

Briefing

Global Economic & Credit Market

Week 47 Ending – November 22, 2024

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Economic Calendar

- Tuesday, November 26: New home sales and Consumer confidence
- Wednesday, November 27: PCE index

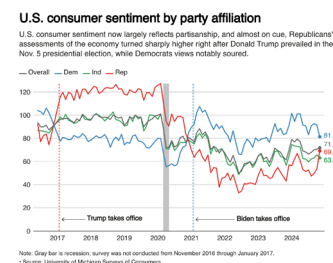
Key Market Metrics

- S&P 500: +1.68% WoW; +25.15% YTD; +31.00% YoY; 16.1x LTM EBITDA; 14.5x NTM EBITDA
- Dow Jones: +1.96% WoW; +17.53% YTD; +25.58% YoY; 11.8x LTM EBITDA; 13.6x NTM EBITDA
- Nasdaq: +1.73% WoW; +26.60% YTD; +33.21% YoY
- Ten Year US Treasury Yield: 4.46% +54 bps YTD; (1) bps YoY
- Currency:
 - British Pound per USD: \$1.25; (0.7%) WoW; (1.5%)YTD; (0.0%)YoY
 - Euro per USD: \$1.04; (1.2%) WoW; (5.7%)YTD; (4.5%)YoY
 - USD per Yen: ¥154.82; 0.3% WoW; 9.9% YTD; 3.5% YoY
 - Swiss franc per EUR: 1.07 CHF; 0.5% WoW; (0.3%)YTD; 3.5% YoY

U.S. News

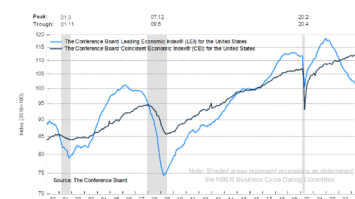
■ Consumer Sentiment

- Republican consumer sentiment surged over 15 points in November, while Democratic sentiment fell by more than 10 points after the elections
- The overall consumer sentiment index increased from 70.5 in October to 71.8 in November, although it remained higher for Democrats (81.3) compared to Republicans (69.1)
- Expectations regarding inflation have worsened, with consumers anticipating an average price increase of 3.2% over the next five years, the highest projection in a year



■ Leading Economic Index

- U.S. Leading Economic Index declined by 0.4% in October 2024, marking a 2.2% decline over the past six months, primarily due to weak new orders, decreased manufacturing hours, & rising unemployment insurance claims
- Coincident Economic Index, reflecting current economic conditions, remained unchanged for the second consecutive month at 112.8, with gains in personal income and trade sales offset by declines in industrial production
- Lagging Economic Index decreased by 0.1% in October, with a six-month growth rate turning negative at -0.8%, indicating continued economic challenges ahead

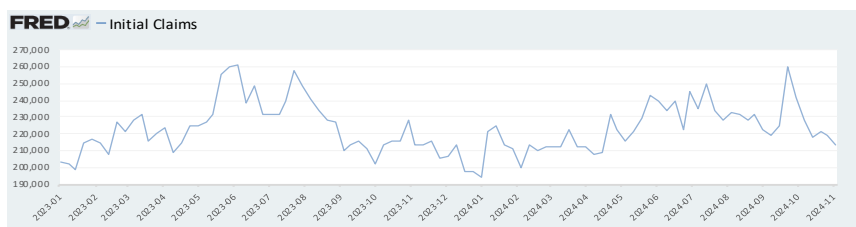


■ Existing Home Sales

- Existing-home sales rose 3.4% in October to an annual rate of 3.96 million, marking the first year-over-year increase (2.9%) since July 2021
- Median price hit \$407,200, a 4% year-over-year rise and record for October
- Inventory grew 19%, with a 4.2-month supply and 29 days average on market

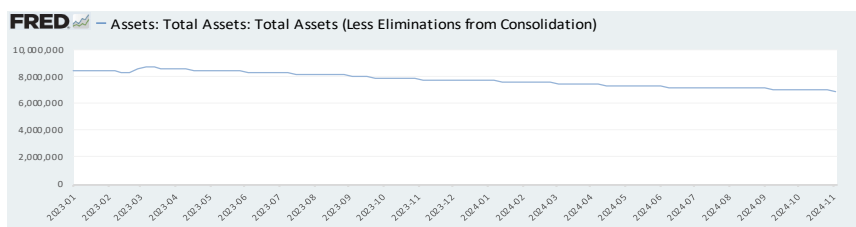
▪ Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 213,000 in the week ended November 15, down 6,000 from the prior week
- The four-week moving average was 217,750, down 3,750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 36,000 to 1.908 million in the week ended November 8. This figure is reported with a one-week lag



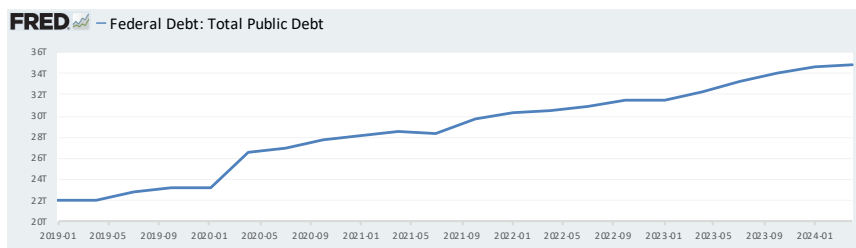
▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$6.924 trillion in the week ended November 22, down \$43.4 billion from the prior week
- Treasury holdings totaled \$4.325 trillion, down \$14.7 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.27 trillion in the week, down \$0.6 billion from the prior week



▪ Total Public Debt

- Total public debt outstanding was \$36.03 trillion as of November 22, an increase of 6.7% from the previous year
- Debt held by the public was \$28.69 trillion, and intragovernmental holdings were \$7.38 trillion

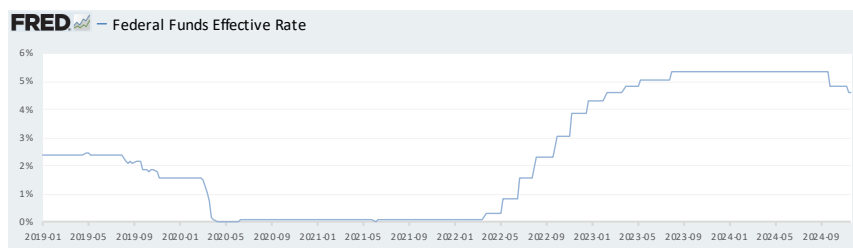


- **Inflation Factors**

- 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
 - 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 \$3,412.89 per 40ft
 - Drewry's composite World Container Index has increased by 146.5% 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

- The International Criminal Court (ICC) issued arrest warrants for Israeli Prime Minister Benjamin Netanyahu and former Defense Minister Yoav Gallant, alleging war crimes and crimes against humanity during the Gaza offensive
- The ICC's decision may significantly affect Israel's international relations, as 124 member countries of the ICC are technically obligated to enforce the arrest warrants, potentially restricting Netanyahu's travel and increasing Israel's isolation
- A U.N. atomic agency resolution censured Iran over its nuclear activities, prompting Tehran to announce plans to launch more advanced centrifuges, potentially increasing its nuclear fuel-making capacity
- U.S. special envoy Amos Hochstein reported progress in negotiations for a cease-fire between Israel and Hezbollah, with key sticking points including Hezbollah's compliance and Israel's demand to strike in self-defense

▪ Russia

- A high-ranking North Korean general deployed in Russia's Kursk region was wounded in a Ukrainian missile strike, marking the first confirmed casualty of a North Korean officer in the Russia-Ukraine conflict
- The U.S. imposed sanctions on Gazprombank, Russia's third-largest bank, for facilitating military payments and supporting Russia's war efforts in Ukraine, with payments in dollars to the bank required to cease by December 20
- Ukraine used U.S.-provided ATACMS long-range missiles for the first time to strike an ammunition depot in Russia's Bryansk region, escalating the conflict and drawing Russian threats of retaliation
- Miami-based investor Stephen P. Lynch seeks U.S. approval to bid on the Nord Stream 2 pipeline in a Swiss bankruptcy process, proposing American ownership as a strategic geopolitical asset

▪ China

- A Hong Kong court sentenced 47 pro-democracy activists, including Benny Tai, with prison terms of up to 10 years under the national-security law for an electoral plan
- China and Brazil signed 37 agreements during Xi Jinping's visit, covering trade, infrastructure, and technology collaboration, emphasizing shared goals of reducing reliance on the U.S.
- A wave of violent attacks in China has killed dozens, leading authorities to censor discussions and restrict public mourning. Police removed flowers and videos related to incidents to avoid unrest
- Beijing has launched a campaign to reduce excessive bureaucracy, including fewer meetings, less paperwork, and streamlined performance reviews, to allow local officials to focus on real work

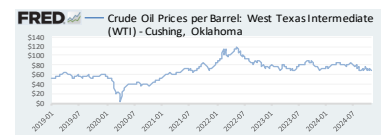
Geopolitical Hotspots

- **Argentina**
 - Argentine President Javier Milei seeks U.S. support under President-elect Trump to secure new IMF loans for his aggressive capitalist reforms, including austerity measures to combat inflation and stabilize the economy, while aligning with Trump's political ideology despite diverging on trade and global economic policies
- **Canada**
 - Canada's Liberal government, supported by the New Democratic Party, plans to temporarily remove the 5% goods-and-services tax on select items like home heating and diapers to ease affordability challenges amid public dissatisfaction with rising costs and slow economic growth
- **North Korea**
 - North Korean leader Kim Jong Un dismissed the idea of resuming nuclear talks with President-elect Donald Trump, citing the U.S.'s "unchanging hostile policy" and emphasizing strengthened ties with Russia and expanded nuclear capabilities
- **UK**
 - U.K. inflation rose to 2.3% in October 2024, exceeding the Bank of England's 2% target, driven by energy price increases, with core inflation at 3.3%; policymakers plan gradual rate cuts despite lingering inflationary pressures and economic growth concerns
- **Japan**
 - Japan's government approved a \$141 billion stimulus package to address rising living costs, promote innovation in AI and chip supply chains, and provide inflation relief through cash handouts and energy subsidies, though concerns over public debt and fiscal sustainability remain
- **Brazil**
 - Brazilian police have accused former President Jair Bolsonaro and 36 allies of plotting a coup to prevent President Luiz Inácio Lula da Silva from taking office in 2023, including plans to assassinate Lula and his vice president, revealing a highly organized operation involving military and political figures
- **Pakistan**
 - Pakistan's government has introduced controversial legal changes to consolidate power, including extending the army chief's term, limiting judicial independence, and enabling detentions without crime, amid political instability and opposition protests over jailed leader Imran Khan
- **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

Commodities

Oil Prices

- WTI: \$71.24 per barrel
 - +6.30% WoW; (0.57%) YTD; (7.60%) YoY
- Brent: \$75.15 per barrel
 - +5.79% WoW; (2.45%) YTD; (8.31%) YoY



US Production

- U.S. oil production amounted to 13.2 million bpd for the week ended November 15, down 0.3 million bpd from the prior week

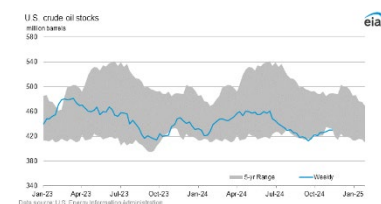
Rig Count

- The total number of oil rigs amounted to 583, down 1 from last week

Inventories

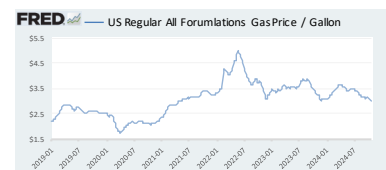
Crude Oil

- Total U.S. crude oil inventories now amount to 430.3 million barrels, down (4.0%) YoY
- Refiners operated at a capacity utilization rate of 90.2% for the week, down from 91.4% in the prior week
- U.S. crude oil imports now amount to 6.509 million barrels per day, down 17.7% YoY



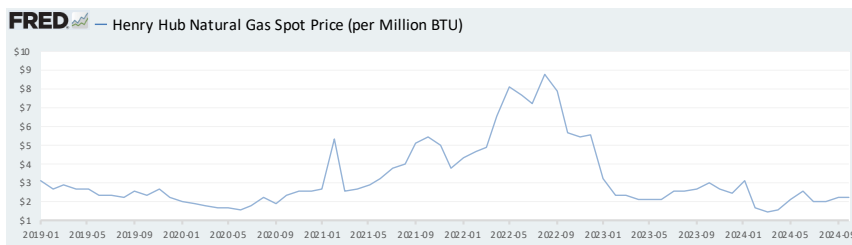
Gasoline

- Retail average regular gasoline prices amounted to \$3.06 per gallon in the week of November 22, down (6.3%) YoY
 - Gasoline prices on the East Coast amounted to \$3.11, down (5.0%) YoY
 - Gasoline prices in the Midwest amounted to \$2.96, down (7.5%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.73, down (5.2%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$3.04, down (8.2%) YoY
 - Gasoline prices on the West Coast amounted to \$4.01, down (11.9%)
- Motor gasoline inventories were up by 2.1 million barrels from the prior week
- Motor gasoline inventories amounted to 208.9 million barrels, down (3.5%)
- Production of motor gasoline averaged 9.29 million bpd, down (0.9%) YoY
- Demand for motor gasoline amounted to 8.419 million bpd, down (0.7%) YoY



- **Distillates**
 - Distillate inventories decreased by -0.1 million in the week of November 22
 - Total distillate inventories amounted to 114.3 million barrels, up 8.3% YoY
 - Distillate production averaged 4.837 million bpd, down (2.0%) YoY
 - Demand for distillates averaged 3.775 million bpd in the week, down (8.2%)

- **Natural Gas**
 - Natural gas inventories decreased by 3 billion cubic feet last week
 - Total natural gas inventories now amount to 3,969 billion cubic feet, up 3.7% YoY



Credit News

High yield bond yields unchanged at 7.18% and spreads decreased 1bps to 287bps. Leveraged loan yields decreased 1bps to 8.63% and spreads decreased 3bps to 462bps. WTD Leveraged loan returns were positive 22bps. WTD high yield bond returns were positive 13bps. 10yr treasury yields increased 1bps to 4.43%. HY spreads decreased amid limited macro developments and a mild uptick in issuance. Leveraged loan witnessed the largest stretch of inflows since February 2022 and a surge in repricing activity.

High-yield:

Week ended 11/22/2024

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.18%	287	7.18%	287	0	(1)

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.19	\$96.19	0	0.13%	0.65%	7.84%	13.5%

Fund Flows²

Total Flows (\$)
\$459mm

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
8	\$3.9bn	\$276.9bn	\$159.8bn	+73%

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 11/22/2024

- **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.63%	462	8.64%	465	(1)	(3)

- **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.41	\$96.36	6	0.22%	0.66%	8.21%	12.9%

- **Fund Flows²**

Total Flows (\$)
\$2,020mm

- **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
40	\$60.5bn	\$1103.0bn	\$296.4bn	+272%

- **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: Spirit Airlines (\$1.6bn, 11/18/24), 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 11/22/2024

- **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
26	\$12.4bn	\$6.8bn	\$5.6bn

- **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
920	\$425.5bn	\$180.0bn	\$245.5bn	\$113.6bn	+275%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Ratings activity:

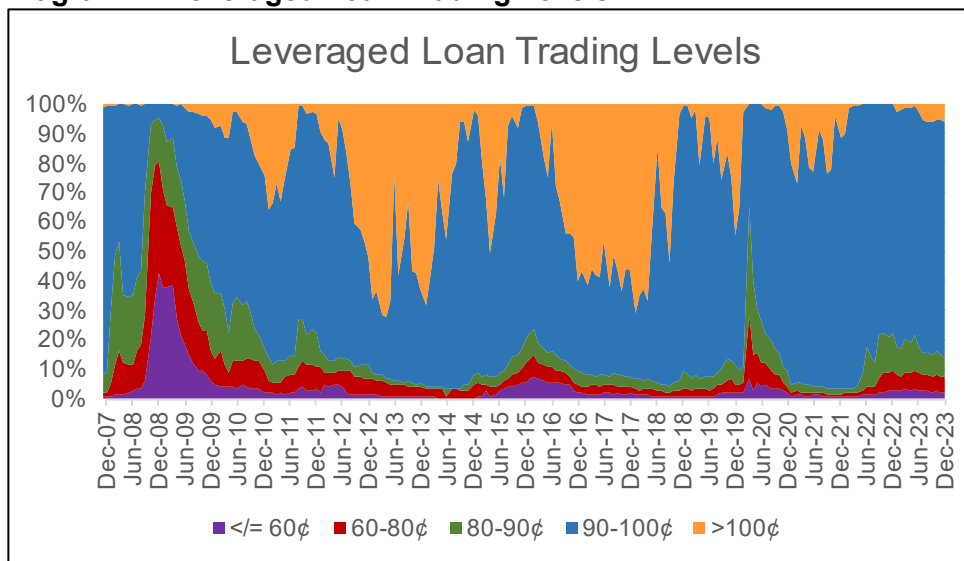
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7x
Week Ending 01/05/24	1	2	0.5x	0	2	0.0x
Week Ending 01/12/24	8	6	1.3x	3	7	0.4x
Week Ending 01/19/24	2	6	0.3x	12	6	2.0x
Week Ending 01/26/24	10	0	n/a	15	6	2.5x
Week Ending 02/02/24	3	13	0.2x	11	7	1.6x
Week Ending 02/09/24	18	6	3.0x	5	7	0.7x
Week Ending 02/16/24	8	2	4.0x	14	9	1.6x
Week Ending 02/23/24	3	8	0.4x	16	16	1.0x
Week Ending 03/01/24	14	5	2.8x	6	2	3.0x
Week Ending 03/08/24	16	10	1.6x	15	14	1.1x
Week Ending 03/15/24	12	7	1.7x	15	5	3.0x
Week Ending 03/22/24	6	5	1.2x	7	10	0.7x
Week Ending 03/29/24	9	2	4.5x	15	14	1.1x
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7x	8	7	1.1x
Week Ending 04/19/24	14	10	1.4x	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4x	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
Week Ending 05/17/24	13	7	1.9x	13	4	3.3x
Week Ending 05/24/24	10	6	1.7x	13	10	1.3x
Week Ending 05/31/24	12	3	4.0x	14	10	1.4x
Week Ending 06/07/24	9	14	0.6x	10	9	1.1x
Week Ending 06/14/24	10	7	1.4x	11	12	0.9x
Week Ending 06/21/24	9	6	1.5x	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
Week Ending 11/22/24	14	9	1.6x	7	7	1.0x
YTD 2024	393	296	1.3x	444	357	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 Δ
High Yield	93.9	96.9	88.7	8.2
Leveraged Loans	95.8	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 11/21/24

[3] HY low price as of 11/24/23. LL low price as of 11/28/23

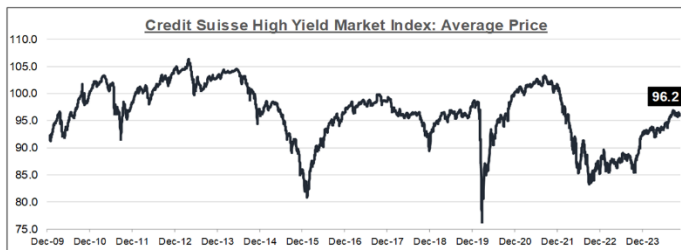
Diagram C: Leveraged Loan and High Yield Returns

	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	0.22%	0.17%	0.13%	0.06%
MTD Return	0.66%	0.60%	0.65%	0.69%
YTD Return	8.21%	8.07%	7.84%	6.31%

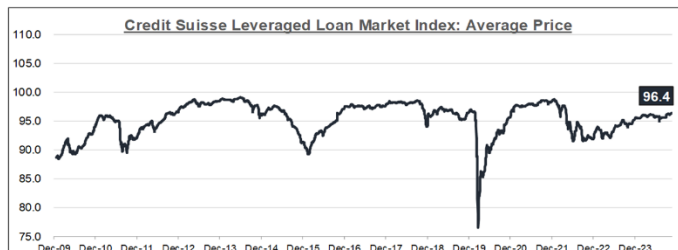
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 11/22/2024

[2] Yield data as of 11/22/2024

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

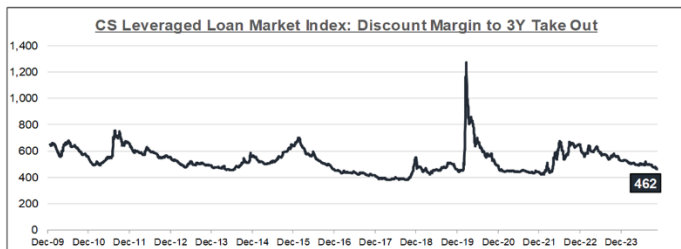


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.



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

Diagram E: Leveraged Loans Spreads & Yields

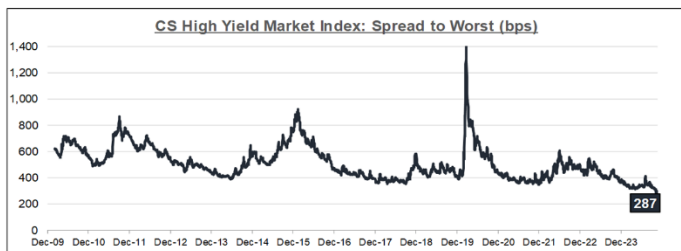


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.

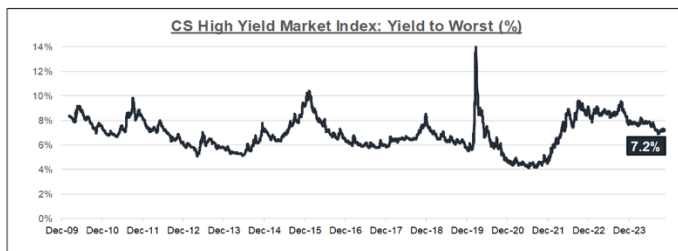


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

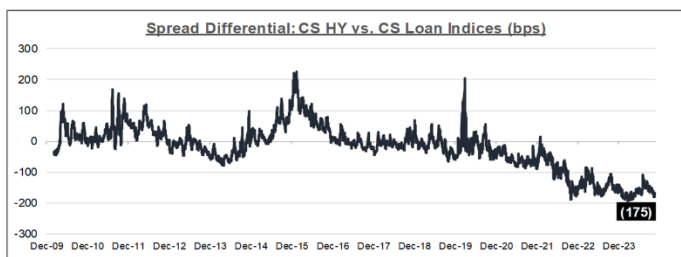


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



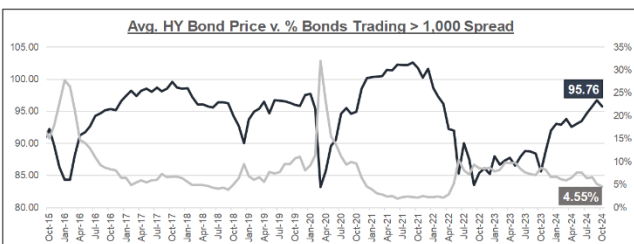
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans

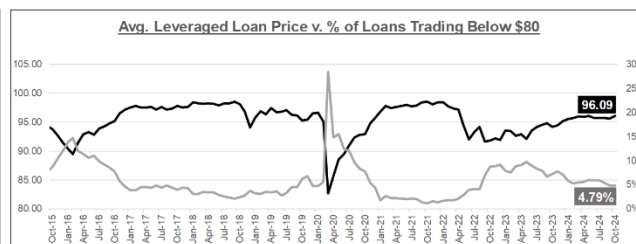


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

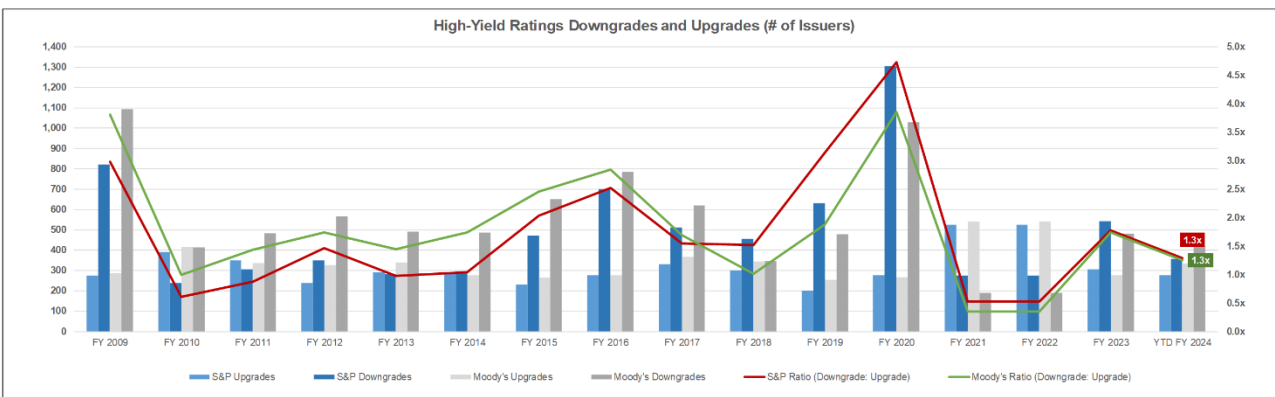
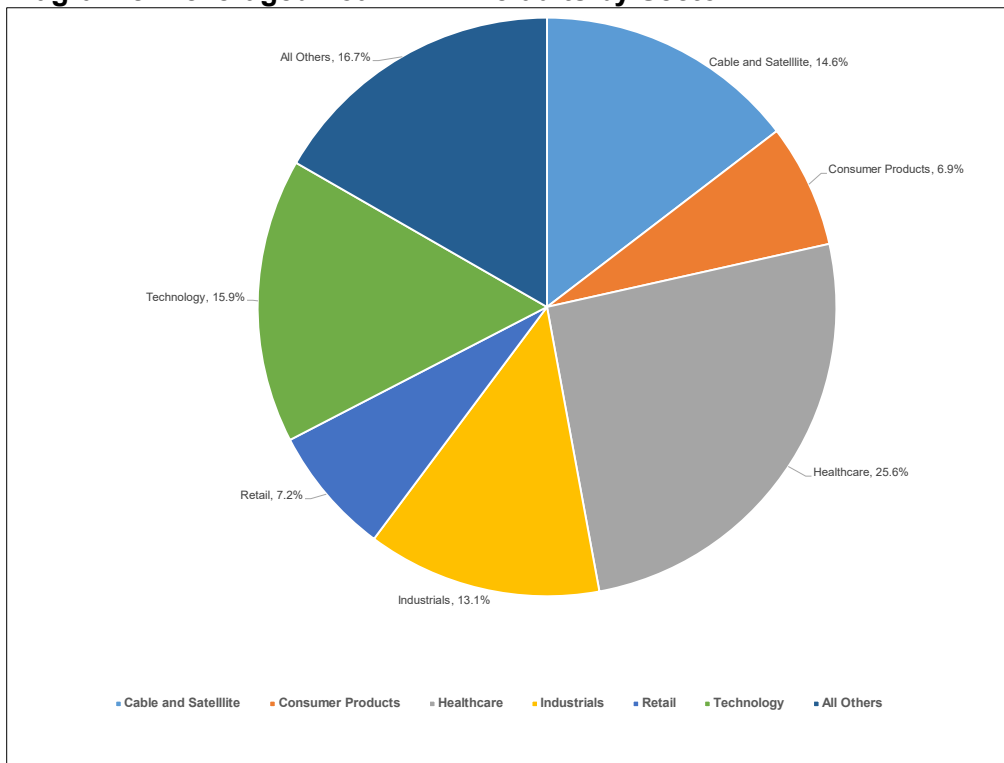


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



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

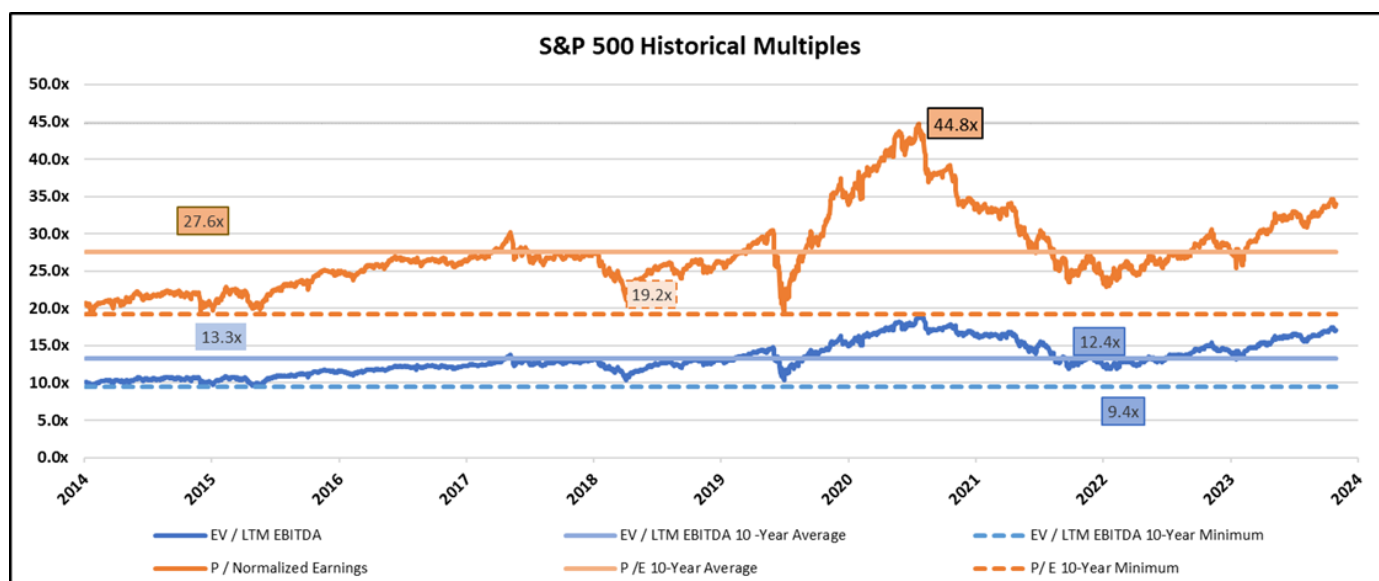
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	11/1/24	11/8/24	11/15/24	11/22/24	Change				
					Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.16%	3.12%	3.09%	3.05%	(4 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.41%	2.37%	2.36%	2.24%	(11 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.68%	3.66%	3.55%	3.50%	(5 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	0.95%	1.01%	1.07%	1.09%	2 bps	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.45%	4.44%	4.47%	4.39%	(8 bps)	(99 bps)	17 bps	95 bps	(27 bps)
US									
US - 2 year	4.21%	4.25%	4.30%	4.36%	6 bps	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.22%	4.19%	4.31%	4.29%	(1 bps)	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.38%	4.30%	4.44%	4.41%	(3 bps)	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.58%	4.47%	4.62%	4.59%	(2 bps)	(89 bps)	106 bps	27 bps	(24 bps)

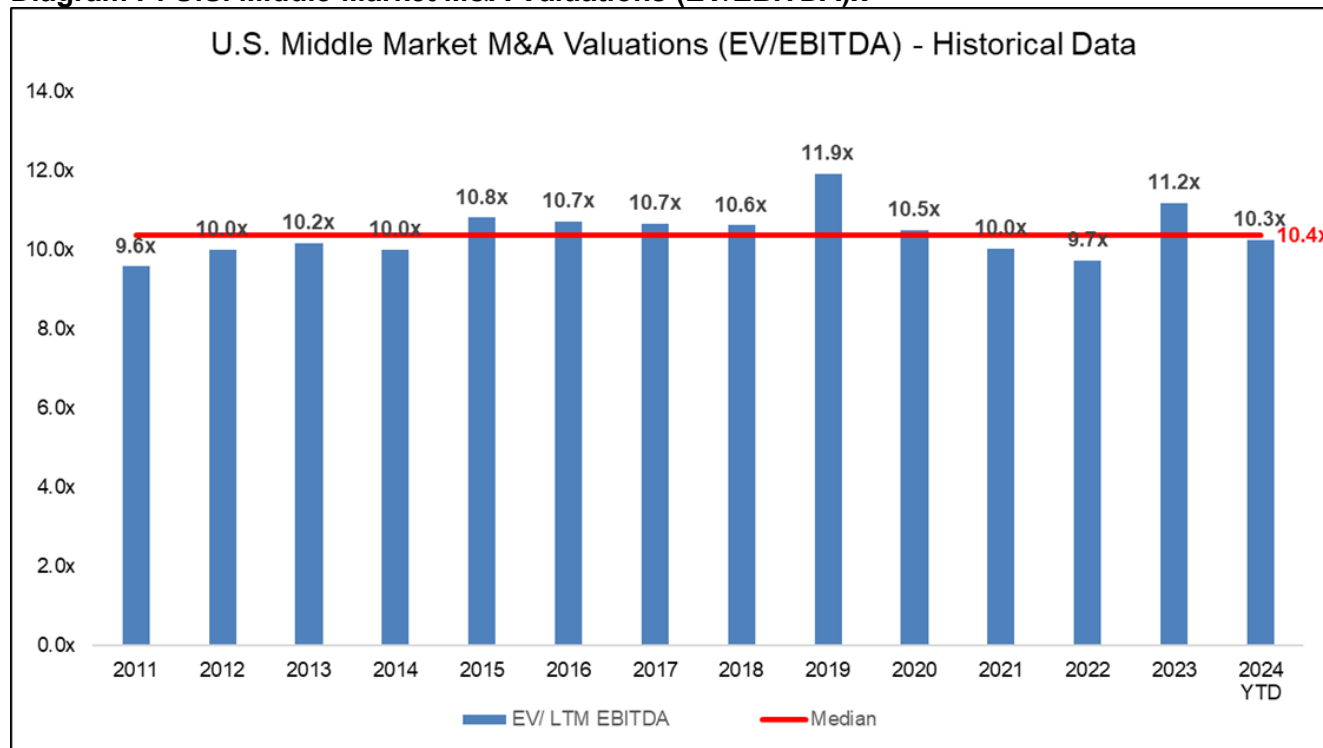
Source: Bloomberg

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)

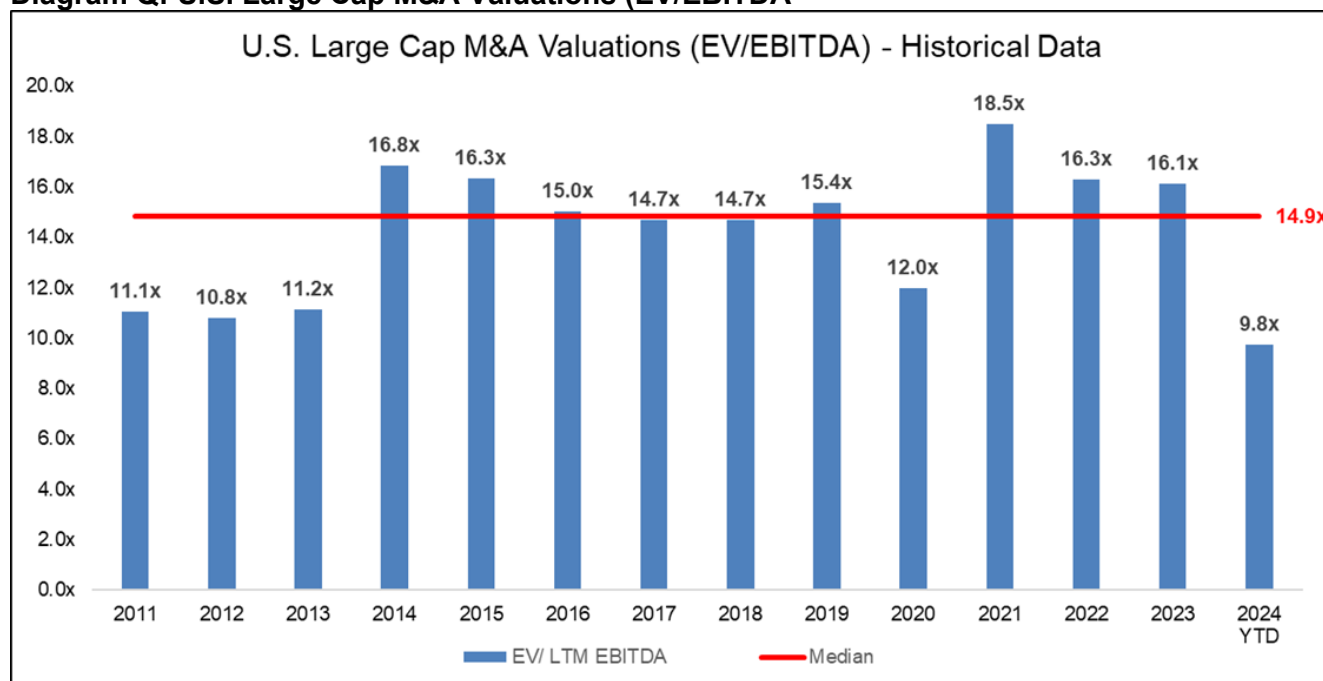
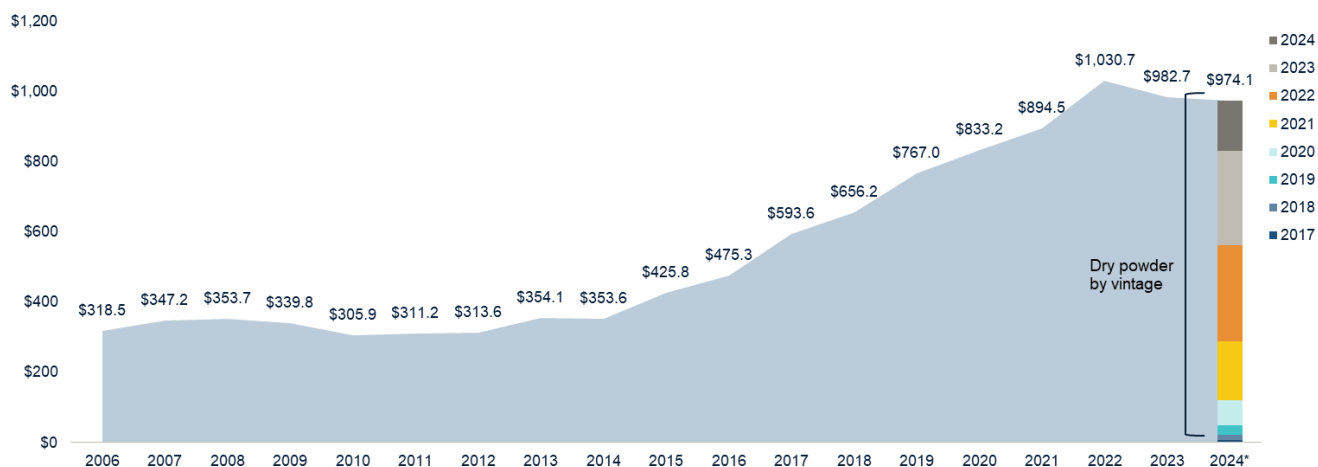
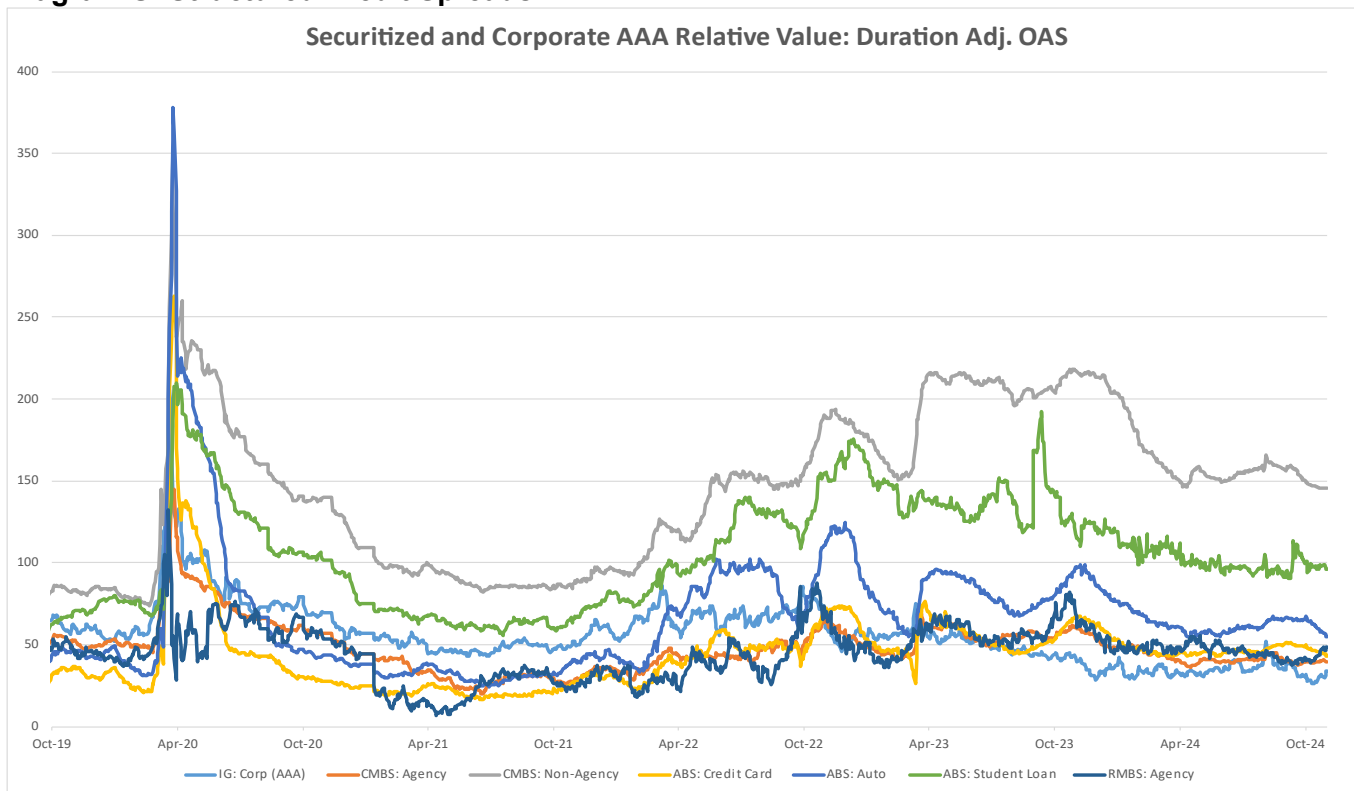


Diagram R: Dry Powder for All Private Equity Buyouts



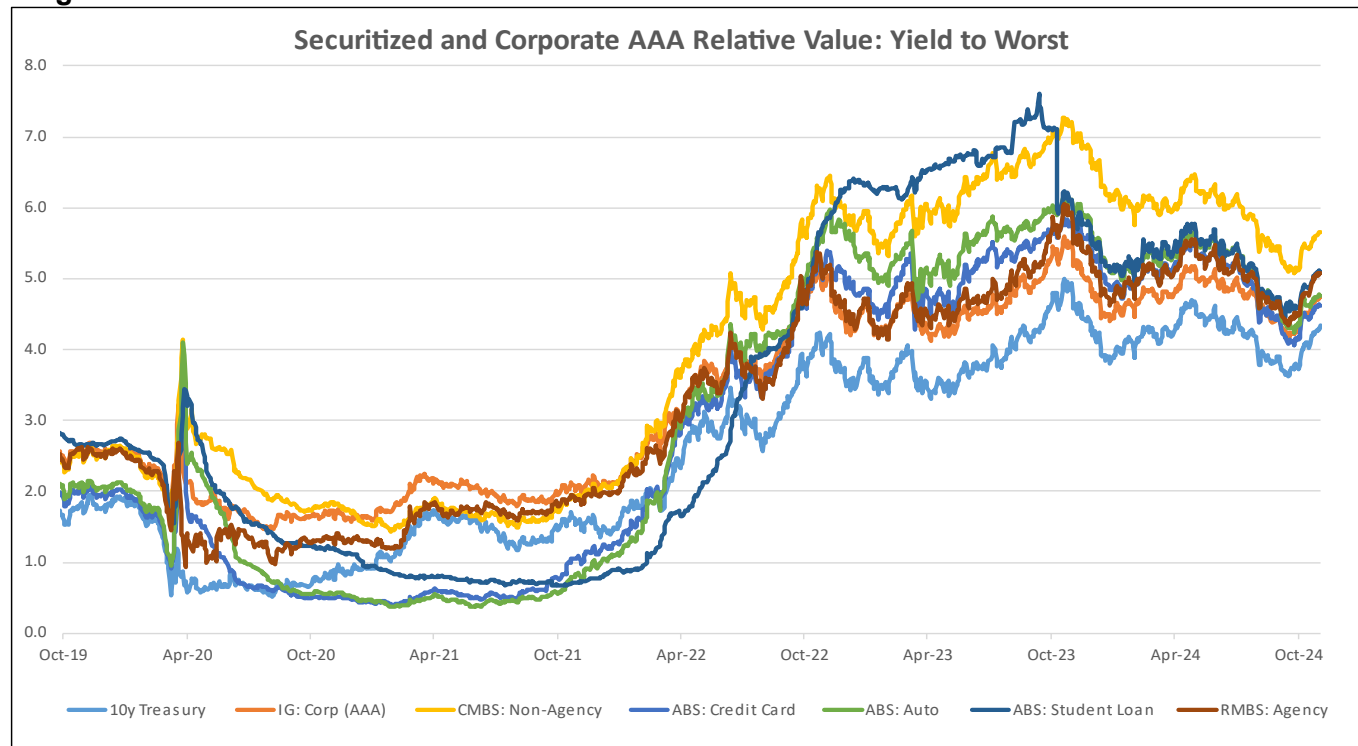
Source: Pitchbook

Diagram S: Structured Credit Spreads



Source: Bloomberg

Diagram T: Structured Credit Yield



Source: Bloomberg

Diagram U: SOFR Curve

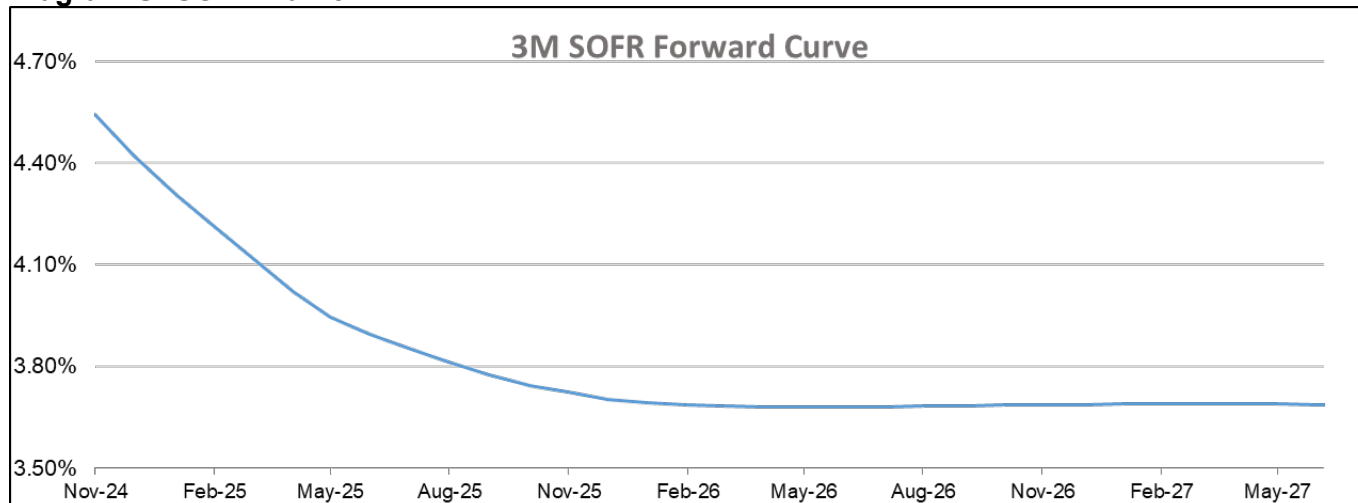
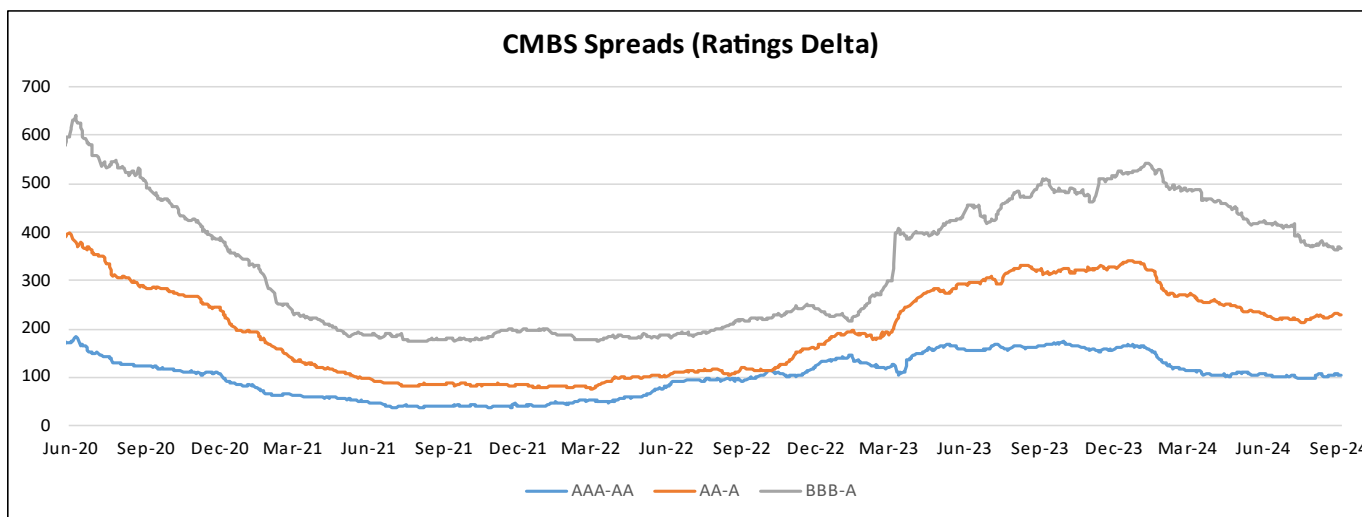
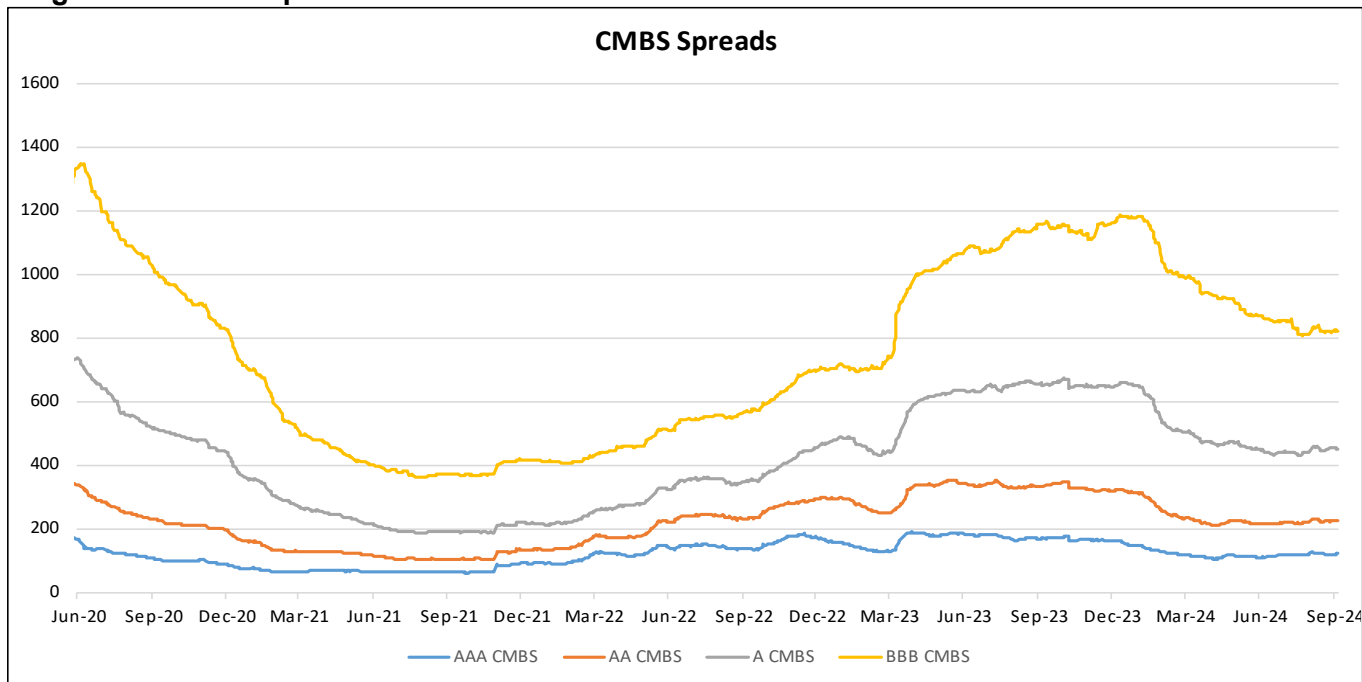
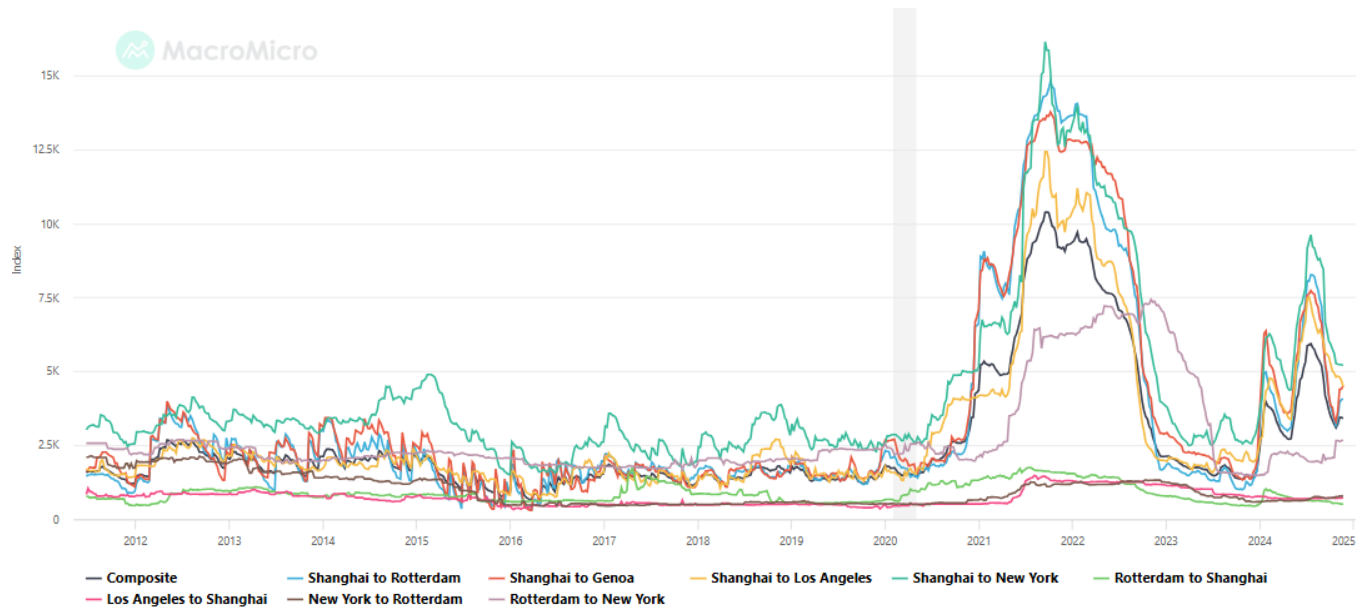


Diagram V: CMBS Spreads

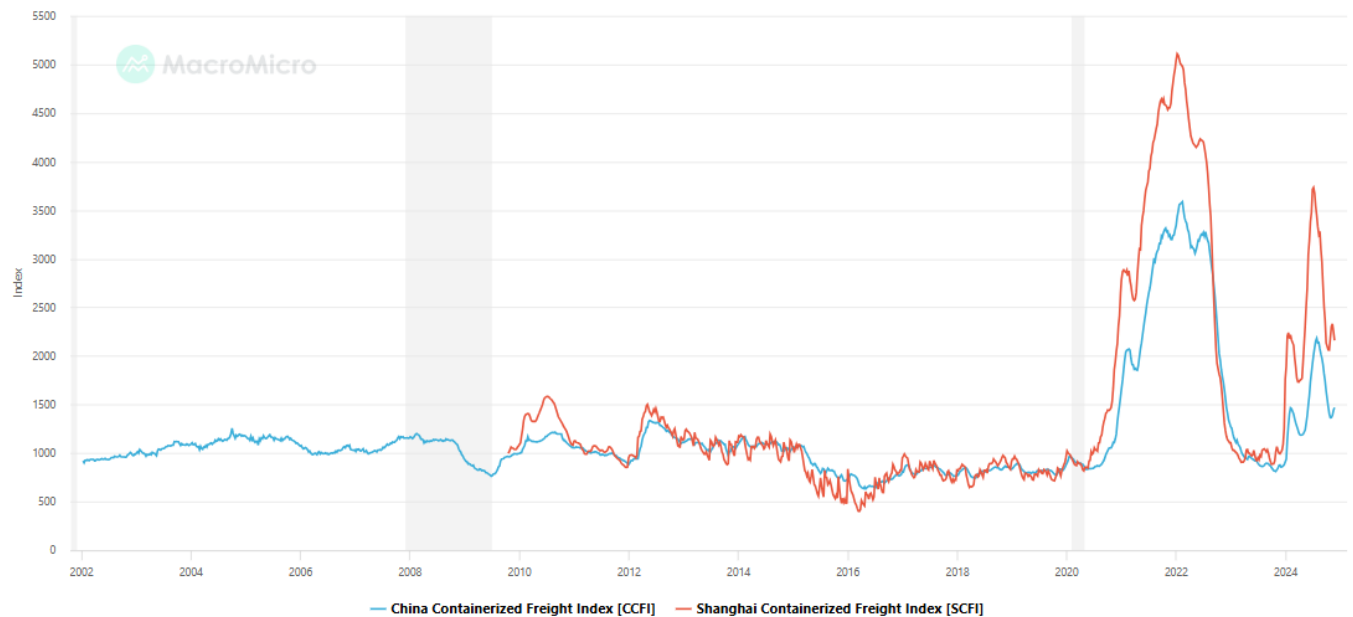


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



ZCGC RE Research

Purchase Mortgage Applications Index, Weekly

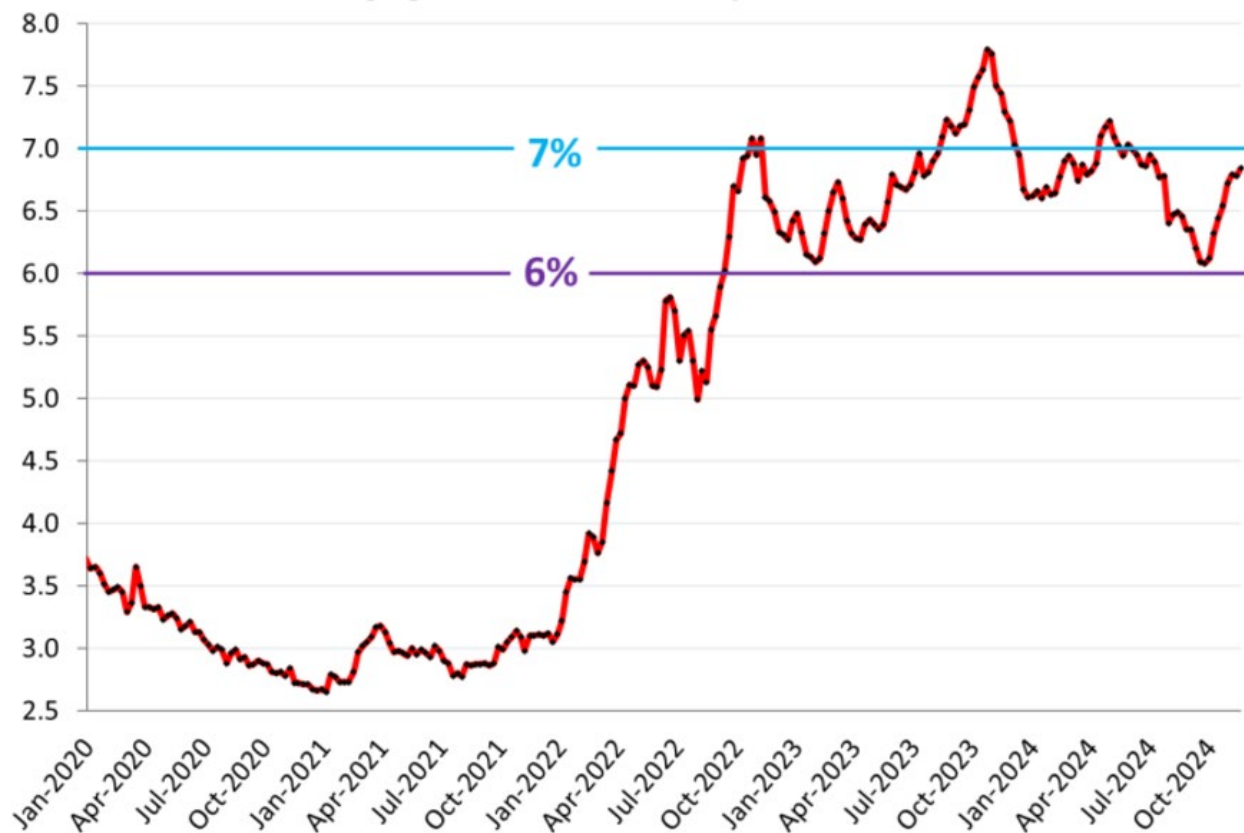


Source: MBA, Investing.com

WOLFSTREET.com

The weekly measure of mortgage applications to purchase a home has been near the historic lows over the past six weeks, including in the latest reporting week, down by 50% from the same period in 2019, according to data from the Mortgage Bankers Association

30-Yr Fixed Mortgage Rate, %, weekly, Freddie Mac



Source: Freddie Mac

WOLFSTREET.com

The average 30-year fixed mortgage rate rose to 6.84%, according to Freddie Mac's weekly measure

Since early October, Freddie Mac's measure of mortgage rates has at first ticked up and then surged by 76 basis points, thereby undoing part of the rate-cut mania plunge that kicked off a year ago.

But these higher rates in October haven't been reflected in the closed-sales figures in October, as those deals were made in prior weeks or months. But they are reflected in the mortgage applications, see above.

About ZCG

ZCG is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, and technology development and solutions.

For nearly three decades, ZCG has invested tens of billions of dollars in private equity and credit-related strategies, through multiple economic cycles and across many industries, including consumer products, steel, steel processors, agriculture, consumer food, gaming, hospitality, manufacturing, specialty services and automotive. ZCG has successfully executed buy-and-build opportunities, corporate carve-outs, go-private transactions and growth opportunities, as well as credit investments, including private debt, direct lending, balance sheet solutions, mezzanine, syndicated leveraged loans, opportunistic credit and structured products.

ZCG's investors include prominent global sovereign wealth funds, endowments, pension funds, insurance companies, foundations, family offices, wealth management firms and other financial institutions in North America, Europe, Asia, Africa and the Middle East.

ZCG has a global team comprised of approximately 400 talented professionals. For more information on ZCG, please visit www.zcg.com.

Asset Management

ZCG Private Equity is the private equity fund management platform of ZCG, which pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turnarounds.

ZCG has a specialized, three-pronged approach including its consulting practice, ZCGC, and technology affiliate, to assist in significant value-creation initiatives across portfolio companies.

ZCG Credit is the credit fund management platform of ZCG, which invests across a range of credit investments including leveraged loans, private debt, direct lending, and opportunistic credit. ZCG Credit manages closed and open-ended funds as well as structured vehicles of strategic debt.

ZCG Credit utilizes an approach of fundamental credit analysis, developed over nearly 30 years, through proprietary sourcing, sophisticated structuring and comprehensive risk management utilizing the Olympus™ system.

ZCG's current portfolio companies have aggregate worldwide annual revenues of approximately \$2 billion, sell products in 120 countries, operate 15 manufacturing facilities, and have over 200,000 employees and associates directly and through joint ventures.

Consulting

ZCGC is a team of consultants possessing a diverse skillset with significant industry and subject matter expertise, offering comprehensive support across the full transaction cycle optimizing returns in numerous verticals.

ZCGC partners with management teams to develop strategic plans and oversee tactical execution of specific value creation initiatives.

A trusted resource for private equity firms and their portfolio companies, our ZCGC professionals offer unmatched functional expertise with highly tailored solutions to accelerate growth and scale responsibly.

Our consultants are selected for their leadership experience across investment banking, capital markets, Big 4 consulting, real estate development, talent acquisition, procurement, and the corporate C-suite.

Together with Haptiq, our strategic software development affiliate, ZCGC helps position its clients on the path to success. For more information on ZCGC, please visit www.zcgc.com.

Technology

Haptiq, LLC (“Haptiq”) – where insight meets innovation.

Haptiq offers a nuanced understanding of each client's performance and exactly how to leverage technology for sustained growth. Through its suite of software, digital solutions, and industry expertise, Haptiq equips business leaders with a clear path to accelerate growth and profitability. For more information on Haptiq, please visit www.haptiq.com. **Olympus Fintech, LLC (“Olympus”)** is a software product and platform which provides private equity, debt, and CLO managers with customizable and simplified workflows, data management, and robust reporting capabilities. For more information on Olympus, please visit www.olyfintech.com.

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PERFORMANCE

Table with columns: Market Indices, 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes DJIA, S&P 500, NASDAQ, MSCI - EAFE, etc.

Table with columns: Market Ratios, 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes TED Spread, Put/Call Ratio.

Table with columns: Commodities Indices (\$ USD), 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Core Commodity Index, Gasoline - Pump, etc.

Table with columns: Commodities Indices (\$ USD), 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Aluminum, Copper, Iron Ore, etc.

Table with columns: Commodities Indices (\$ USD), 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Lumber, Gold, Silver, Cotton, etc.

Table with columns: Commodities Indices (\$ USD), 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Butter, Cheese, Cocoa, Corn, etc.

Table with columns: Commodities Indices (\$ USD), 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Milk, Non Fat Dry, Soybean, Sugar, etc.

Table with columns: Currencies, Metric, 22-Nov, 15-Nov, 2024, 2025, 10-Year Historicals. Includes Japanese Yen, Chinese Renminbi, Swiss Franc, etc.

TECHNICALS (Supply / Demand)

Table with columns: Bank Loan & High Yield, Inflows (Outflows), Mutual Fund, \$ USD in Millions, (Source: LCD News). Includes Week Ending, Bank Loans, High Yield.

NEW ISSUE SUMMARY - BI-WEEKLY

Table with columns: Institutional Loans, 11/22/2024, Deals, Amt (\$mm). Includes Launched, Forward Calendar.

Table with columns: High Yield, 11/22/2024, Deals, Amt (\$mm). Includes Launched, Forward Calendar.

ECONOMIC DATA RECAP

Table with columns: Key Economic Indicators, Period, Actual, Expected, Prior. Includes Initial Jobless Claims, Continuing Claims, etc.

Fed & Treasury Balance Sheet

Table with columns: Fed Total Assets, Public Debt, 20-Nov, 13-Nov, WoW Change, YoY Change.

Table with columns: US Debt Outstanding, Domestic Nonfinancial Debt, 2024, 1Q24, QoQ Change, YoY Change.

Table with columns: Shared National Credit, 2023, 2022, YoY Change. Includes Shared National Credit Total Commitments, etc.

ECONOMIC / GDP DATA

Table with columns: International Monetary Fund Growth Rates (Source: IMF "World Economic Outlook"). Includes Country, 2020, 2021, 2022, 2023, 2024.

Table with columns: Market Indices, 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes S&P/LSTA Leveraged Loan Index, Barclays High Yield Index, etc.

Table with columns: Loan Market Bids, 22-Nov, 15-Nov, WoW Change, YTD Change. Includes S&P Flow Name Index, S&P 100 Name Index, etc.

Table with columns: Loan Market Spreads, 22-Nov, 15-Nov, WoW Change, YTD Change. Includes S&P BB's Index, S&P B's Index, etc.

Table with columns: Credit Default Swap - Volatility Indices, Index, 22-Nov, 15-Nov, WoW Change, YTD Change. Includes Investment Grade CDS, High Yield CDS.

Table with columns: Credit, 22-Nov, 15-Nov, WoW Change, YOY Change. Includes High Yield, LCD Flow Name, US Treasury 2-Yr, etc.

Table with columns: US CLO Spreads - New Issue, 22-Nov, 15-Nov, WoW Change, YTD Change. Includes AAA, AA, A, BBB, BB.

Table with columns: Market Rates, 22-Nov, 15-Nov, WoW Change, YTD Change. Includes Fed Fund Rate, Prime Rate, Broker Call Rat, etc.

Table with columns: Short Interest - Billions of shares, 30-Sep, 31-Aug, MoM Change, YTD Change. Includes NYSE Mkt Short Interest, Nasdaq Short Interest.

Table with columns: Fed Corp Primary Dealer Positions - \$ USD in Billions, 13-Nov, 6-Nov, WoW Change, YTD Change. Includes Net Outright Total Corp Securities.

Table with columns: Margin Debt - \$ USD in Billions, 30-Sep, 31-Aug, MoM Change, YTD Change. Includes 775.45, 784.14, (1.11%), 10.66%.

Leveraged Finance Primary Volume - \$ USD in Billions

Table with columns: 11/22/2024, Year To Date 2024, 2023, Year End 2022, YoY Change. Includes Bank Debt, Senior Secured Bonds, Unsecured Bonds, etc.

DEFAULT ACTIVITY

Table with columns: Total Loan Defaults - as of, 30-Sep, 31-Aug, YE 2023. Includes Default Rate by Total Amount of All Loans Outstanding.

Table with columns: Default Rate by Total Number of All Loan Issuers, 1.89%, 1.62%, 0.98%.

Table with columns: Employment - Labor Participation Rates, 30-Sep, 31-Aug, YTD Change. Includes Civilian Employment as % of Total Labor Force.

Table with columns: Government Assistance, 30-Sep, 31-Aug, YTD Change. Includes SNAP Ika Food Stamps - # of Participants.

Table with columns: Retail Sales, 30-Sep, 31-Aug, YTD Change. Includes Adj. Retail & Food Services Sales Index - US Census.

Table with columns: US Home Foreclosures and Delinquencies, 30-Sep, 31-Aug, YTD Change. Includes Home Foreclosures Inventory, Delinquency Rate.

Table with columns: U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas, 22-Nov, 15-Nov, YTD Change. Includes Oil, Gas.

Table with columns: Rail & Truck Volume, 30-Sep, 31-Aug, YTD Change. Includes Total Rail Carloads, Total Intermodal, Truck Tonnage Index.

Table with columns: TSA Checkpoint Travel Numbers, 21-Nov, 14-Nov, WoW Change, YoY Change. Includes Weekly Traveler Throughput.

Table with columns: Freight Rates, 22-Nov, 15-Nov, WoW Change, YTD Change, YoY Change. Includes Freightos Baltic Index, Shanghai - Los Angeles Spot Rates, etc.