

Briefing

Global Economic & Credit Market

Week 51 Ending – December 22, 2023

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Economic Calendar

- Tuesday, December 26: Consumer confidence and S&P 500 Case-Shiller home price index
- Thursday, December 28: Initial jobless claims and pending home sales

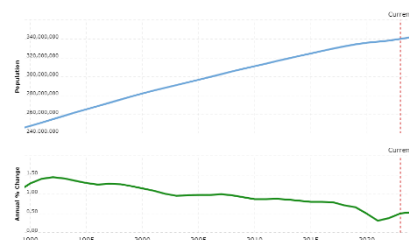
Key Market Metrics

- S&P 500: +0.75% WoW; +23.66% YTD; +24.39% YoY; 13.4x LTM EBITDA; 13.0x NTM EBITDA
- Dow Jones: +0.22% WoW; +12.60% YTD; +13.20% YoY; 10.6x LTM EBITDA; 12.9x NTM EBITDA
- Nasdaq: +1.21% WoW; +42.82% YTD; +43.12% YoY
- Ten Year US Treasury Yield: 3.94% (2) bps YTD; +15 bps YoY
- Currency:
 - British Pound per USD: \$1.27; 0.1% WoW; 5.1% YTD; 5.5% YoY
 - Euro per USD: \$1.10; 1.1% WoW; 2.9% YTD; 3.9% YoY
 - USD per Yen: ¥142.48; 0.2% WoW; 8.7% YTD; 7.7% YoY
 - Swiss franc per EUR: 1.06 CHF; 0.7% WoW; 5.1% YTD; 4.7% YoY

U.S. News

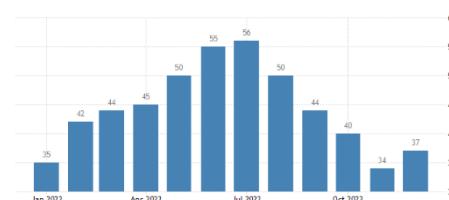
U.S. Population Growth

- The U.S. population grew 0.5% this year according to Census Bureau estimates
- The total U.S. population now stands at 334.9 million people, up 1.6 million people in the last year
- In the decade before the pandemic, the U.S. grew by an average of 2.1 million people per year
- Net migration to the U.S. was 1.1 million and there were 504,000 more births than deaths



Home Builder Confidence Report

- Builder confidence rose in December for the first time in five months as mortgage rates fell
- The confidence index rose 3 points to 37 in December after rates fell roughly 50 basis points
- The index has averaged a reading of 47 since 2005

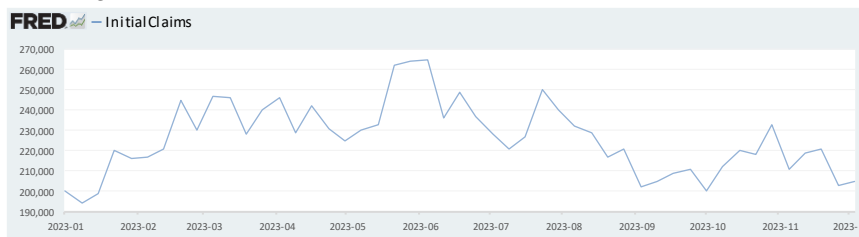


Consumer Confidence

- Consumer confidence numbers increase to a five-month high of 110 in December, a fresh sign of optimism about the economy. The November reading was 101
- The new gauge in confidence seems to be driven by the Federal Reserve's commentary about not raising rates any further and discussions on decreasing rates next year
- The top concern affecting consumers remains rising prices, while interest rates, global conflicts and politics all saw downticks as top concerns

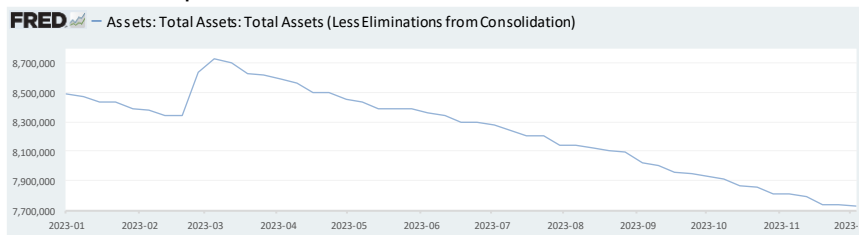
▪ Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., increased to 205,000 in the week ended December 15, up 2,000 from the prior week
- The four-week moving average was 212,000, down 1,500 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased by 1,000 to 1.865 million in the week ended December 8. This figure is reported with a one-week lag



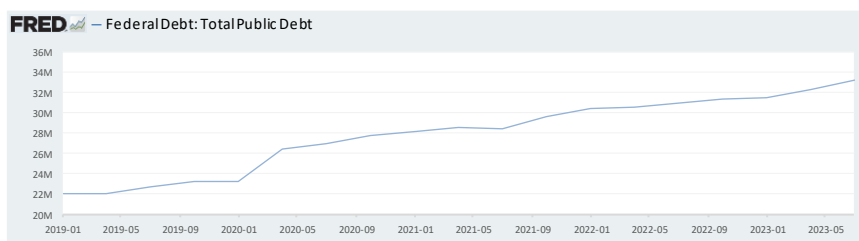
▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$7.724 trillion in the week ended December 22, down \$15.5 billion from the prior week
- Treasury holdings totaled \$4.795 trillion, down \$15.5 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.45 trillion in the week, down \$0.7 billion from the prior week



▪ Total Public Debt

- Total public debt outstanding was \$33.87 trillion as of December 22, an increase of 8.1% from the previous year
- Debt held by the public was \$24.49 trillion, and intragovernmental holdings were \$7.03 trillion

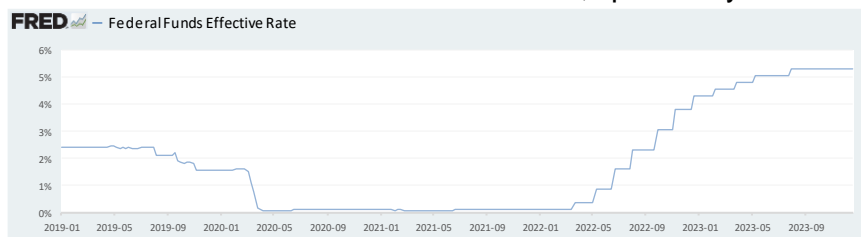


■ Inflation Factors

- CPI:
 - The consumer-price index rose 3.1% in November year over year
 - On a monthly basis, the CPI increased 0.1% in November on a seasonally adjusted basis, after increasing 0.0% in October
 - The index for all items less food and energy (core CPI) rose 0.3% in November, after rising 0.2% in October
 - Core CPI increased 4.0% for the 12 months ending November
- Food & Beverages:
 - The food at home index increased 1.7% in November from the same month a year earlier, and increased 0.1% in November month over month
 - The food away from home index increased 5.3% in November from the same month a year earlier, and increased 0.4% in November month over month
- Commodities:
 - The energy commodities index decreased (5.8%) in November after decreasing (4.9%)
 - The energy commodities index fell (9.8%) over the last 12 months
 - The energy services index 0.7% in November after decreasing (1.0%) in October
 - The energy services index fell (0.1%) over the last 12 months
 - The gasoline index fell (8.9%) over the last 12 months
 - The fuel oil index fell (24.8%) over the last 12 months
 - The index for electricity rose 3.4% over the last 12 months
 - The index for natural gas fell (10.4%) over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index increased to \$1,660.95 per 40ft container for
 - Drewry's composite World Container Index has decreased by (21.7%) over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in November after increasing 0.3% in October
 - The rent index increased 0.5% in November after increasing 0.3% in October
 - The index for lodging away from home decreased (4.5%) in November after decreasing (6.1%) in October

■ Federal Funds Rate

- The effective Federal Funds Rate is at 5.33%, up 1.00% year to date



World News

■ Israel/Middle East

- Hamas rejected an Israeli offer to stop fighting for one week in exchange for dozens of hostages, saying the group wouldn't discuss releasing their Israeli captives until a cease-fire first goes into effect
- Israel had made the offer as Israeli forces stepped up operations in the southern Gaza city of Khan Younis, believed to be the hiding place of Hamas's military leadership
- The proposed hostage negotiations were set to include, for the first time, representatives of Hamas ally Palestinian Islamic Jihad, which has demanded that Israel free all of its thousands of Palestinian prisoners in return for the over 100 hostages remaining in Gaza

■ Iran/Red Sea

- Iran's paramilitary forces are providing real time intelligence to Yemen's Houthis rebels that are using direct drones and missiles to target ships passing through the Red Sea
- The attacks have motivated shipping companies to divert vessels from the region and go around the Cap of Good Hope which adds an additional 9 days of travel from Singapore to Rotterdam
- The Pentagon has unveiled plans for a multinational naval force to protect merchant vessels in the Red Sea

■ Ukraine

- Ukraine said it shot down three Russian warplanes in one of its most-successful operations against Russian air power since the start of the war
- Ukraine's air force said the three Russian Su-34 fighter bombers were down around midday Friday in the south of the country

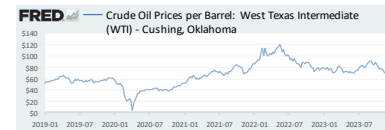
■ China

- Rescue workers in northwestern China were racing to find missing survivors from an earthquake that has killed more than 100 people and injured many more
- The earthquake struck China's Gansu province just before midnight on Monday night local time and was a 6.2 magnitude

Commodities

Oil Prices

- WTI: \$73.58 per barrel
 - +3.01% WoW; (7.52%) YTD; (5.05%) YoY
- Brent: \$79.07 per barrel
 - +3.29% WoW; (5.78%) YTD; (2.36%) YoY



US Production

- U.S. oil production amounted to 13.3 million bpd for the week ended December 15, up 0.2 million bpd from the prior week

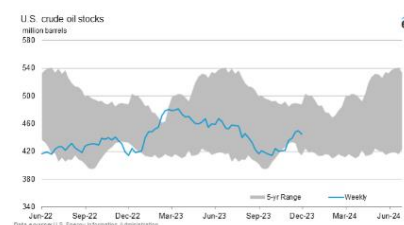
Rig Count

- The total number of oil rigs amounted to 620, down 3 from last week

Inventories

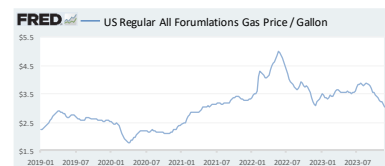
Crude Oil

- Total U.S. crude oil inventories now amount to 443.7 million barrels, up 6.1% YoY
- Refiners operated at a capacity utilization rate of 92.4% for the week, up from 90.2% in the prior week
- U.S. crude oil imports now amount to 6.517 million barrels per day, down 16.0% YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.13 per gallon in the week of December 22, up 1.1% YoY
 - Gasoline prices on the East Coast amounted to \$3.16, down (1.8%) YoY
 - Gasoline prices in the Midwest amounted to \$2.87, down (3.7%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.64, down (3.3%) YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$2.92, down (8.8%) YoY
 - Gasoline prices on the West Coast amounted to \$4.18, up 2.1% YoY
- Motor gasoline inventories were up by 2.7 million barrels from the prior week
- Motor gasoline inventories amounted to 226.7 million barrels, up 0.3% YoY
- Production of motor gasoline averaged 10.04 million bpd, up 5.1% YoY
- Demand for motor gasoline amounted to 8.754 million bpd, up 0.5% YoY

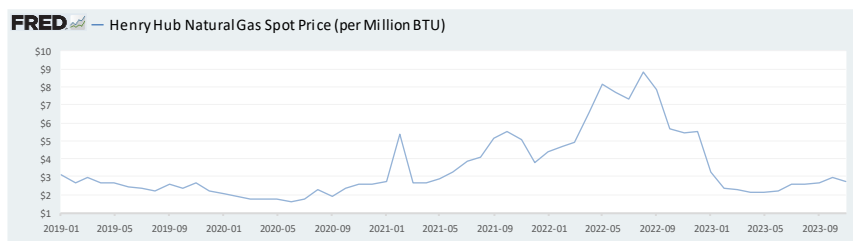


Distillates

- Distillate inventories decreased by 1.5 million in the week of December 22
- Total distillate inventories amounted to 115.0 million barrels, down (4.1%) YoY
- Distillate production averaged 4.873 million bpd, down (4.5%) YoY
- Demand for distillates averaged 3.823 million bpd in the week, down (4.8%) YoY

○ **Natural Gas**

- Natural gas inventories decreased by 87 billion cubic feet last week
- Total natural gas inventories now amount to 3,577 billion cubic feet, up 7.6% YoY



Geopolitical Hotspots

- **North Korea**
 - North Korea appears to be operating a more powerful reactor for producing plutonium at its main nuclear site for the first time, the United Nations atomic agency said late Thursday
- **Czech Republic**
 - At least 14 people were killed and dozens more were injured in a mass shooting Thursday afternoon at a university in central Prague. The shooter was a student at the school, Charles University, according to a spokesman from the Czech Ministry of the Interior
- **India**
 - An Indian man accused by U.S. authorities of attempting to kill an American Sikh activist has petitioned India's Supreme Court, saying he is a victim of mistaken identity and caught in the middle of political tensions between the U.S. and India
- **Germany**
 - German authorities detained four alleged members of Hamas suspected of planning to attack Jewish institutions in the region—the first suggestion that the Gaza conflict might be spilling over beyond the Middle East
- **Japan**
 - Japan said it had asked the U.S. to suspend all non-emergency V-22 Osprey flights over its territory after one fell into the sea in western Japan. One crew member is confirmed dead with seven missing
- **Indonesia**
 - Indonesia's Mount Marapi volcano erupted on last week killing at least 11 climbers, according to the Associated Press. The volcano spewed ash nearly two miles high
- **Spain**
 - Amazon reached an agreement with most of its workers in Spain, averting the full impact of a strike that risked crippling its warehouses on one of the busiest days of the year

Credit News

High yield bond yields decreased 8bps to 7.74% and spreads tightened 7bps to 368bps. Leveraged loan yields decreased 15bps to 9.10% and spreads tightened 9bps to 532bps. WTD Leveraged loan returns were positive 44bps. WTD high yield bond returns were positive 53bps. The path of least resistance was upward, as both bonds and loans continued to rally into a seasonally quiet week. For the year, both high yields bonds and loans are set to post strong double-digit returns.

High-yield:

Week ended 12/22/2023

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.74%	368	7.82%	375	(8)	(7)

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$92.07	\$91.69	38	0.54%	2.79%	13.05%	-10.55%

Fund Flows²

Total Flows (\$)
\$1,060mm

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
0	\$0.0bn	\$177.5bn	\$106.5bn	+67%

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

11/30/23	10/31/23	9/30/23
7.80%	8.70%	7.10%

Total HY Defaults

11/30/23	10/31/23	9/30/23
2.08%	1.76%	1.32%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 12/22/2023

▪ Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
9.10%	532	9.25%	541	(15)	(9)

▪ Leveraged Loan Index¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$95.22	\$94.97	24	0.44%	1.26%	12.69%	-1.06%

▪ Fund Flows²

Total Flows (\$)
(\$166mm)

▪ New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
0	\$0.0bn	\$360.4bn	\$251.9bn	+43%

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

11/30/23	10/31/23	9/30/23
7.80%	7.20%	6.20%

▪ Total Loan Defaults

11/30/23	10/31/23	9/30/23
2.01%	2.01%	1.90%

Default activity:

- Most recent defaults include: Ligado Networks (\$4.2bn, 11/1/23), Air Methods (\$1.7bn, 10/24/23), WeWork (\$1.6bn, 10/15/23), Rite Aid (\$3.0bn 10/16/23), Mallinckrodt (\$2.8bn 8/28/23), Yellow Corp (\$485mm 8/8/23), Anchor Glass (\$675mm 7/11/23), Instant Brands (\$391mm 6/12/23), Cyxtera Technologies (\$768mm 6/4/23), Diebold (\$2.0bn 6/1/23), Envision Health (\$7.7bn 5/14/23), Venator Materials (\$1.1bn 5/12/23), Bed Bath & Beyond (\$5.2bn 4/22/23), David's Bridal (\$254mn 4/17/23), Monitronics International (\$794mm 4/15/23), Catalina (\$222mn 3/29/23), Diamond Sports (\$8.6bn, 2/15/23), Avaya (\$2.9bn, 2/14/23), Heritage Power (\$485mn, 1/24/23), Serta Simmons Bedding(\$1.9bn, 1/23/23), Party City Holdings (\$1.0bn, 01/17/23), Exela Intermediate (\$1.4bn, 1/15/23)

CLOs:

Week ended 12/22/2023

▪ New U.S. CLO Issuance²

Week of	# Priced	Total (\$)	New Issue	Refis/Resets
12/22/2023	7	\$2.7bn	\$1.3bn	\$1.4bn

▪ New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
267	\$115.6bn	\$111.1bn	\$4.5bn	\$128.2bn	-10%

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:

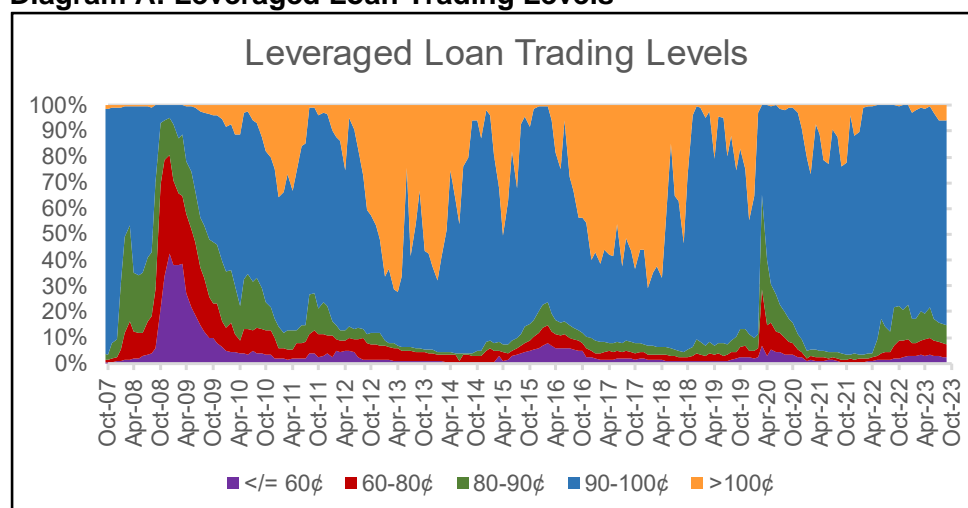
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2022	404	314	1.3x	375	312	1.2x
Week Ending 01/06/23	8	2	4.0x	0	0	n/a
Week Ending 01/13/23	12	4	3.0x	12	1	12.0x
Week Ending 01/20/23	8	5	1.6x	8	3	2.7x
Week Ending 01/27/23	2	0	n/a	5	0	n/a
Week Ending 02/03/23	11	13	0.8x	15	22	0.7x
Week Ending 02/10/23	5	6	0.8x	2	1	2.0x
Week Ending 02/17/23	12	7	1.7x	8	1	8.0x
Week Ending 02/24/23	15	7	2.1x	8	10	0.8x
Week Ending 03/03/23	4	8	0.5x	11	17	0.6x
Week Ending 03/10/23	8	10	0.8x	26	5	5.2x
Week Ending 03/17/23	41	9	4.6x	11	8	1.4x
Week Ending 03/24/23	16	4	4.0x	13	4	3.3x
Week Ending 03/31/23	7	4	1.8x	8	6	1.3x
Week Ending 04/06/23	7	5	1.4x	6	1	6.0x
Week Ending 04/14/23	13	12	1.1x	7	5	1.4x
Week Ending 04/21/23	8	8	1.0x	11	5	2.2x
Week Ending 04/28/23	18	4	4.5x	15	4	3.8x
Week Ending 05/05/23	6	4	1.5x	14	7	2.0x
Week Ending 05/12/23	10	5	2.0x	11	5	2.2x
Week Ending 05/19/23	18	5	3.6x	9	2	4.5x
Week Ending 05/26/23	6	2	3.0x	6	1	6.0x
Week Ending 06/02/23	16	8	2.0x	16	5	3.2x
Week Ending 06/09/23	14	7	2.0x	6	2	3.0x
Week Ending 06/16/23	5	3	1.7x	17	5	3.4x
Week Ending 06/23/23	10	4	2.5x	11	4	2.8x
Week Ending 06/30/23	17	6	2.8x	7	11	0.6x
Week Ending 07/07/23	10	6	1.7x	5	3	1.7x
Week Ending 07/14/23	4	2	2.0x	5	13	0.4x
Week Ending 07/21/23	11	2	5.5x	10	9	1.1x
Week Ending 07/28/23	12	2	6.0x	14	5	2.8x
Week Ending 08/04/23	4	8	0.5x	1	4	0.3x
Week Ending 08/11/23	13	10	1.3x	6	8	0.8x
Week Ending 08/18/23	22	4	5.5x	7	3	2.3x
Week Ending 08/25/23	13	9	1.4x	11	6	1.8x
Week Ending 09/01/23	23	14	1.6x	7	4	1.8x
Week Ending 09/08/23	5	4	1.3x	4	5	0.8x
Week Ending 09/15/23	10	4	2.5x	12	8	1.5x
Week Ending 09/22/23	12	12	1.0x	15	6	2.5x
Week Ending 09/29/23	7	10	0.7x	10	5	2.0x
Week Ending 10/06/23	8	9	0.9x	9	14	0.6x
Week Ending 10/13/23	2	4	0.5x	0	1	0.0x
Week Ending 10/20/23	7	4	1.8x	5	4	1.3x
Week Ending 10/27/23	6	2	3.0x	7	7	1.0x
Week Ending 11/03/23	9	5	1.8x	14	7	2.0x
Week Ending 11/10/23	7	5	1.4x	6	4	1.5x
Week Ending 11/17/23	10	7	1.4x	16	7	2.3x
Week Ending 11/24/23	11	8	1.4x	6	8	0.8x
Week Ending 12/01/23	2	4	0.5x	1	4	0.3x
Week Ending 12/08/23	11	5	2.2x	20	5	4.0x
Week Ending 12/15/23	14	4	3.5x	20	6	3.3x
Week Ending 12/22/23	13	4	3.3x	14	2	7.0x
YTD 2023	543	300	1.8x	488	283	1.7x

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	87.7	92.1	85.2	6.9
Leveraged Loans	93.7	95.2	91.9	3.3

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

[2] HY high price as of 12/21/23. LL high price as of 9/19/23

[3] HY low price as of 12/29/22. LL low price as of 12/30/22

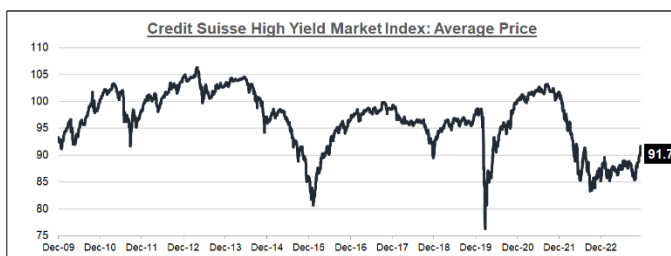
Diagram C: Leveraged Loan and High Yield Returns

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	0.44%	0.31%	0.54%	0.16%
MTD Return	1.26%	1.23%	2.79%	2.49%
YTD Return	12.69%	12.70%	13.05%	10.48%

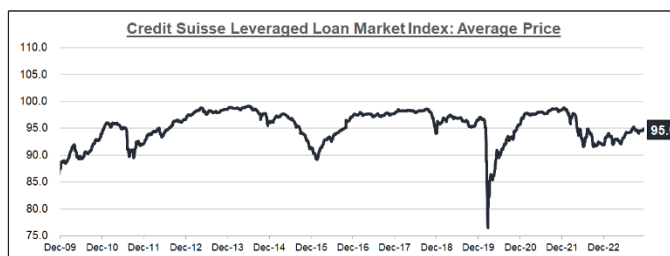
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 12/22/2023

[2] Yield data as of 12/22/2023

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

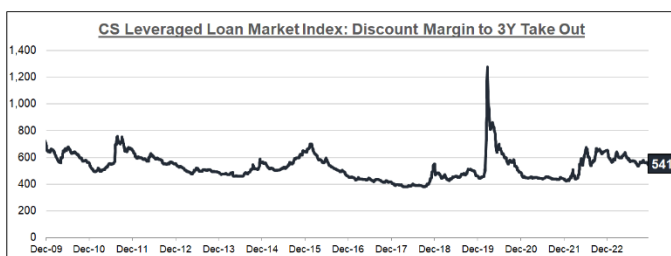


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.



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

Diagram E: Leveraged Loans Spreads & Yields

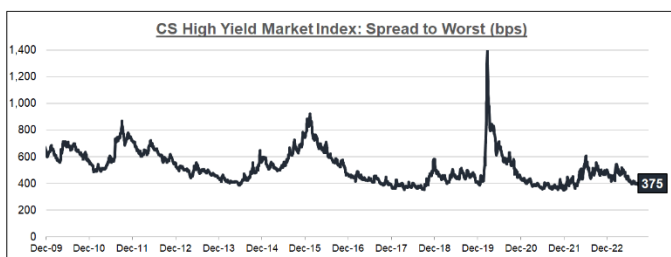


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



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

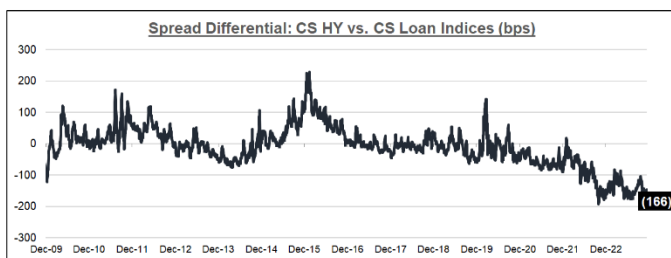


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.

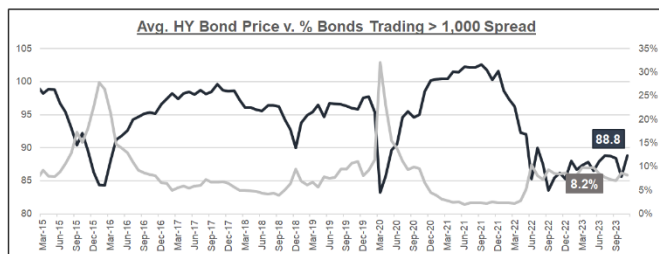


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

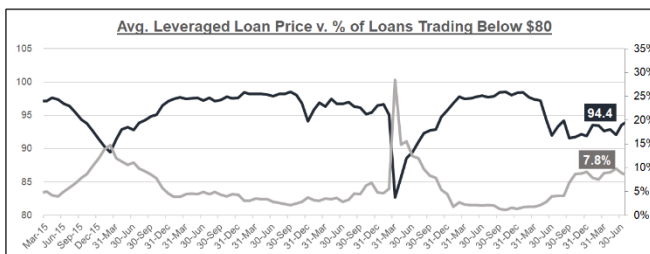
Diagram G: Spread between High Yield Bonds and Leveraged Loans



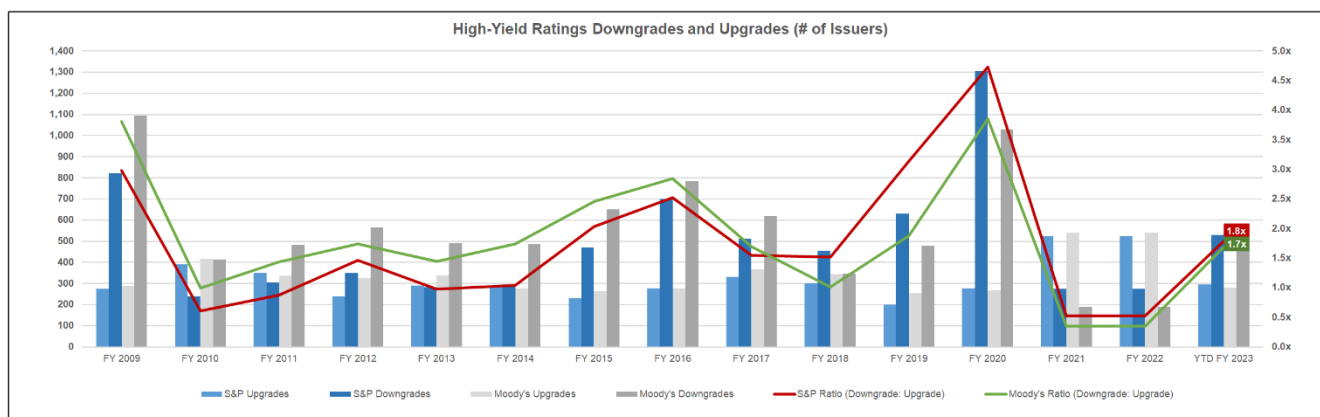
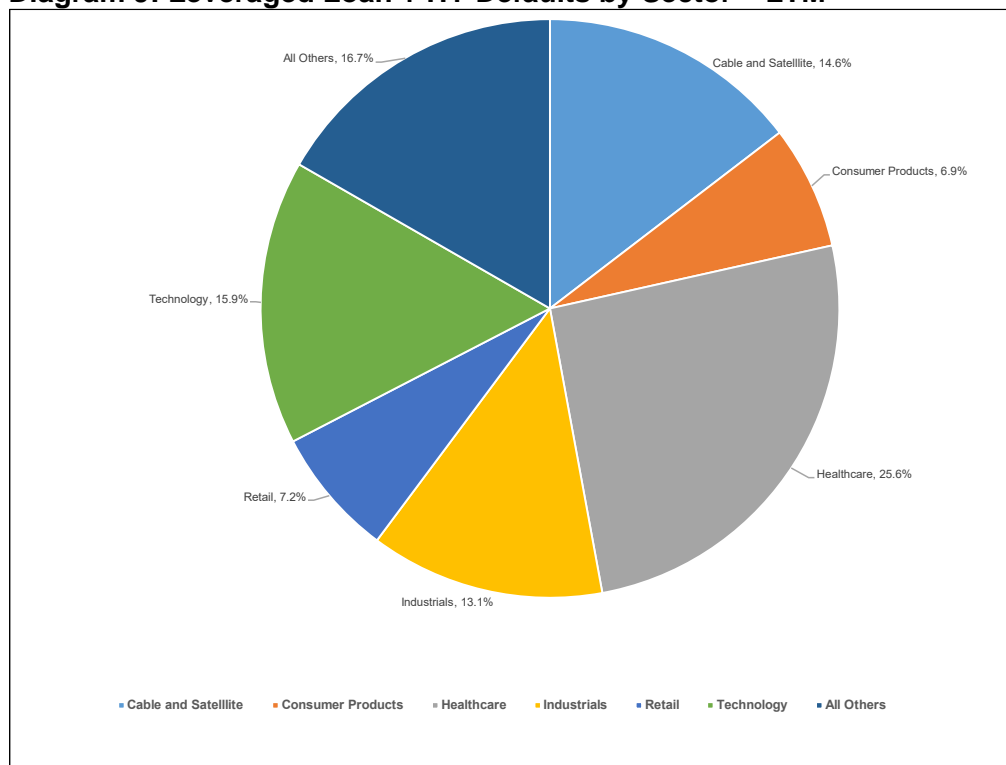
Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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%

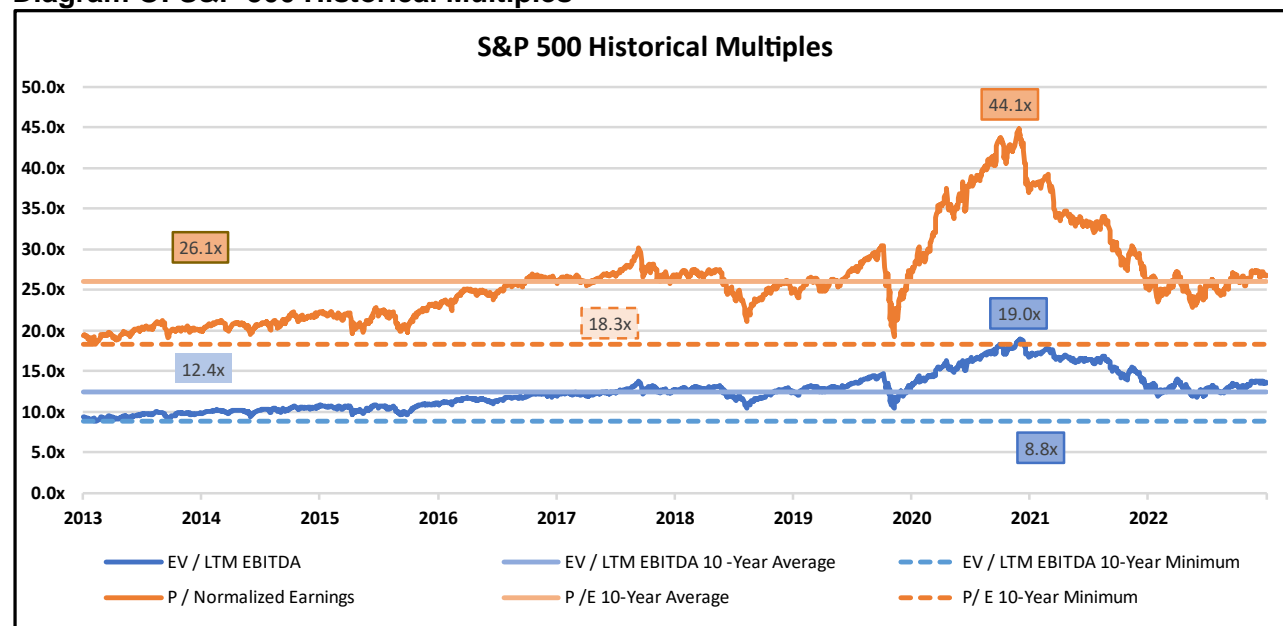
*Assumptions: 2% Default / 65% Recovery / 4 year Reinvestment Period

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

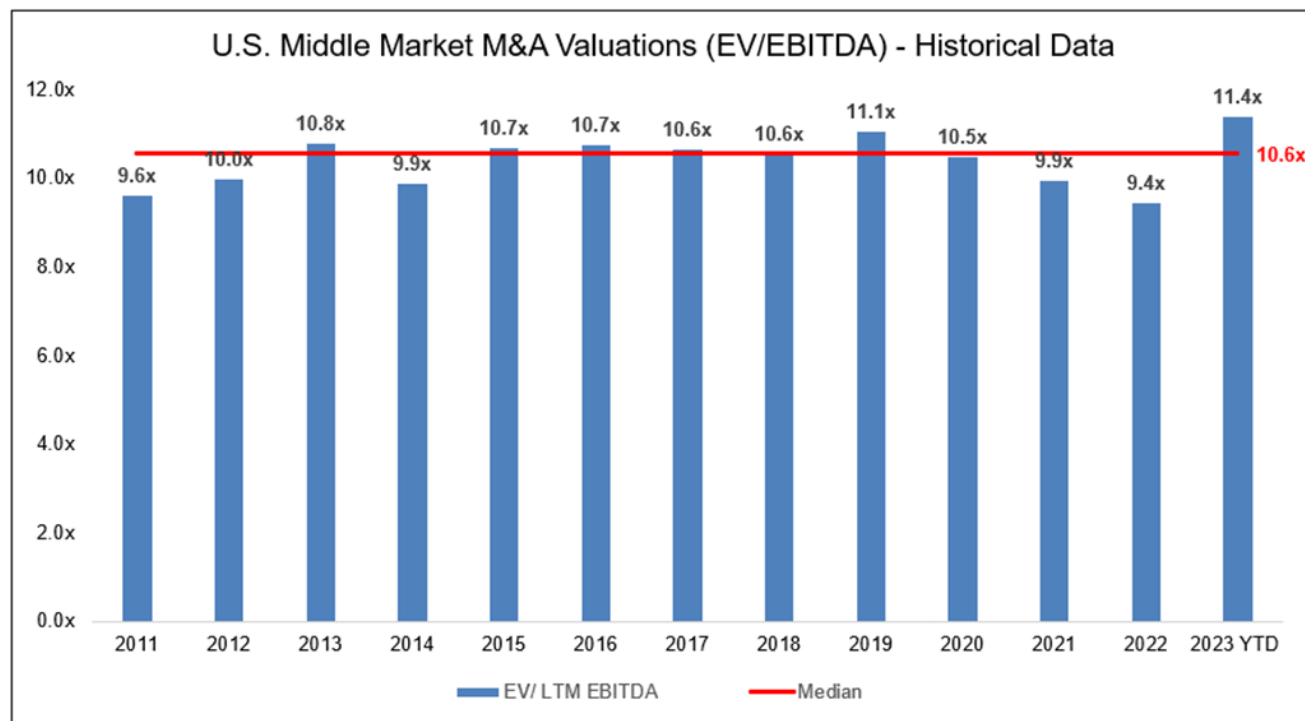
Diagram N: Developed Country GovBond Yields (%)

By	12/1/23	12/8/23	12/15/23	12/22/23	Change				
					Weekly	Q4 2022	Q3 2022	Q2 2022	Q1 2022
France - 10 year	2.93%	2.83%	2.55%	2.46%	(9 bps)	40 bps	80 bps	94 bps	78 bps
Germany - 10 year	2.36%	2.28%	2.02%	1.96%	(6 bps)	46 bps	77 bps	79 bps	73 bps
Italy - 10 year	4.10%	4.07%	3.72%	3.54%	(18 bps)	20 bps	126 bps	123 bps	87 bps
Japan - 10 year	0.70%	0.77%	0.70%	0.63%	(7 bps)	18 bps	1 bps	1 bps	15 bps
UK - 10 year	4.14%	4.04%	3.69%	3.51%	(18 bps)	(87 bps)	211 bps	75 bps	72 bps
US									
US - 2 year	4.54%	4.72%	4.44%	4.32%	(12 bps)	15 bps	133 bps	62 bps	160 bps
US - 5 year	4.12%	4.24%	3.91%	3.85%	(5 bps)	(9 bps)	105 bps	58 bps	120 bps
US - 10 year	4.20%	4.23%	3.91%	3.87%	(4 bps)	5 bps	82 bps	67 bps	83 bps
US - 30 year	4.39%	4.30%	4.01%	4.01%	0 bps	19 bps	59 bps	74 bps	54 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)

Source: Pitchbook

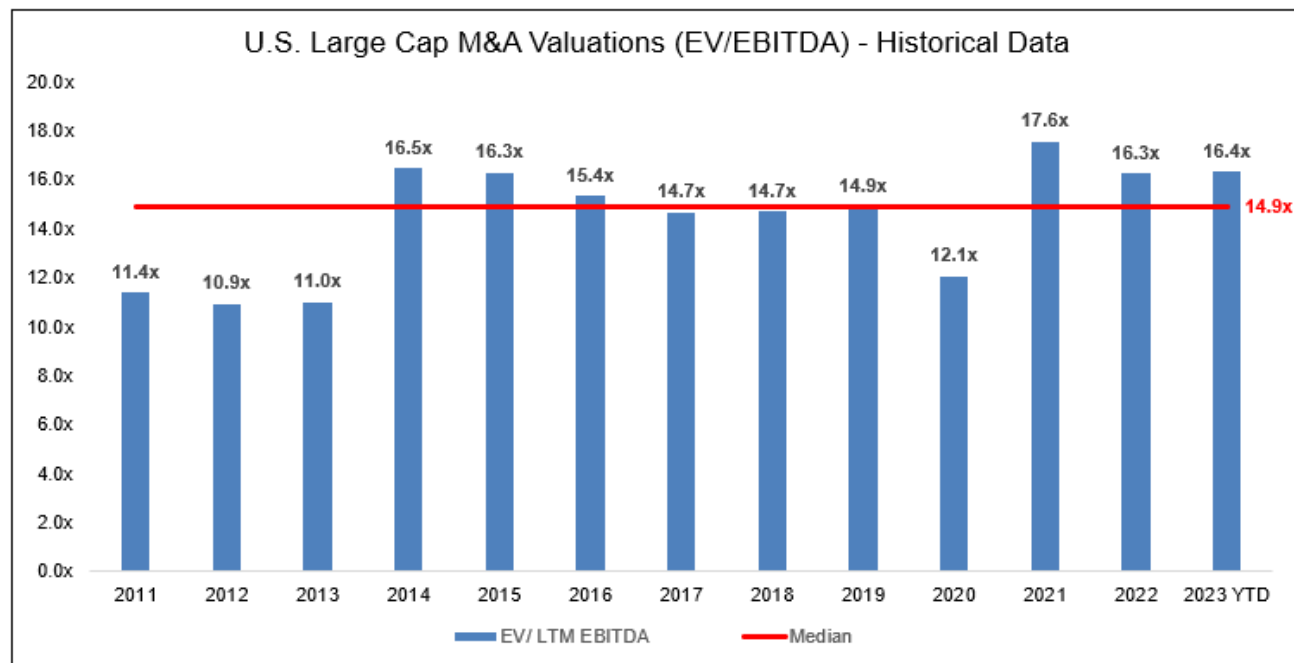
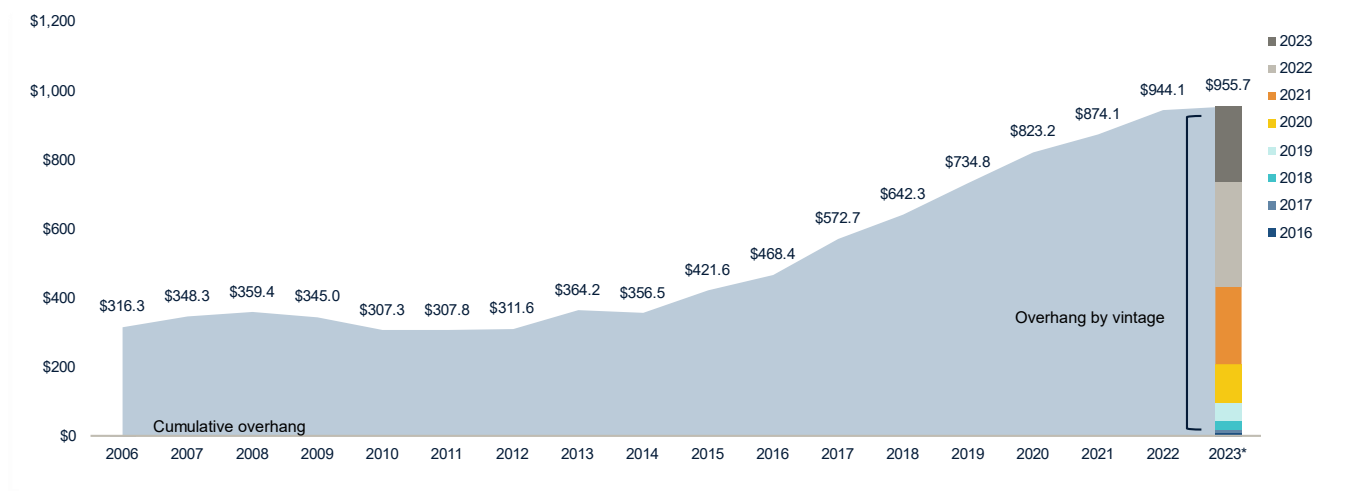
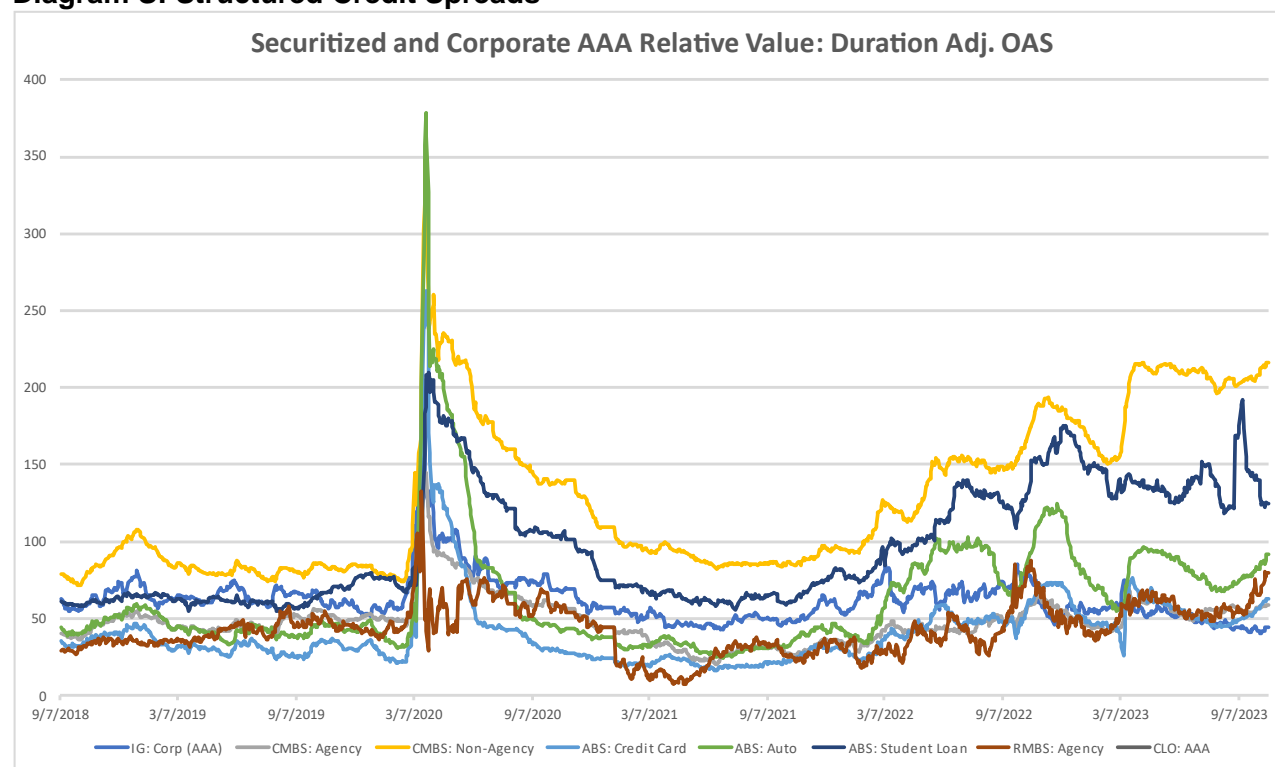
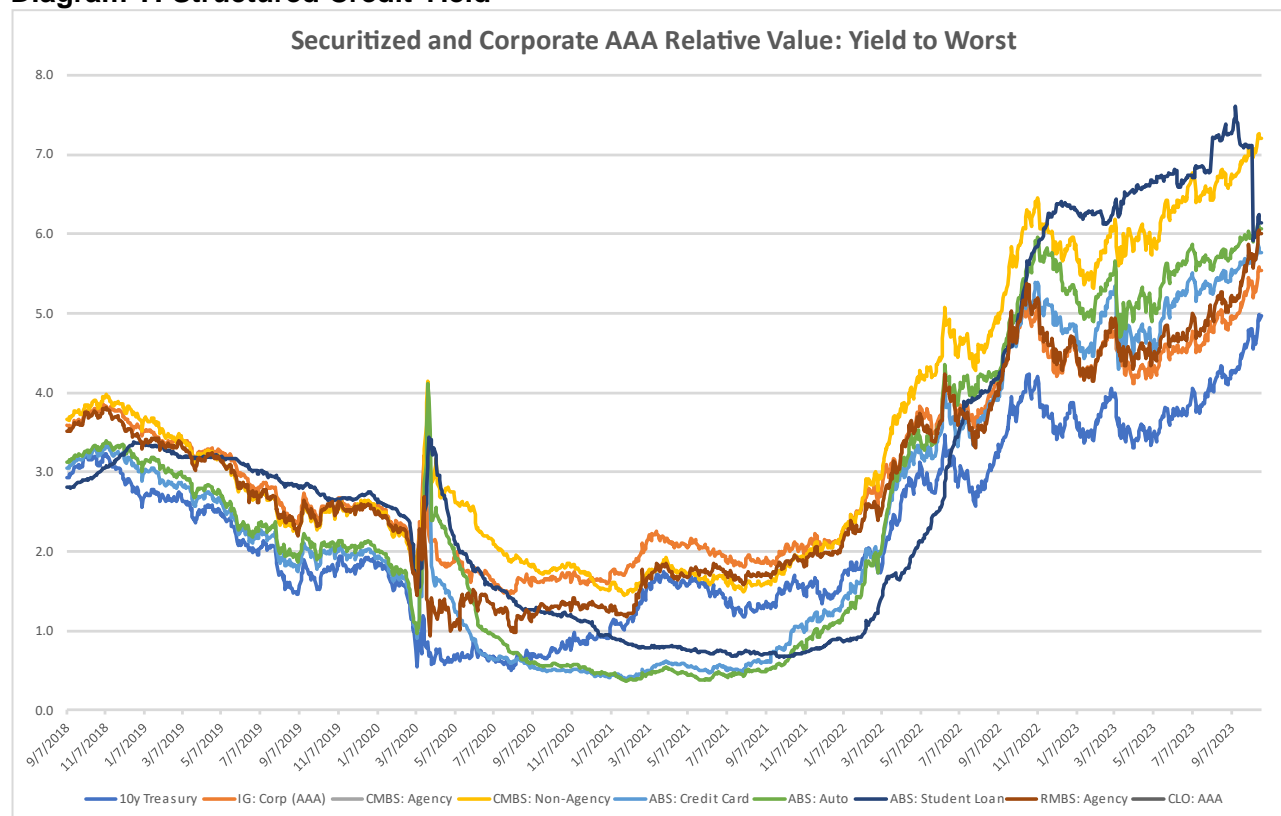
Diagram Q: U.S. Large Cap M&A Valuations (EV/EBITDA)

Diagram R: Dry Powder for All Private Equity Buyouts

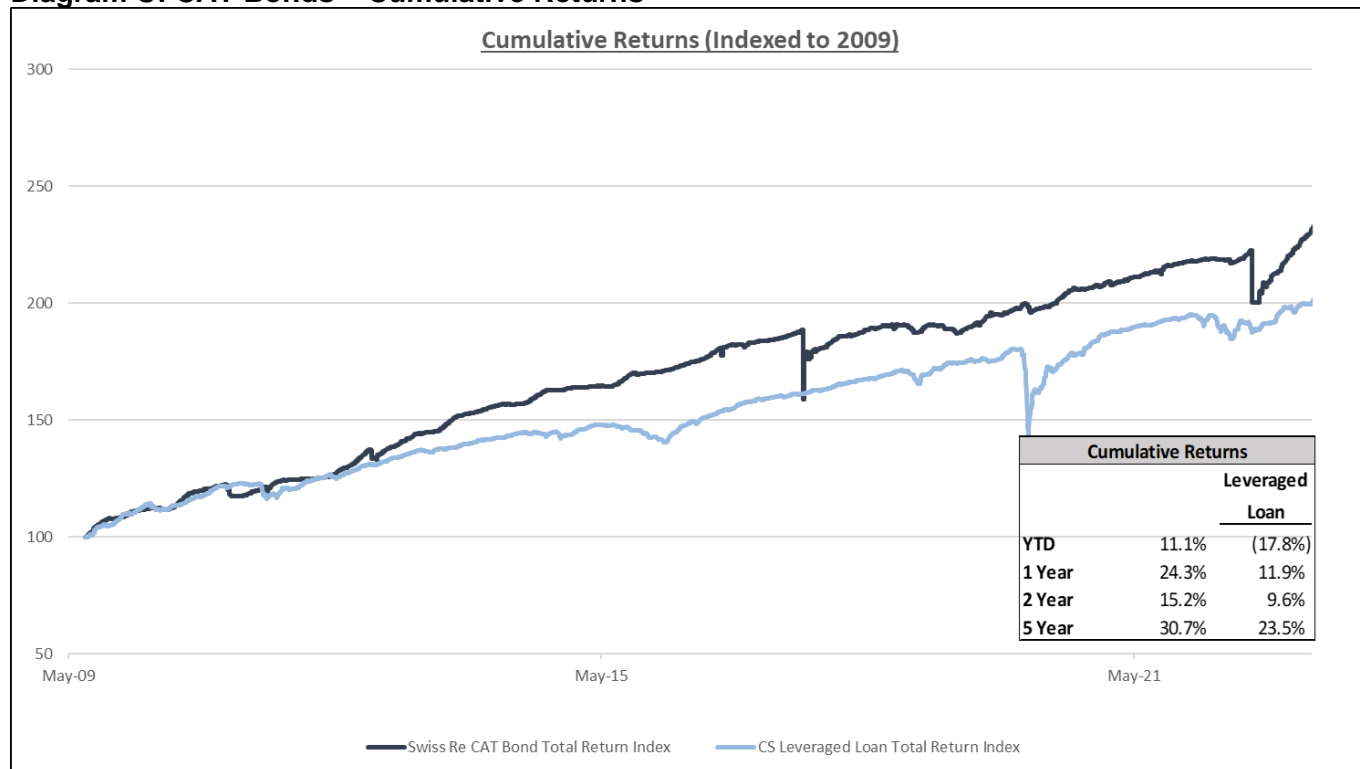
Source: Pitchbook

Diagram S: Structured Credit Spreads

Source: Bloomberg

Diagram T: Structured Credit Yield

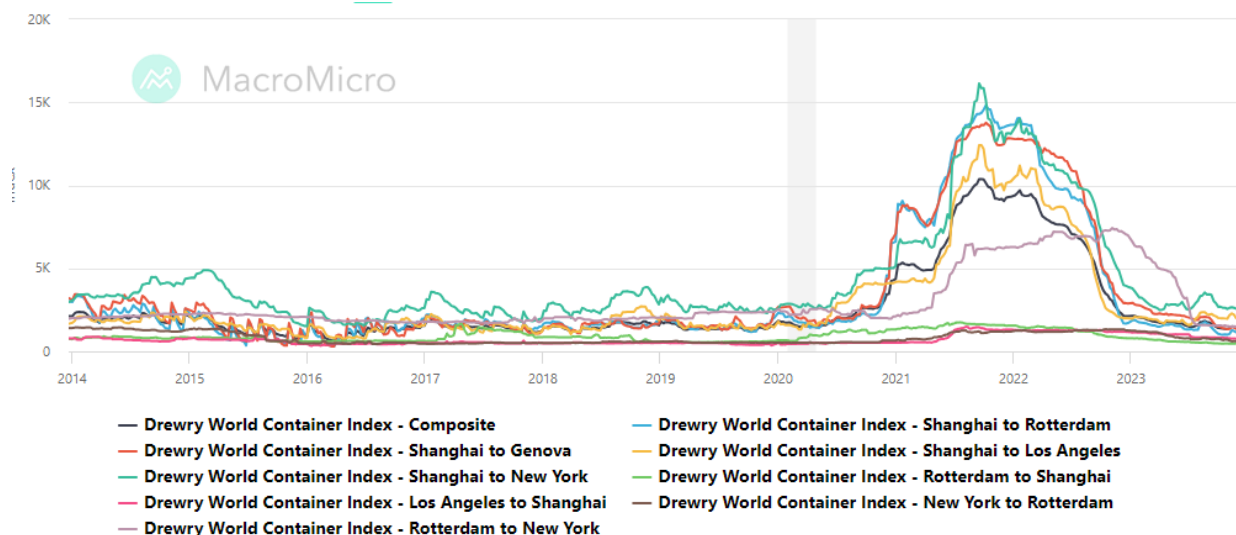
Source: Bloomberg

Diagram U: CAT Bonds – Cumulative Returns

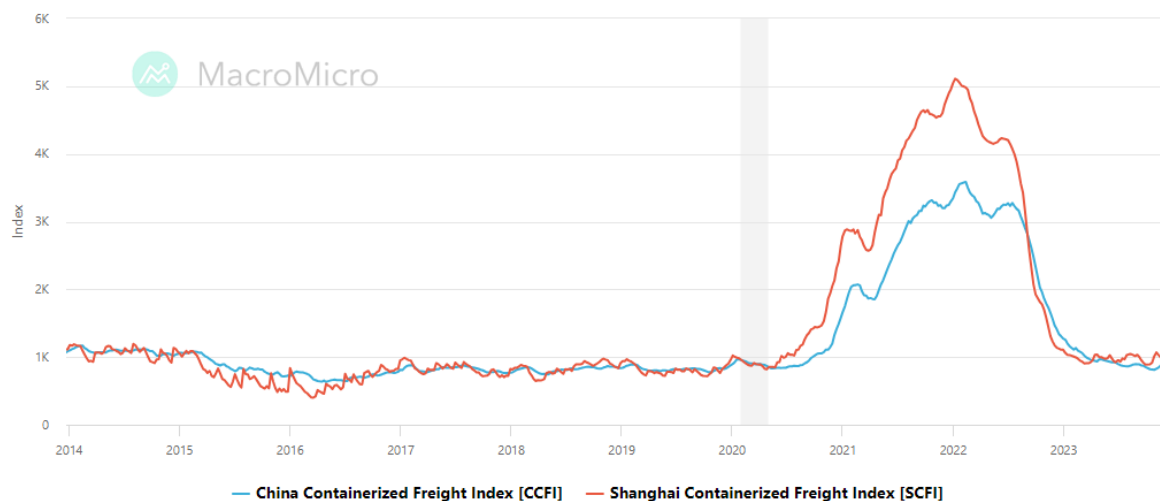
Source: Bloomberg

Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index

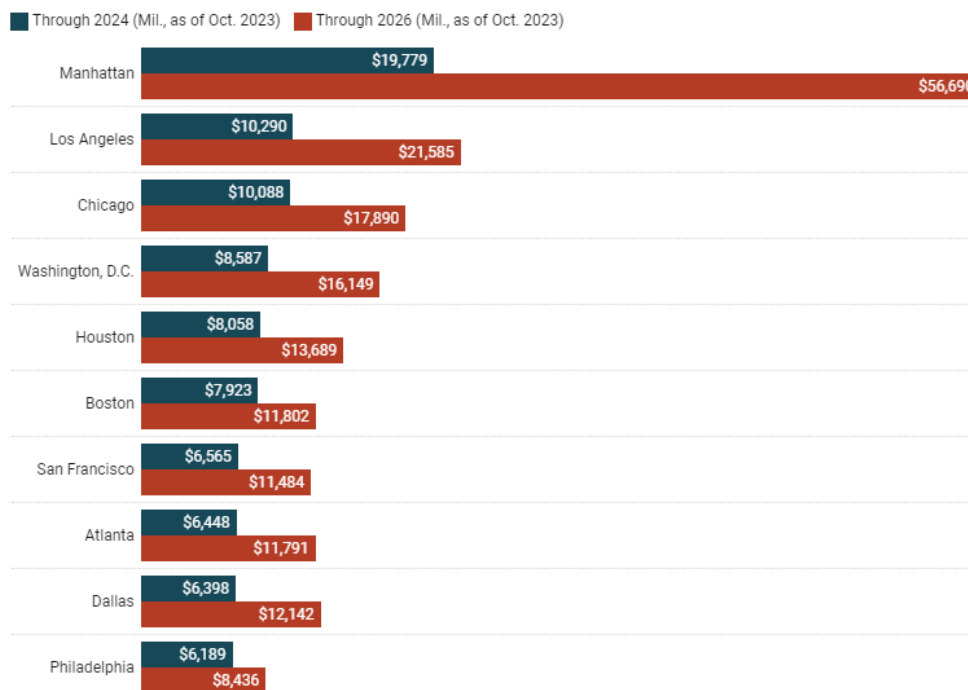


Manhattan Office Loan Maturities



- Notably, the center of this looming crisis is Manhattan, which leads the nation in distressed office properties
- For example, at the beginning of the pandemic, the market's vacancy rate stood at 7.9%, whereas it had 17.7% of its office space available for lease this October.

Office Loan Maturities Through 2024 & 2026



- Manhattan Leads U.S. in Maturing Office Debt by Dollar Volume

- Manhattan Has Largest Volume of Maturing Class A & B Office Loans Through 2026
- CommercialEdge identified 1,159 office properties in Manhattan, out of which 136 hold \$19.8 billion in loans that are set to mature by the end of 2024
- Manhattan leads the nation's top markets with \$56.7 billion in office loans due by the end of 2026.

Office Loan Maturities Through 2026 by Asset Type

Market	A/A+ Loan Volume (Mil., as of Oct. 2023)	B/C Loan Volume (Mil., as of Oct. 2023)
Manhattan	\$46,964	\$9,726
Los Angeles	\$15,544	\$6,041
Chicago	\$12,611	\$5,280
Washington, D.C.	\$11,945	\$4,204
Atlanta	\$9,533	\$2,258
San Francisco	\$8,705	\$2,779
Dallas	\$8,183	\$3,959
Boston	\$8,087	\$3,715
Houston	\$6,065	\$7,624
Bay Area	\$5,979	\$4,445
National	\$203,170	\$97,726

Created with [Datavrapper](#)

- More than three quarters (\$46.96 billion) of the maturing loans in Manhattan by the end of 2026 are backed by assets rated Class A+/A.
- Manhattan also leads the nation in maturing Class B and C office loans with \$9.72 billion loans due by the end of 2026
- Manhattan stands at the forefront of growing distress in the office property market, signaling potential challenges that extend beyond 2026.

Nationwide:

- Office debt totaled \$920 billion across the U.S. in October 2023
- Across the U.S., 32.7% of office loans are set to mature by the end of 2026

About Z Capital Group, L.L.C.

Z Capital Group, L.L.C. (“ZCG”) is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, technology development and solutions.

ZCG has approximately \$7B of AUM with a global team comprised of approximately 400 professionals.
www.zcg.com

Asset Management

Z Capital Partners, LLC (“ZCP”) is the private equity fund management platform of ZCG. ZCP pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turn arounds.

Z Capital Credit Partners, LLC (“ZCCP”) is the credit fund management platform of ZCG. ZCCP invests across a range of credit investments including leveraged loans, private debt, direct lending, and opportunistic credit. ZCCP manages closed and open ended funds as well as structured vehicles of strategic debt.

Both investment platforms share ZCG common resources, including infrastructure, legal, and cross global intelligence.

ZCG Consulting

ZCG Consulting (“ZCGC”), the strategic management consulting platform of ZCG, is a team of operating professionals within various disciplines of expertise including: financial reporting & planning, technology assessment & implementation, talent acquisition & analysis, global supply chain & logistics, c-suite advisory, real estate operations & management, insurance & risk management, in support of portfolio companies. The team works closely with company management teams and investment professionals to optimize operations and financial rigor, ultimately leading to value creation and increased performance.

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Webonise US, LLC (“Webonise”) is a software development and technology services firm with offices across the globe.

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Olympus Fintech (“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.

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AUM is Gross Pro-Forma as of May 31, 2023, and reflects certain transactions set to close prior to the end of Q3 2023.

Performance							
Market Indices		22-Dec	15-Dec	WoW Change	YTD Change	YoY Change	
DJIA		37,385.97	37,305.16	0.22%	12.60%	10.67%	
S&P 500		4,754.63	4,719.19	0.75%	23.66%	19.96%	
NASDAQ		14,992.97	14,813.92	1.21%	42.82%	35.29%	
MSCI - EAFE		2,211.19	2,192.98	0.83%	13.77%	12.72%	
MSCI - Emerging Markets		992.28	1,000.89	(0.86%)	3.93%	2.38%	
US Dollar Index		101.70	102.55	(0.83%)	(2.51%)	(2.94%)	
VIX		13.03	12.28	6.11%	(37.57%)	(41.54%)	
US Equities Avg Daily Dollar Volume (\$ in Billions)		311.27	321.79	(3.27%)	(37.45%)	(41.09%)	
Market Ratios		22-Dec	15-Dec	WoW Change	YTD Change	YoY Change	
TED Spread	3 Month LIBOR - 3 Month T-Bills	25.96	18.01	44.12%	12.36%	(47.43%)	
Put/Call Ratio	Equities	0.50	0.53	(5.66%)	(41.86%)	(26.47%)	
Commodities Indices (\$ USD)		Metric	22-Dec	15-Dec	WoW Change	YTD Change	YoY Change
Core Commodity Index		CRY Index	266.59	265.07	0.58%	(4.14%)	0.07%
Gasoline - Pump	Gallon	3.13	3.08	1.72%	1.00%	(5.64%)	
Gasoline - Futures	Gallon	2.13	2.14	(0.32%)	(7.64%)	3.95%	
Crude Oil - WTI	Barrel	73.56	71.43	2.98%	(7.54%)	2.94%	
Crude Oil - Brent	Barrel	79.07	76.55	3.29%	(5.78%)	3.83%	
Natural Gas	MM BTU	2.61	2.49	4.78%	(41.74%)	(56.22%)	
Coal (1 contract = 1,000 tons)	Contract	214.63	214.63	0.00%	7.03%	7.03%	
Aluminum	Metric Ton	2,326.00	2,247.50	3.49%	(2.66%)	7.03%	
Copper	Metric Ton	8,573.50	8,549.00	0.29%	2.68%	0.36%	
Iron Ore	Metric Ton	135.62	135.08	0.33%	22.66%	23.77%	
Steel - Hot Rolled Coil	Metric Ton	1,074.00	1,068.00	0.56%	40.76%	36.64%	
Steel - Cold Rolled Coil	Metric Ton	1,205.00	1,205.00	0.00%	32.42%	43.45%	
Ferrous Scrap	Metric Ton	535.00	560.00	(4.46%)	23.56%	38.96%	
Gold	Troy Ounce	2,053.08	2,019.62	1.66%	14.17%	14.75%	
Silver	Troy Ounce	24.19	23.86	1.39%	1.92%	4.87%	
Cotton	Pound	75.09	76.74	(2.15%)	(9.93%)	(7.10%)	
Butter	Pound	2.54	2.49	2.01%	6.05%	(5.40%)	
Cheese	Pound	1.63	1.64	(0.49%)	(17.86%)	(19.80%)	
Cocoa	Pound	1.96	1.93	1.58%	64.04%	73.41%	
Corn	Bushel	4.73	4.83	(2.07%)	(29.01%)	(25.16%)	
Milk, Non Fat Dry	Pound	1.19	1.19	0.08%	(18.35%)	(16.56%)	
Soybean	Bushel	13.00	13.16	(1.22%)	(12.12%)	(12.55%)	
Sugar	Pound	0.21	0.22	(6.23%)	(1.72%)	4.78%	
Wheat	Bushel	6.16	6.29	(2.07%)	(20.59%)	(14.91%)	
Livestock	Pound	1.70	1.68	1.08%	8.38%	(87.00%)	
Lean Hogs	Pound	0.71	0.72	(0.76%)	(18.76%)	(12.99%)	
Beef, USDA Ground	Pound	2.93	2.92	0.44%	7.71%	18.46%	
Chicken, Boneless & Skinless	Pound	3.52	3.54	(0.56%)	0.00%	15.07%	
		Spot Prices		Futures		10-Year Historicals	
Currencies	Metric	22-Dec	15-Dec	2024	2025	Low	High
Japanese Yen	USDJPY	142.410	142.150	130.000	135.500	75.820	138.570
Chinese Renminbi	USDCNY	7.136	7.132	6.800	7.000	6.041	7.179
Swiss Franc	USDCHF	0.856	0.871	0.870	0.890	0.721	1.030
British Pound	GBPUSD	1.270	1.268	1.320	1.280	1.130	1.717
Euro Zone Euro	EURUSD	1.101	1.090	1.150	1.120	0.986	1.483
Canadian Dollar	USDCAD	1.327	1.398	1.270	1.310	0.943	1.458

TECHNICALS (Supply / Demand)			
Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: LCD News)			
	Week Ending	Bank Loans	High Yield
	13-Dec-23	\$ 83	\$ 759
	6-Dec-23	\$ 82	\$ 2,051
	29-Nov-23	\$ 124	\$ 295
	22-Nov-23	\$ (75)	\$ 325
	15-Nov-23	\$ 287	\$ 4,574
	8-Nov-23	\$ 686	\$ 6,249
	1-Nov-23	\$ 126	\$ (953)
	25-Oct-23	\$ (123)	\$ (942)
	18-Oct-23	\$ (23)	\$ (1,915)
Year To Date 2023		\$ (18,051)	\$ (17,252)
Year Ended December 31, 2022		\$ (12,694)	\$ (46,556)
Year Ended December 31, 2021		\$ 46,498	\$ (12,984)

NEW ISSUE SUMMARY - BI-WEEKLY			
Institutional Loans	12/22/2023	Deals	Amt (\$mm)
Launched	Prior Two Weeks	12	8,233
Forward Calendar		4	7,437
High Yield	12/22/2023	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		Dec	218K	218K	209K
Continuing Claims		Dec	1,927K	1,865K	1,840K
Change in Non-Farm Payrolls		Dec	223K	205K	263K
Change in Private Payrolls		Dec	220K	188K	221K
<hr/>					
Unemployment Rate	U-3	Dec	3.5%	3.7%	3.7%
Unemployment Rate	U-6	Dec	6.6%	6.5%	6.7%
Average Work Week		Dec	34.3	34.7	34.4
<hr/>					
Existing Home Sales		Dec	3.79M	3.90M	3.96M
Housing Starts		Dec	1,372K	1,350K	1,358K
S&P/Case-Shiller Composite	YoY	Dec	19.1%	18.6%	18.6%
S&P/Case-Shiller Composite	MoM		1.8%	1.5%	1.5%
<hr/>					
Consumer Confidence		Dec	91.3	90.0	88.9
GDP	QoQ-Annualized	3Q23	2.4%	1.8%	2.0%
<hr/>					
Durable Goods Orders		Dec	2.0%	1.9%	1.9%
Total Vehicle Sales		Dec	15.32M	15.50M	15.50M
Capacity Utilization		Dec	79.0%	77.0%	76.8%
<hr/>					
Fed & Treasury Balance Sheet		20-Dec	13-Dec	WoW Change	YoY Change
Fed Total Assets	\$ in Billions	7,724,063.0	7,739,566.0	(0.2%)	(9.8%)
Public Debt	\$ in Billions	33,870.5	33,828.2	0.1%	10.5%
<hr/>					
US Debt Outstanding		2023	1023	QoQ Change	YoY Change
Domestic Nonfinancial Debt	\$ in Billions	69,511.9	68,910.4	0.9%	15.6%
<hr/>					
Shared National Credit		2022	2021	YoY Change	
Shared National Credit Total Commitments		\$ in Billions	5,178.8	5,072.2	2.1%
Special Meritment 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	Actual 2021	2022	Projections
United States	(3.5%)	5.7%	2.1%	1.6%
Brazil	(14.1%)	4.6%	2.9%	0.9%
China	2.3%	8.1%	3.0%	5.2%
Germany	(4.5%)	2.8%	1.8%	(0.1%)
India	(8.0%)	8.9%	6.8%	5.9%
Japan	(4.5%)	1.6%	1.1%	1.3%
United Kingdom	(10.0%)	7.4%	4.0%	(0.3%)

		Week Ending 12/22/23				
Market Indices		22-Dec	15-Dec	WoW Change	YTD Change	YoY Change
S&P 15STA Leveraged Loan Index		3,715.72	3,702.59	0.35%	12.94%	13.25%
Barclays High Yield Index		2,470.13	2,453.59	0.67%	11.94%	11.66%
Barclays Aggregate		2,151.63	2,148.64	0.14%	4.34%	2.99%
Loan Market Bids		22-Dec	15-Dec	WoW Change	YTD Change	
S&P Flow Name Index		98.35	98.35	0.00%	(0.39%)	
S&P 100 Name Index		96.72	96.48	0.24%	3.73%	
S&P BB's Index		99.52	99.40	0.12%	1.97%	
S&P B's Index		97.69	97.42	0.28%	5.62%	
S&P CCC's Index		82.31	80.88	1.77%	12.29%	
Loan Market Spreads		22-Dec	15-Dec	WoW Change	YTD Change	
S&P BB's Index		L+108	L+120	(12 bps)	(234 bps)	
S&P B's Index		L+443	L+446	(3 bps)	(154 bps)	
S&P CCC's Index		L+1618	L+1596	22 bps	93 bps	
Credit Default Swap - Volatility Indices	Index	22-Dec	15-Dec	WoW Change	YTD Change	
Investment Grade CDS	Market	56.13	57.50	(2.39%)	(30.58%)	
High Yield CDS	Market	357.12	367.24	(2.75%)	(25.00%)	
Credit		22-Dec	15-Dec	WoW Change	YOY Change	
High Yield	Ave Yield	T+380	T+375	5 bps	(60 bps)	
LCD Flow Name	Ave Spread	L+199	L+202	(3 bps)	(156 bps)	
US Treasury 2-Yr		4.32%	4.45%	(13 bps)	90 bps	
US Treasury 3-Yr		4.04%	4.14%	(10 bps)	67 bps	
US Treasury 5-Yr		3.88%	3.93%	(5 bps)	63 bps	
US Treasury 7-Yr		3.91%	3.96%	(5 bps)	71 bps	
US Treasury 10-Yr		3.90%	3.93%	(3 bps)	75 bps	
US CLO Spreads - New Issue		22-Dec	15-Dec	WoW Change	YTD Change	
AAA	S+183	S+180	3 bps	(10 bps)		
AA	S+250	S+255	(5 bps)	(10 bps)		
A	S+295	S+318	(23 bps)	(15 bps)		
BBB	S+460	S+480	(20 bps)	(5 bps)		
BB	S+775	S+800	(25 bps)	0 bps		
Market Rates		22-Dec	15-Dec	WoW Change	YTD Change	
Fed Fund Rate		5.31%	5.31%	0 bps	99 bps	
Prime Rate		8.50%	8.50%	0 bps	100 bps	
Broker Call Rat		7.25%	7.25%	0 bps	100 bps	
1M SOFR		5.31%	5.32%	(1 bps)	101 bps	
3M SOFR		5.39%	5.30%	9 bps	115 bps	
1M Libor		5.47%	5.47%	(0 bps)	108 bps	
3M Libor		5.61%	5.63%	(1 bps)	89 bps	
6M Libor		5.62%	5.65%	(3 bps)	46 bps	
Short Interest - Billions of shares		31-Oct	30-Sep	MoM Change	YTD Change	
NYSE Mkt Short Interest		16.14	16.04	0.68%	3.86%	
Nasdaq Short Interest		12.92	12.91	0.09%	0.37%	
Fed Corp Primary Dealer Positions - \$ USD in Billions		13-Dec	6-Dec	WoW Change	YTD Change	
Net Outright Total Corp Securities		10.98	10.56	3.98%	0.00%	
Margin Debt - \$ USD in Billions		31-Oct	30-Sep	MoM Change	YTD Change	
Margin Debt		705.28	693.05	1.76%	8.57%	

Leveraged Finance Primary Volume - \$ USD in Billions				
12/22/2023	Year To Date 2023	2022	Year End 2021	YoY Change
Bank Debt	83.8	145.0	588.4	(42.21%)
Senior Secured Bonds	44.0	13.0	147.9	238.46%
Unsecured Bonds	22.0	42.0	313.8	(47.62%)
Total Bonds	66.0	55.0	461.7	20.00%
Totals	149.8	200.0	1,050.1	(25.10%)

DEFAULT ACTIVITY			
Total Loan Defaults - as of:	30-Sep	31-Aug	YE 2022
Default Rate by Total Amount of All Loans Outstanding	1.72%	1.56%	0.98%
Default Rate by Total Number of All Loan Issuers	1.89%	1.62%	0.98%

Employment - Labor Participation Rates			31-Oct	30-Sep	YTD Change		
Civilian Employment as % of Total Labor Force			60.4%	60.4%	0.00pp		
Labor Force Participation Rate			62.6%	62.6%	(0.25pp)		
Government Assistance			31-Oct	30-Sep	YTD Change		
SNAP Ika Food Stamps - # of Participants in Millions			40.521	40.770	(2.01%)		
Retail Sales			31-Oct	30-Sep	YTD Change		
Adj. Retail & Food Services Sales Index - US Census			683.0	687.4	0.7%		
US Home Foreclosures and Delinquencies			31-Oct	30-Sep	YTD Change		
Home Foreclosures Inventory in Thousands			178	178	2.22%		
Delinquency Rate			0.34%	0.51%	(2.55pp)		
U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas							
Type	Peak- 11/00 to Date	# of Rigs	% Change	22-Dec	15-Dec	YTD Change	
Oil	10/10/2014	1,609	(61.28%)	623	618	10.66%	
Gas	9/12/2008	1,606	(90.66%)	150	152	0.67%	
Rail & Truck Volume							
Total Rail Carloads Tons in Thousands			1,052.66	1,050.74	2.82%		
Total Intermodal Tons in Thousands			1,014.59	1,019.04	(6.17%)		
Truck Tonnage Index			131.60	130.85	9.35%		
TSA Checkpoint Travel Numbers			21-Dec	14-Dec	WoW Change	YoY Change	
Weekly Traveler Throughput in Thousands			15,913.2	16,048.8	(0.84%)	8.86%	
Freight Rates			22-Dec	15-Dec	WoW Change	YTD Change	YoY Change
Freightos Baltic Index			1.281	1.270	0.87%	(42.97%)	(79.66%)
Shanghai - Los Angeles Spot Rates			2,240	2,361	(5.12%)	(2.54%)	(78.67%)
Shanghai - NY Spot Rates			3,425	3,545	(3.39%)	(1.34%)	(72.93%)
Shanghai Containerized Freight Index			1,030	1,031	(0.16%)	(4.26%)	(74.21%)

	2021	Actual	2022	2023	Projected	2024
Region						
World	6.1%		6.1%	2.8%		3.0%
Advanced Economies	5.2%		5.2%	1.3%		1.4%
Euro Area	5.3%		5.3%	0.8%		1.4%
Emerging Mkts and Developing Economies	6.8%		6.8%	3.8%		4.2%
Emerging and Developing Asia	7.3%		7.3%	5.3%		5.1%
Emerging and Developing Europe	6.7%		6.7%	1.2%		2.5%
Latin America and the Caribbean	6.9%		6.8%	1.6%		2.2%