

Briefing

Global Economic & Credit Market

Week 44 Ending – November 01, 2024

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Economic Calendar

- Monday, November 04: Factory orders
- Tuesday, November 05: U.S. trade deficit
- Thursday, November 07: FOMC interest-rate decision

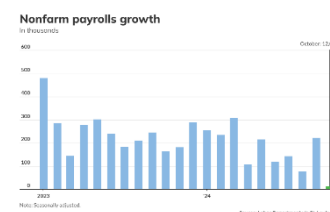
Key Market Metrics

- S&P 500: (1.37%) WoW; +20.10% YTD; +32.68% YoY; 15.8x LTM EBITDA; 14.4x NTM EBITDA
- Dow Jones: (0.15%) WoW; +11.58% YTD; +24.27% YoY; 10.6x LTM EBITDA; 14.1x NTM EBITDA
- Nasdaq: (1.50%) WoW; +21.51% YTD; +37.20% YoY
- Ten Year US Treasury Yield: 4.43% +51 bps YTD; (29) bps YoY
- Currency:
 - British Pound per USD: \$1.29; (0.3%) WoW; 1.5% YTD; 5.9% YoY
 - Euro per USD: \$1.08; 0.4% WoW; (1.9%)YTD; 2.0% YoY
 - USD per Yen: ¥152.99; 0.4% WoW; 8.6% YTD; 1.7% YoY
 - Swiss franc per EUR: 1.06 CHF; (0.7%)WoW; (1.5%)YTD; 2.1% YoY

U.S. News

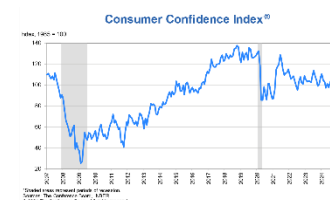
U.S. Employment Report

- The US added only 12,000 jobs in October, far below the expected 120,000, primarily due to the Boeing strike and hurricane disruptions
- The unemployment rate remained at 4.1%, with average hourly earnings rising by 0.4% to \$35.46, a 4.0% year-over-year increase
- Health care and government employment grew, adding 52,000 and 40,000 jobs, respectively, while manufacturing lost 46,000 jobs and temporary help services declined by 49,000



Consumer Sentiment

- The U.S. Consumer Confidence Index reached a nine-month high of 108.7 in October, reversing last month's decline
- The Present Situation Index rose 14.2 points to 138.0, and the Expectations Index increased 6.3 points to 89.1, reflecting optimism in business and labor markets
- Consumers' recession expectations hit a record low since tracking began in July 2022, with improved outlooks on future finances and job prospects

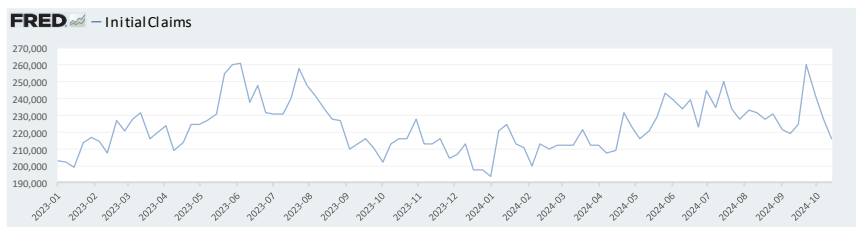


Construction Spending

- Construction spending rose 0.1% in September to \$2.15 trillion, reaching a four-month high and surpassing expectations
- Private residential construction increased by 0.2%, with single-family projects up 0.4% and multi-family down 0.1%
- Public residential construction spending rose by 2.3% in September

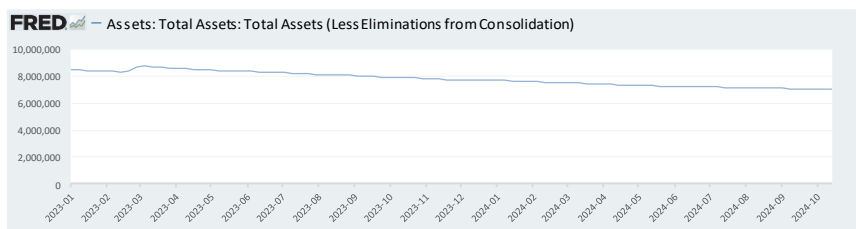
▪ **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 216,000 in the week ended October 25, down 12,000 from the prior week
- The four-week moving average was 236,500, down 2,250 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased by 26,000 to 1.862 million in the week ended October 18. This figure is reported with a one-week lag



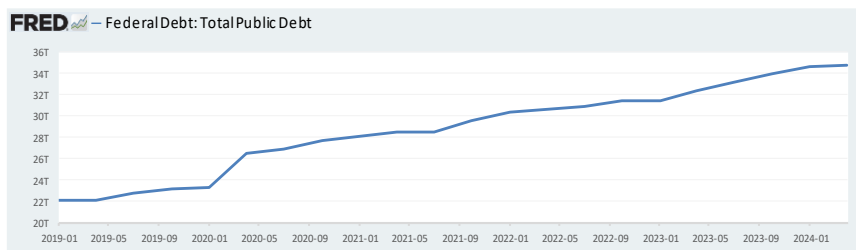
▪ **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$7.013 trillion in the week ended November 1, down \$15.9 billion from the prior week
- Treasury holdings totaled \$4.358 trillion, up \$0.1 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.27 trillion in the week, down \$14.3 billion from the prior week



▪ **Total Public Debt**

- Total public debt outstanding was \$35.95 trillion as of November 1, an increase of 6.7% from the previous year
- Debt held by the public was \$28.57 trillion, and intragovernmental holdings were \$7.16 trillion

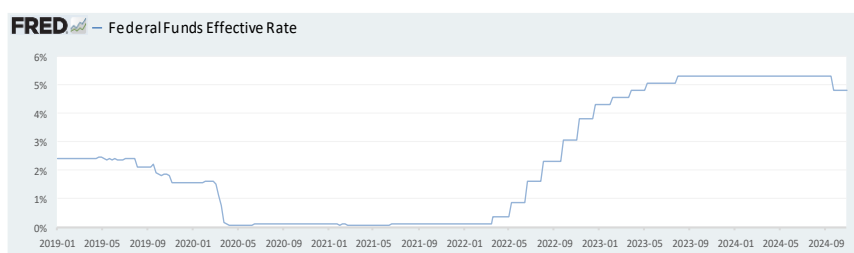


- **Inflation Factors**

- **CPI:**
 - The consumer-price index rose 2.4% in September year over year
 - On a monthly basis, the CPI increased 0.2% in September on a seasonally adjusted basis, after increasing 0.2% in August
 - The index for all items less food and energy (core CPI) rose 0.3% in September, after rising 0.3% in August
 - Core CPI increased 3.3% for the 12 months ending September
- **Food & Beverages:**
 - The food at home index increased 1.3% in September from the same month a year earlier, and increased 0.4% in September month over month
 - The food away from home index increased 3.9% in September from the same month a year earlier, and increased 0.3% in September month over month
- **Commodities:**
 - The energy commodities index decreased (4.0%) in September after decreasing (0.6%)
 - The energy commodities index fell (15.3%) over the last 12 months
 - The energy services index 0.4% in September after decreasing (0.8%) in August
 - The energy services index rose 3.4% over the last 12 months
 - The gasoline index fell (15.3%) over the last 12 months
 - The fuel oil index fell (22.4%) over the last 12 months
 - The index for electricity rose 3.7% over the last 12 months
 - The index for natural gas rose 2.0% over the last 12 months
- **Supply Chain:**
 - Drewry's composite World Container Index increased to \$3,213.02 per 40ft container
 - Drewry's composite World Container Index has increased by 128.5% over the last 12 months
- **Housing Market:**
 - The shelter index increased 0.2% in September after increasing 0.5% in August
 - The rent index increased 0.2% in September after increasing 0.5% in August
 - The index for lodging away from home decreased (3.8%) in September after decreasing (0.7%) in August

- **Federal Funds Rate**

- The effective Federal Funds Rate is at 4.83%, down (0.50%) year to date



World News

▪ Middle East

- Israeli naval commandos from Shayetet 13 conducted a nighttime raid in Batroun, northern Lebanon, capturing Imad Amhaz, a 38-year-old Lebanese national. Israel claims Amhaz is a senior Hezbollah operative involved in the group's naval operations
- Iran has warned of significant retaliation following the Israeli airstrike, which killed four soldiers and damaged advanced air defenses. Iranian officials, including Supreme Leader Ayatollah Ali Khamenei, have issued strong statements, escalating concerns of a broader regional conflict, with the U.S. deploying additional military assets to the area in response
- Senior U.S. officials are in Israel discussing a draft agreement to end the war in Lebanon, which includes a 60-day period allowing Israel to strike Lebanon in response to imminent threats and calls for the enforcement of U.N. Security Council Resolution 1701; however, Hezbollah and Lebanese officials are resistant due to sovereignty concerns, though they are open to further negotiations
- Israel's Parliament passed a law to ban the United Nations agency for Palestinian refugees (Unrwa) from operating in Israeli territory, limiting its ability to deliver aid in Gaza and the West Bank, despite opposition from the U.S. and other allies. Israel cited concerns of alleged bias and suspected ties with Hamas among Unrwa staff, viewing it as a security risk

▪ Russia

- The U.S. has confirmed that around 8,000 North Korean troops are in Russia's Kursk region, with plans for imminent deployment against Ukraine, marking a significant escalation involving foreign troops in the conflict
- U.S. Secretary of State Antony Blinken stated that North Korean troops fighting in Ukraine would be considered "legitimate military targets." However, Washington faces limited options for response, with existing sanctions on Russia and North Korea already heavily enforced
- Ukraine has prepared prisoner-of-war facilities and encouraged North Korean soldiers to surrender, signaling Kyiv's efforts to mitigate the impact of these foreign forces while pressing Western allies, including South Korea, for additional military support and air defenses

▪ China

- China's National People's Congress (NPC) will hold a five-day meeting starting Monday, where expectations are set for a possible \$1.4 trillion stimulus package to address economic challenges
- Analysts anticipate a local-government debt swap, potentially around 6 trillion yuan (\$842.9 billion), aimed at refinancing debt, although it may not directly drive real economic demand
- The Caixin manufacturing purchasing managers index for China rose to 50.3 in October, indicating growth after five months of contraction, aligning with an official gauge showing similar expansion
- Despite growth in domestic demand, external demand remained weak, with the gauge for new export orders showing contraction for the third consecutive month in October

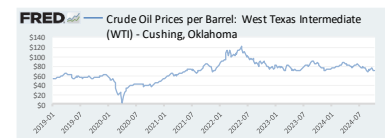
Geopolitical Hotspots

- **Spain**
 - Following torrential rains on the night of October 29, 2024, flash floods in the Valencia region of Spain led to at least 214 deaths and significant devastation in towns like Paiporta and Picanya. The Spanish government deployed over 7,500 military personnel, along with 400 vehicles, 30 helicopters, and an amphibious ship, to assist in rescue efforts and restore water, electricity, and telecommunications amid restricted road access and reports of looting
- **UK**
 - Kemi Badenoch, the first Black woman to lead the U.K.'s Conservative Party, has been chosen to revitalize the Tories after a historic defeat, focusing on cultural conservatism, limited government, and immigration control, while facing challenges from Labour's Keir Starmer and Nigel Farage's Reform UK. Known for her direct style, Badenoch emphasizes honesty about past mistakes and the need for pragmatic policies
- **Japan**
 - Japan's ruling coalition lost its parliamentary majority in the recent election, creating political uncertainty that could delay interest rate hikes by the Bank of Japan, leading to a weakened yen. Despite this, Japan's domestic economic conditions, such as a tight job market and core inflation of 2.1%, still point towards gradual monetary tightening
- **Canada**
 - Canada has accused India's Home Minister, Amit Shah, of authorizing operations targeting Sikh separatists in Canada, escalating tensions between the two countries. The allegations come after previous claims that Indian agents were involved in the 2023 killing of Sikh activist Hardeep Singh Nijjar in Canada, a charge India has denied, calling the accusations politically motivated
- **India**
 - A former employee of India's intelligence service has been charged by U.S. prosecutors for allegedly directing a plot to kill Sikh activist Gurpatwant Singh Pannun in New York, escalating tensions between India and Western countries regarding the targeting of Sikh separatists
- **Peru**
 - Former Peruvian President Alejandro Toledo was sentenced to more than 20 years in prison for taking a \$20 million dollar bribe from Brazilian construction company Odebrecht in exchange for a highway contract
- **Cuba**
 - Cuba's government has struggled to return power to millions of Cubans after a blackout impacted everything from running water to the operation of banks and ATMs
- **Africa**
 - A new deal gives Ethiopia naval access to Somaliland in exchange for recognizing Somaliland's independence, escalating tensions with Somalia, which strongly opposes the move. The conflict risks undermining anti-al-Shabaab efforts, involving Egypt, and destabilizing the Horn of Africa further, raising international concerns

Commodities

Oil Prices

- WTI: \$69.45 per barrel
 - (3.25%) WoW; (3.01%) YTD; (15.78%) YoY
- Brent: \$73.03 per barrel
 - (3.97%) WoW; (5.11%) YTD; (15.91%) YoY



US Production

- U.S. oil production amounted to 13.5 million bpd for the week ended October 25, down 0.0 million bpd from the prior week

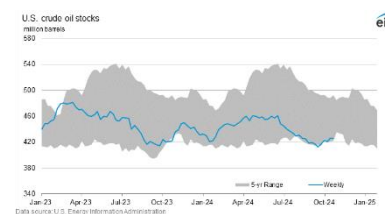
Rig Count

- The total number of oil rigs amounted to 585, down 0 from last week

Inventories

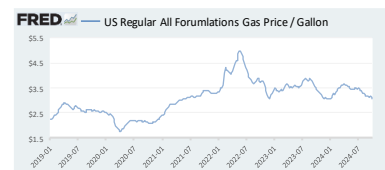
Crude Oil

- Total U.S. crude oil inventories now amount to 425.5 million barrels, up 0.9% YoY
- Refiners operated at a capacity utilization rate of 89.1% for the week, down from 89.5% in the prior week
- U.S. crude oil imports now amount to 6.431 million barrels per day, down (7.0%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.12 per gallon in the week of November 1, down (9.2%) YoY
 - Gasoline prices on the East Coast amounted to \$3.16, down (8.1%) YoY
 - Gasoline prices in the Midwest amounted to \$3.00, down (9.8%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.74, down (10.2%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$3.32, down (10.1%) YoY
 - Gasoline prices on the West Coast amounted to \$4.11, down (15.3%) YoY
- Motor gasoline inventories were down by 2.7 million barrels from the prior week
- Motor gasoline inventories amounted to 210.9 million barrels, down (5.7%) YoY
- Production of motor gasoline averaged 9.70 million bpd, up 2.1% YoY
- Demand for motor gasoline amounted to 9.159 million bpd, up 5.3% YoY



Distillates

- Distillate inventories decreased by -1.0 million in the week of November 1
- Total distillate inventories amounted to 112.9 million barrels, up 1.4% YoY
- Distillate production averaged 4.863 million bpd, up 6.2% YoY
- Demand for distillates averaged 3.881 million bpd in the week, up 5.4% YoY

Credit News

High yield bond yields increased 2bps to 7.27% and spreads decreased 9bps to 313bps. Leveraged loan yields increased 20bps to 8.67% and spreads increased 4bps to 479bps. WTD Leveraged loan returns were positive 4bps. WTD high yield bond returns were positive 1bps. 10yr treasury yields increased 8bps to 4.28%. High-yield bond spreads reached a post GFC low this week as investors absorbed 3Q earnings, elevated rate volatility, retail outflows, and economic data which continue to align with a soft or no landing economic narrative. Leveraged loans provided their strongest gains in 5 months in October amid steady ETF inflows, heavy CLO origination, the most active primary for October on record, and as investors calibrate less Fed cuts amid a resilient economy.

High-yield:

Week ended 11/01/2024

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.27%	313	7.25%	322	2	(9)

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$95.76	\$95.85	-9	0.01%	-0.51%	7.11%	13.5%

Fund Flows²

Total Flows (\$)
(\$815mm)

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
8	\$5.5bn	\$267.0bn	\$143.2bn	+86%

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

10/31/24	9/30/24	8/30/24
4.55%	5.11%	6.60%

Total HY Defaults

10/31/24	9/30/24	8/30/24
0.55%	0.94%	0.98%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 11/01/2024

▪ **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.67%	479	8.47%	475	20	4

▪ **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.09	\$96.21	-12	0.04%	0.83%	7.51%	12.9%

▪ **Fund Flows²**

Total Flows (\$)
\$402mm

▪ **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
32	\$31.2bn	\$1020.0bn	\$289.3bn	+253%

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

10/31/24	9/30/24	8/30/24
4.79%	4.84%	5.41%

▪ **Total Loan Defaults**

10/31/24	9/30/24	8/30/24
1.30%	1.28%	1.18%

Default activity:

- Most recent defaults include: Exactech (\$254mn, 10/29/24), American Tire Distributors (\$975mn, 10/23/24), Accuride (\$291mn, 10/11/2024), Mavenir Systems (\$712mn, 9/27/24), Digital Media Solutions (\$208mn, 9/12/24), 2U (\$374mn, 7/25/24), Rodan & Fields (\$763mn, 7/11/24), Wheel Pros (\$2.8bn, 7/11/24), and Quorum Health Group (\$688mn, 7/10/24).

CLOs:

Week ended 11/01/2024

▪ **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
19	\$10.1bn	\$5.1bn	\$5.0bn

▪ **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
831	\$382.1bn	\$158.3bn	\$223.8bn	\$107.4bn	+256%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted¹ Source: Credit Suisse High Yield and Leveraged Loan Index² Source: JP Morgan

Ratings activity:

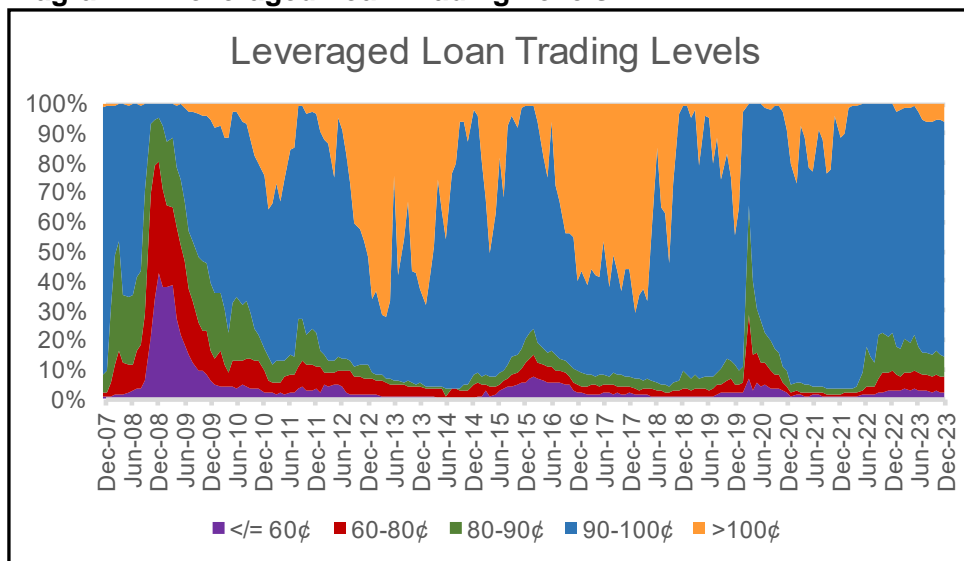
- S&P and Moody's High Yield Ratings

	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	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	4	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
Week Ending 08/09/24	6	4	1.5x	5	6	0.8x
Week Ending 08/16/24	12	5	2.4x	6	6	1.0x
Week Ending 08/23/24	13	3	4.3x	10	9	1.1x
Week Ending 08/30/24	8	6	1.3x	12	8	1.5x
Week Ending 09/06/24	3	6	0.5x	11	5	2.2x
Week Ending 09/13/24	7	10	0.7x	6	3	2.0x
Week Ending 09/20/24	11	5	2.2x	5	6	0.8x
Week Ending 09/27/24	8	10	0.8x	11	11	1.0x
Week Ending 10/04/24	14	10	1.4x	10	8	1.3x
Week Ending 10/11/24	4	3	1.3x	5	9	0.6x
Week Ending 10/18/24	10	2	5.0x	8	5	1.6x
Week Ending 10/25/24	8	7	1.1x	11	15	0.7x
Week Ending 11/01/24	4	4	1.0x	10	9	1.1x
YTD 2024	358	278	1.3x	420	335	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	93.4	96.9	87.3	9.6
Leveraged Loans	95.7	96.3	94.2	2.1

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

[2] HY high price as of 9/19/24. LL high price as of 10/18/24

[3] HY low price as of 11/2/23. LL low price as of 11/2/23

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	0.04%	0.02%	0.01%	(0.08%)
MTD Return	0.83%	0.86%	(0.51%)	(1.05%)
YTD Return	7.51%	7.43%	7.11%	5.58%

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 11/01/2024

[2] Yield data as of 11/01/2024

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

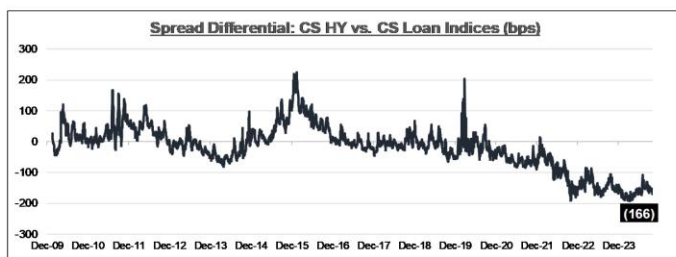


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



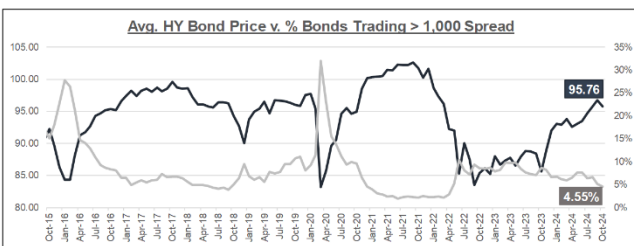
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans

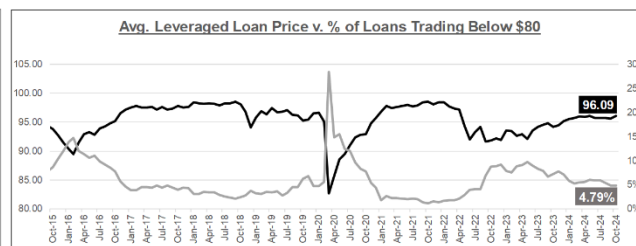


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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



Source: CSFB. Data is reported monthly.



Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

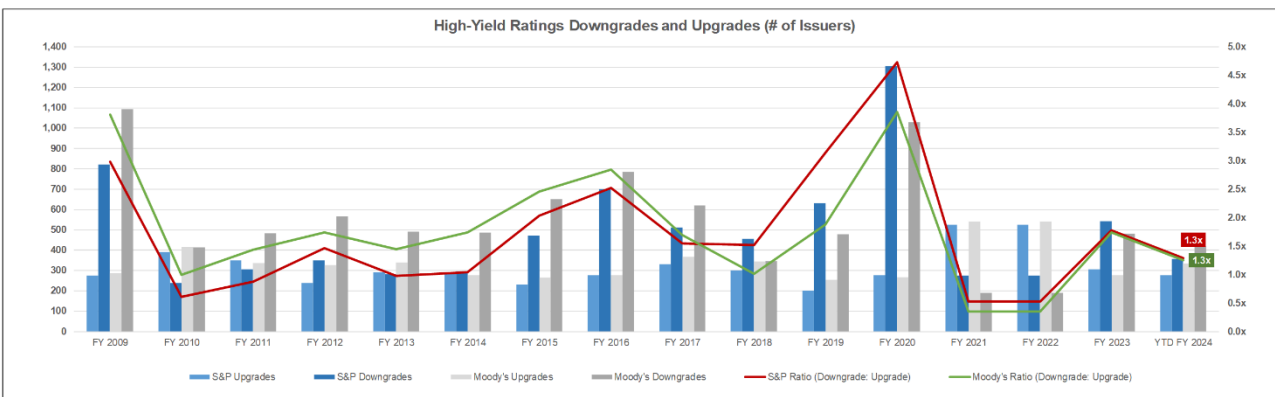
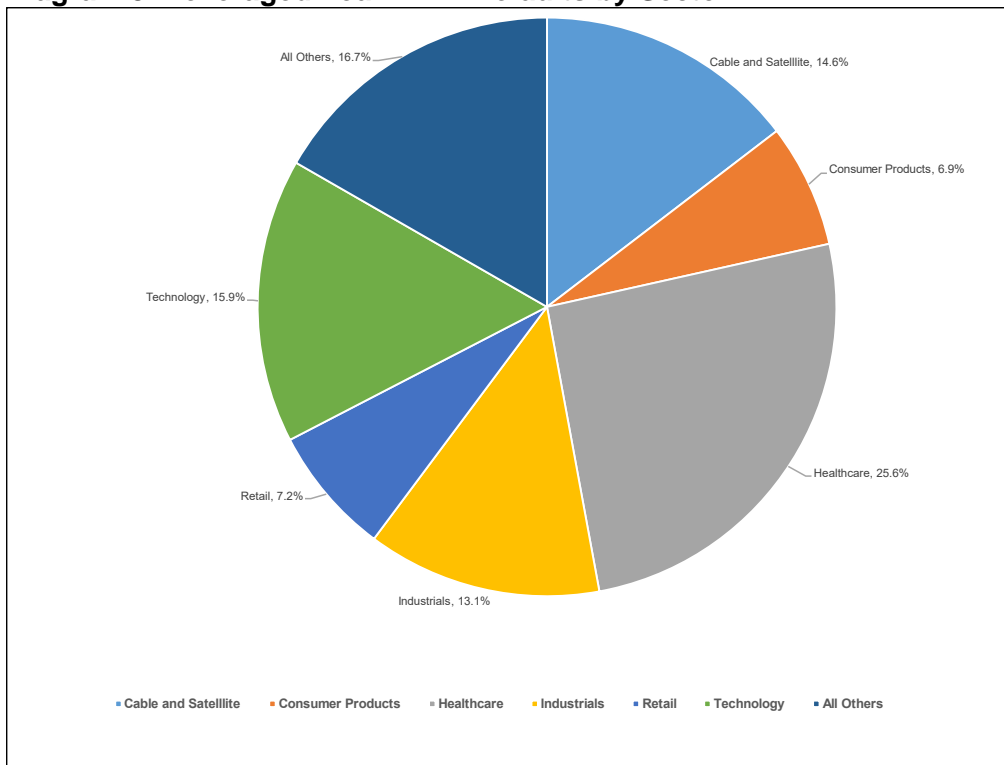


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



Source: JP Morgan Default Monitor.

Diagram L: CLO Economics

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

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

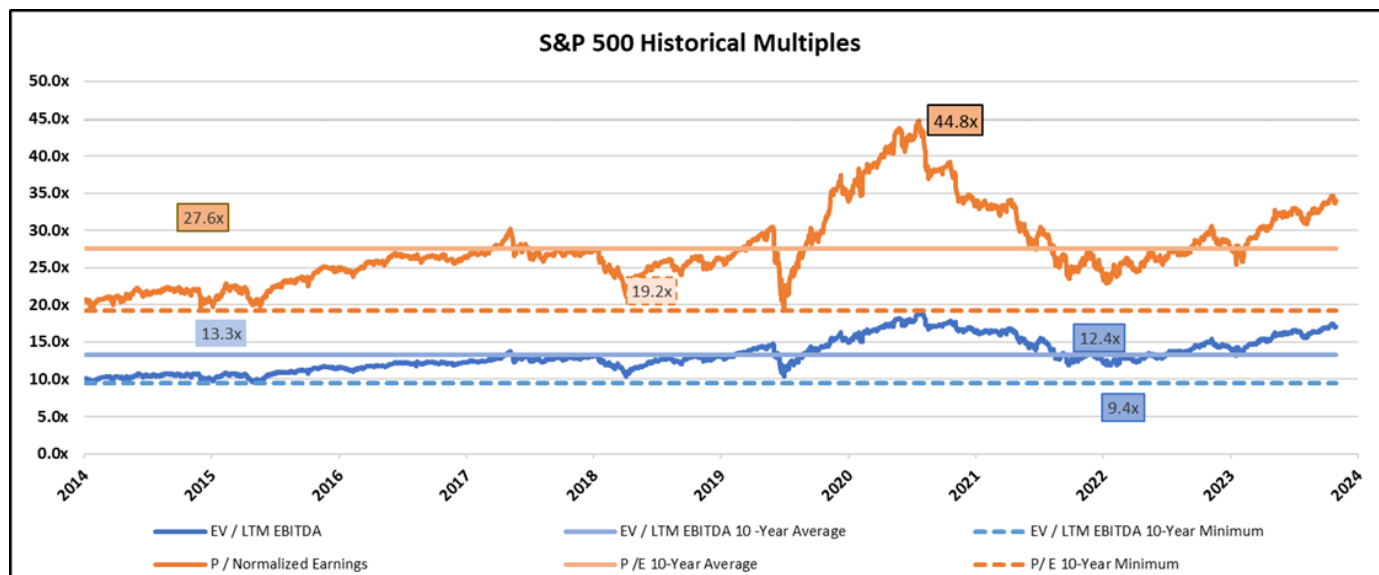
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	10/11/24	10/18/24	10/25/24	11/1/24	Weekly	Change			
						Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.04%	2.90%	3.05%	3.15%	11 bps	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.27%	2.18%	2.29%	2.40%	11 bps	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.56%	3.36%	3.51%	3.68%	17 bps	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	0.95%	0.98%	0.96%	0.95%	(0 bps)	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.21%	4.06%	4.23%	4.45%	21 bps	(99 bps)	17 bps	95 bps	(27 bps)
US									
US - 2 year	3.96%	3.95%	4.10%	4.18%	7 bps	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	3.90%	3.88%	4.06%	4.19%	12 bps	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.10%	4.08%	4.24%	4.34%	10 bps	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.41%	4.39%	4.50%	4.54%	4 bps	(89 bps)	106 bps	27 bps	(24 bps)

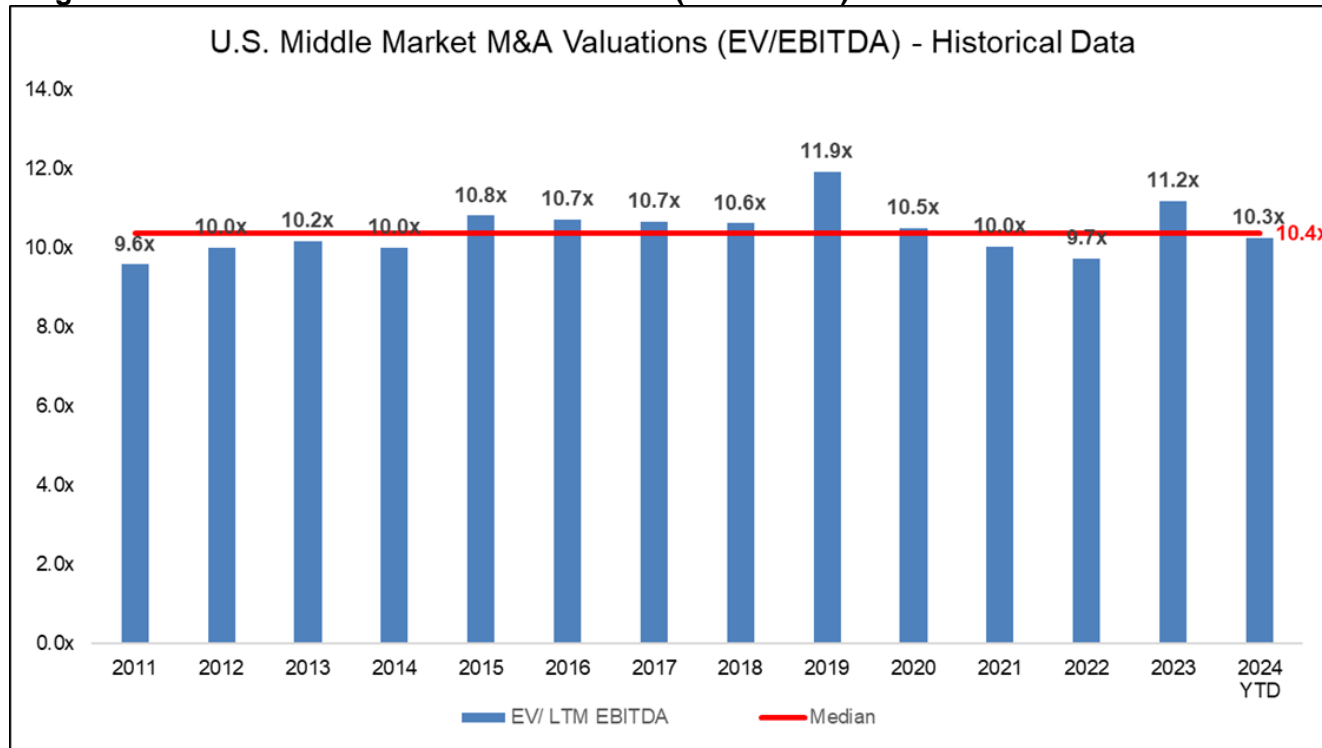
Source: Bloomberg

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)

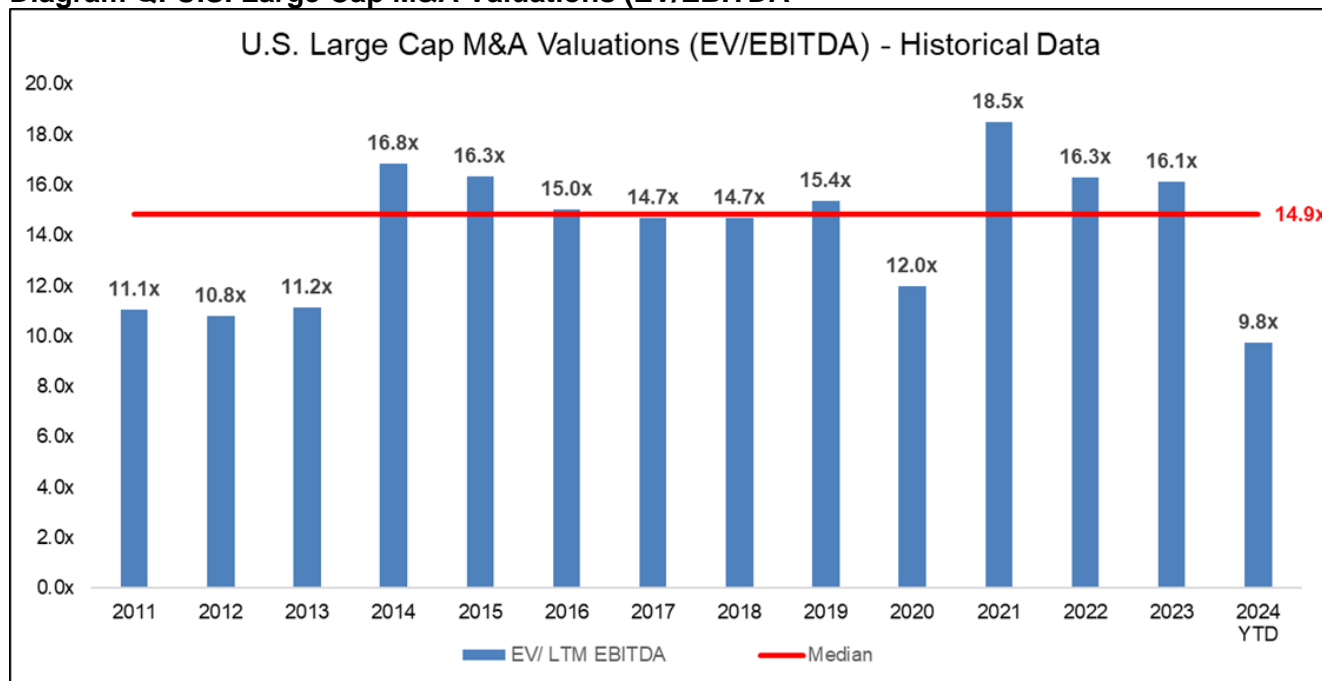
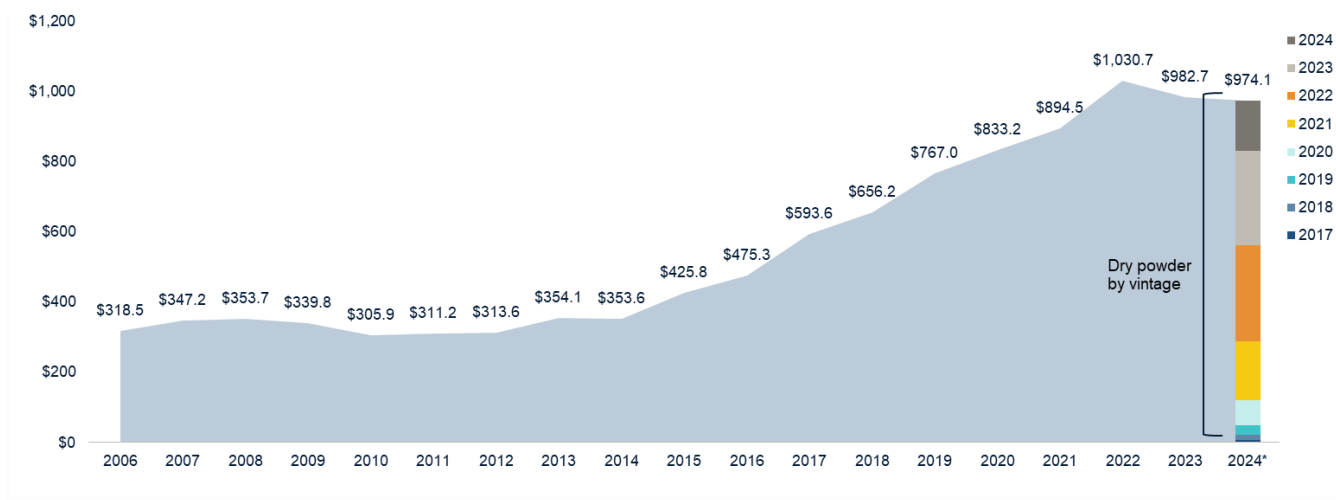
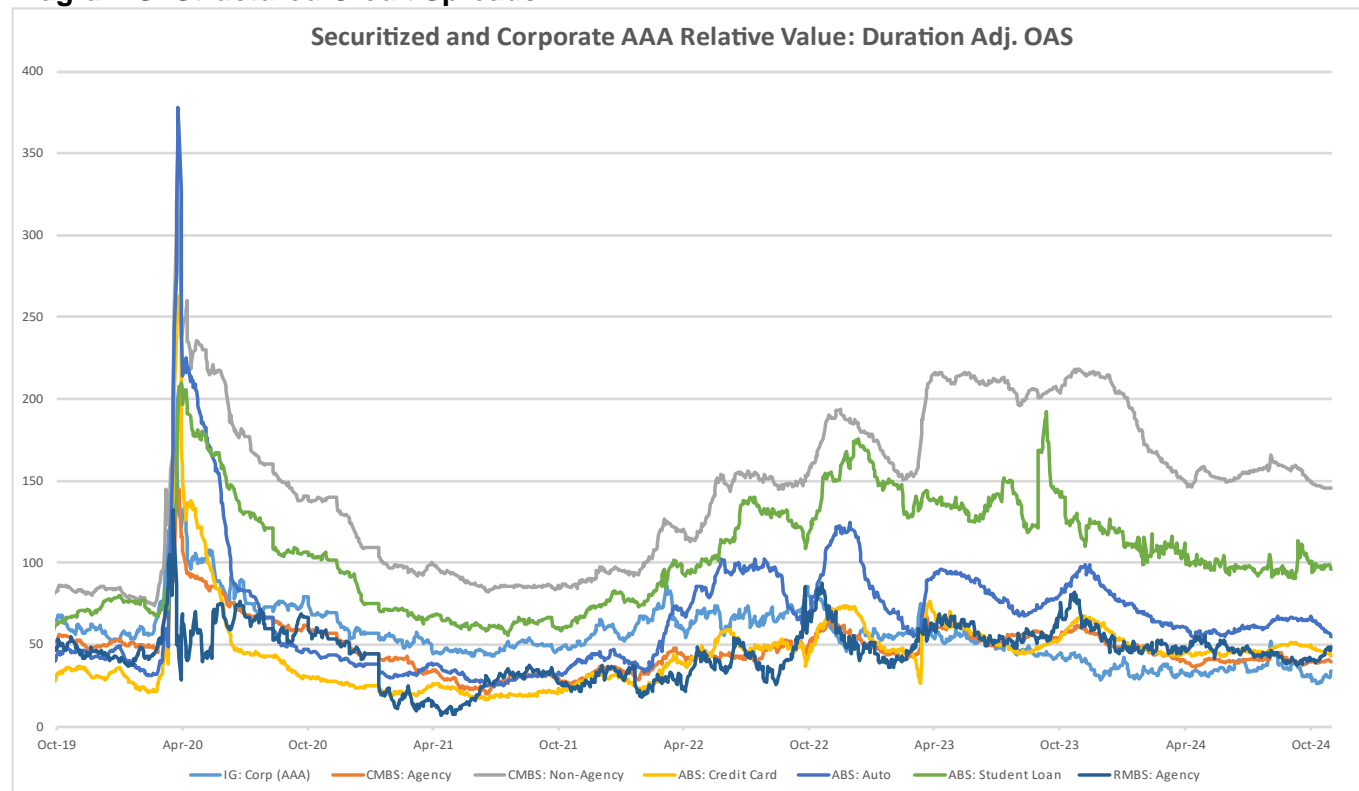


Diagram R: Dry Powder for All Private Equity Buyouts



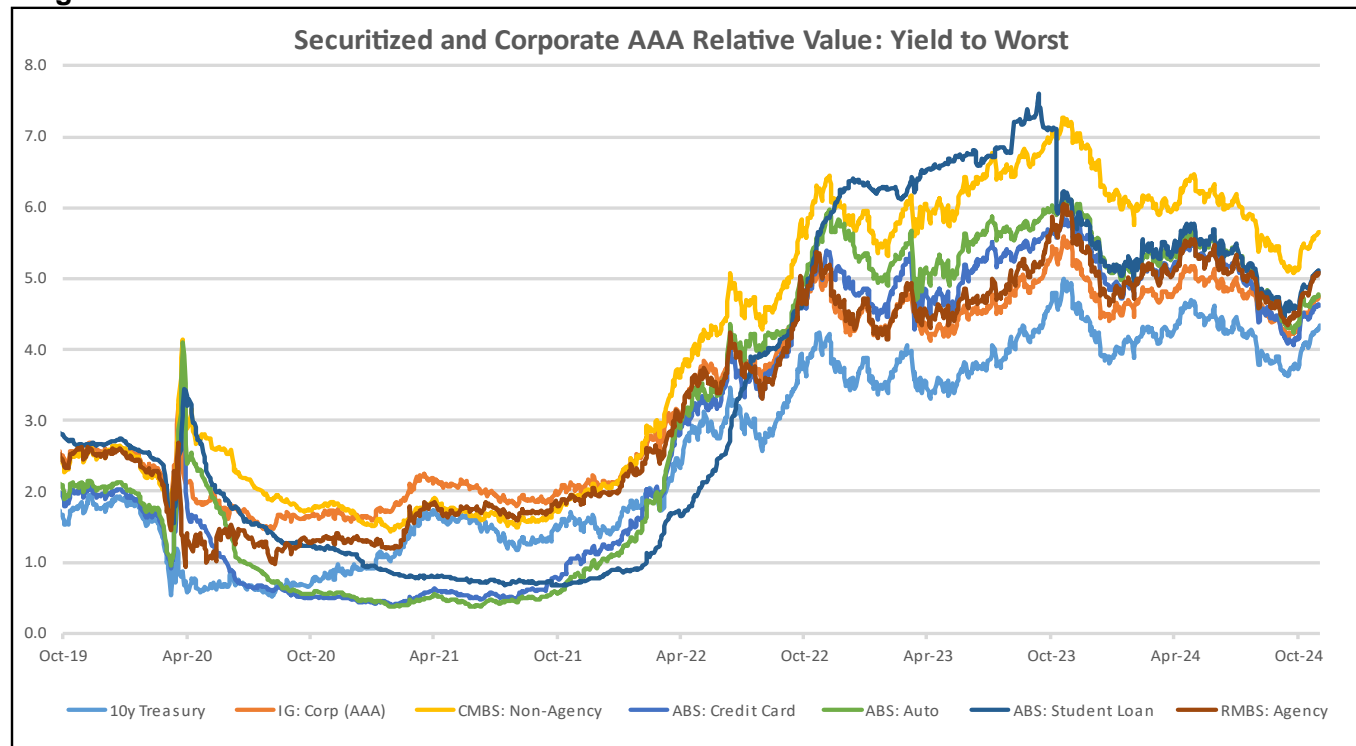
Source: Pitchbook

Diagram S: Structured Credit Spreads



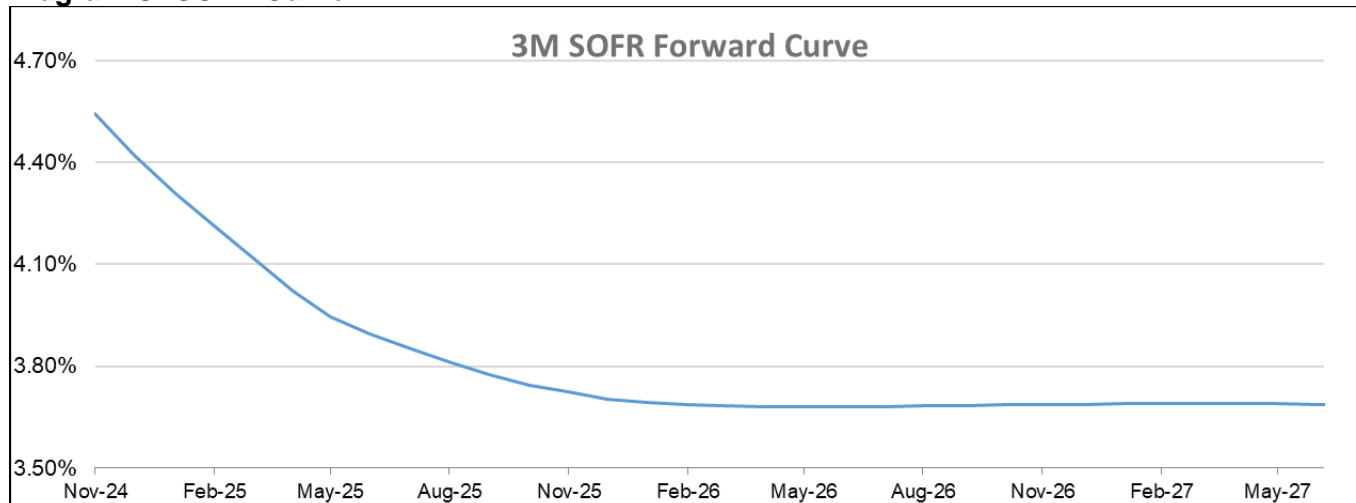
Source: Bloomberg

Diagram T: Structured Credit Yield



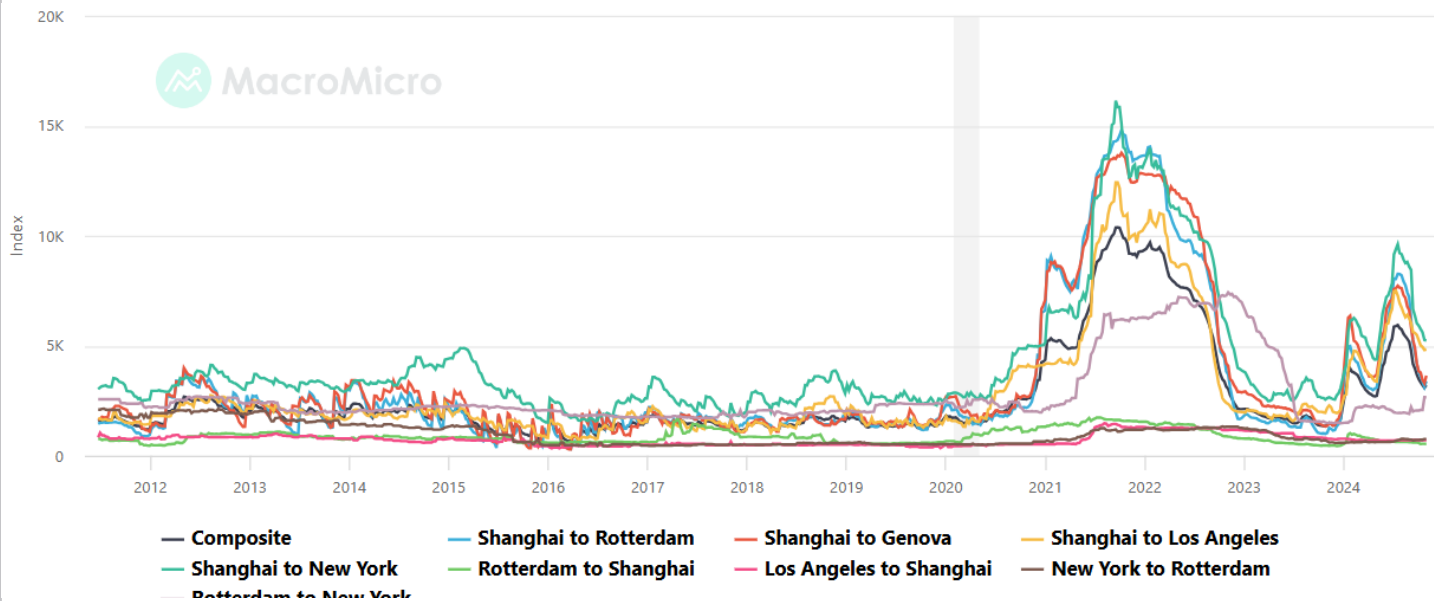
Source: Bloomberg

Diagram U: SOFR Curve

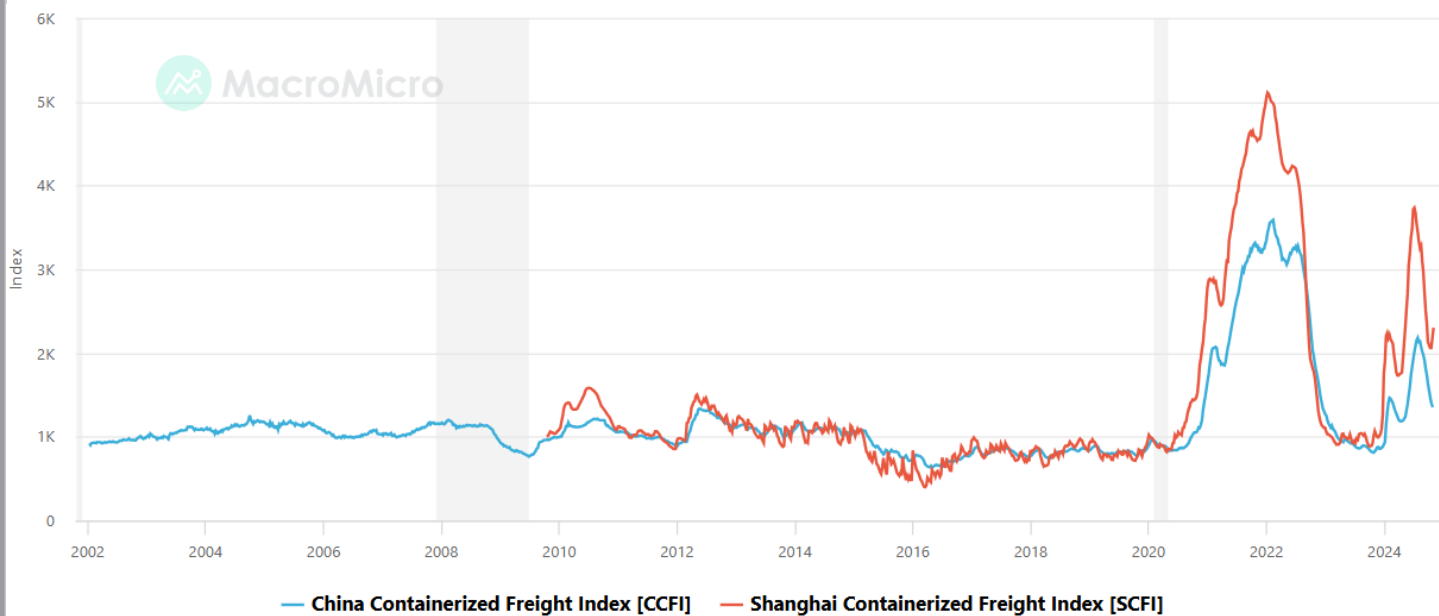


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



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PERFORMANCE

Market Indices	1-Nov	25-Oct	WoW Change	YTD Change	YoY Change
DJIA	42,052.19	42,114.40	(0.15%)	11.58%	23.49%
S&P 500	5,728.80	5,808.12	(1.37%)	20.10%	37.06%
NASDAQ	18,239.92	18,518.61	(1.50%)	21.51%	49.50%
MSCI - EAFE	2,336.19	2,361.47	(1.07%)	4.47%	9.48%
MSCI - Emerging Markets	1,122.28	1,134.88	(1.11%)	9.63%	7.34%
US Dollar Index	104.28	104.26	0.02%	2.91%	2.49%
VIX	21.88	20.33	7.62%	75.74%	16.82%
US Equities Avg Daily Dollar Volume (\$ in Billions)	256.56	267.08	(3.94%)	(31.58%)	(26.70%)

Market Ratios	1-Nov	25-Oct	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	18.00	18.01	(0.06%)	(30.95%)	(7.37%)
Put/Call Ratio	Equities	0.71	0.51	39.22%	9.23%	44.90%

Commodities Indices (\$ USD)	Metric	1-Nov	25-Oct	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	279.44	284.68	(1.84%)	5.92%	2.88%
Gasoline - Pump	Gallon	3.11	3.14	(1.08%)	(0.22%)	(10.91%)
Gasoline - Futures	Gallon	1.97	2.08	(5.39%)	(6.47%)	(19.81%)
Crude Oil - WTI	Barrel	69.49	71.78	(3.19%)	(3.01%)	(8.42%)
Crude Oil - Brent	Barrel	73.10	76.05	(3.88%)	(5.11%)	(11.04%)
Natural Gas	MM BTU	2.66	2.56	4.02%	5.93%	8.43%
Coal (1 contract = 1,000 tons)	Contract	188.67	188.67	0.00%	(12.10%)	(4.17%)

Commodities Indices (\$ USD)	Metric	1-Nov	25-Oct	WoW Change	YTD Change	YoY Change
Aluminum	Metric Ton	2,600.00	2,677.50	(2.89%)	9.06%	(0.65%)
Copper	Metric Ton	9,570.50	9,602.50	(0.33%)	11.82%	5.72%
Iron Ore	Metric Ton	102.49	104.23	(1.67%)	(24.84%)	(17.31%)
Steel - Hot Rolled Coil	Metric Ton	714.00	710.00	0.56%	(37.09%)	(10.30%)
Steel - Cold Rolled Coil	Metric Ton	980.00	980.00	0.00%	(22.22%)	1.03%
Ferrous Scrap	Metric Ton	419.00	420.00	(0.24%)	(21.68%)	(11.79%)
Lumber	Metric Ton	501.50	437.5	14.63%	(7.64%)	(7.64%)
Gold	Troy Ounce	2,736.53	2,747.56	(0.40%)	32.65%	43.07%
Silver	Troy Ounce	32.49	33.72	(3.65%)	36.54%	38.45%
Cotton	Pound	64.46	65.85	(2.11%)	(16.19%)	(22.74%)
Butter	Pound	2.67	2.70	(0.93%)	0.19%	13.14%
Cheese	Pound	1.96	1.94	1.03%	25.67%	25.03%
Cocoa	Pound	3.15	2.86	10.14%	65.63%	98.54%
Corn	Bushel	4.15	4.15	(0.18%)	(12.04%)	(38.62%)
Milk, Non Fat Dry	Pound	1.37	1.34	1.52%	13.61%	8.16%
Soybean	Bushel	9.83	9.88	(0.53%)	(24.04%)	(35.96%)
Sugar	Pound	0.22	0.22	(0.32%)	7.24%	1.89%
Wheat	Bushel	5.68	5.69	(0.18%)	(9.55%)	(25.36%)
Live Cattle	Pound	1.86	1.90	(1.99%)	7.05%	(81.18%)
Lean Hogs	Pound	0.84	0.80	5.52%	23.69%	11.58%
Beef, USDA Ground	Pound	3.16	3.22	(1.83%)	9.19%	19.33%
Chicken, Boneless & Skinless	Pound	3.97	3.97	0.00%	(2.65%)	(7.90%)

Currencies	Metric	Spot Prices	Futures	10-Year Historicals			
		1-Nov	25-Oct	2024	2025	Low	High
Japanese Yen	USD/JPY	153.010	152.310	136.000	145.000	75.320	139.570
Chinese Renminbi	USDCNY	7.129	7.122	6.940	7.100	6.041	7.179
Swiss Franc	USDCHF	0.870	0.867	0.890	0.870	0.721	1.030
British Pound	GBPUSD	1.292	1.296	1.340	1.300	1.130	1.717
Euro Zone Euro	EURUSD	1.083	1.080	1.130	1.100	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		
30-Oct-24	\$ 402	\$ (815)		
23-Oct-24	\$ 528	\$ 34		
16-Oct-24	\$ 1,099	\$ 664		
9-Oct-24	\$ 681	\$ (140)		
2-Oct-24	\$ 53	\$ 2,240		
25-Sep-24	\$ 313	\$ 73		
18-Sep-24	\$ (116)	\$ 1,741		
11-Sep-24	\$ (230)	\$ (633)		
4-Sep-24	\$ (230)	\$ 633		
Year To Date 2024	\$ 1,823	\$ 9,782		
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	11/1/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	5,233
Forward Calendar	4	7,437	
High Yield	11/1/2024	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	Oct	249K	236K	238K	
Continuing Claims	Oct	1,839K	1,828K	1,821K	
Change in Non-Farm Payrolls	Oct	272K	180K	175K	
Change in Private Payrolls	Oct	229K	165K	167K	
Unemployment Rate U-3	Oct	4.0%	3.9%	3.9%	
Unemployment Rate U-6	Oct	6.6%	6.5%	6.7%	
Average Work Week	Oct	34.3	34.7	34.4	
Existing Home Sales	Oct	4.11M	4.10M	4.14M	
Housing Starts	Oct	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	Oct	91.3	90.0	88.9	
GDP	QoQ-Annualized	2Q24	1.4%	1.4%	1.3%
Durable Goods Orders	Oct	0.6%	0.7%	0.7%	
Total Vehicle Sales	Oct	15,32M	15,50M	15,50M	
Capacity Utilization	Oct	79.0%	77.0%	76.8%	
Fed & Treasury Balance Sheet	30-Oct	23-Oct	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	7,013,490.0	7,029,408.0	(0.2%)	(10.8%)
Public Debt	\$ in Billions	35,847.0	35,777.4	0.2%	6.6%
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	1-Nov	25-Oct	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	4,005.98	4,005.26	0.02%	7.81%	18.37%
Barclays High Yield Index	2,665.52	2,664.89	0.02%	7.91%	15.60%
Barclays Aggregate	2,192.34	2,205.88	(0.61%)	1.89%	3.04%

Loan Market Bids	1-Nov	25-Oct	WoW Change	YTD Change
S&P Flow Name Index	98.80	98.85	(0.05%)	0.45%
S&P 100 Name Index	97.66	97.76	(0.11%)	0.80%
S&P BB's Index	99.70	99.76	(0.06%)	0.11%
S&P B's Index	98.13	98.21	(0.08%)	0.19%
S&P CCC's Index	80.14	80.19	(0.06%)	(2.57%)

Loan Market Spreads	1-Nov	25-Oct	WoW Change	YTD Change
S&P BB's Index	L+273	L+274	(1 bps)	177 bps
S&P B's Index	L+400	L+402	(2 bps)	(40 bps)
S&P CCC's Index	L+868	L+866	2 bps	(773 bps)

Credit Default Swap - Volatility Indices	Index	1-Nov	25-Oct	WoW Change	YTD Change
Investment Grade CDS	Market	53.02	52.87	0.28%	(6.49%)
High Yield CDS	Market	332.39	332.04	0.11%	(6.72%)

Credit	1-Nov	25-Oct	WoW Change	YOY Change
High Yield	T+495	T+490	5 bps	110 bps
LCD Flow Name	L+208	L+211	(3 bps)	12 bps
US Treasury 2-Yr	4.16%	4.06%	10 bps	(16 bps)
US Treasury 3-Yr	4.12%	4.02%	10 bps	8 bps
US Treasury 5-Yr	4.15%	4.02%	13 bps	27 bps
US Treasury 7-Yr	4.22%	4.08%	14 bps	31 bps
US Treasury 10-Yr	4.28%	4.14%	14 bps	38 bps

US CLO Spreads - New Issue	1-Nov	25-Oct	WoW Change	YTD Change
AAA	S+139	S+139	0 bps	(10 bps)
AA	S+178	S+178	0 bps	(10 bps)
A	S+215	S+212	3 bps	(15 bps)
BBB	S+318	S+318	0 bps	(5 bps)
BB	S+688	S+688	0 bps	0 bps

Market Rates	1-Nov	25-Oct	WoW Change	YTD Change
Fed Fund Rate	4.81%	4.81%	0 bps	(50 bps)
Prime Rate	8.00%	8.00%	0 bps	(50 bps)
Broker Call Rate	6.75%	6.75%	0 bps	(50 bps)
1M SOFR	4.80%	4.83%	7 bps	(48 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	31-Aug	31-Jul	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	23-Oct	16-Oct	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

Margin Debt - \$ USD in Billions	31-Aug	31-Jul	MoM Change	YTD Change
	775.45	784.14	(1.11%)	10.66%

Leveraged Finance Primary Volume - \$ USD in Billions

11/1/2024	Year To Date 2024	2023	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-Aug	31-Jul	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%

Government Assistance	31-Aug	31-Jul	YTD Change
SNAP Ika Food Stamps - # of Participants in Millions	38.031	38.280	(8.03%)

Retail Sales	31-Aug	31-Jul	YTD Change
Adj. Retail & Food Services Sales Index - US Census	683.0	687.4	0.79%

US Home Foreclosures and Delinquencies	31-Aug	31-Jul	YTD Change
Home Foreclosures Inventory in Thousands	181	181	4.10%
Delinquency Rate	-1.36%	-1.19%	(4.25pp)

U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas	1-Nov	25-Oct	YTD Change
Oil	623	618	10.66%
Gas	150	152	0.67%

Rail & Truck Volume	31-Aug
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