

Briefing

Global Economic & Credit Market

Week 48 Ending – November 29, 2024

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Economic Calendar

- Monday, December 2: ISM Manufacturing
- Wednesday, December 4: ADP Employment and ISM Services
- Friday, December 6: U.S. Employment Report

Key Market Metrics

- S&P 500: +1.06% WoW; +26.47% YTD; +32.06% YoY; 16.1x LTM EBITDA; 14.7x NTM EBITDA
- Dow Jones: +1.39% WoW; +19.16% YTD; +24.92% YoY; 11.8x LTM EBITDA; 13.9x NTM EBITDA
- Nasdaq: +1.13% WoW; +28.02% YTD; +35.09% YoY
- Ten Year US Treasury Yield: 4.22% +30 bps YTD; (17) bps YoY
- Currency:
 - British Pound per USD: \$1.27; 1.6% WoW; 0.1% YTD; 0.9% YoY
 - Euro per USD: \$1.06; 1.5% WoW; (4.2%)YTD; (2.9%)YoY
 - USD per Yen: ¥149.77; (3.2%)WoW; 6.3% YTD; 1.1% YoY
 - Swiss franc per EUR: 1.07 CHF; (0.0%)WoW; (0.4%)YTD; 2.3% YoY

U.S. News

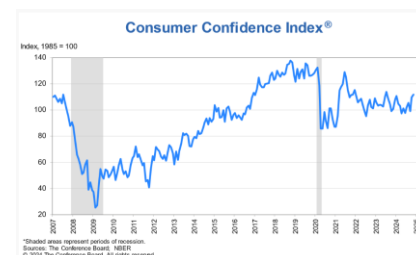
■ New Home Sales

- U.S. new-home sales fell sharply by 17.3% in October, reaching a seasonally adjusted annual rate of 610,000 – the lowest level since November 2022, primarily due to hurricanes in the South
- The South saw a 27.7% drop in new-home sales, significantly affecting the national total, while sales in the Northeast surged by 53.3%
- The median price of new homes rose to \$437,300, while supply increased 23.4% month over month



■ Consumer Confidence

- Consumer confidence increased to 111.7 in November, a 16-month high, fueled by easing inflation, strong job growth, and rising stock prices
- The expectations index, which measures six-month outlooks, climbed to 92.3, marking its highest point since December 2021, signaling growing optimism about 2025

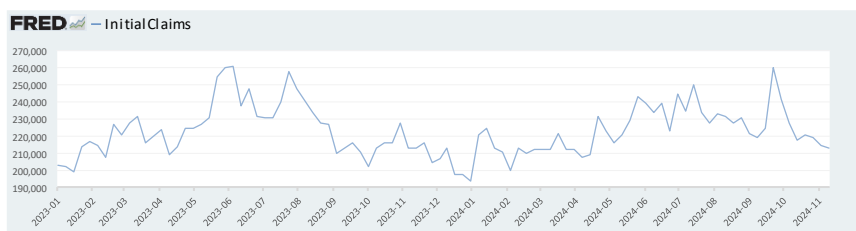


■ PCE Index

- The PCE index increased by 0.2% in October, bringing the annual inflation rate to 2.3%, up from 2.1%, signaling a continued upward trend in prices through year-end
- The core PCE index, which excludes food and energy prices, rose by 0.3% in October, with the 12-month core rate climbing to 2.8%, the first increase since June

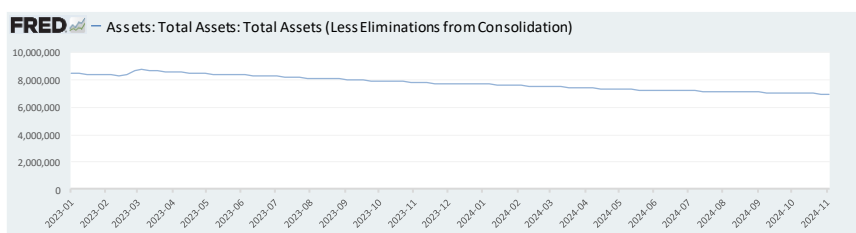
▪ Jobless Claims

- 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 22, down 2,000 from the prior week
- The four-week moving average was 217,000, down 1,250 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 9,000 to 1.907 million in the week ended November 15. This figure is reported with a one-week lag



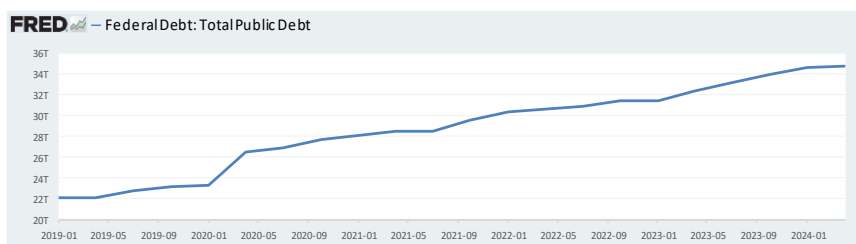
▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$6.905 trillion in the week ended November 29, down \$18.6 billion from the prior week
- Treasury holdings totaled \$4.323 trillion, down \$2.3 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.26 trillion in the week, down \$9.4 billion from the prior week



▪ Total Public Debt

- Total public debt outstanding was \$36.09 trillion as of November 29, an increase of 6.5% from the previous year
- Debt held by the public was \$28.74 trillion, and intragovernmental holdings were \$7.38 trillion

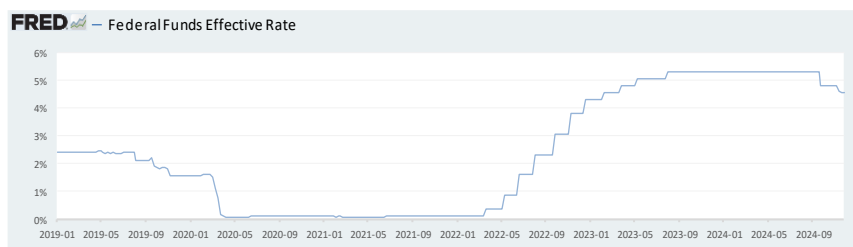


▪ Inflation Factors

- 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
 - 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 \$3,330.61 per 40ft container
 - Drewry's composite World Container Index has increased by 141.0% 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

- A U.S. brokered ceasefire halted over a year of conflict between Hezbollah and Israel. Hezbollah began withdrawing fighters and heavy weapons from southern Lebanon, while Israeli forces also pulled back
- Airstrikes and mutual accusations of ceasefire violations remain a concern going forward for both parties
- Syrian rebels, including the Islamist group Hayat Tahrir al-Sham, launched their largest attack since 2020, seizing territory and military assets in northwest Syria near Aleppo
- The surprise offensive highlights ongoing instability in a fragmented country, despite Assad's control over much of Syria. Analysts expect Assad's forces, backed by Russian air power, to launch a counteroffensive to regain lost ground

▪ Russia

- Russia's economy, resilient through early sanctions, is now under severe strain due to new U.S. sanctions targeting Gazprombank, a critical financial conduit for trade and military payments
- The ruble fell to a 32-month-low this week, causing Russia's central bank to intervene in currency markets last Wednesday
- Thousands of Ukrainian and Russian POWs remain in captivity with both sides struggling to conduct meaningful exchanges. Ukraine is resorting to unconventional means such as offering Soviet-era spies' remains, to facilitate swaps
- Russia appears to use POWs as leverage to pressure Kyiv politically after stating Ukraine's conditions for swaps are unrealistic

▪ China

- Labor disputes in China have surged, with over 1,200 protests in 2024 related to unpaid wages and benefits, signaling local governments' severe financial strain
- China's local governments face a debt crisis, with hidden liabilities estimated between \$7 trillion and \$11 trillion. The Chinese government introduced a \$1.4 trillion debt swap program to ease local government burdens, but economists argue it only offers marginal relief and doesn't address the root causes of fiscal mismanagement and debt accumulation
- Admiral Miao Hua, a high-ranking officer in China's military, has been suspended for alleged serious violations, marking another major step in Xi Jinping's ongoing anticorruption campaign
- Miao who oversaw political indoctrination in the PLA, is one of the highest-ranking officers to face removal, further consolidating Xi's control over the military

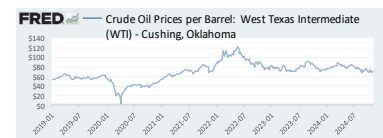
Geopolitical Hotspots

- **India**
 - Under Prime Minister Modi's economic strategy, conglomerates like the Adani Group have flourished through close governmental ties, leading to concerns about market concentration and its impact on competition. However, the group's recent scandal involving bribery and securities fraud has sparked global scrutiny
- **France**
 - French consumer confidence dropped sharply in November, hitting its lowest point since June, due to a combination of political instability, rising unemployment fears, and industrial restructuring. Major employers like Michelin and Airbus are cutting jobs, while ongoing government struggles have contributed to growing uncertainty
- **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

Commodities

Oil Prices

- WTI: \$68.00 per barrel
 - (4.55%) WoW; (5.09%) YTD; (12.66%) YoY
- Brent: \$72.94 per barrel
 - (2.97%) WoW; (5.32%) YTD; (12.23%) YoY



US Production

- U.S. oil production amounted to 13.5 million bpd for the week ended November 22, up 0.1 million bpd from the prior week

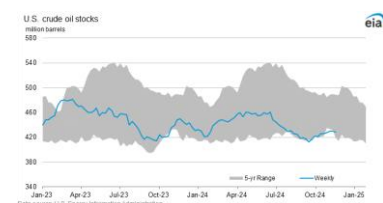
Rig Count

- The total number of oil rigs amounted to 582, down 1 from last week

Inventories

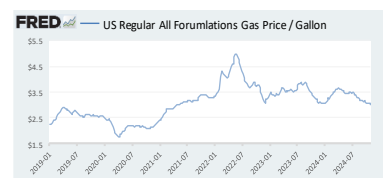
Crude Oil

- Total U.S. crude oil inventories now amount to 428.4 million barrels, down (4.7%) YoY
- Refiners operated at a capacity utilization rate of 90.5% for the week, up from 90.2% in the prior week
- U.S. crude oil imports now amount to 7.684 million barrels per day, down 4.3% YoY

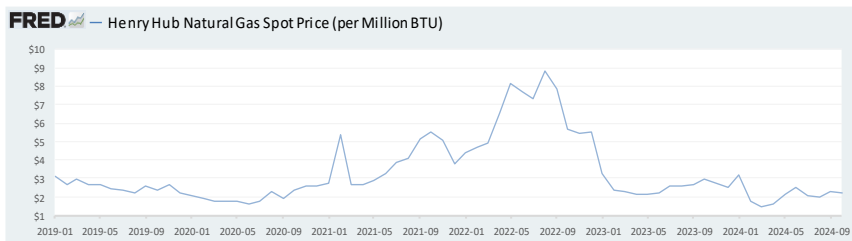


Gasoline

- Retail average regular gasoline prices amounted to \$3.06 per gallon in the week of November 29, down (5.7%) YoY
 - Gasoline prices on the East Coast amounted to \$3.12, down (4.4%) YoY
 - Gasoline prices in the Midwest amounted to \$2.95, down (5.2%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.73, down (2.5%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$2.95, down (8.4%) YoY
 - Gasoline prices on the West Coast amounted to \$4.02, down (10.5%) YoY
- Motor gasoline inventories were up by 3.3 million barrels from the prior week
- Motor gasoline inventories amounted to 212.2 million barrels, down (2.7%) YoY
- Production of motor gasoline averaged 9.74 million bpd, up 4.4% YoY
- Demand for motor gasoline amounted to 8.506 million bpd, up 3.7% YoY



- **Distillates**
 - Distillate inventories decreased by 0.4 million in the week of November 29
 - Total distillate inventories amounted to 114.7 million barrels, up 3.6% YoY
 - Distillate production averaged 5.096 million bpd, up 2.0% YoY
 - Demand for distillates averaged 3.718 million bpd in the week, up 23.4% YoY
- **Natural Gas**
 - Natural gas inventories decreased by 2 billion cubic feet last week
 - Total natural gas inventories now amount to 3,967 billion cubic feet, up 3.4% YoY



Credit News

High yield bond yields decreased 7bps to 7.14% and spreads increased 6bps to 299bps. Leveraged loan yields decreased 10bps to 8.54% and spreads decreased 2bps to 462bps. WTD Leveraged loan returns were positive 23bps. WTD high yield bond returns were positive 41bps. 10yr treasury yields decreased 20bps to 4.20%. Yields decreased amid limited macro developments and a mild uptick in issuance. The US election outcome produced upside risks to growth from deregulation and tax cutting and downside risks from tariffs and general policy uncertainty.

High-yield:

Week ended 11/29/2024

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.14%	299	7.21%	293	(7)	6

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.34	\$96.08	26	0.41%	0.94%	8.14%	13.5%

Fund Flows²

Total Flows (\$)
(\$116mm)

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
1	\$0.5bn	\$277.3bn	\$159.8bn	+74%

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 11/29/2024

▪ **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.54%	462	8.64%	464	(10)	(2)

▪ **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.43	\$96.37	6	0.23%	0.82%	8.39%	12.9%

▪ **Fund Flows²**

Total Flows (\$)
\$1,180mm

▪ **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
11	\$11.2bn	\$1138.0bn	\$305.3bn	+273%

▪ **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 11/29/2024

▪ **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
31	\$14.9bn	\$5.9bn	\$9.0bn

▪ **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
951	\$440.4bn	\$185.8bn	\$254.5bn	\$126.1bn	+249%

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:

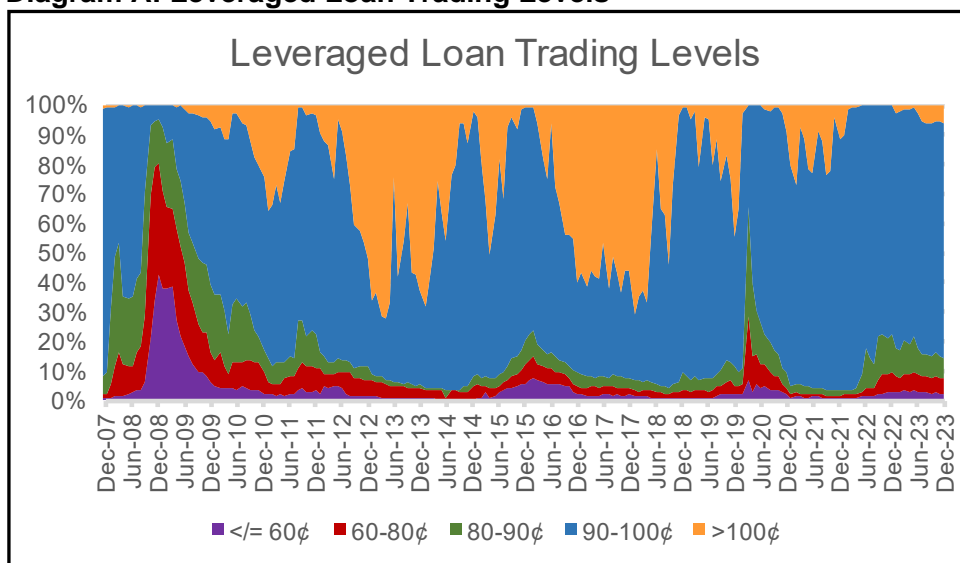
- S&P and Moody's High Yield Ratings

	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
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
Week Ending 11/29/24	8	3	2.7x	16	3	5.3x
YTD 2024	401	299	1.3x	460	360	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	94.0	96.9	89.5	7.4
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 11/26/24

[3] HY low price as of 11/30/23. LL low price as of 11/29/23

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.



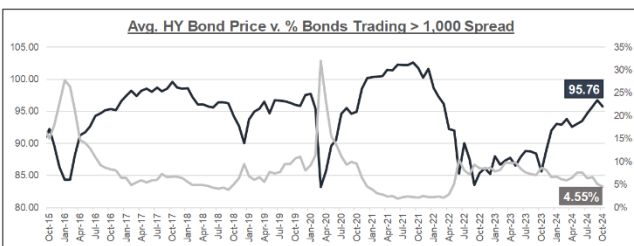
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans

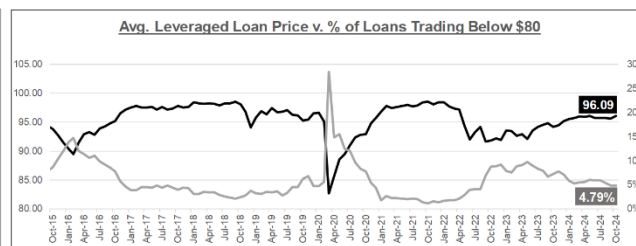


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

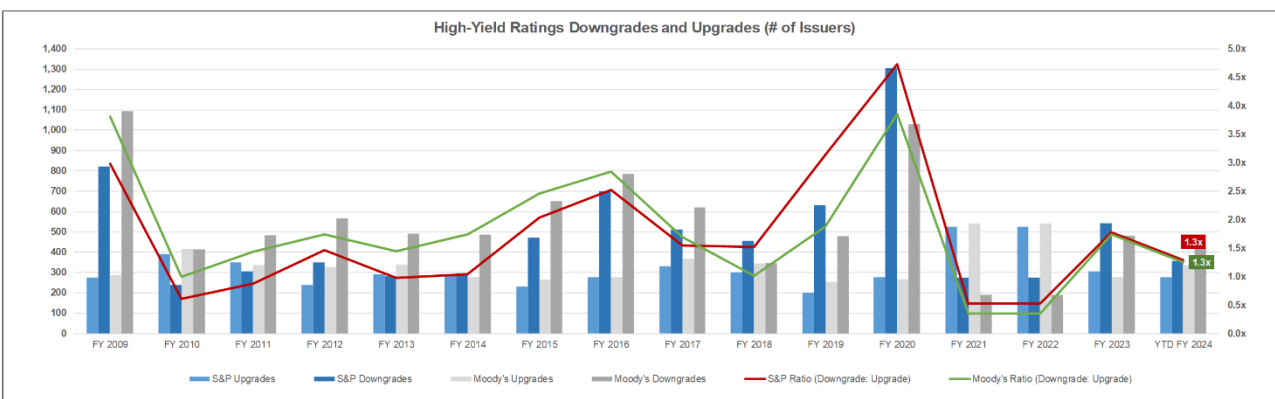
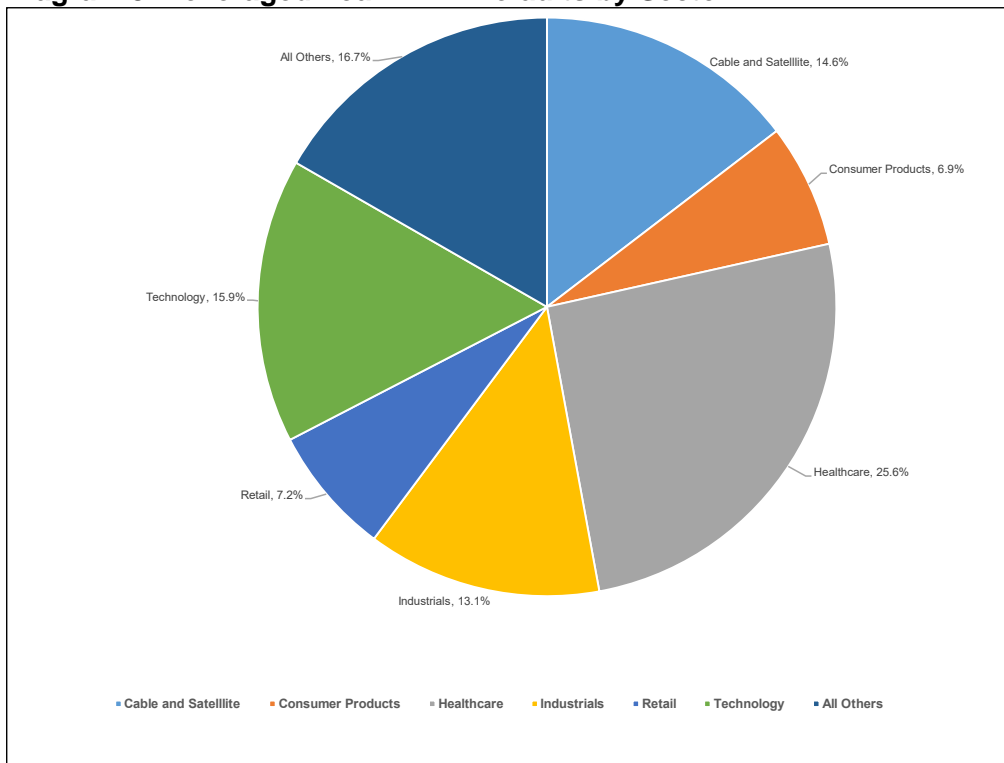


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



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

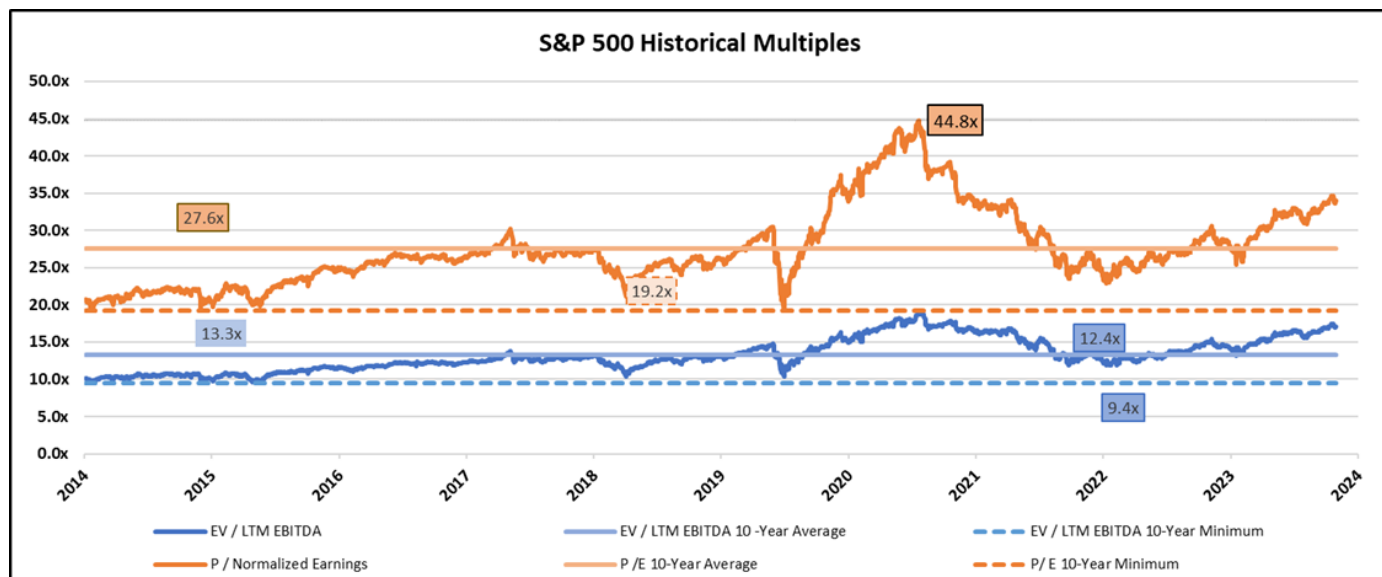
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By					Change				
	11/8/24	11/15/24	11/22/24	11/29/24	Weekly	Q4 2023	Q3 2023	Q2 2023	Q1 2023
France - 10 year	3.12%	3.09%	3.05%	2.92%	(13 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.37%	2.36%	2.24%	2.09%	(15 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.66%	3.55%	3.50%	3.30%	(20 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	1.01%	1.07%	1.09%	1.05%	(4 bps)	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	4.44%	4.47%	4.39%	4.25%	(14 bps)	(99 bps)	17 bps	95 bps	(27 bps)
US									
US - 2 year	4.25%	4.30%	4.37%	4.17%	(20 bps)	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	4.19%	4.31%	4.29%	4.07%	(22 bps)	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	4.30%	4.44%	4.40%	4.20%	(20 bps)	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.47%	4.62%	4.59%	4.38%	(21 bps)	(89 bps)	106 bps	27 bps	(24 bps)

Source: Bloomberg

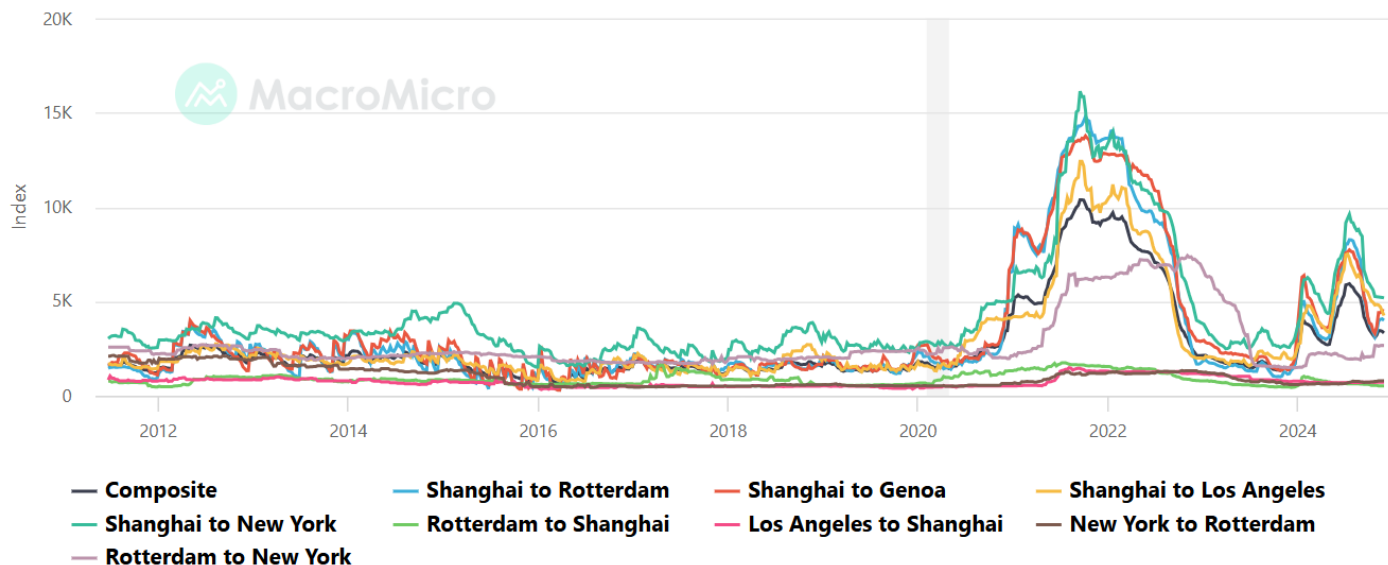
Diagram O: S&P 500 Historical Multiples



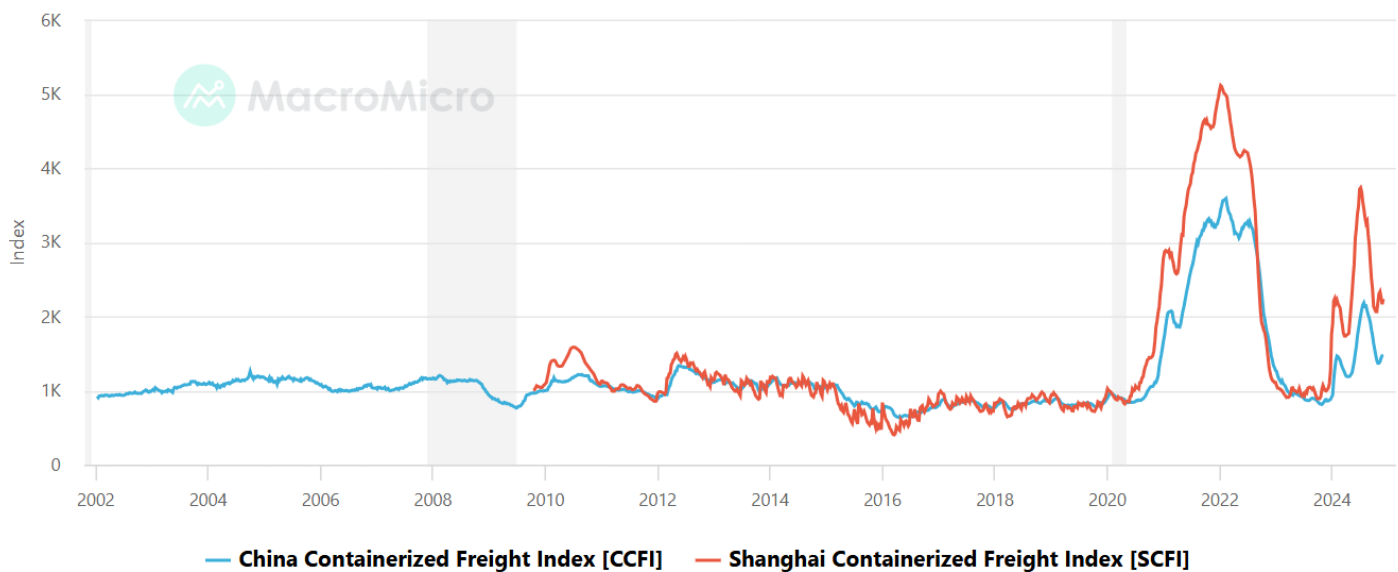
Source: S&P Capital IQ

Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



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

Market Indices	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change
DJIA	44,910.65	44,296.51	1.39%	19.16%	31.88%
S&P 500	6,032.38	5,969.34	1.06%	26.47%	44.32%
NASDAQ	19,218.17	19,003.65	1.13%	28.02%	57.52%
MSCI - EAFE	2,315.77	2,274.28	1.82%	3.56%	8.53%
MSCI - Emerging Markets	1,078.57	1,087.27	(0.80%)	5.36%	3.16%
US Dollar Index	105.74	107.55	(1.69%)	4.35%	3.92%
VIX	13.51	15.24	(11.35%)	8.51%	(27.87%)
US Equities Avg Daily Dollar Volume (\$ in Billions)	214.48	225.00	(4.68%)	(42.81%)	(4.72%)

Market Ratios	29-Nov	22-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	0.56	0.51	9.80%	(13.85%)	14.29%

Commodities Indices (\$ USD)	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change	
Core Commodity Index	CRY Index	286.94	289.91	(1.02%)	8.76%	5.64%

Commodity	Unit	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change
Gasoline - Pump	Gallon	3.06	3.06	(0.03%)	(1.92%)	(12.43%)
Gasoline - Futures	Gallon	1.94	2.06	(5.71%)	(20.74%)	(12.43%)
Crude Oil - WTI	Barrel	68.00	71.24	(4.55%)	(5.09%)	(10.38%)
Crude Oil - Brent	Barrel	72.94	75.17	(2.97%)	(5.32%)	(11.23%)
Natural Gas	MM BTU	3.36	3.13	7.48%	33.77%	36.93%
Coal (1 contract = 1,000 tons)	Contract	188.67	188.67	0.00%	(12.10%)	(4.17%)

Commodity	Unit	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change
Aluminum	Metric Ton	2,594.00	2,624.00	(1.14%)	8.81%	(0.88%)
Copper	Metric Ton	9,010.50	8,968.00	0.47%	5.28%	(0.46%)
Iron Ore	Metric Ton	102.44	101.95	0.48%	(24.88%)	(17.35%)
Steel - Hot Rolled Coil	Metric Ton	700.00	689.00	1.60%	(38.33%)	(12.06%)
Steel - Cold Rolled Coil	Metric Ton	910.00	937.50	(2.93%)	(27.78%)	(6.19%)
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	2,643.15	2,716.19	(2.69%)	28.12%	38.19%
Silver	Troy Ounce	30.63	31.35	(2.30%)	28.70%	30.51%

Commodity	Unit	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change
Cotton	Pound	66.71	65.39	2.02%	(13.26%)	(20.04%)
Butter	Pound	2.49	2.54	(1.87%)	(6.47%)	5.61%
Cheese	Pound	1.91	1.91	0.05%	22.53%	21.90%
Cocoa	Pound	4.28	4.12	3.74%	124.62%	98.54%
Corn	Bushel	4.23	4.26	(0.59%)	(10.24%)	(37.36%)
Milk, Non Fat Dry	Pound	1.38	1.37	0.27%	14.57%	9.07%
Soybean	Bushel	9.90	9.84	0.61%	(23.50%)	(35.51%)
Sugar	Pound	0.21	0.21	(1.31%)	2.43%	(2.69%)
Wheat	Bushel	5.32	5.44	(2.20%)	(15.25%)	(30.06%)
Live Cattle	Pound	1.88	1.87	0.64%	8.23%	(80.89%)
Lean Hogs	Pound	0.82	0.82	0.49%	20.74%	8.93%
Beef, USDA Ground	Pound	3.11	3.07	1.01%	7.18%	17.13%
Chicken, Boneless & Skinless	Pound	3.98	3.97	0.25%	(2.50%)	(7.76%)

Currencies	Metric	29-Nov	22-Nov	2024	2025	10-Year Historicals
Japanese Yen	USD/JPY	149.770	154.780	144.000	152.000	75.820
Chinese Renminbi	USDCNY	7.247	7.248	7.250	7.200	6.041
Swiss Franc	USDCHE	0.881	0.894	0.900	0.890	0.721
British Pound	GBPUSD	1.274	1.253	1.280	1.280	1.130
Euro Zone Euro	EURUSD	1.058	1.042	1.060	1.060	0.986

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: LCD News)	Week Ending	Bank Loans	High Yield
	27-Nov-24	\$ 1,160	\$ (58)
	20-Nov-24	\$ 2,020	\$ 459
	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
Year To Date 2024		\$ (2,308)	\$ 9,821
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	11/29/2024	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	8,233
Forward Calendar	4	7,437	

High Yield	11/29/2024	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	Nov	249K	236K	238K
Continuing Claims	Nov	1,839K	1,828K	1,821K
Change in Non-Farm Payrolls	Nov	272K	180K	175K
Change in Private Payrolls	Nov	229K	165K	167K
Unemployment Rate	U-3	Nov 4.0%	3.9%	3.9%
Unemployment Rate	U-6	Nov 6.6%	6.5%	6.7%
Average Work Week	Nov	34.3	34.7	34.4
Existing Home Sales	Nov	4.11M	4.10M	4.14M
Housing Starts	Nov	1,277K	1,370K	1,360K
S&P/Case-Shiller Composite	YoY	Nov 7.2%	7.0%	7.4%
S&P/Case-Shiller Composite	MoM	Nov 0.4%	0.3%	0.3%
Consumer Confidence	Nov	91.3	90.0	88.9
GDP	QoQ-Annualized	2Q24 1.4%	1.4%	1.3%
Durable Goods Orders	Nov	0.6%	0.7%	0.7%
Total Vehicle Sales	Nov	15,32M	15,50M	15,50M
Capacity Utilization	Nov	79.0%	77.0%	76.8%

Fed & Treasury Balance Sheet	27-Nov	20-Nov	WoW Change	YoY Change	
Fed Total Assets	\$ in Billions	6,905,140.0	6,923,731.0	(0.3%)	(11.4%)
Public Debt	\$ in Billions	36,090.6	35,973.9	0.3%	6.6%

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	29-Nov	22-Nov	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	4,038.34	4,031.74	0.16%	8.68%	19.33%
Barclays High Yield Index	2,694.63	2,682.87	0.44%	9.09%	16.87%
Barclays Aggregate	2,225.45	2,194.90	1.39%	3.43%	4.59%

Loan Market Bids	29-Nov	22-Nov	WoW Change	YTD Change
S&P Flow Name Index	98.58	98.64	(0.05%)	0.24%
S&P 100 Name Index	98.07	98.06	0.01%	1.22%
S&P BB's Index	100.12	100.01	0.11%	0.53%
S&P B's Index	98.61	98.51	0.10%	0.68%
S&P CCC's Index	79.94	79.99	(0.06%)	(2.81%)

Loan Market Spreads	29-Nov	22-Nov	WoW Change	YTD Change
S&P BB's Index	L+269	L+270	(1 bps)	173 bps
S&P B's Index	L+392	L+394	(2 bps)	(48 bps)
S&P CCC's Index	L+874	L+872	2 bps	(767 bps)

Credit Default Swap - Volatility Indices	Index	29-Nov	22-Nov	WoW Change	YTD Change
Investment Grade CDS	Market	47.61	48.59	(2.01%)	(16.02%)
High Yield CDS	Market	295.01	300.63	(1.87%)	(17.22%)

Credit	29-Nov	22-Nov	WoW Change	YOY Change	
High Yield	Ave Yield	T+515	T+510	5 bps	130 bps
LCD Flow Name	Ave Spread	L+196	L+199	(3 bps)	0 bps
US Treasury 2-Yr		4.23%	4.38%	(15 bps)	(9 bps)
US Treasury 3-Yr		4.17%	4.29%	(12 bps)	13 bps
US Treasury 5-Yr		4.13%	4.30%	(17 bps)	25 bps
US Treasury 7-Yr		4.19%	4.36%	(17 bps)	28 bps
US Treasury 10-Yr		4.26%	4.42%	(16 bps)	36 bps

US CLO Spreads - New Issue	29-Nov	22-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	29-Nov	22-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	4.57%	4.57%	0 bps	(81 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	20-Nov	13-Nov	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

	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%	1.98%
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)