intercepted the Russian and Chinese bombers, though they did not enter U.S. airspace. This patrol marks the first such cooperation between the two countries
- China rejected the IMF's proposal to use \$1T of central government funds to complete unfinished housing. The news comes as a disappointment to those who hoped for more forceful support to an industry that has been dragging down the Chinese economy

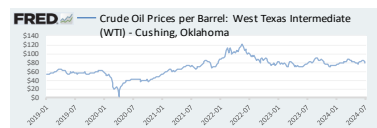
## Geopolitical Hotspots

- **UK**
  - The U.K. government cancels the retail sale of its 20% NatWest stake, a bank it rescued during the 2008 financial crisis. The U.K. Treasury Chief announced that the government plans to sell the stake privately in 2025
- **Venezuela**
  - The U.S. recognized Edmundo Gonzalez, Nicolas Maduro's opponent, as the winner of the country's disputed presidential election. President Maduro continues to stay in power, using the police and military to cement his position
- **Mali**
  - Dozens of Russian / Wagner Group mercenaries, hired by the Malian government to fight insurgents, were killed in an attack conducted by Tuareg rebels on Sunday. The attack dealt a blow to the image of Wagner Group and the Russian presence in the region
- **Germany**
  - The GfK consumer-climate index forecasts German consumer confidence to rise 3.2 points to -18.4 in August 2024, driven by significantly increased income expectations and the positive impact of the European soccer tournament
- **New Zealand**
  - The ANZ-Roy Morgan consumer confidence index for New Zealand rose 5 points to 87.9 in July 2024, amid rising expectations of significant interest-rate cuts and a notable fall in inflation expectations to 3.7%
- **Singapore**
  - The Monetary Authority of Singapore maintained its monetary policy settings and expects GDP growth to approach its potential rate of 2%-3% for the full year, supported by improved economic momentum and easing inflation
- **Brazil**
  - Starlink's rapid expansion in Brazil, particularly in the Amazon and farming regions, is causing concerns among officials in President Luiz Inácio Lula da Silva's administration, leading to investigations and potential restrictions due to its perceived political influence and impact on national sovereignty
- **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

## Commodities

### Oil Prices

- WTI: \$73.52 per barrel
  - (4.72%) WoW; +2.61% YTD; (9.85%) YoY
- Brent: \$77.52 per barrel
  - (4.45%) WoW; +0.62% YTD; (8.95%) YoY



### US Production

- U.S. oil production amounted to 13.3 million bpd for the week ended July 26, down 0.0 million bpd from the prior week

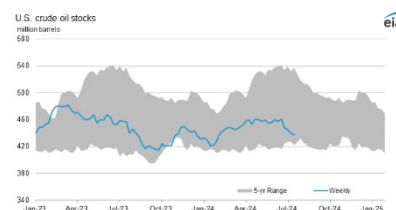
### Rig Count

- The total number of oil rigs amounted to 586, down 3 from last week

### Inventories

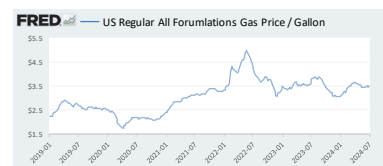
#### Crude Oil

- Total U.S. crude oil inventories now amount to 433.0 million barrels, down (1.5%) YoY
- Refiners operated at a capacity utilization rate of 90.1% for the week, down from 91.6% in the prior week
- U.S. crude oil imports now amount to 6.871 million barrels per day, down 4.3% YoY



#### Gasoline

- Retail average regular gasoline prices amounted to \$3.48 per gallon in the week of August 2, down (9.1%) YoY
  - Gasoline prices on the East Coast amounted to \$3.50, down (6.5%) YoY
  - Gasoline prices in the Midwest amounted to \$3.56, down (3.5%) YoY
  - Gasoline prices on the Gulf Coast amounted to \$3.19, down (8.9%) YoY
  - Gasoline prices in the Rocky Mountain region amounted to \$3.51, down (12.1%) YoY
  - Gasoline prices on the West Coast amounted to \$4.23, down (10.6%) YoY
- Motor gasoline inventories were down by 3.7 million barrels from the prior week
- Motor gasoline inventories amounted to 223.8 million barrels, up 2.1% YoY
- Production of motor gasoline averaged 10.01 million bpd, up 1.8% YoY
- Demand for motor gasoline amounted to 9.250 million bpd, up 4.7% YoY



#### Distillates

- Distillate inventories decreased by 1.5 million in the week of August 2
- Total distillate inventories amounted to 126.8 million barrels, up 8.3% YoY
- Distillate production averaged 4.980 million bpd, up 2.4% YoY
- Demand for distillates averaged 3.725 million bpd in the week, down (2.6%) YoY



## Credit News

High yield bond yields decreased 2bps to 7.55% and spreads increased 27bps to 359bps. Leveraged loan yields decreased 32bps to 8.67% and spreads decreased 8bps to 494bps. WTD Leveraged loan returns were positive 14bps. WTD high yield bond returns positive 23bps. 10yr treasury yields decreased 28bps to 3.98%. Yields and spreads decreased due to a string of weak labor market data, higher unemployment rate, Fed's long-awaited rate cut decision, and weak earnings season so far.

### High-yield:

Week ended 08/02/2024

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

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.55%	359	7.57%	332	(2)	27

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

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$94.68	\$94.54	14	0.23%	1.90%	4.51%	13.5%

#### Fund Flows<sup>2</sup>

Total Flows (\$)
\$438mm

#### New Issue<sup>2</sup>

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
15	\$9.3bn	\$186.2bn	\$101.0bn	+84%

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

7/31/24	6/30/24	5/31/24
6.39%	7.64%	7.63%

#### Total HY Defaults

7/31/24	6/30/24	5/31/24
1.16%	1.17%	1.25%

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

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



**Leveraged loans:**

Week ended 08/02/2024

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

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.67%	494	8.99%	502	(32)	(8)

- **Leveraged Loan Index<sup>1</sup>**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$95.82	\$95.73	10	0.14%	0.63%	5.20%	12.9%

- **Fund Flows<sup>2</sup>**

Total Flows (\$)
(\$59mm)

- **New Issue<sup>2</sup>**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
20	\$14.9bn	\$788.1bn	\$156.1bn	+405%

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

7/31/24	6/30/24	5/31/24
5.91%	5.88%	6.02%

- **Total Loan Defaults**

7/31/24	6/30/24	5/31/24
1.40%	1.09%	1.25%

**Default activity:**

- Most recent defaults include: 2U (\$374mn, 7/25/24), Rodan & Fields (\$763mn, 7/11/24), Wheel Pros (\$2.8bn, 7/11/24), Quorum Health Group (\$688mn, 7/10/24), Vyair Medical (\$339mn, 6/9/24), 99 Cents Only Stores (\$350mn, 4/7/24), and ConvergeOne (\$1.3bn, 4/4/24).

**CLOs:**

Week ended 08/02/2024

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

# Priced	Total (\$)	New Issue	Refis/Resets
20	\$9.0bn	\$4.2bn	\$4.8bn

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

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
543	\$245.1bn	\$112.8bn	\$132.3bn	\$66.5bn	+269%

**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:**

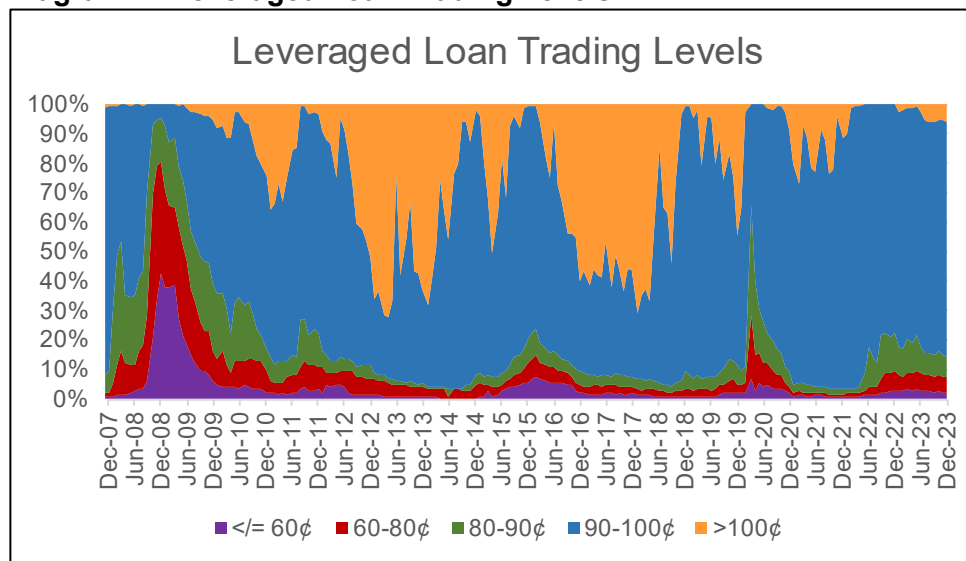
- S&P and Moody's High Yield Ratings

Full Year 2023	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
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	13	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	5	5	0.8x
Week Ending 07/19/24	6	4	1.5x	14	4	3.5x
Week Ending 07/26/24	7	9	0.8x	6	6	1.0x
Week Ending 08/02/24	2	8	0.3x	11	2	5.5x
YTD 2024	250	203	1.2x	310	235	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	91.3	94.7	85.4	9.3
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 7/31/24. 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	0.14%	0.12%	0.23%	0.84%
MTD Return	0.63%	(0.00%)	1.90%	0.09%
YTD Return	5.20%	5.09%	4.51%	4.12%

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 08/02/2024

[2] Yield data as of 08/02/2024





**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

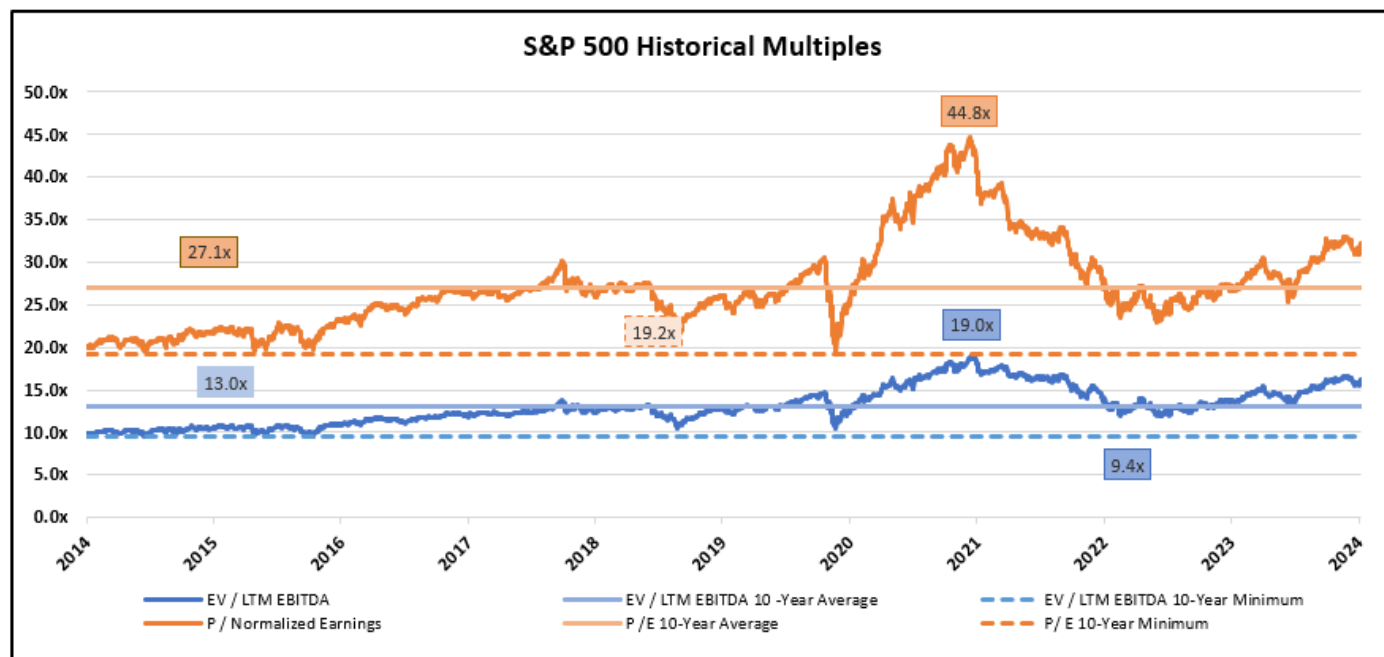
[1] Spread includes OID benefit based on 4 year repayment

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

By	7/12/24	7/19/24	7/26/24	8/2/24	Change				
					Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.15%	3.14%	3.12%	2.95%	(17 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.50%	2.47%	2.41%	2.16%	(25 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.79%	3.78%	3.76%	3.61%	(15 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	1.07%	1.04%	1.07%	0.95%	(12 bps)	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.11%	4.12%	4.10%	3.81%	(29 bps)	(90 bps)	6 bps	93 bps	(18 bps)
US									
US - 2 year	4.45%	4.51%	4.38%	3.91%	(48 bps)	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.10%	4.17%	4.07%	3.65%	(42 bps)	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.18%	4.24%	4.19%	3.83%	(37 bps)	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.40%	4.45%	4.45%	4.16%	(29 bps)	(89 bps)	106 bps	27 bps	(24 bps)

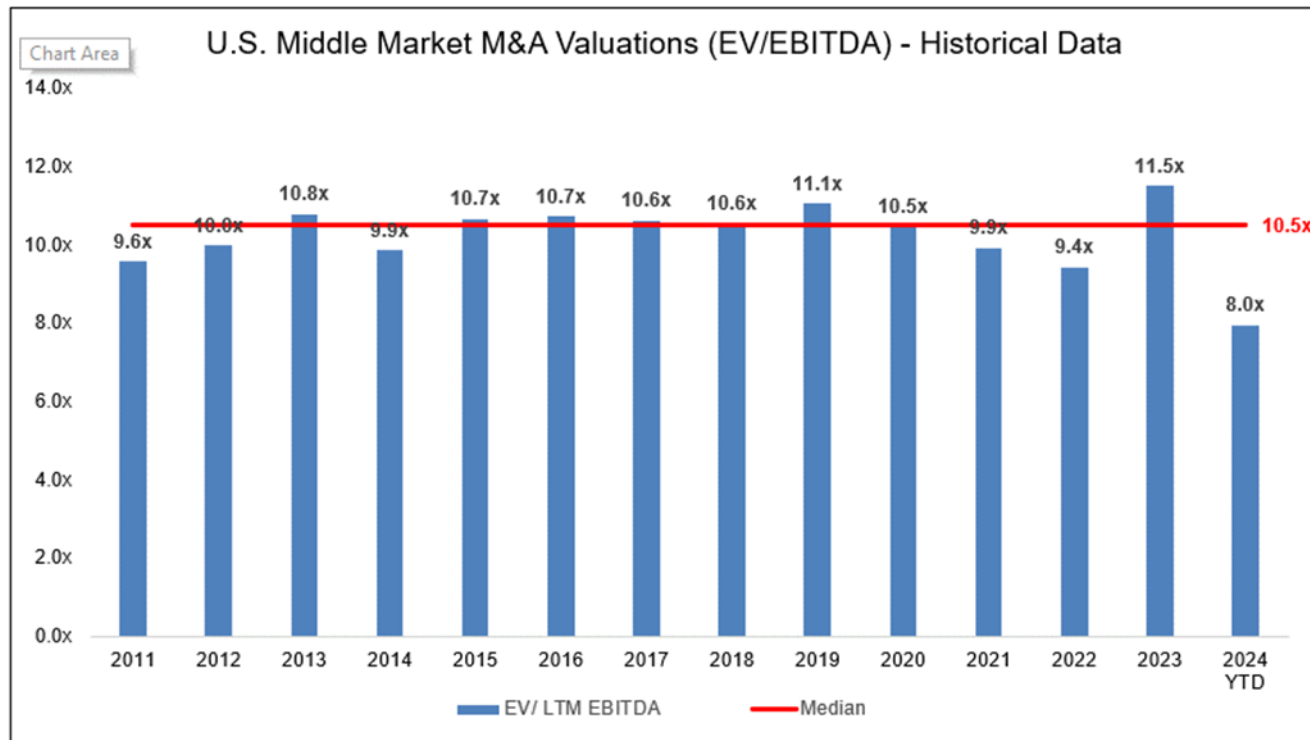
Source: Bloomberg

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



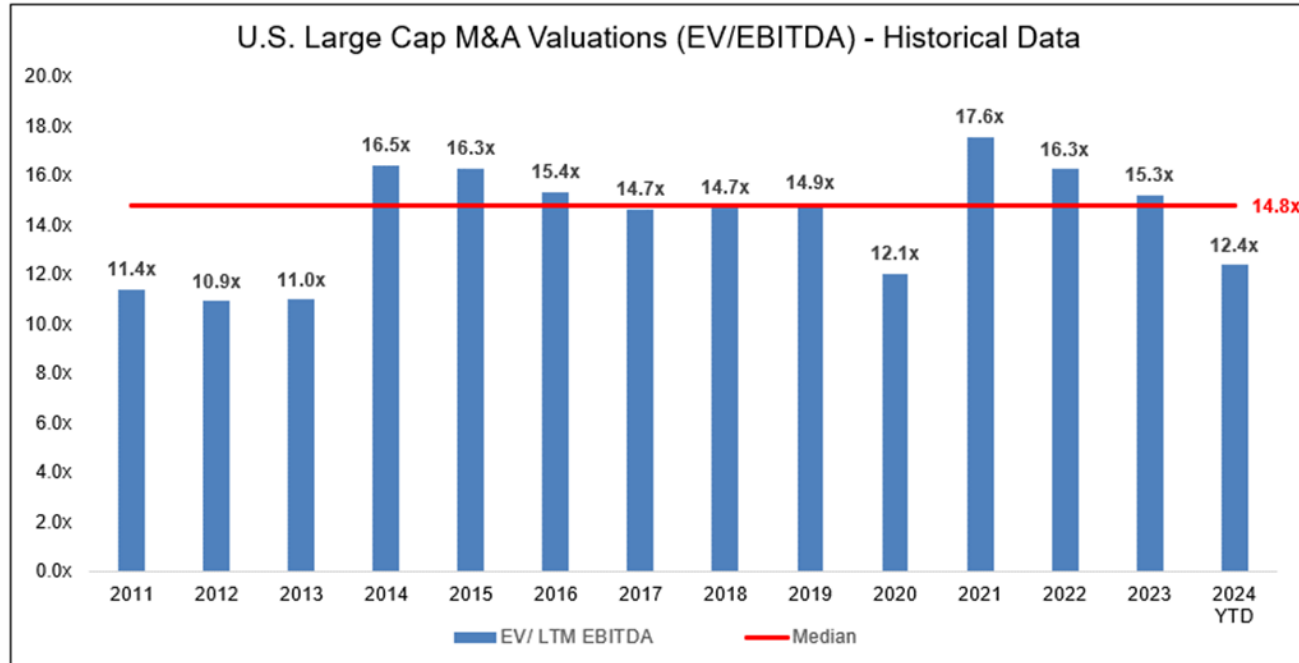
Source: S&P Capital IQ

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



Source: Pitchbook

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











## Real Estate News

### Section 1:

#### Values of Old Office Towers Go to Near-Zero, but the Land Has Value

##### 23-Floor Manhattan Office Building Just Sold at a 97.5% Discount:

- In 2006, an investment fund managed by a division of UBS bought a 925,000-square-foot office tower at 135 West 50th Street in Manhattan for \$332 million (leasehold interest only, not the land).
- In 2006, UBS purchased the land (ground lease) for \$279 million.
- In 2019, UBS sold the land to Safehold for \$285 million and established a long-term ground lease with them.
- UBS retained the building to earn income from office rents, which were expected to increase significantly due to an “office shortage” in Manhattan.
- UBS renovated the building with construction finishing in 2021, spending \$76 million on the renovation. The building was about 40% leased at that time.
- The office commercial real estate market began collapsing due to the work-from-home trend and increased vacant office space. The building's occupancy decreased to 35%, and office rents did not cover the ground lease costs, turning the property into a financial burden.
- UBS attempted to sell the office tower, but a deal fell through, leading to an online auction sale for \$8.5 million.
- UBS's total proceeds from the property were \$8.5 million from the building sale and \$285 million from the land sale, totaling \$293.5 million.
- The total loss amounted to \$393.5 million (57% loss on investment) after accounting for the purchase and renovation costs.
- On the financial statement, the loss on the building appeared smaller due to depreciation rules, showing a combined accounting loss of \$168 million.
- A similar ground-lease situation in Chicago involved a 12-story, 50% vacant office tower at 300 W. Adams St., sold for \$4 million after foreclosure, while the original owner retained the land and continued collecting rent.

Source: Wolfstreet

### Section 2:

#### 30 Year Fixed Mortgage

8/1/24: 6.73









PERFORMANCE

Market Indices	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change
DJIA	39,737.26	40,589.34	(2.10%)	5.43%	16.69%
S&P 500	5,346.56	5,459.10	(2.06%)	12.09%	27.92%
NASDAQ	16,776.16	17,357.88	(3.36%)	11.76%	37.50%
MSCI - EAFE	2,291.33	2,337.59	(1.98%)	2.47%	7.38%
MSCI - Emerging Markets	1,061.23	1,072.28	(1.03%)	3.66%	1.50%
US Dollar Index	103.21	104.32	(1.06%)	1.85%	1.43%
VIX	23.39	16.39	42.71%	87.87%	24.88%
US Equities Avg Daily Dollar Volume (\$ in Billions)	393.34	389.55	0.97%	4.89%	(17.92%)

Market Ratios	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	31.52	18.01	75.00%	20.90%	62.20%
Put/Call Ratio	Equities	0.81	0.73	10.96%	24.62%	65.31%

Commodities Indices (\$ USD)	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change	
Core Commodity Index	CRY Index	270.13	277.40	(2.62%)	2.39%	(0.55%)
Gasoline - Pump	Gallon	3.48	3.51	(0.94%)	11.58%	(0.37%)
Gasoline - Futures	Gallon	2.32	2.46	(5.81%)	10.23%	(5.49%)
Crude Oil - WTI	Barrel	73.52	77.16	(4.72%)	2.61%	(3.11%)
Crude Oil - Brent	Barrel	76.81	81.13	(5.32%)	(0.30%)	(6.52%)
Natural Gas	MM BTU	1.97	2.01	(1.94%)	(21.76%)	(19.91%)
Coal (1 contract = 1,000 tons)	Contract	196.01	196.01	0.00%	(8.68%)	(0.44%)

Commodities Indices (\$ USD)	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change	
Aluminum	Metric Ton	2,263.50	2,289.00	(1.11%)	(5.05%)	(13.51%)
Copper	Metric Ton	9,055.50	9,111.00	(0.61%)	5.80%	0.03%
Iron Ore	Metric Ton	104.00	106.86	(2.68%)	(23.74%)	(16.10%)
Steel - Hot Rolled Coil	Metric Ton	681.00	680.00	0.15%	(40.00%)	(14.45%)
Steel - Cold Rolled Coil	Metric Ton	995.00	995.00	0.00%	(21.03%)	2.58%
Ferrous Scrap	Metric Ton	420.00	405.00	3.70%	(21.50%)	(11.58%)
Lumber	Metric Ton	501.50	437.5	14.63%	(7.64%)	(7.64%)
Gold	Troy Ounce	2,443.24	2,387.19	2.35%	18.43%	27.74%
Silver	Troy Ounce	28.56	27.93	2.27%	20.02%	21.70%

Commodities Indices (\$ USD)	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change	
Cotton	Pound	59.52	59.53	(0.02%)	(22.61%)	(28.66%)
Butter	Pound	3.11	3.09	0.49%	16.51%	31.57%
Cheese	Pound	1.99	1.99	(0.25%)	27.41%	25.24%
Cocoa	Pound	2.97	3.15	(5.94%)	55.91%	158.07%
Corn	Bushel	3.87	3.95	(2.03%)	(17.98%)	(42.76%)
Milk, Non Fat Dry	Pound	1.22	1.20	1.65%	1.46%	(3.41%)
Soybean	Bushel	10.29	10.78	(4.48%)	(20.43%)	(32.92%)
Sugar	Pound	0.18	0.18	(1.74%)	(12.05%)	(16.44%)
Wheat	Bushel	5.39	5.24	2.96%	(14.17%)	(29.17%)
Live Cattle	Pound	1.84	1.89	(2.37%)	6.00%	(82.91%)
Lean Hogs	Pound	0.92	0.93	(1.36%)	35.64%	22.36%
Beef, USDA Ground	Pound	3.14	3.14	0.00%	8.30%	18.36%
Chicken, Boneless & Skinless	Pound	4.05	4.05	0.00%	(0.88%)	(6.23%)

Currencies	Metric	Spot Prices	Futures	10-Year Historicals			
		2-Aug	26-Jul	2024	2025	Low	High
Japanese Yen	USD/JPY	146.530	153.760	145.000	153.000	75.820	139.570
Chinese Renminbi	USDCNY	7.172	7.251	7.100	7.250	6.041	7.179
Swiss Franc	USDCHF	0.859	0.884	0.900	0.910	0.721	1.030
British Pound	GBPUSD	1.280	1.287	1.300	1.280	1.130	1.717
Euro Zone Euro	EURUSD	1.091	1.086	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
31-Jul-24	\$ (59)	\$ 438
24-Jul-24	\$ 529	\$ 1,533
17-Jul-24	\$ 1,284	\$ 2,640
10-Jul-24	\$ 533	\$ 672
3-Jul-24	\$ 29	\$ (224)
26-Jun-24	\$ 47	\$ (78)
19-Jun-24	\$ (16)	\$ 77
12-Jun-24	\$ 547	\$ 10
5-Jun-24	\$ 630	\$ 120
Year To Date 2024	\$ 14,823	\$ 10,195
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	8/2/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	5,233
Forward Calendar		4	7,437
High Yield	8/2/2024	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	249K	236K	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	July	4.0%	3.9%	3.9%
Unemployment Rate <td>U-6</td> <td>July</td> <td>6.6%</td> <td>6.5%</td> <td>6.7%</td>	U-6	July	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	June	7.2%	7.0%	7.4%
S&P/Case-Shiller Composite	MoM	June	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	July	0.6%	0.7%	0.7%
Total Vehicle Sales	July	15,32M	15,50M	15,50M
Capacity Utilization	July	79.0%	77.0%	76.8%

Fed & Treasury Balance Sheet	31-Jul	24-Jul	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	7,178,391.0	7,205,455.0	(0.4%)	(12.5%)
Public Debt	\$ in Billions	35,104.8	34,969.6	0.4%	7.7%

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
United States	(3.5%)	5.7%	2.1%	1.0%	1.1%
Brazil	(4.1%)	4.6%	2.9%	0.9%	1.5%
China	2.3%	8.1%	3.0%	5.2%	4.5%
Germany	(4.9%)	2.8%	1.8%	(0.1%)	1.1%
India	(8.0%)	8.9%	6.8%	5.9%	6.3%
Japan	(4.8%)	1.8%	1.1%	1.3%	1.0%
United Kingdom	(10.0%)	7.4%	4.0%	(0.3%)	1.0%

Market Indices	2-Aug	26-Jul	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	3,912.57	3,914.18	(0.04%)	5.30%	15.61%
Barclays High Yield Index	2,585.57	2,586.92	(0.05%)	4.67%	12.14%
Barclays Aggregate	2,231.39	2,178.46	2.43%	4.71%	4.87%

Loan Market Bids	2-Aug	26-Jul	WoW Change	YTD Change
S&P Flow Name Index	99.49	99.54	(0.05%)	1.16%
S&P 100 Name Index	96.89	97.12	(0.24%)	0.00%
S&P BB's Index	99.31	99.44	(0.13%)	(0.28%)
S&P B's Index	97.85	98.10	(0.25%)	(0.09%)
S&P CCC's Index	75.45	75.83	(0.50%)	(9.90%)

Loan Market Spreads	2-Aug	26-Jul	WoW Change	YTD Change
S&P BB's Index	L+286	L+287	(1 bps)	190 bps
S&P B's Index	L+496	L+492	4 bps	56 bps
S&P CCC's Index	L+2169	L+2104	65 bps	529 bps

Credit Default Swap - Volatility Indices	Index	2-Aug	26-Jul	WoW Change	YTD Change
Investment Grade CDS	Market	58.27	51.05	14.14%	2.77%
High Yield CDS	Market	369.91	331.98	11.43%	3.80%

Credit	2-Aug	26-Jul	WoW Change	YOY Change	
High Yield	Ave Yield	T+475	T+470	5 bps	90 bps
LCD Flow Name	Ave Spread	L+199	L+202	(3 bps)	3 bps

US Treasury 2-Yr	2-Aug	26-Jul	WoW Change	YTD Change
US Treasury 2-Yr	4.29%	4.44%	(15 bps)	(3 bps)
US Treasury 3-Yr	4.10%	4.26%	(16 bps)	6 bps
US Treasury 5-Yr	3.96%	4.14%	(19 bps)	8 bps
US Treasury 7-Yr	3.99%	4.18%	(20 bps)	8 bps
US Treasury 10-Yr	4.08%	4.26%	(18 bps)	18 bps

US CLO Spreads - New Issue	2-Aug	26-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	2-Aug	26-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	5.35%	5.35%	0 bps	(3 bps)
3M SOFR	5.36%	5.36%	0 bps	(3 bps)
6M SOFR	5.39%	5.39%	0 bps	(8 bps)

Short Interest - Billions of shares	30-Jun	31-May	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	24-Jul	17-Jul	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

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

Leveraged Finance Primary Volume - \$ USD in Billions

	8/2/2024	Year To Date 2024	Year End 2023	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:	30-Jun	31-May	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%
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Employment - Labor Participation Rates	30-Jun	31-May	YTD Change
Civilian Employment as % of Total Labor Force	60.4%	60.4%	0.60pp
Labor Force Participation Rate	62.6%	62.6%	