

## Briefing

# Global Economic & Credit Market

## Week 46 Ending – November 15, 2024

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### Economic Calendar

- Tuesday, November 19: Housing starts
- Thursday, November 21: Existing home sales
- Friday, November 22: Consumer sentiment

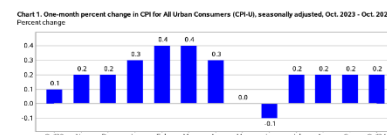
### Key Market Metrics

- S&P 500: (2.08%) WoW; +23.08% YTD; +30.22% YoY; 15.8x LTM EBITDA; 14.3x NTM EBITDA
- Dow Jones: (1.24%) WoW; +15.27% YTD; +24.32% YoY; 11.8x LTM EBITDA; 13.4x NTM EBITDA
- Nasdaq: (3.15%) WoW; +24.44% YTD; +32.35% YoY
- Ten Year US Treasury Yield: 4.50% +58 bps YTD; (0) bps YoY
- Currency:
  - British Pound per USD: \$1.26; (2.3%) WoW; (0.9%)YTD; 1.6% YoY
  - Euro per USD: \$1.05; (1.7%) WoW; (4.6%)YTD; (2.9%)YoY
  - USD per Yen: ¥154.30; 1.1% WoW; 9.5% YTD; 2.4% YoY
  - Swiss franc per EUR: 1.07 CHF; 0.3% WoW; (0.8%)YTD; 3.0% YoY

### U.S. News

#### Consumer Price Index

- The consumer price index increased 0.2% in October, meeting forecasts. The core inflation rate rose 0.3% for the third straight month
- The yearly rate of inflation increased from 2.4% to 2.6%, marking the first increase in seven months. The year-over-year core inflation rate was unchanged at 3.3%, still above the Fed's target of 2%
- The Federal Reserve is still expected to reduce interest rates in December, though it is now more likely that the Federal Reserve pauses rate-cuts in early 2025



#### Producer Price Index

- The producer price index rose 0.2% in October, meeting forecasts. Core wholesale prices increased 0.3% in October
- The increase in wholesale prices in the last twelve months ended in October climbed from 1.9% to 2.4%, reaching the highest level in four months. Core wholesale prices moved from 3.3% to 3.5% over the same period
- Wholesale services, such as transportation and recreation, are the largest sources of inflation. Services are up 3.5% in the past year

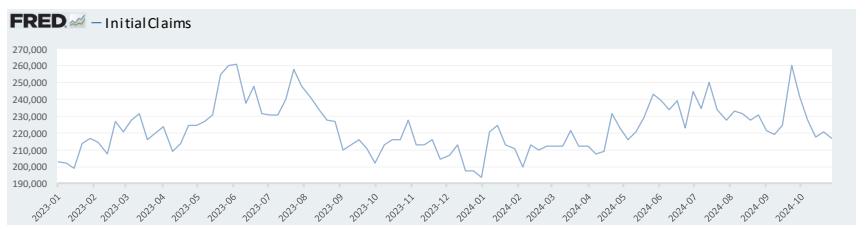


#### U.S. Retail Sales

- Retail sales increased 0.4% in October, above the 0.3% forecasted by economists
- Auto sales, which account for one fifth of retail sales, rose by 1.6% in October
- Restaurant sales, an indicator of expendable income among consumers, increased by 0.7% over the same period

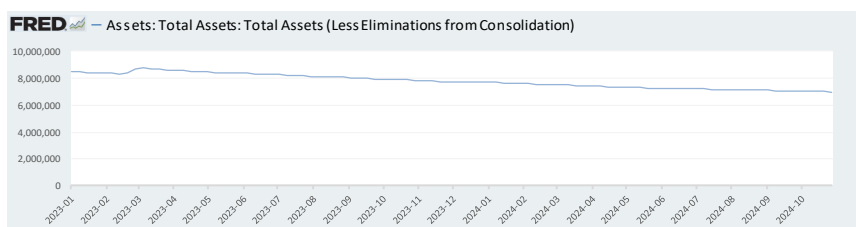
## ▪ Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 217,000 in the week ended November 8, down 4,000 from the prior week
- The four-week moving average was 221,000, down 6,250 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased by 11,000 to 1.873 million in the week ended November 1. This figure is reported with a one-week lag



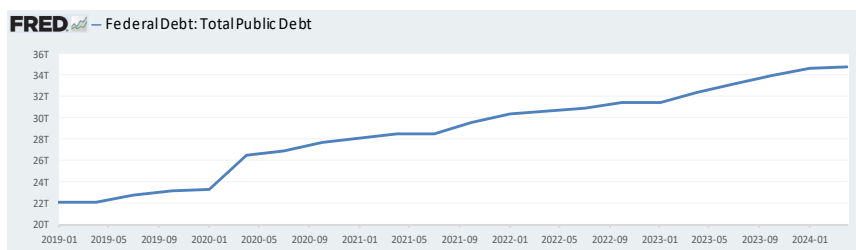
## ▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$6.967 trillion in the week ended November 15, down \$27.2 billion from the prior week
- Treasury holdings totaled \$4.340 trillion, up \$0.2 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.27 trillion in the week, down \$1.8 billion from the prior week



## ▪ Total Public Debt

- Total public debt outstanding was \$35.97 trillion as of November 15, an increase of 6.6% from the previous year
- Debt held by the public was \$28.63 trillion, and intragovernmental holdings were \$7.38 trillion

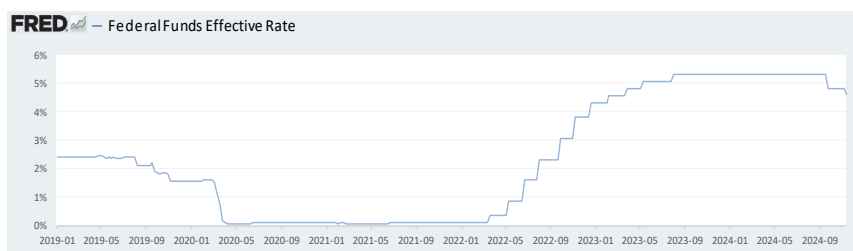


## ▪ Inflation Factors

- CPI:
  - The consumer-price index rose 2.6% in October year over year
  - On a monthly basis, the CPI increased 0.2% in October on a seasonally adjusted basis, after increasing 0.2% in September
  - The index for all items less food and energy (core CPI) rose 0.3% in October, after rising 0.3% in September
  - Core CPI increased 3.3% for the 12 months ending October
- Food & Beverages:
  - The food at home index increased 1.1% in October from the same month a year earlier, and increased 0.1% in October month over month
  - The food away from home index increased 3.8% in October from the same month a year earlier, and increased 0.2% in October month over month
- Commodities:
  - The energy commodities index decreased (1.0%) in October after decreasing (4.0%) in September
  - The energy commodities index fell (12.4%) over the last 12 months
  - The energy services index (0.4%) in October after increasing 0.4% in September
  - The energy services index rose 4.0% over the last 12 months
  - The gasoline index fell (12.2%) over the last 12 months
  - The fuel oil index fell (20.8%) over the last 12 months
  - The index for electricity rose 4.5% 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 decreased to \$3,440.48 per 40ft container
  - Drewry's composite World Container Index has increased by 134.2% over the last 12 months
- Housing Market:
  - The shelter index increased 0.4% in October after increasing 0.2% in September
  - The rent index increased 0.4% in October after increasing 0.2% in September
  - The index for lodging away from home decreased (3.4%) in October after decreasing (3.8%) in September

## ▪ Federal Funds Rate

- The effective Federal Funds Rate is at 4.58%, down (0.75%) year to date



## World News

### ▪ Middle East

- In a previously unreported message, Iran sent written communication to the Biden administration assuring that it will not attempt to assassinate President-elect Donald Trump. The message came in response to a warning sent by the Biden administration in September, indicating that any more Tehran-backed assassination attempts would be treated as an act of war. The Justice Department last week outlined allegations that Iranian agents were involved in ongoing efforts to target Donald Trump
- The longtime CEO of Saudi Arabia's Neom, the country's planned futuristic city, left his position abruptly. The reason for the departure is unknown, though delays, cost overruns, and staff turnover have plagued the development project. Executives from the country's sovereign-wealth fund are coming in to take greater control over the project
- Hamas and Fatah, rival Palestinian political factions, have agreed to create an apolitical committee to oversee aid distribution and rebuilding after major fighting stops. The arrangement would be temporary, in place until Gaza is stable enough to hold elections
- Israeli forces are expanding the ground invasion of Lebanon, even as the opposing parties come closer to reaching a ceasefire. Experts state that the targeting of Hezbollah strongholds in Southern Lebanon will give Israel more leverage in the negotiations. Since the ground invasion began, the Israeli military has killed hundreds of Hezbollah militants, destroyed underground fortifications, and seized small arms and larger weapons systems

### ▪ Russia

- In response to high casualty numbers in Ukraine, Russia is offering salaries over five times the average in some of the country's poorest regions. In addition, the families of those killed in action will receive large compensation payments from the government
- Economists, who describe the policy as "deathonomics", note that a thirty-five-year-old soldier who fights one year and is then killed in action would make more money through salary and bonus payouts than he could expect for the rest of his working life
- Russia launched a major missile and drone attack on Ukraine overnight into Sunday. The barrage, which targeted power plants and energy infrastructure, was the largest since August and the third largest of this year. Ukraine reported that five people were killed
- Ukraine attacked Moscow last Sunday with at least 34 drones, the largest drone strike on the Russian capital since the start of the war. The attack diverted flights from three of the city's major airports and injured at least five people

### ▪ China

- China's air force showcased a new suite of aircraft during its premier airshow, unveiling the latest effort to catch up to the United States technologically. Beijing states that the new armaments will allow China to better protect its interests in the Western Pacific
- China's industrial production slowed slightly in October, but retail sales rose. Most economists now think China's economy is set to meet the goal of 5% growth this year
- 8 people were killed and 17 wounded in a knife attack Saturday at a college in Eastern China. The attack was conducted by a student that did not graduate after failing an exam. This is the latest of such violent public safety concerns; on Tuesday, a 62-year-old drove an SUV into a crowd at a sports stadium, killing 35 and injuring dozens more
- Xi Jinping offered a public response to the recent violence, ordering authorities to learn from recent events and ensure public safety and social stability. China's Ministry of Public Security held a meeting in Beijing, vowing to guard against such violence and to address these conflicts at the grassroots level

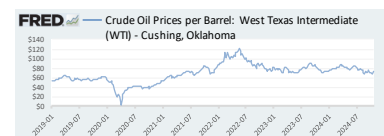
## Geopolitical Hotspots

- **France**
  - After Israeli fans were targeted in Amsterdam, France is deploying 4,000 police, including elite tactical officers, and 1,600 private security guards ahead of Thursday's France-Israel soccer match just outside Paris
- **Canada**
  - In the latest of a series of labor disruptions, Canadian postal workers initiated a walkout ahead of the holidays, halting most mail delivery in the country.
- **UK**
  - Archbishop Justin Welby, the leader of the Anglican Communion, resigned after allegations that he failed to respond to accusations against one of the most prolific child abusers in the church's history
- **Haiti**
  - A ruling council, which was created to restore order and steer the country toward a democratic transition after the assassination of President Jovenel Moise, fired Prime Minister Garry Conille. The announcement comes after months of political infighting between the former Prime Minister and the council
- **Germany**
  - Germany's government is in a political gridlock after a dispute over economic policy between coalition partners. The Free Democratic Party (FDP) is pushing for tax cuts and welfare reductions while the Social Democratic Party (SPD) is advocating for higher government spending, including subsidies for industries and additional support for Ukraine. This gridlock has led to a vote of confidence, potentially resulting in early elections
- **Pakistan**
  - Pakistan's government is strengthening its control through new laws that limit judicial power, extend the army chief's term, and allow detention without charges, amid growing political repression. Despite some economic improvements, the country remains politically unstable
- **Mexico**
  - Mexico's Supreme Court narrowly voted against blocking a controversial judicial reform pushed by President Sheinbaum's government, which would elect judges by popular vote. The reform has sparked concerns over the independence of the judiciary and its potential impact on Mexico's democracy and business climate
- **Spain**
  - Following torrential rains and 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

## Commodities

### Oil Prices

- WTI: \$67.02 per barrel
  - (4.77%) WoW; (6.46%) YTD; (8.07%) YoY
- Brent: \$71.00 per barrel
  - (3.89%) WoW; (7.84%) YTD; (8.29%) YoY



### US Production

- U.S. oil production amounted to 13.4 million bpd for the week ended November 8, down 0.1 million bpd from the prior week

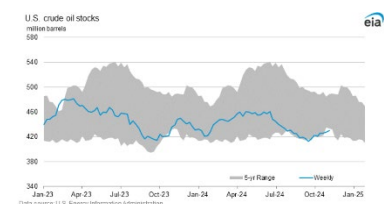
### Rig Count

- The total number of oil rigs amounted to 584, down 1 from last week

### Inventories

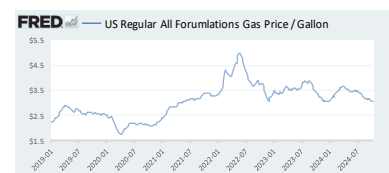
#### Crude Oil

- Total U.S. crude oil inventories now amount to 429.7 million barrels, down (2.2%) YoY
- Refiners operated at a capacity utilization rate of 91.4% for the week, up from 90.5% in the prior week
- U.S. crude oil imports now amount to 6.240 million barrels per day, down 2.1% YoY



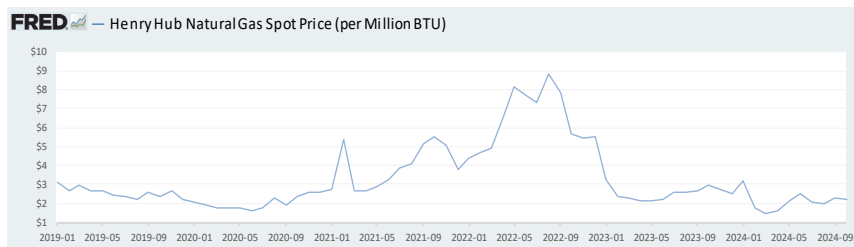
#### Gasoline

- Retail average regular gasoline prices amounted to \$3.08 per gallon in the week of November 15, down (7.5%) YoY
  - Gasoline prices on the East Coast amounted to \$3.11, down (6.2%) YoY
  - Gasoline prices in the Midwest amounted to \$2.95, down (9.7%) YoY
  - Gasoline prices on the Gulf Coast amounted to \$2.73, down (6.0%) YoY
  - Gasoline prices in the Rocky Mountain region amounted to \$3.20, down (7.4%) YoY
  - Gasoline prices on the West Coast amounted to \$4.06, down (12.7%) YoY
- Motor gasoline inventories were down by 4.4 million barrels from the prior week
- Motor gasoline inventories amounted to 206.9 million barrels, down (4.1%) YoY
- Production of motor gasoline averaged 10.27 million bpd, up 9.0% YoY
- Demand for motor gasoline amounted to 9.383 million bpd, up 4.8% YoY





- **Distillates**
  - Distillate inventories decreased by -1.4 million in the week of November 15
  - Total distillate inventories amounted to 114.4 million barrels, up 7.4% YoY
  - Distillate production averaged 4.969 million bpd, up 4.5% YoY
  - Demand for distillates averaged 4.098 million bpd in the week, down (0.3%) YoY
- **Natural Gas**
  - Natural gas inventories increased by 42 billion cubic feet last week
  - Total natural gas inventories now amount to 3,974 billion cubic feet, up 3.7% YoY



## Credit News

High yield bond yields decreased 7bps to 7.18% and spreads decreased 9bps to 287bps. Leveraged loan yields decreased 5bps to 8.64% and spreads decreased 5bps to 465bps. WTD Leveraged loan returns were positive 29bps. WTD high yield bond returns were positive 31bps. 10yr treasury yields increased 8bps to 4.42%. Yields and spreads decreased amid receding growth concerns, rising rates, a mostly benign earnings season, and now rising macro visibility following the US election results.

### High-yield:

Week ended 11/15/2024

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

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.18%	287	7.25%	297	(7)	(9)

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

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.19	\$96.02	17	0.31%	0.53%	7.70%	13.5%

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

Total Flows (\$)
\$2,090mm

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

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
11	\$6.0bn	\$273.0bn	\$154.0bn	+77%

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

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%

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

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



**Leveraged loans:**

Week ended 11/15/2024

▪ **Yields & Spreads<sup>1</sup>**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.64%	465	8.69%	470	(5)	(5)

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

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.36	\$96.26	10	0.29%	0.44%	7.98%	12.9%

▪ **Fund Flows<sup>2</sup>**

Total Flows (\$)
\$2,150mm

▪ **New Issue<sup>2</sup>**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
7	\$7.6bn	\$1043.0bn	\$296.4bn	+252%

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

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: Franchise Group Inc (\$1.1bn, 11/3/24), 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 11/15/2024

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

# Priced	Total (\$)	New Issue	Refis/Resets
19	\$8.3bn	\$3.1bn	\$5.2bn

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

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
894	\$413.2bn	\$173.3bn	\$239.9bn	\$110.7bn	+273%

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

## Ratings activity:

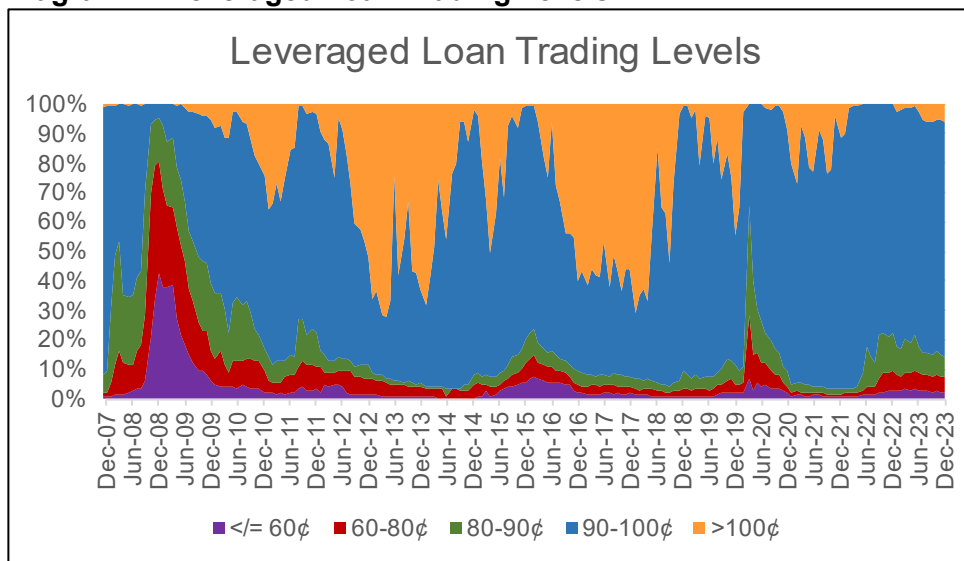
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7x
Week Ending 01/05/24	1	2	0.5x	0	2	0.0x
Week Ending 01/12/24	8	6	1.3x	3	7	0.4x
Week Ending 01/19/24	2	6	0.3x	12	6	2.0x
Week Ending 01/26/24	10	0	n/a	15	6	2.5x
Week Ending 02/02/24	3	13	0.2x	11	7	1.6x
Week Ending 02/09/24	18	6	3.0x	5	7	0.7x
Week Ending 02/16/24	8	2	4.0x	14	9	1.6x
Week Ending 02/23/24	3	8	0.4x	16	16	1.0x
Week Ending 03/01/24	14	5	2.8x	6	2	3.0x
Week Ending 03/08/24	16	10	1.6x	15	14	1.1x
Week Ending 03/15/24	12	7	1.7x	15	5	3.0x
Week Ending 03/22/24	6	5	1.2x	7	10	0.7x
Week Ending 03/29/24	9	2	4.5x	15	14	1.1x
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7x	8	7	1.1x
Week Ending 04/19/24	14	10	1.4x	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4x	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
Week Ending 05/17/24	13	7	1.9x	13	4	3.3x
Week Ending 05/24/24	10	6	1.7x	13	10	1.3x
Week Ending 05/31/24	12	3	4.0x	14	10	1.4x
Week Ending 06/07/24	9	14	0.6x	10	9	1.1x
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
Week Ending 11/08/24	8	1	8.0x	6	5	1.2x
Week Ending 11/15/24	13	8	1.6x	11	10	1.1x
YTD 2024	379	287	1.3x	437	350	1.2x

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 $\Delta$
High Yield	93.7	96.9	88.4	8.5
Leveraged Loans	95.7	96.4	94.5	1.9

[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 11/14/24

[3] HY low price as of 11/16/23. LL low price as of 11/28/23

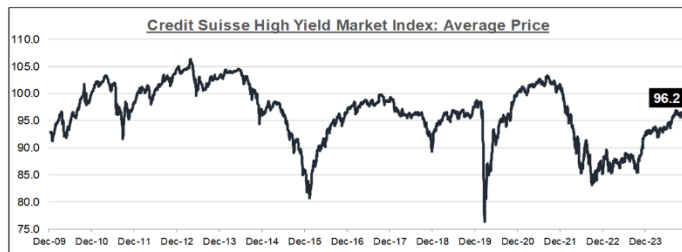
Diagram C: Leveraged Loan and High Yield Returns

	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	0.29%	0.16%	0.31%	0.01%
MTD Return	0.44%	0.40%	0.53%	0.63%
YTD Return	7.98%	7.86%	7.70%	6.25%

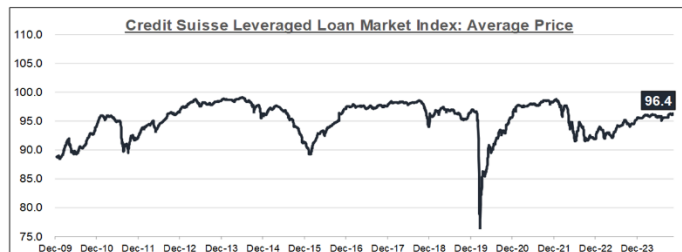
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 11/15/2024

[2] Yield data as of 11/15/2024

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

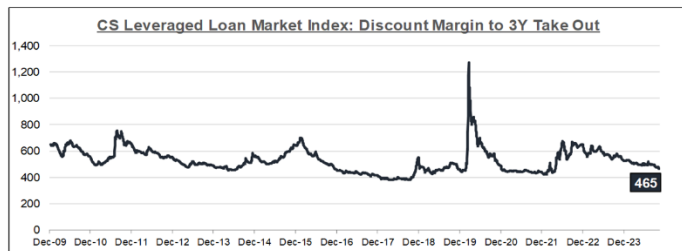


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.

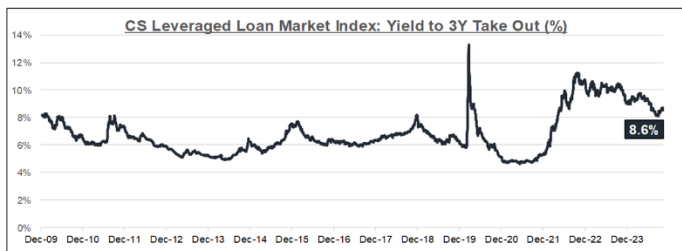


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

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

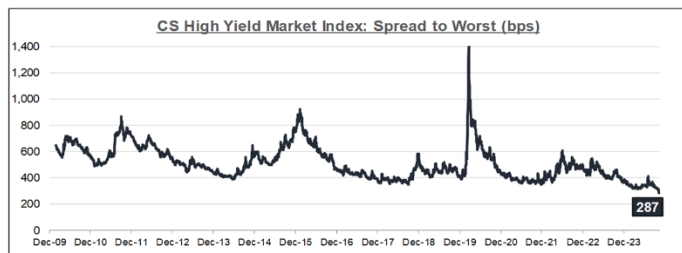


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



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**

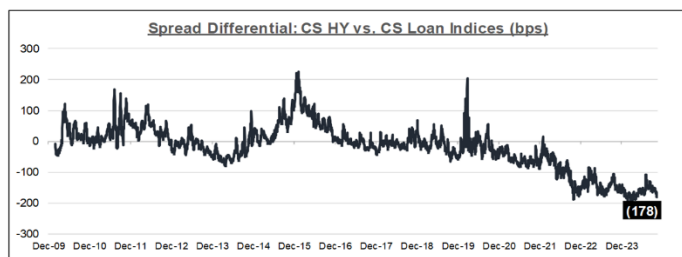


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



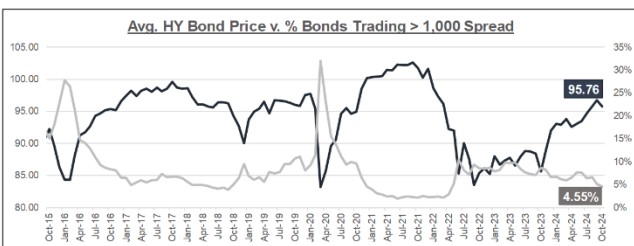
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

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

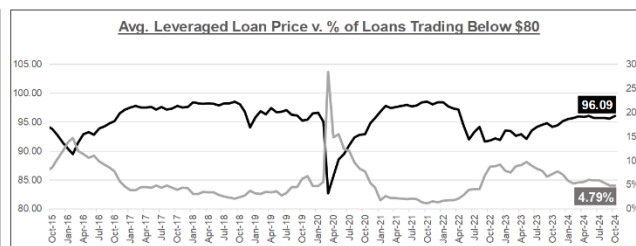


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

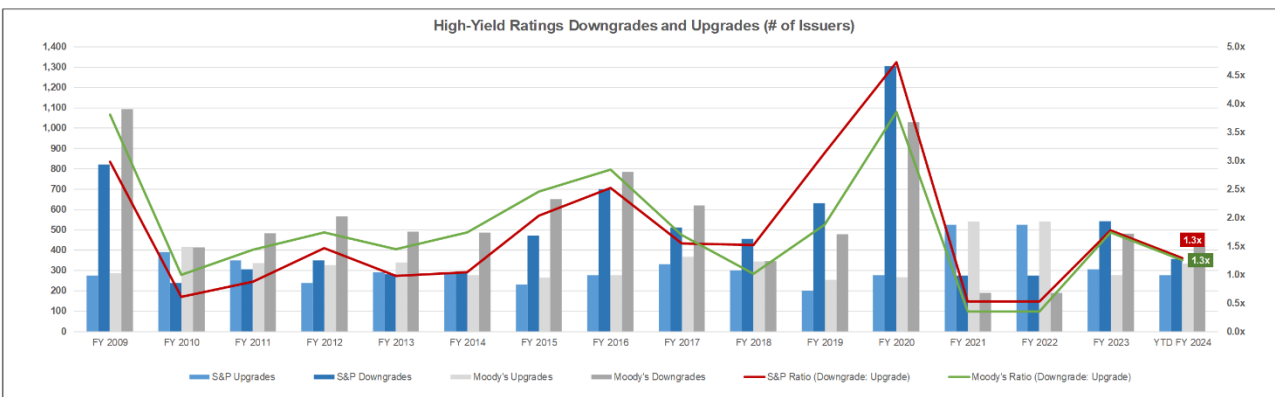


Source: CSFB. Data is reported monthly.

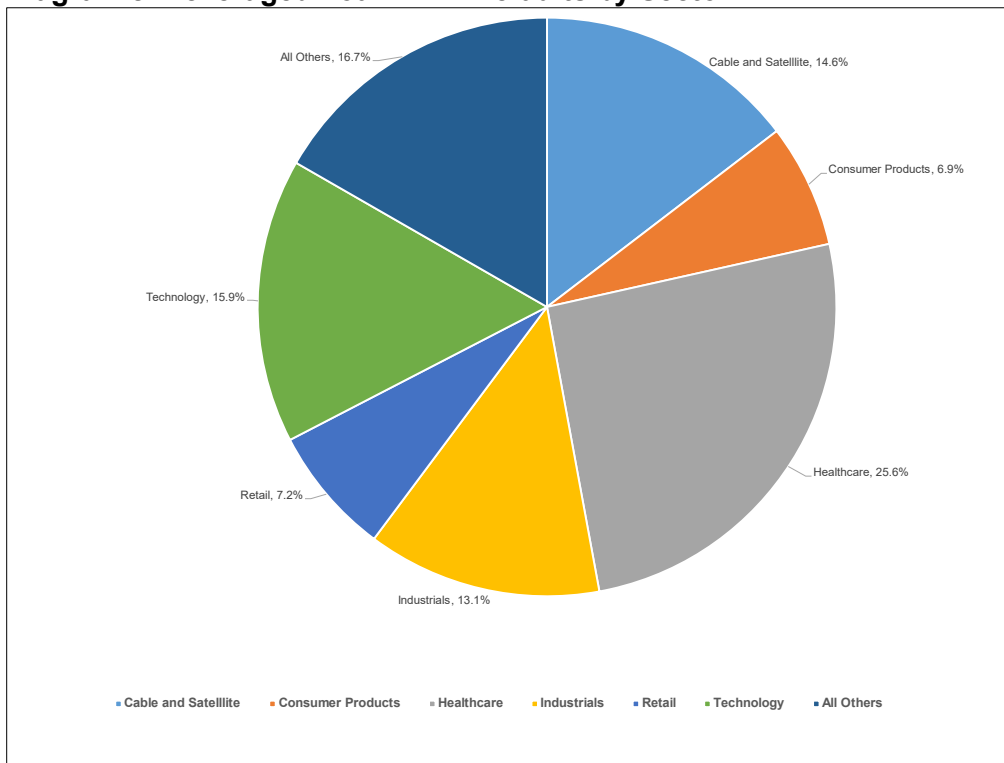


Source: JPM. Data is reported monthly.

**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

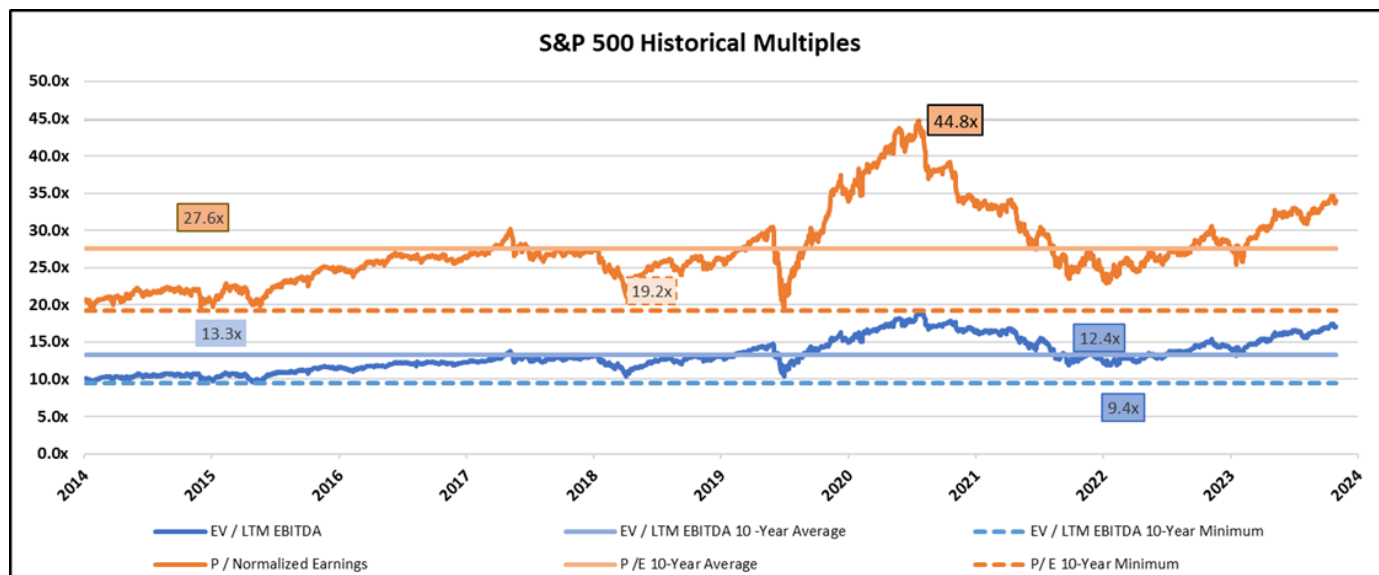
[1] Spread includes OID benefit based on 4 year repayment

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

By	10/25/24	11/1/24	11/8/24	11/15/24	Weekly	Change			
						Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.05%	3.16%	3.12%	3.09%	(4 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.29%	2.41%	2.37%	2.36%	(1 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.51%	3.68%	3.66%	3.56%	(10 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	0.96%	0.95%	1.01%	1.07%	6 bps	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.23%	4.45%	4.44%	4.48%	4 bps	(99 bps)	17 bps	95 bps	(27 bps)
US									
US - 2 year	4.10%	4.21%	4.25%	4.31%	6 bps	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.06%	4.22%	4.19%	4.32%	13 bps	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.24%	4.38%	4.30%	4.46%	16 bps	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.50%	4.58%	4.47%	4.64%	17 bps	(89 bps)	106 bps	27 bps	(24 bps)

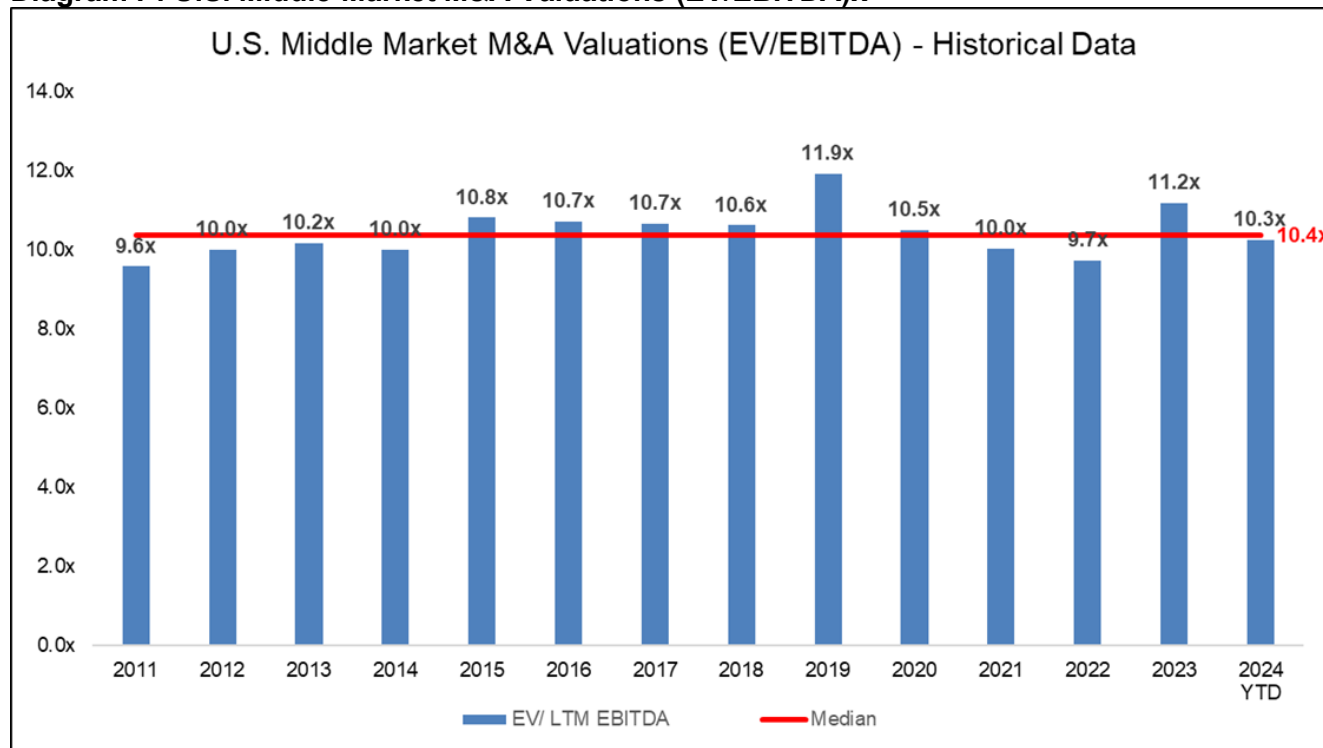
Source: Bloomberg

**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)

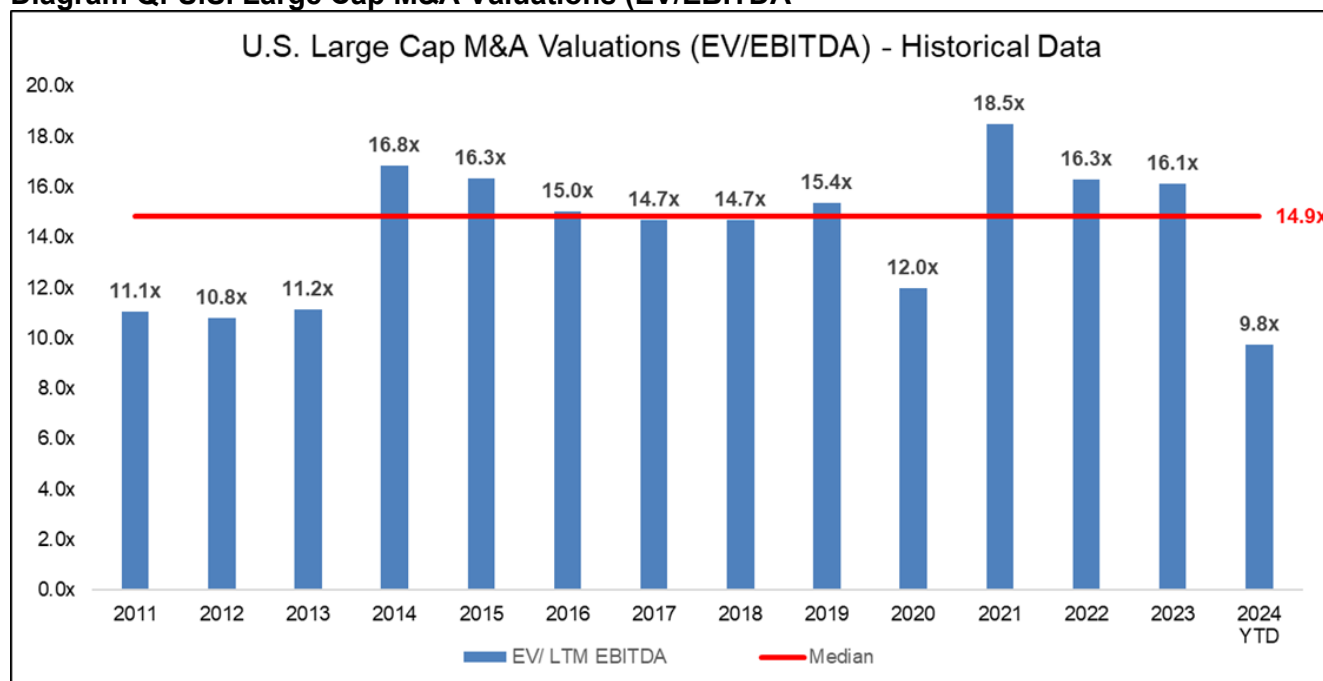
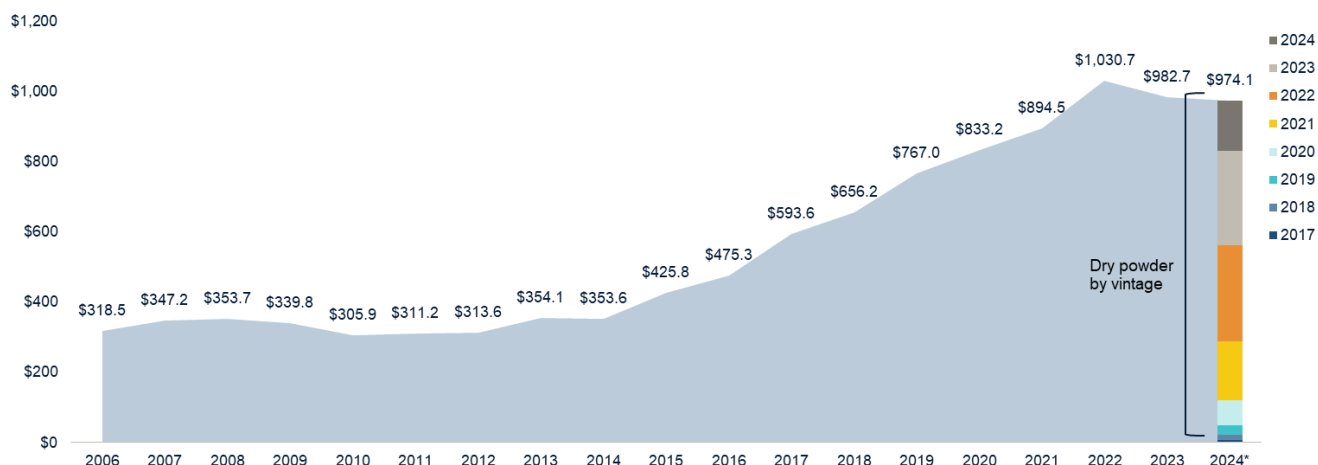


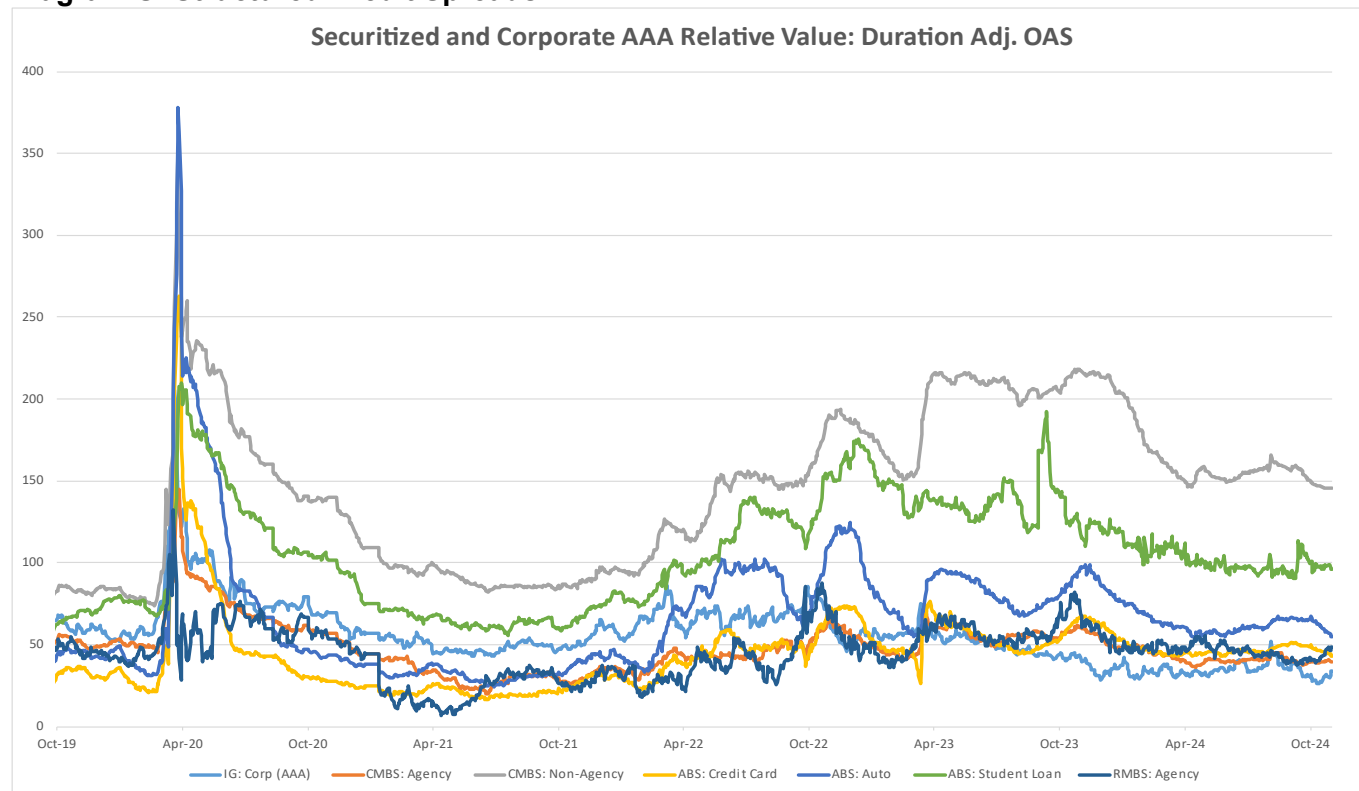


Diagram R: Dry Powder for All Private Equity Buyouts



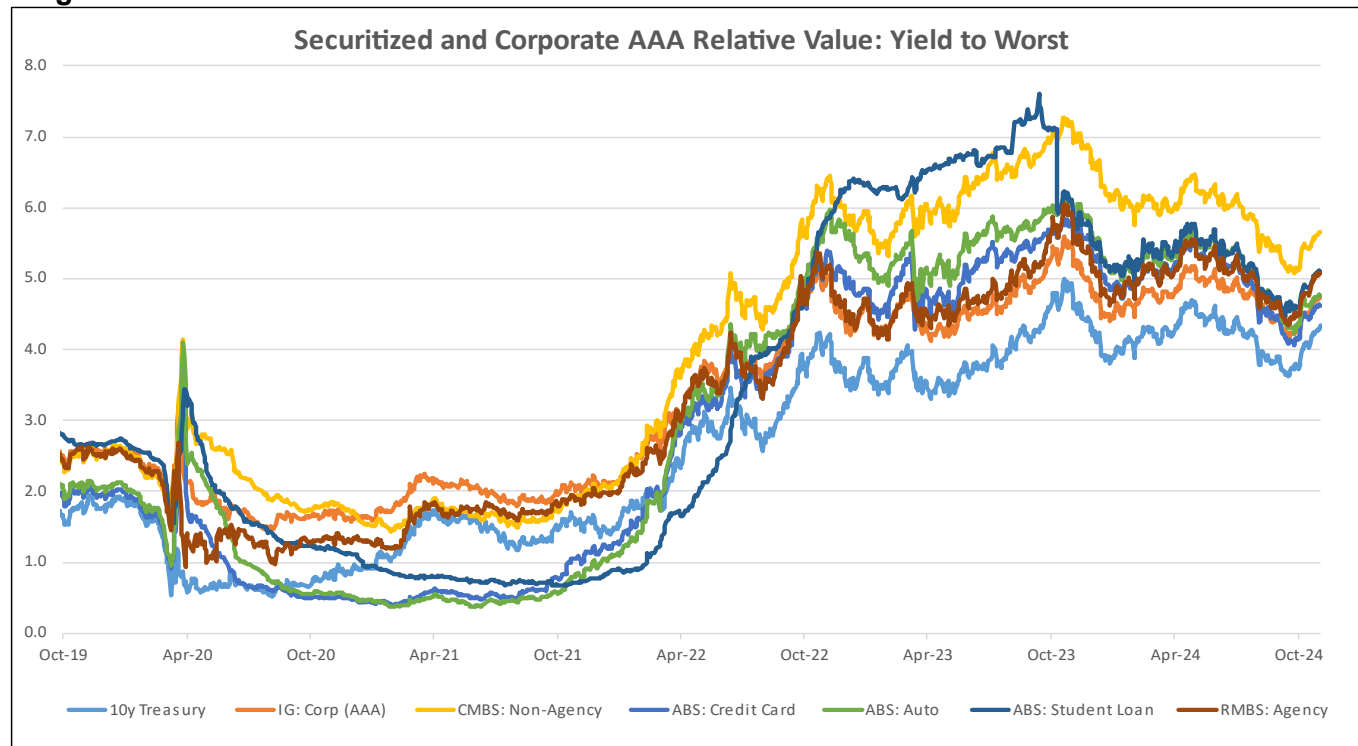
Source: Pitchbook

Diagram S: Structured Credit Spreads



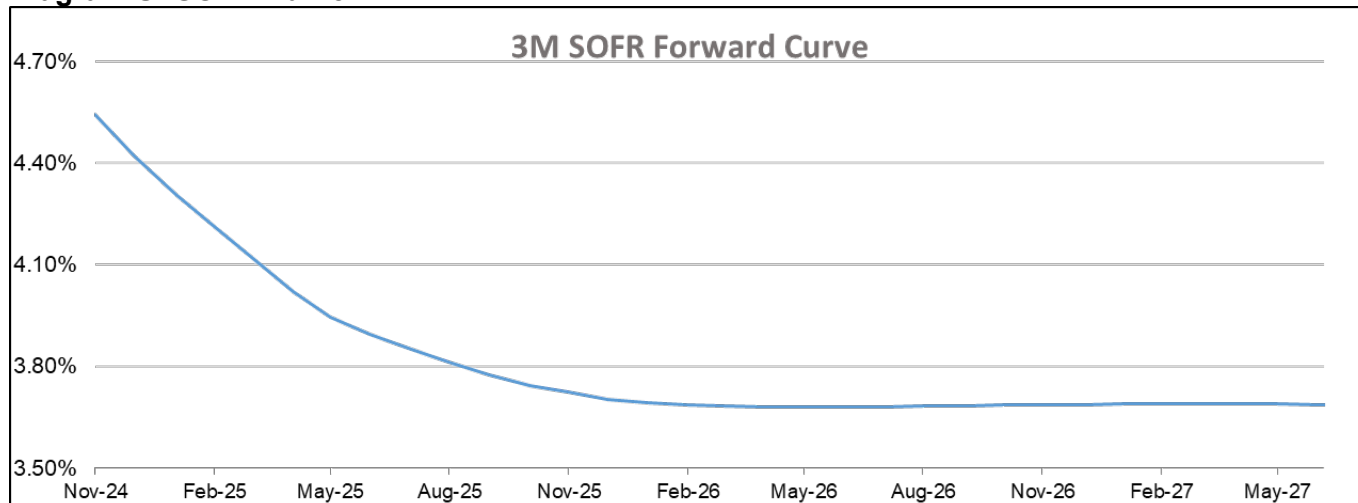
Source: Bloomberg

Diagram T: Structured Credit Yield



Source: Bloomberg

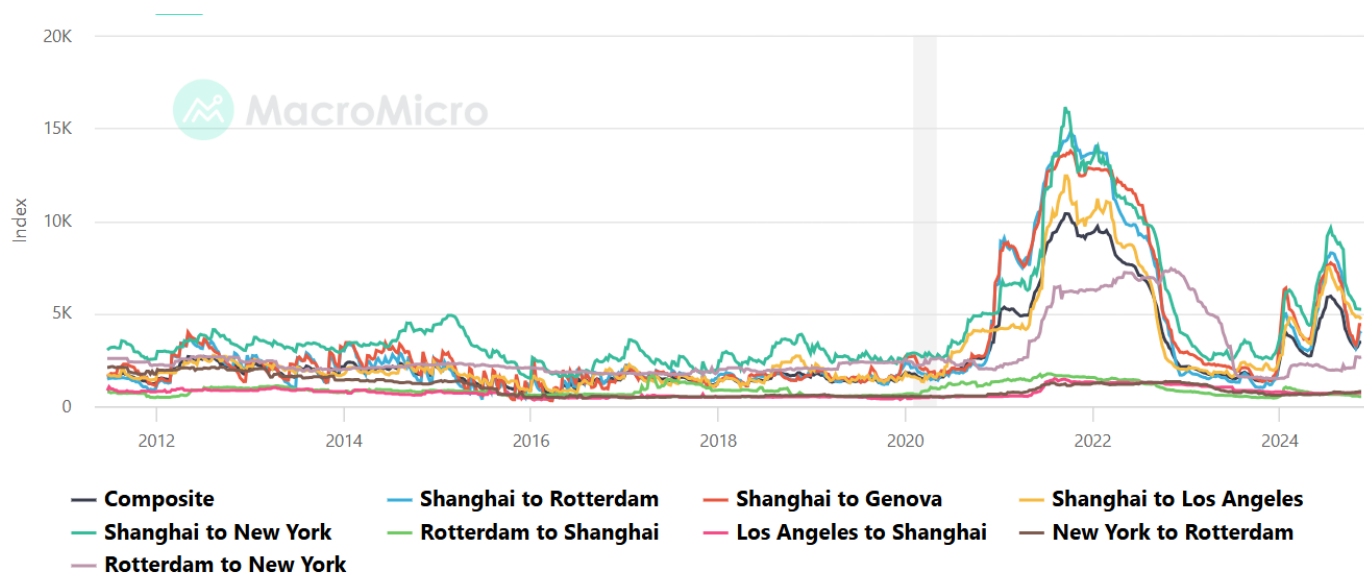
Diagram U: SOFR Curve



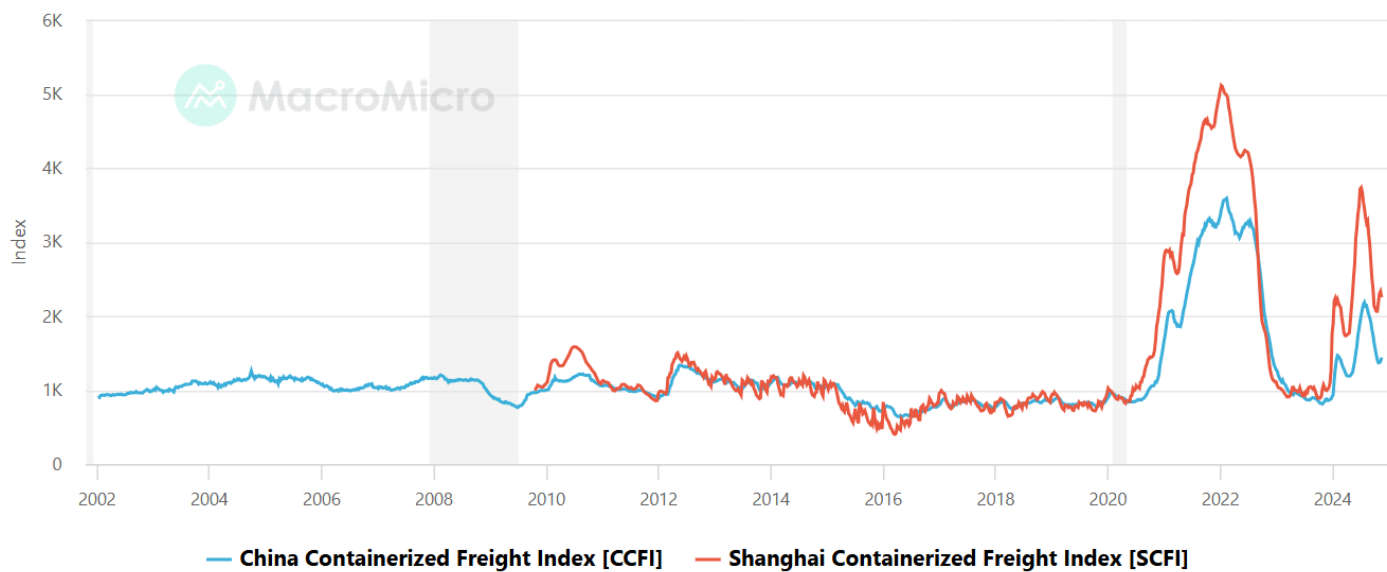


**Freight Rates**

**Drewry World Container Index**



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

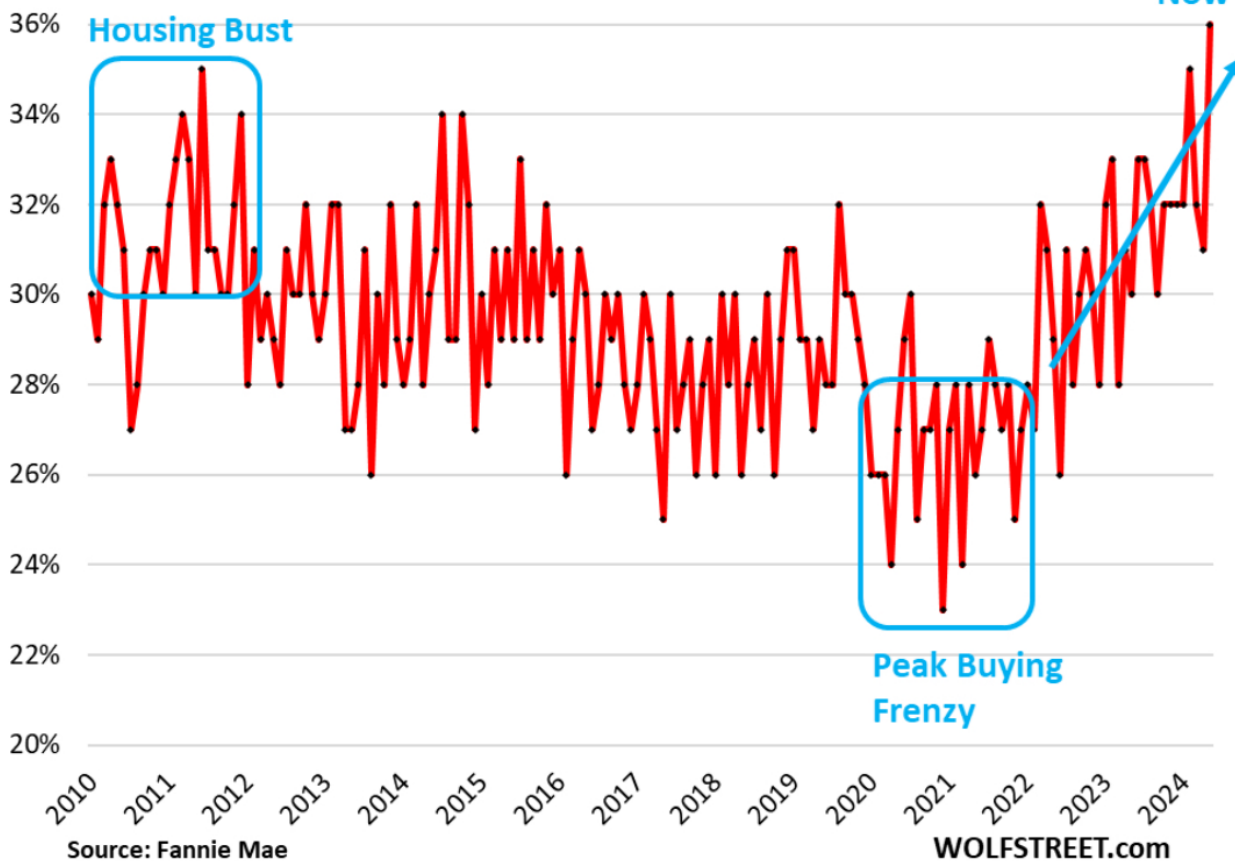


**ZCGC RE Research**

Rising Costs Push More Americans to Rent as Homeownership Becomes Less Affordable

**Will Rent Instead of Buying if they Move: Fannie Mae NHS Survey**

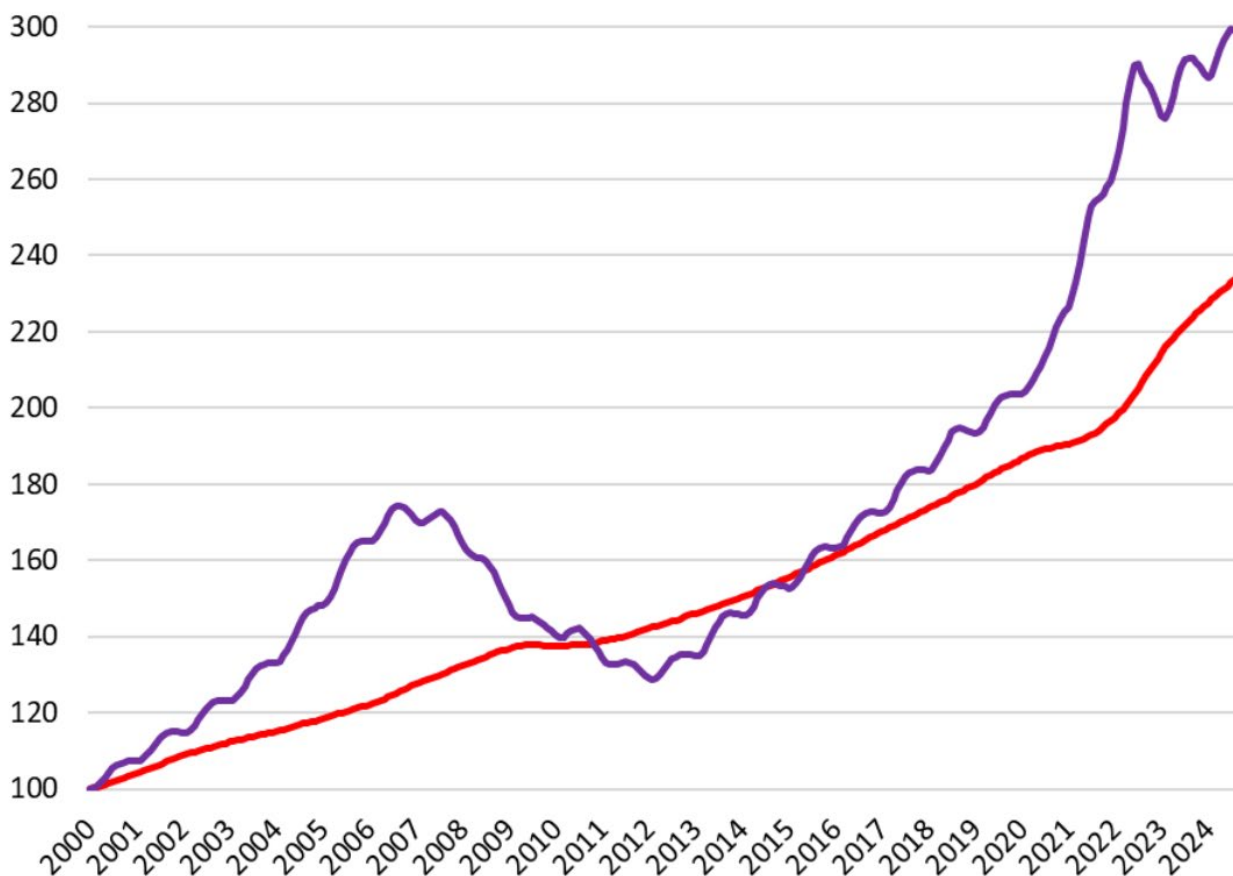
% respondents who said they'd rent if they were going to move



- High home prices, mortgage rates, property taxes, and spiking homeowners' insurance have made home ownership less financially viable, pushing more people toward renting
- The share of people preferring to rent rather than buy hit a record high of 36%, according to Fannie Mae's survey, surpassing previous highs from the 2010 housing bust

## CPI Rent and Zillow Raw Home Value Index (ZHVI):

Indices set to Jan 2000 = 100

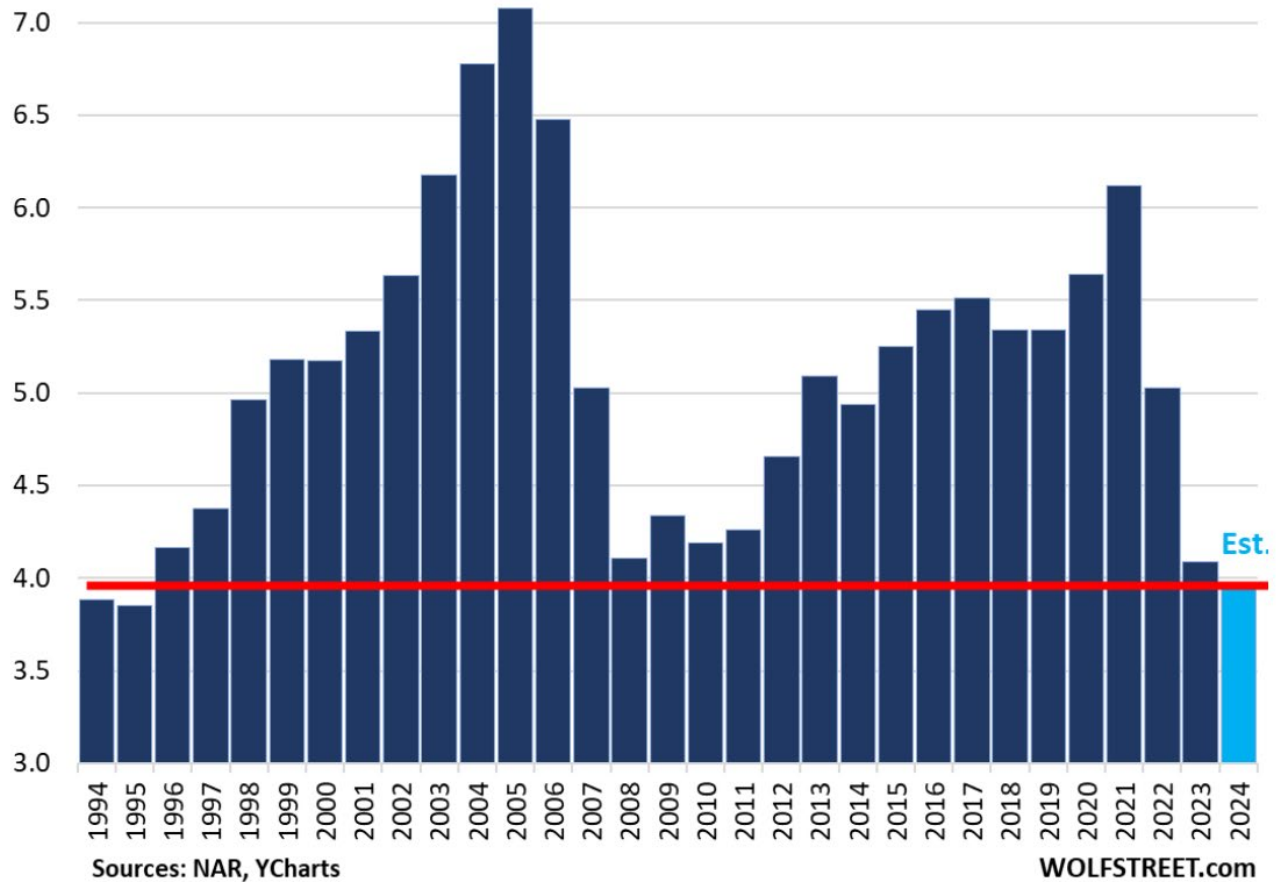


Sources: BLS, Zillow

WOLFSTREET.com

- The surge in home prices since 2020, driven by loose monetary policy, has made it significantly more expensive to buy than rent, leading to a trend of renting as a cost-effective alternative
- Fannie Mae noted a growing preference for renting, expecting modest rent growth in 2025, making rental deals more attractive
- The monthly costs of buying—factoring in mortgage rates, property taxes, and insurance—have far exceeded those of renting, especially with rents rising at a slower pace than home prices
- People are increasingly opting to rent to avoid inflated costs, benefitting from flexibility and saving money rather than becoming “house-poor”

### Annual Sales of Existing Single-Family Houses, Condos & Co-ops, Millions



- Declining demand for home purchases has caused supply levels of new and existing homes to spike, with home sales hitting lows unseen since 1995
- Choosing to rent protects people from potential losses if property prices decline, a trend already visible in some markets





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PERFORMANCE

Market Indices	15-Nov	8-Nov	WoW Change	YTD Change	YoY Change
DJIA	43,444.99	43,988.99	(1.24%)	15.27%	27.58%
S&P 500	5,870.62	5,995.54	(2.08%)	23.08%	40.45%
NASDAQ	18,680.12	19,286.78	(3.15%)	24.44%	53.11%
MSCI - EAFE	2,275.34	2,336.75	(2.63%)	1.75%	6.63%
MSCI - Emerging Markets	1,085.00	1,135.65	(4.46%)	5.98%	3.77%
US Dollar Index	106.69	105.00	1.61%	5.28%	4.85%
VIX	16.14	14.94	8.03%	29.64%	(13.83%)
US Equities Avg Daily Dollar Volume (\$ in Billions)	235.52	246.04	(4.28%)	(37.20%)	(32.71%)

Market Ratios	15-Nov	8-Nov	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	0.60	0.55	9.09%	(7.69%)	22.45%

Commodities Indices (\$ USD)	Metric	15-Nov	8-Nov	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	279.72	281.68	(0.70%)	6.02%	2.98%
Gasoline - Pump	Gallon	3.08	3.09	(0.39%)	(1.25%)	(11.83%)
Gasoline - Futures	Gallon	1.95	2.01	(3.14%)	(7.29%)	(20.51%)
Crude Oil - WTI	Barrel	67.02	70.38	(4.77%)	(6.46%)	(11.68%)
Crude Oil - Brent	Barrel	71.04	73.87	(3.83%)	(7.79%)	(13.55%)
Natural Gas	MM BTU	2.82	2.67	5.77%	12.29%	14.94%
Coal (1 contract = 1,000 tons)	Contract	188.67	188.67	0.00%	(12.10%)	(4.17%)

Commodities Indices (\$ USD)	Metric	15-Nov	8-Nov	WoW Change	YTD Change	YoY Change
Aluminum	Metric Ton	2,649.50	2,620.50	1.11%	11.14%	1.24%
Copper	Metric Ton	9,002.50	9,443.50	(4.67%)	5.18%	(0.55%)
Iron Ore	Metric Ton	101.63	103.82	(2.11%)	(25.47%)	(18.01%)
Steel - Hot Rolled Coil	Metric Ton	691.00	707.00	(2.26%)	(39.12%)	(13.19%)
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	2,563.25	2,684.77	(4.53%)	24.25%	34.01%
Silver	Troy Ounce	30.27	31.31	(3.31%)	27.21%	29.00%
Cotton	Pound	63.57	66.01	(3.70%)	(17.34%)	(23.80%)
Butter	Pound	2.63	2.65	(0.75%)	(1.31%)	11.44%
Cheese	Pound	1.91	1.92	(0.26%)	22.85%	22.22%
Cocoa	Pound	3.86	3.17	21.71%	102.67%	98.54%
Corn	Bushel	4.24	4.31	(1.62%)	(10.03%)	(37.21%)
Milk, Non Fat Dry	Pound	1.37	1.37	(0.47%)	13.67%	8.22%
Soybean	Bushel	9.99	10.17	(1.79%)	(22.81%)	(34.32%)
Sugar	Pound	0.22	0.22	(1.10%)	4.86%	(0.37%)
Wheat	Bushel	5.37	5.73	(6.29%)	(14.57%)	(29.50%)
Live Cattle	Pound	1.83	1.84	(0.41%)	5.34%	(82.01%)
Lean Hogs	Pound	0.80	0.80	(1.15%)	16.95%	5.51%
Beef, USDA Ground	Pound	3.03	3.08	(1.49%)	4.70%	14.42%
Chicken, Boneless & Skinless	Pound	3.98	3.97	0.25%	(2.50%)	(7.76%)

Currencies	Metric	Spot Prices	Futures	10-Year Historicals			
		15-Nov	8-Nov	2024	2025	Low	High
Japanese Yen	USD/JPY	154.300	152.640	140.000	150.000	75.320	139.570
Chinese Renminbi	USD/CNY	7.229	7.184	7.220	7.150	6.041	7.179
Swiss Franc	USD/CHF	0.888	0.876	0.890	0.870	0.721	1.030
British Pound	GBP/USD	1.262	1.292	1.290	1.290	1.130	1.717
Euro Zone Euro	EUR/USD	1.054	1.072	1.080	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
	13-Nov-24	\$ 2,150	\$ 2,086
	6-Nov-24	\$ 448	\$ 455
	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
		\$ (2,308)	\$ 9,821
Year To Date 2024		\$ (18,051)	\$ (17,252)
Year Ended December 31, 2023		\$ (12,694)	\$ (48,558)
Year Ended December 31, 2022		\$ (12,694)	\$ (48,558)

NEW ISSUE SUMMARY - BI-WEEKLY

Institutional Loans	11/15/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	5,233
Forward Calendar		4	7,437
High Yield	11/15/2024	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	Oct 7.2%	7.0%	7.4%	
S&P/Case-Shiller Composite	MoM	Oct 0.4%	0.3%	0.3%	
Consumer Confidence	Oct	91.3	90.0	88.9	
GDP	QoQ-Annualized	Q24 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	13-Nov	6-Nov	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	6,967,108.0	6,994,299.0	(0.4%)	(10.8%)
Public Debt	\$ in Billions	35,950.3	35,912.1	0.1%	6.7%
US Debt Outstanding	2024	1Q24	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	15-Nov	8-Nov	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	4,023.37	4,016.00	0.18%	8.28%	18.88%
Barclays High Yield Index	2,675.43	2,685.17	(0.36%)	8.31%	16.03%
Barclays Aggregate	2,190.80	2,209.47	(0.84%)	1.82%	2.97%

Loan Market Bids	15-Nov	8-Nov	WoW Change	YTD Change
S&P Flow Name Index	98.69	98.74	(0.05%)	0.35%
S&P 100 Name Index	97.94	97.85	0.09%	1.09%
S&P BB's Index	99.91	99.81	0.10%	0.32%
S&P B's Index	98.37	98.33	0.04%	0.44%
S&P CCC's Index	80.04	80.09	(0.06%)	(2.69%)

Loan Market Spreads	15-Nov	8-Nov	WoW Change	YTD Change
S&P BB's Index	L+271	L+272	(1 bps)	175 bps
S&P B's Index	L+396	L+398	(2 bps)	(44 bps)
S&P CCC's Index	L+871	L+869	2 bps	(770 bps)

Credit Default Swap - Volatility Indices	Index	15-Nov	8-Nov	WoW Change	YTD Change
Investment Grade CDS	Market	49.44	47.21	4.71%	(12.80%)
High Yield CDS	Market	310.35	298.53	3.96%	(12.91%)

Credit	15-Nov	8-Nov	WoW Change	YOY Change	
High Yield					
LCD Flow Name	Ave Yield	T+505	T+500	5 bps	120 bps
	Ave Spread	L+202	L+205	(3 bps)	6 bps
US Treasury 2-Yr		4.34%	4.25%	9 bps	2 bps
US Treasury 3-Yr		4.31%	4.25%	9 bps	27 bps
US Treasury 5-Yr		4.32%	4.25%	7 bps	44 bps
US Treasury 7-Yr		4.39%	4.31%	8 bps	47 bps
US Treasury 10-Yr		4.44%	4.38%	6 bps	54 bps

US CLO Spreads - New Issue	15-Nov	8-Nov	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	15-Nov	8-Nov	WoW Change	YTD Change	
Fed Fund Rate		4.56%	4.56%	0 bps	(75 bps)
Prime Rate		7.75%	7.75%	0 bps	(75 bps)
Broker Call Rat		6.50%	6.50%	0 bps	(75 bps)
1M SOFR		4.58%	4.60%	(2 bps)	(80 bps)
3M SOFR		5.03%	5.09%	(6 bps)	(36 bps)
6M SOFR		5.23%	5.26%	(3 bps)	(24 bps)

Short Interest - Billions of shares	30-Sep	31-Aug	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	6-Nov	30-Oct	WoW Change	YTD Change
Net Outright Total Corp Securities	10.98	10.56	3.98%	0.00%

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

Leveraged Finance Primary Volume - \$ USD in Billions

11/15/2024	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:	30-Sep	31-Aug	YE 2023
Default Rate by Total Amount of All Loans Outstanding	1.72%	1.56%	1.56%
Default Rate by Total Number of All Loan Issuers	1.89%	1.62%	0.98%

Employment - Labor Participation Rates	30-Sep	31-Aug	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	30-Sep	31-Aug	YTD Change
SNAP Ika Food Stamps - # of Participants in Millions	37.782	38.031	(8.63%)

Retail Sales	30-Sep	31-Aug	YTD Change
Adj. Retail & Food Services Sales Index - US Census	683.0	687.4	0.79%

US Home Foreclosures and Delinquencies	30-Sep	31-Aug	YTD Change
Home Foreclosures Inventory in Thousands	181	181	4.29%
Delinquency Rate			