

Briefing

Global Economic & Credit Market

Week 12 Ending – March 21, 2025

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Economic Calendar

Tuesday, March 25: Consumer confidence

Wednesday, March 26: Durable goods orders

Friday, March 28: PCE Index

Key Market Metrics

- S&P 500: +0.51% WoW; (3.64%) YTD; +8.13% YoY; 15.8x LTM EBITDA; 12.4x NTM EBITDA
- Dow Jones: +1.20% WoW; (1.31%) YTD; +5.54% YoY; 11.4x LTM EBITDA; 11.6x NTM EBITDA
- Nasdaq: +0.17% WoW; (7.91%) YTD; +8.43% YoY
- Ten Year US Treasury Yield: 4.29% (33) bps YTD; (3) bps YoY
- Currency:
 - British Pound per USD: \$1.29; (0.1%) WoW; 3.2% YTD; 2.1% YoY
 - Euro per USD: \$1.08; (0.6%) WoW; 4.5% YTD; (0.4%) YoY
 - USD per Yen: ¥149.32; 0.5% WoW; (5.0%) YTD; (1.5%) YoY
 - Swiss franc per EUR: 1.05 CHF; 0.8% WoW; (1.7%) YTD; 2.0% YoY

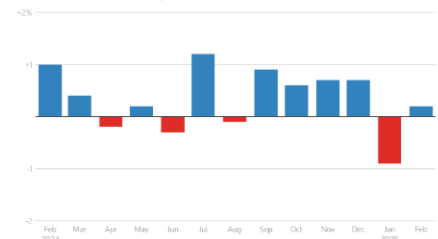
U.S. News

• Retail Sales

- U.S. retail sales rose just 0.2% in February, falling short of the expected 0.6%, but a 1% jump in the “control group” that feeds directly into GDP suggests the economy may not be as weak as it seems
- Investors reacted positively to the news, lifting stocks, though overall retail sales for early 2025 indicate a slowdown amid declining consumer confidence and concerns over tariffs
- While online retailers and pharmacies saw growth, sales at restaurants fell 1.5%, signaling potential economic anxiety

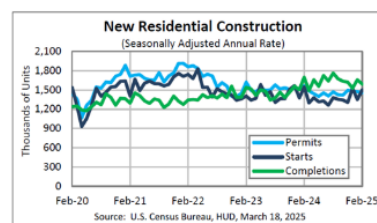
Monthly change in US retail sales

Retail sales rose 0.2% in February.



- **Housing Starts**

- U.S. housing starts rose 11.2% in February to a 1.5 million annual pace as builders rebounded from winter disruptions, though economists expect a slowdown in the coming months
- Building permits fell 1.2%, suggesting that concerns over tariffs, high costs, and affordability may dampen new home construction
- Despite a persistent housing shortage, builders are becoming more cautious due to rising costs, unsold inventory, and declining consumer confidence, which could further strain affordability in the U.S. housing market



- **FOMC Interest-Rate Decision**

- The Federal Reserve held interest rates steady at 4.25% to 4.5%, citing heightened uncertainty from tariffs, while still projecting two rate cuts in 2025
- Inflation is now expected to rise to 2.7% by year-end, prompting the Fed to downgrade its GDP growth forecast to 1.7%, a sharp drop from previous years, as trade war fears loom
- Economists are skeptical of the Fed's mixed signals, with some warning that worsening inflation, weaker consumer spending, and a slowing labor market could force the Fed into "bad-news cuts" later in the year

- **U.S. Tariff & Trade**

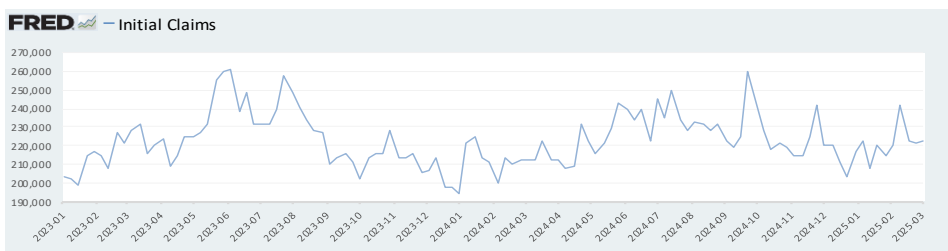
- President Trump reiterated his plan for April 2 to mark the beginning of a new wave of tariffs, telling reporters it will be a "liberating day for our country," while sources close to the plan have suggested that the USTR is likely to create a formula for a uniform tariff rate for each country, based on their average tariff level
- President Trump expressed his belief that India will likely reduce tariffs imposed on American goods. He indicated that if these tariffs are not lowered by April 2, the United States will begin charging India equivalent tariffs
- The EU has postponed implementing its initial retaliatory tariffs against the U.S. until mid-April. These countermeasures, valued at approximately \$28 billion, include a 50% tariff on American whiskey
- Brazil has stated its intentions to eliminate import tariffs on basic food items including meat (current import tariff is 10.8%), coffee (9%), sugar (14%), corn (7.2%), olive oil (9%), sunflower oil (9%), sardines (32%), biscuits (16.2%), and pasta (14.4%)."

Target Country	Potential Tariff Action	Notes
All Countries	Reciprocal Tariffs	Expected to be implemented April 2 nd on imports from countries engaged in "unfair and unbalanced trade with the U.S."
All Countries	Semiconductors	President Trump stated tariffs on semiconductor chips would begin at "25% or higher" though no specific implementation date has been provided
All Countries	Pharmaceuticals, Automobiles, Lumber, Copper	During a speech on February 19th, President Trump stated that tariffs on these products would be introduced "over the next month or sooner"
All Countries	Retaliatory Tariffs	The Trump administration plans to impose tariffs or other measures against any foreign government that enforces a "fine, penalty, tax, or other burden" deemed discriminatory, disproportionate, or intended to extract substantial funds or intellectual property from American companies.
All Countries	Agricultural Products	On March 3, 2025, President Trump announced that new tariffs on imported agricultural products will take effect on April 2, 2025. He urged American farmers to increase domestic production in anticipation of these measures.
European Union	Alcoholic Beverages	President Trump threatened to impose a 200% tariff on European alcoholic beverages, including wine and cognac, unless EU retracts its 50% tariff on U.S. whiskey imports

Target Country	Current US Tariffs	Goods Targeted	Effective Date	Tariff %
China	Sec 301 China Origin Tariffs	Most goods	7/16/2018	Most goods are subject to total tariff ranging from 27.5% to 45%, with select goods facing tariffs as high as 100%
	4 Year Review of Sec 301	A select number of goods such as electric vehicles, batteries, syringes, medical gloves, and solar cells	9/27/2024	
	IEEPA China Tariff	All goods of Chinese origin	2/1/2025	
Canada	IEEPA Canada Tariff	All goods, except USMCA qualifying goods	3/4/2025	25%, except for Canadian energy products, which are subject to a 10% tariff
Mexico	IEEPA Mexico Tariff	All goods, except USMCA qualifying goods	3/4/2025	25%
All Countries	Sec 232 Steel, Aluminum & Derivatives	Steel, aluminum, and certain derivatives of steel and aluminum	3/12/2025	25%

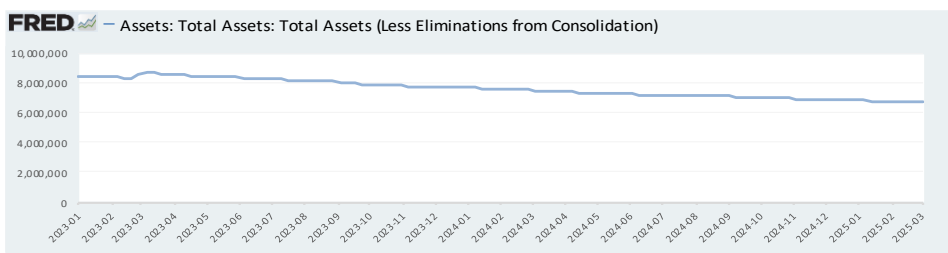
- **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., increased to 223,000 in the week ended March 14, up 2,000 from the prior week
- The four-week moving average was 227,000, up 750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 33,000 to 1.892 million in the week ended March 7. This figure is reported with a one-week lag



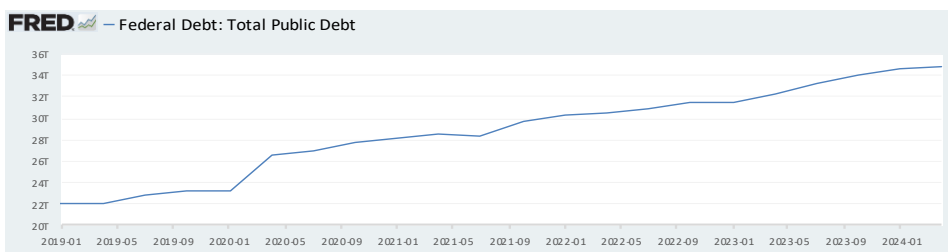
- **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$6.756 trillion in the week ended March 21, down \$3.6 billion from the prior week
- Treasury holdings totaled \$4.240 trillion, down \$2.0 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.20 trillion in the week, down \$0.0 billion from the prior week



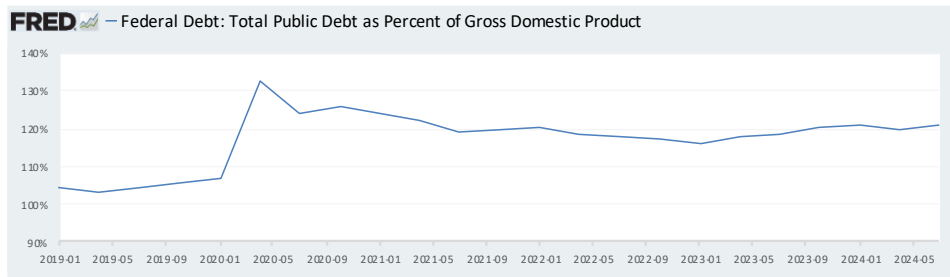
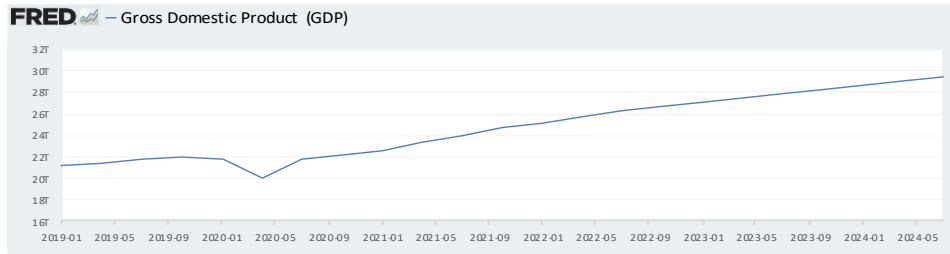
- **Total Public Debt**

- Total public debt outstanding was \$36.22 trillion as of March 21, an increase of 4.7% from the previous year
- Debt held by the public was \$28.93 trillion, and intragovernmental holdings were \$7.30 trillion



- **GDP**

- The latest annualized U.S. GDP stands at \$29.72 trillion as of December 31, an increase of 5.03% from the previous year
- The total public debt-to-GDP ratio is at 121.87% as of December 31, an increase of 1.71% from the previous year

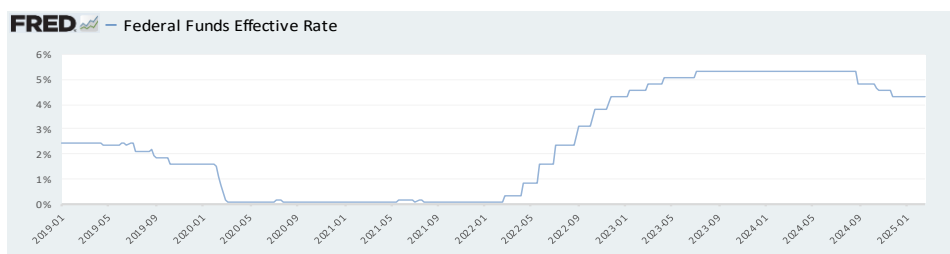


- **Inflation Factors**

- **CPI:**
 - The consumer-price index rose 2.8% in February year over year
 - On a monthly basis, the CPI increased 0.2% in February on a seasonally adjusted basis, after increasing 0.5% in January
 - The index for all items less food and energy (core CPI) rose 0.2% in February, after rising 0.4% in January
 - Core CPI increased 3.1% for the 12 months ending February
- **Food & Beverages:**
 - The food at home index increased 1.8% in February from the same month a year earlier, and increased 0.0% in February month over month
 - The food away from home index increased 3.7% in February from the same month a year earlier, and increased 0.4% in February month over month
- **Commodities:**
 - The energy commodities index decreased (0.9%) in February after increasing
 - The energy commodities index fell (3.2%) over the last 12 months
 - The energy services index 0.8% in February after increasing 1.8% in January
 - The energy services index rose 3.3% over the last 12 months
 - The gasoline index fell (3.1%) over the last 12 months
 - The fuel oil index fell (5.1%) over the last 12 months
 - The index for electricity rose 2.5% over the last 12 months
 - The index for natural gas rose 6.0% over the last 12 months
- **Supply Chain:**
 - Drewry's composite World Container Index decreased to \$2,263.90 per 40ft
 - Drewry's composite World Container Index has decreased by (24.8%) over the last 12 months
- **Housing Market:**
 - The shelter index increased 0.3% in February after increasing 0.4% in January
 - The rent index increased 0.2% in February after increasing 0.4% in January
 - The index for lodging away from home increased 2.9% in February after increasing 3.9% in January

- **Federal Funds Rate**

- The effective Federal Funds Rate is at 4.33%, flat 0.00% year to date



World News

- **Middle East**

- Israeli Prime Minister Benjamin Netanyahu dismissed Shin Bet Director Ronen Bar, consolidating his control over security agencies amid ongoing hostilities in Gaza, despite protests and legal objections
- The move has deepened divisions in Israeli society, sparking mass demonstrations against Netanyahu's government, while Netanyahu's administration argues Bar's removal is necessary due to a lack of confidence in his leadership
- The U.S. Treasury Department imposed new sanctions on Iran's oil trade, targeting China's Shandong Shouguang Luqing Petrochemical Co. and 19 entities and vessels linked to Iranian crude shipments
- The crackdown, part of the U.S. "maximum pressure" campaign on Iran, lifted oil prices, with sanctions aimed at cutting off a key economic lifeline for Iran

- **Europe**

- Germany approved a historic €1 trillion spending package for defense and infrastructure, aiming to strengthen its military and reduce reliance on the U.S. for security
- Economists warn that to maximize the benefit of the spending package, Germany must implement structural reforms, including cutting corporate and income taxes, streamlining bureaucracy, and fixing its pension system, which is projected to become unsustainable by 2035
- The European Commission plans to cut steel imports by 15% starting in April by tightening its safeguard mechanism, which imposes tariffs on excess imports, to counter global overcapacity and protect EU steelmakers
- The EU's steel industry faces challenges from high energy costs, cheap imports, and global overproduction, with capacity utilization at an unsustainable 65%. Additionally, over half of the region's aluminum production has been idled since 2021, prompting the consideration of further protective measures

- **China**

- Xi Jinping was displeased over a Hong Kong company's sale of Panama Canal ports to a U.S.-led group, as it bypassed Beijing's approval, with Chinese authorities reviewing the deal for possible intervention
- The \$22.8 billion deal sparked backlash from Beijing, with Chinese media warning of potential sanctions on Hong Kong companies if the sale went through, while Panamanian officials maintained the ports were neutral
- China reported strong economic activity in early 2025, with retail sales and industrial production exceeding expectations, despite rising unemployment and ongoing struggles in the property market. Retail sales increased by 4% in the first two months compared to the previous year, and industrial production rose by 5.9%.
- The government unveiled a policy plan to boost domestic consumption through higher wages, pensions, and incentives for childbirth, while setting a 5% growth target for 2025 despite challenges from escalating U.S. tariffs

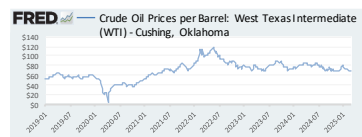
Geopolitical Hotspots

- **Turkey**
 - Turkish authorities detained Istanbul Mayor Ekrem Imamoglu, a key rival to President Erdogan, in a politically charged move that many see as an attempt to eliminate opposition ahead of upcoming elections
- **Venezuela**
 - Venezuelan President Nicolas Maduro condemned the deportation of over 200 Venezuelan migrants to a notorious El Salvador prison, calling it a “kidnapping” and demanding their return, while the U.S. justified the move by linking the deportees to a criminal gang
- **Indonesia**
 - Indonesia’s parliament passed controversial military law revisions allowing more civilian roles for military officers, sparking protests from civil society groups who fear a return to authoritarian rule, while the government defends the revisions as necessary for national security
- **Germany**
 - Friedrich Merz, Germany’s incoming conservative chancellor, secured crucial support from the Green Party for his proposal to relax the country’s strict debt rules, allowing significant increases in defense and infrastructure investment amid growing geopolitical tensions
- **Canada**
 - Former central banker Mark Carney decisively won Canada’s Liberal Party leadership race and met with outgoing Prime Minister Justin Trudeau to prepare a swift power transition, aiming to confront a damaging trade war with President Trump’s United States
- **South Korea**
 - Acting President Choi Sang-mok, worried about being targeted by Trump’s escalating tariffs, wants to communicate directly with Trump to prevent new economic tensions, but the U.S. is reluctant to engage until South Korea’s leadership crisis is resolved
- **Sudan**
 - Sudan has categorically refused a request by the U.S. to discuss taking in Palestinian refugees displaced under Donald Trump’s controversial Gaza redevelopment proposal, which involves turning Gaza into a luxury tourist area and displacing its more than 2 million residents
- **Pakistan**
 - Pakistani security forces ended a deadly train hijacking by Baloch separatist militants, resulting in the deaths of 21 passengers, 4 paramilitary personnel, and 33 militants, in an attack highlighting ongoing regional tensions
- **United Kingdom**
 - Labour leader Keir Starmer and finance minister Rachel Reeves face intense backlash, including their own MPs, over plans to significantly cut benefits, including disability payments, raising accusations that the government is betraying traditional Labour values

Commodities

Oil Prices

- WTI: \$68.32 per barrel
 - +1.70% WoW; (4.74%) YTD; (16.36%) YoY
- Brent: \$72.18 per barrel
 - +2.27% WoW; (3.30%) YTD; (16.02%) YoY



US Production

- U.S. oil production amounted to 13.6 million bpd for the week ended March 14, down 0.1 million bpd from the prior week

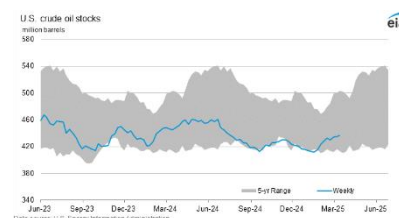
Rig Count

- The total number of oil rigs amounted to 593, up 1 from last week

Inventories

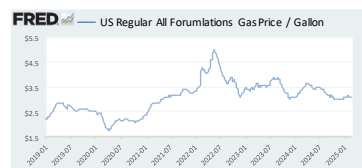
Crude Oil

- Total U.S. crude oil inventories now amount to 437.0 million barrels, down (1.8%) YoY
- Refiners operated at a capacity utilization rate of 86.9% for the week, up from 86.5% in the prior week
- U.S. crude oil imports now amount to 5.470 million barrels per day, down (14.2%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.13 per gallon in the week of March 21, down (11.4%) YoY
 - Gasoline prices on the East Coast amounted to \$3.06, down (11.3%) YoY
 - Gasoline prices in the Midwest amounted to \$2.97, down (12.1%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.73, down (14.5%)
 - Gasoline prices in the Rocky Mountain region amounted to \$3.12, down (4.9%) YoY
 - Gasoline prices on the West Coast amounted to \$4.20, down (6.9%)
- Motor gasoline inventories were down by 0.5 million barrels from the prior
- Motor gasoline inventories amounted to 240.6 million barrels, up 4.2% YoY
- Production of motor gasoline averaged 9.62 million bpd, down (0.3%) YoY
- Demand for motor gasoline amounted to 8.817 million bpd, up 0.1% YoY

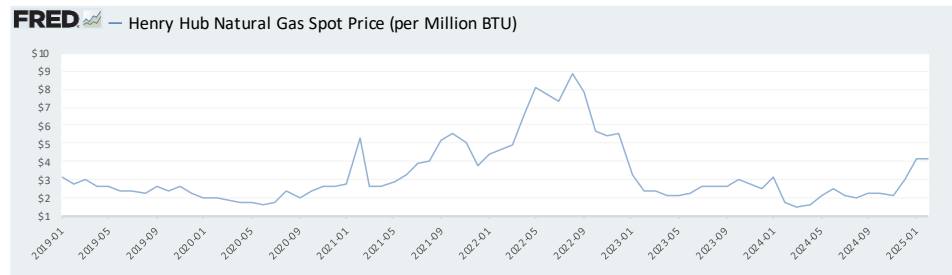


- **Distillates**

- Distillate inventories decreased by -2.8 million in the week of March 21
- Total distillate inventories amounted to 114.8 million barrels, down (3.2%)
- Distillate production averaged 4.613 million bpd, down (1.6%) YoY
- Demand for distillates averaged 4.010 million bpd in the week, up 5.9%

- **Natural Gas**

- Natural gas inventories increased by 9 billion cubic feet last week
- Total natural gas inventories now amount to 1,707 billion cubic feet, down (26.8%) YoY



Credit News

High yield bond yields decreased 9bps to 7.47% and spreads tightened 2bps to 348bps. Leveraged loan yields decreased 7bps to 8.60% and spreads increased 2bps to 491bps. WTD Leveraged loan returns were positive 10bps. WTD high yield bond returns were positive 42bps. 10yr treasury yields decreased 4bps to 4.23%. Yields decreased as investors absorbed a Fed meeting and a better tone to data related to labor markets, housing, and consumer spending. Leveraged loan prices stabilized this week due to minimal surprises from the Fed and reduced retail outflows, while primary market activity hit a year-to-date low with repricing activity.

High-yield:

Week ended 3/21/2025

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.47%	348	7.56%	350	(9)	(2)

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$95.73	\$95.44	29	0.42%	-0.54%	1.30%	8.6%

- Fund Flows²

Total Flows (\$)
\$1,091mm

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
6	\$4.1bn	\$57.7bn	\$76.1bn	-24%

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

2/28/25	1/31/25	12/31/24
4.25%	3.82%	4.28%

- Total HY Defaults

2/28/25	1/31/25	12/31/24
0.27%	0.30%	0.36%

Leveraged loans:

Week ended 3/21/2025

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.60%	491	8.67%	489	(7)	2

- Leveraged Loan Index¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$96.01	\$96.07	-6	0.10%	-0.35%	0.56%	9.3%

- Fund Flows²

Total Flows (\$)
(\$1,620mm)

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
9	\$3.5bn	\$313.7bn	\$284.4bn	+10%

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

2/28/25	1/31/25	12/31/24
5.01%	5.06%	4.88%

- Total HY Defaults

2/28/25	1/31/25	12/31/24
1.26%	1.50%	1.52%

Default activity:

- Most recent defaults include: Mitel Networks (\$900mn, 3/9/2025), Rugs USA (\$486mn, 3/3/2025), Aimbridge Hospitality (\$1.1bn, 1/31/2025), Exela Intermediate LLC (\$1.2bn, 1/15/2025), and City Brewing (\$886mn, 1/2/2025)

CLOs:

Week ended 3/21/2025

- New U.S. CLO Issuance²

# Priced	Total (\$)	New Issue	Refis/Resets
29	\$12.5bn	\$4.2bn	\$8.3bn

- New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
275	\$130.2bn	\$40.7bn	\$89.5bn	\$73.1bn	+78%

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:

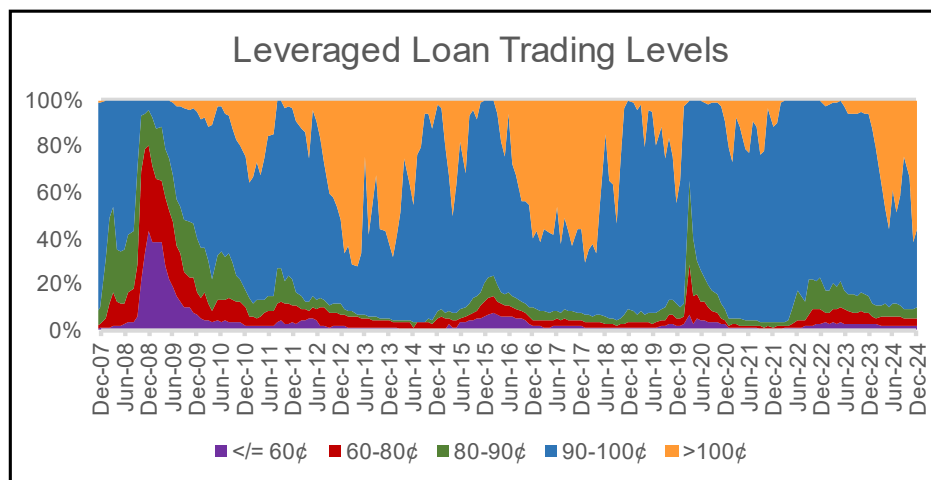
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2024	439	320	1.4x	493	371	1.3x
Week Ending 01/03/25	0	0	n/a	0	0	n/a
Week Ending 01/10/25	2	1	2.0x	4	3	1.3x
Week Ending 01/17/25	18	4	4.5x	7	11	0.6x
Week Ending 01/24/25	6	4	1.5x	9	5	1.8x
Week Ending 01/31/25	5	10	0.5x	13	8	1.6x
Week Ending 02/07/25	9	6	1.5x	8	8	1.0x
Week Ending 02/14/25	1	3	0.3x	11	6	1.8x
Week Ending 02/21/25	5	4	1.3x	5	5	1.0x
Week Ending 02/28/25	4	4	1.0x	9	6	1.5x
Week Ending 03/07/25	12	8	1.5x	11	9	1.2x
Week Ending 03/14/25	9	4	2.3x	12	16	0.8x
Week Ending 03/21/25	9	10	0.9x	0	0	n/a
YTD 2025	80	58	1.4x	89	77	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	95.1	96.9	91.9	5.0
Leveraged Loans	96.1	96.8	95.1	1.6

[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 3/3/25

[3] HY low price as of 4/18/24. LL low price as of 8/5/24

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	0.10%	0.04%	0.42%	0.65%
MTD Return	(0.35%)	(0.35%)	(0.54%)	0.01%
YTD Return	0.56%	0.48%	1.30%	1.30%

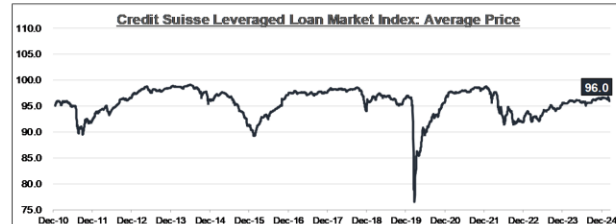
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 03/21/2025

[2] Yield data as of 03/21/2025

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.

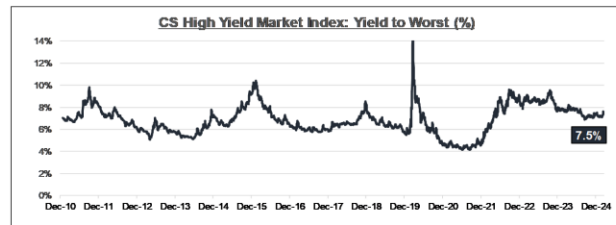


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

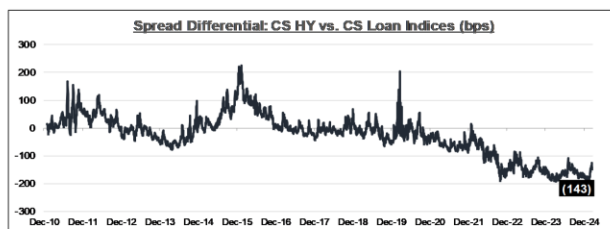


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



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

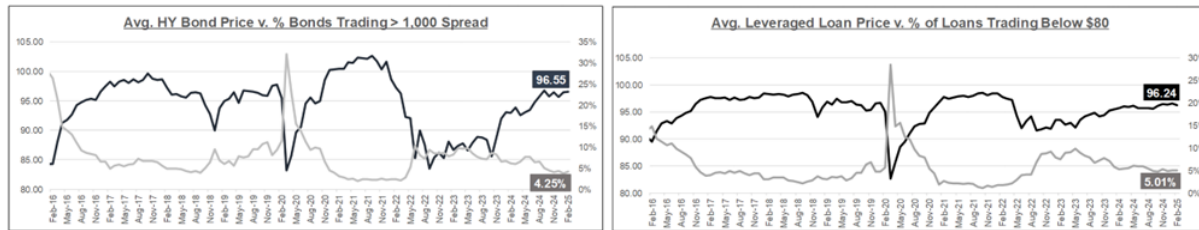


Diagram I: High Yield Upgrades and Downgrades

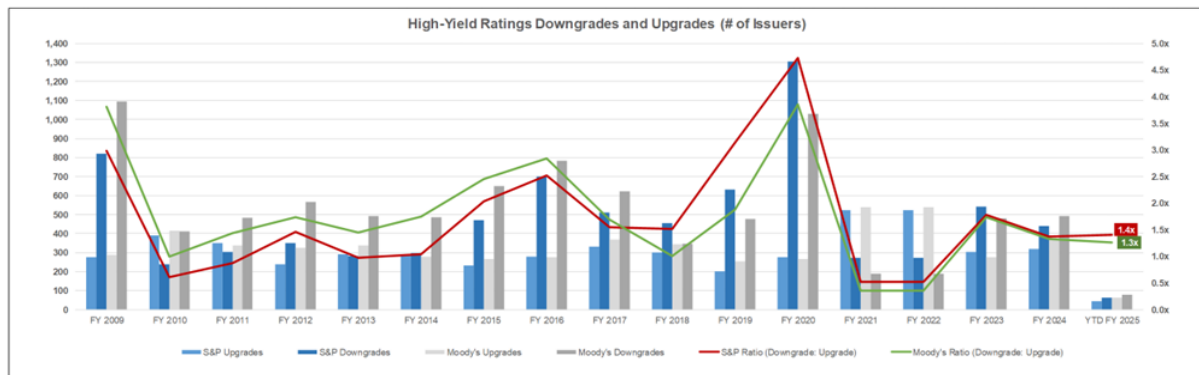
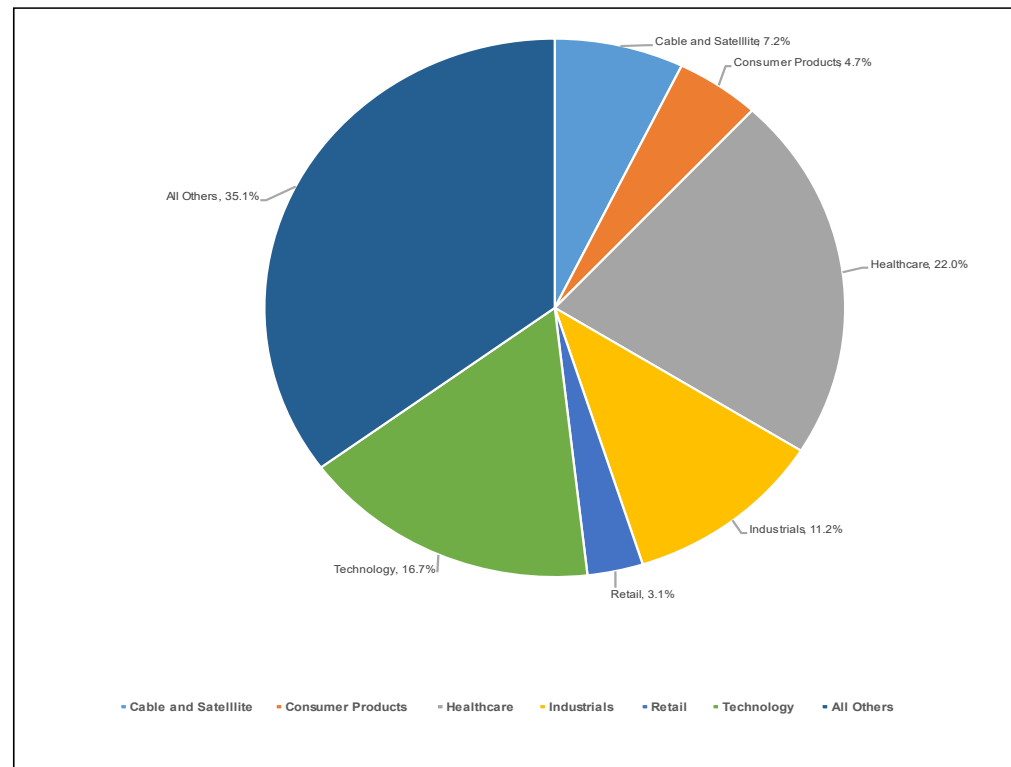


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



Source: JP Morgan Default Monitor.

Diagram K: 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+125-140	L+125-140	L+165-205	L+170-210	9-11x	L+300-360	L+300-360	9-12%	9-13%

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

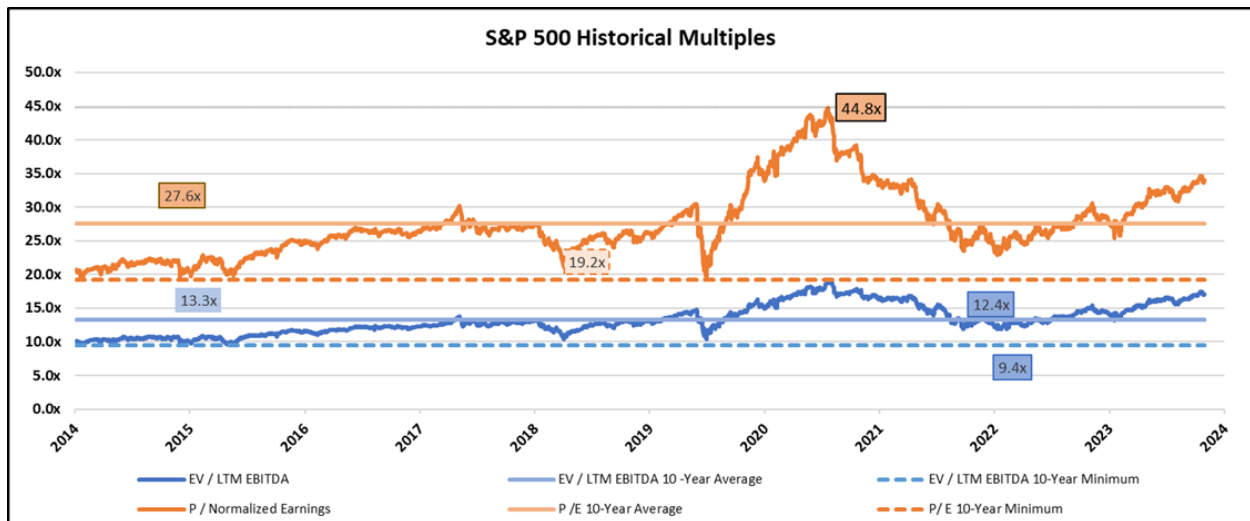
[1] Spread includes OID benefit based on 4 year repayment

Diagram L: Developed Country GovBond Yields (%)

By	2/28/25	3/7/25	3/14/25	3/21/25	Change				
					Weekly	Q4 2024	Q3 2024	Q2 2024	Q1 2024
France - 10 year	3.15%	3.56%	3.57%	3.46%	(10 bps)	28 bps	(38 bps)	49 bps	25 bps
Germany - 10 year	2.41%	2.84%	2.88%	2.77%	(11 bps)	24 bps	(38 bps)	20 bps	27 bps
Italy - 10 year	3.54%	3.96%	4.00%	3.88%	(12 bps)	7 bps	(62 bps)	39 bps	(2 bps)
Japan - 10 year	1.38%	1.52%	1.52%	1.52%	1 bps	25 bps	(21 bps)	27 bps	18 bps
UK - 10 year	4.48%	4.64%	4.67%	4.71%	5 bps	57 bps	(13 bps)	20 bps	44 bps
US									
US - 2 year	3.99%	4.00%	4.02%	3.95%	(7 bps)	64 bps	(115 bps)	7 bps	37 bps
US - 5 year	4.02%	4.09%	4.09%	4.00%	(9 bps)	87 bps	(92 bps)	8 bps	43 bps
US - 10 year	4.21%	4.30%	4.31%	4.25%	(7 bps)	84 bps	(73 bps)	11 bps	42 bps
US - 30 year	4.49%	4.60%	4.62%	4.59%	(3 bps)	71 bps	(55 bps)	13 bps	42 bps

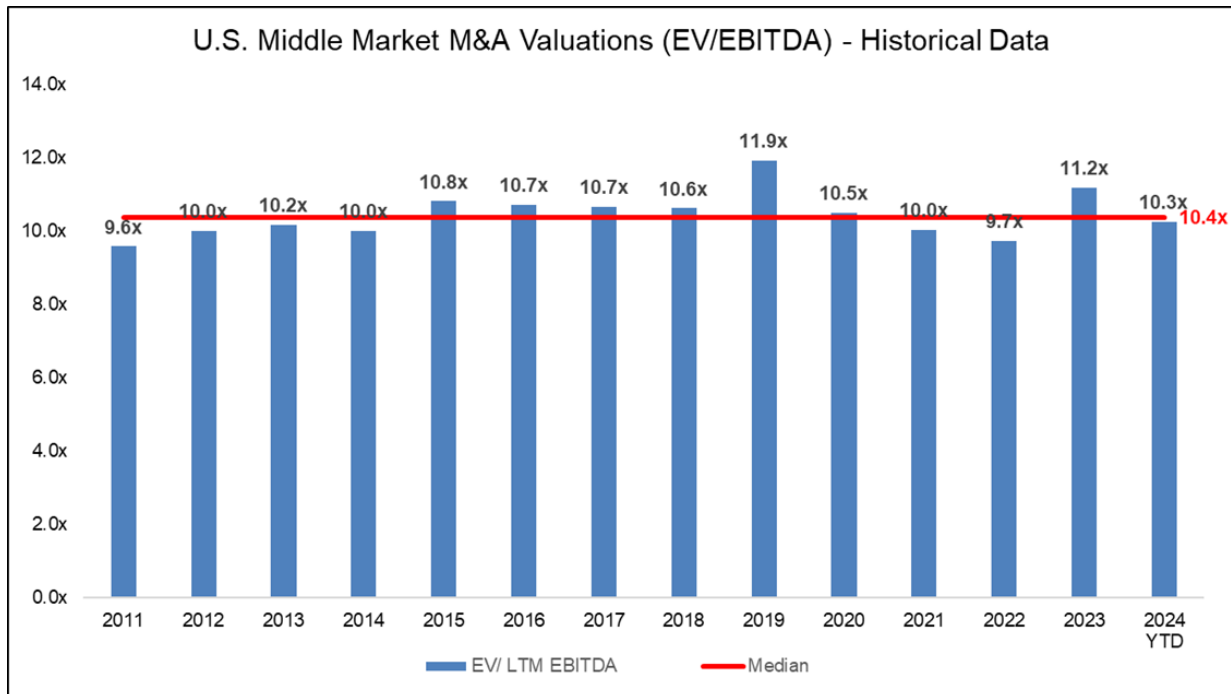
Source: Bloomberg

Diagram M: S&P 500 Historical Multiples



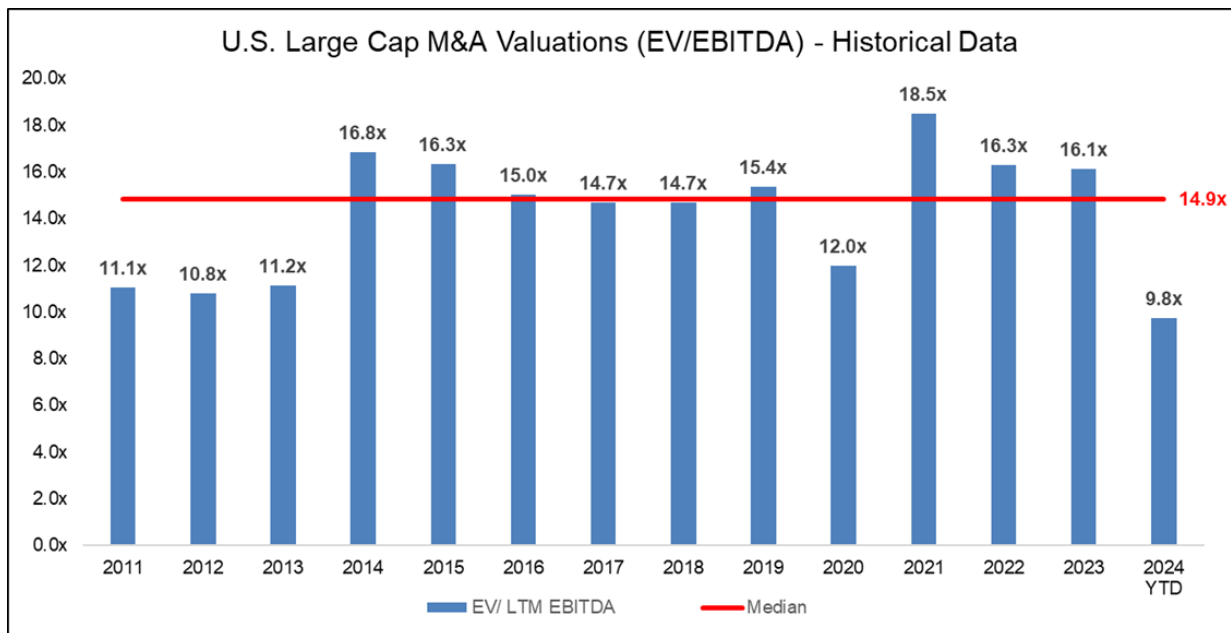
Source: S&P Capital IQ

Diagram N: U.S. Middle-Market M&A Valuations (EV/EBITDA)



Source: Pitchbook

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



Source: Pitchbook

Diagram P: Dry Powder for All Private Equity Buyouts

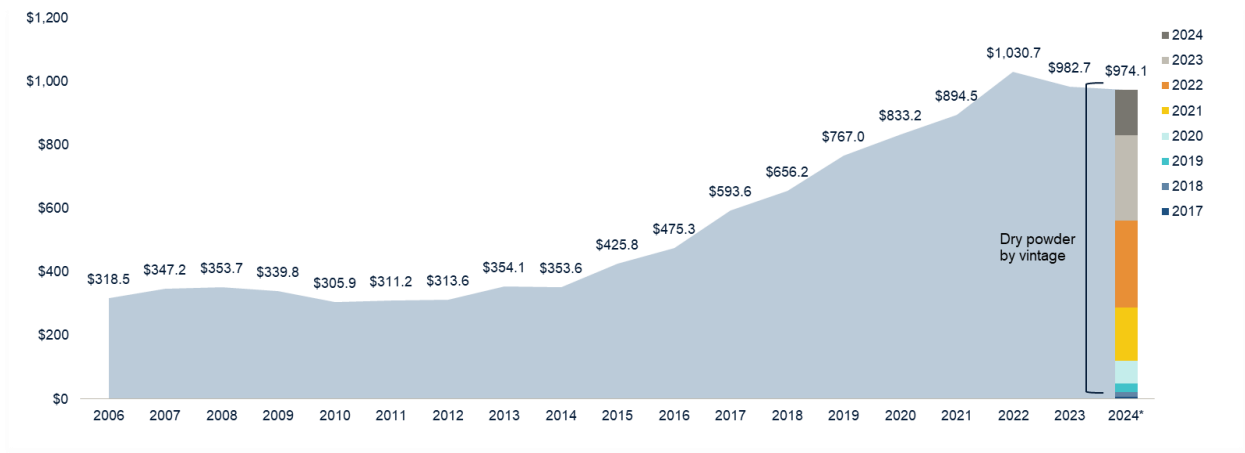
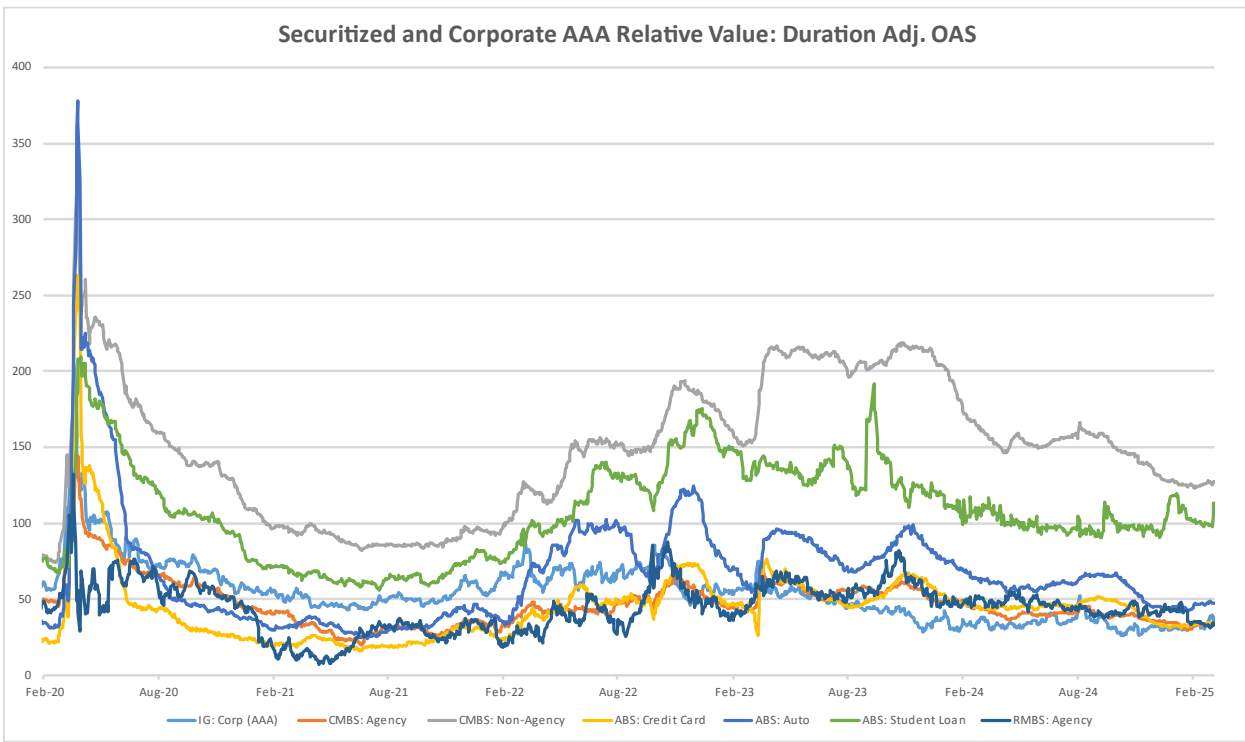
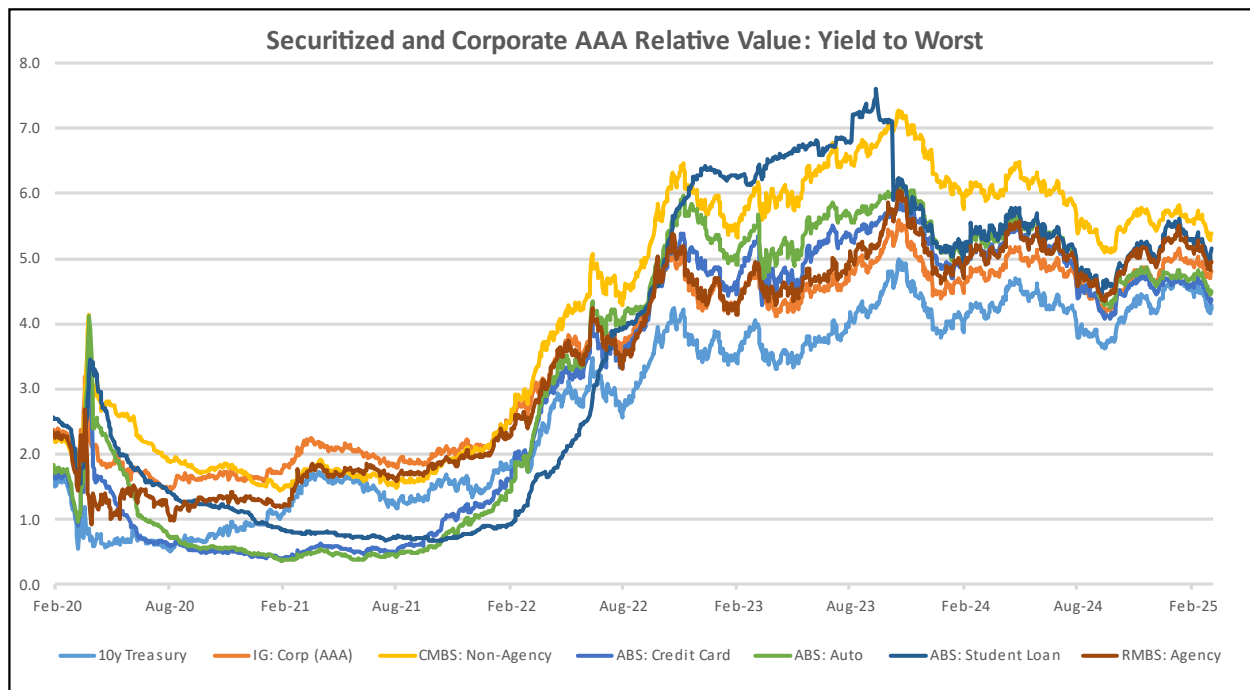


Diagram Q: Structured Credit Spreads



Source: Bloomberg

Diagram R: Structured Credit Yield



Source: Bloomberg

Diagram S: SOFR Curve

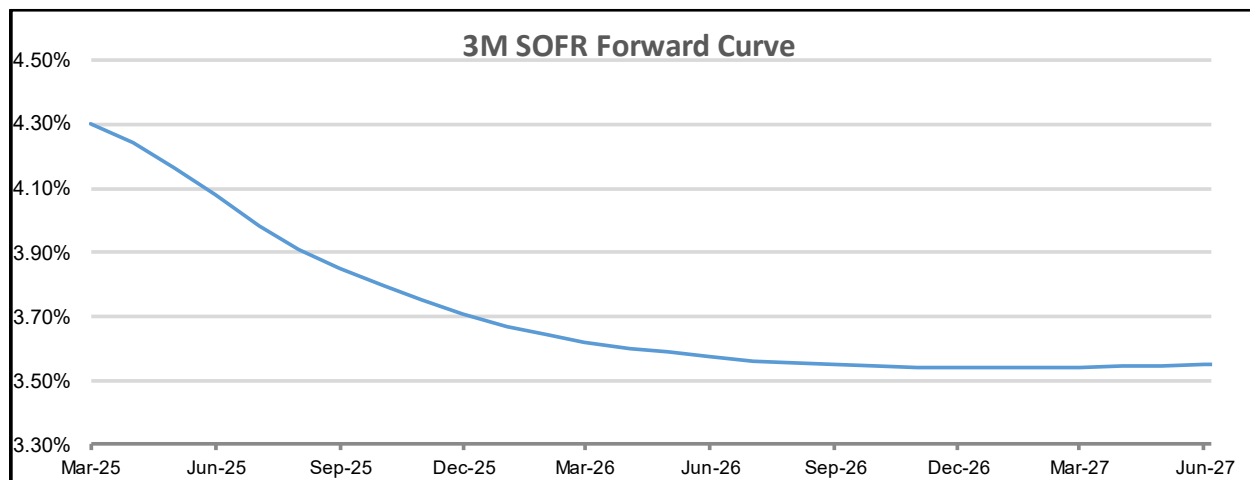
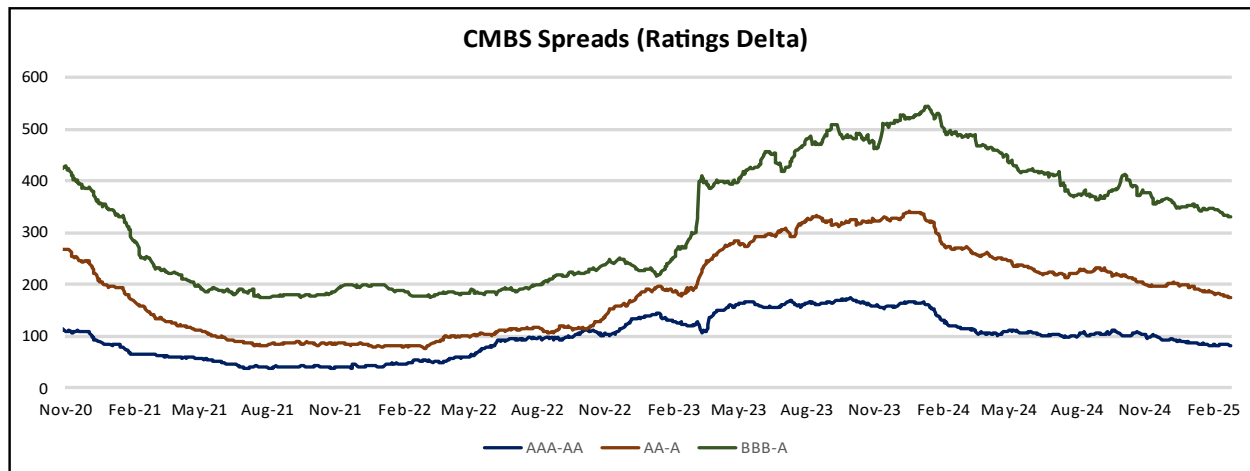
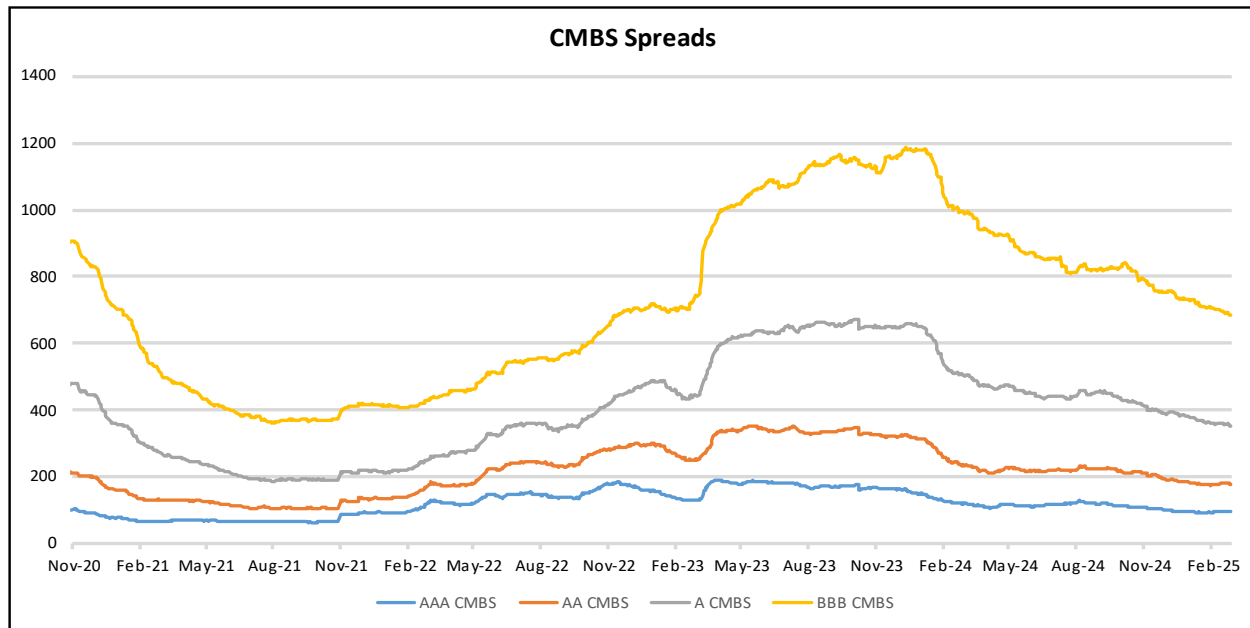


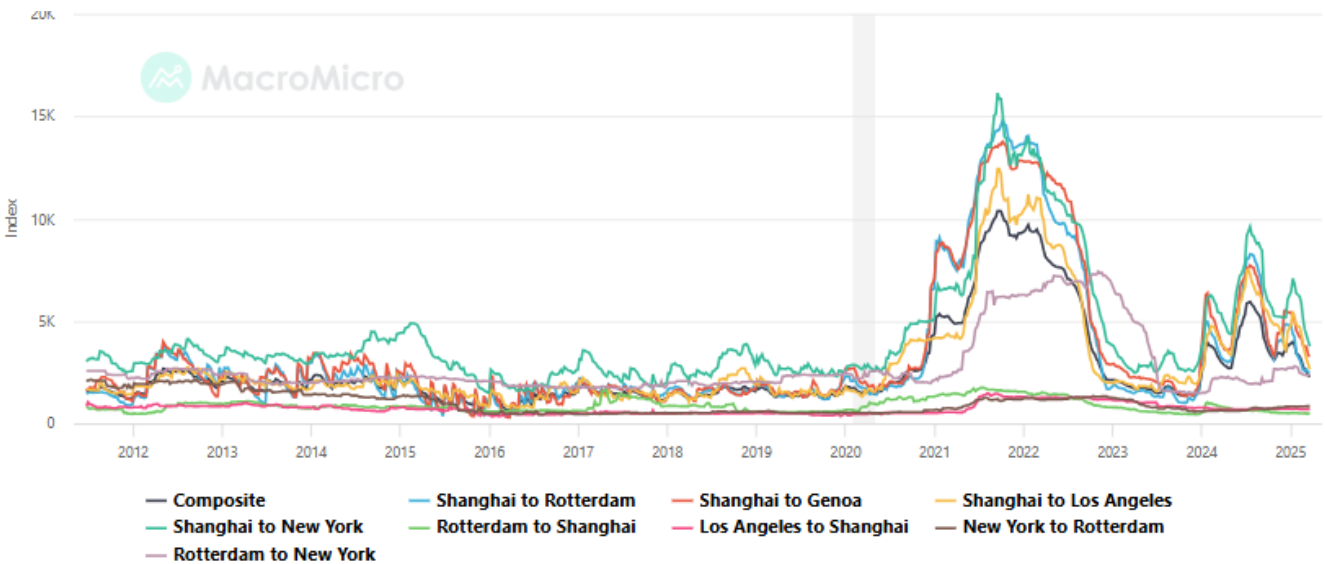
Diagram T: CMBS Spreads



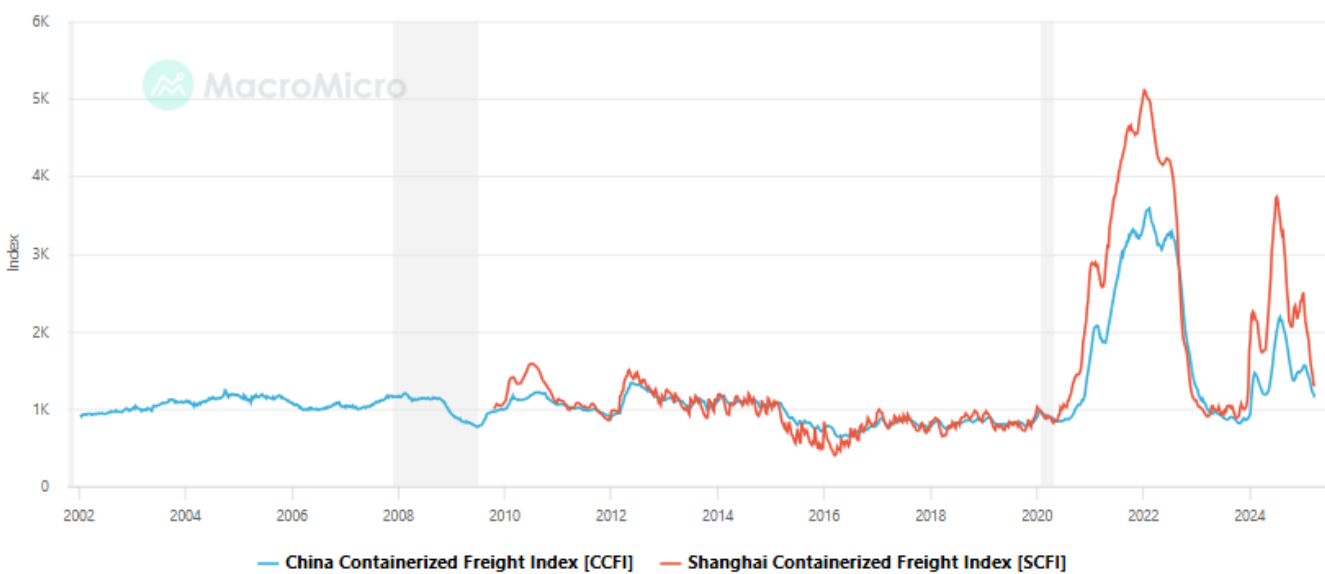
Source: Bloomberg

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 sell products in 120 countries, operate 15 manufacturing facilities, and have over 200,000 employees and associates directly and through joint ventures.

ZCG 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 is ZCG’s technology affiliate with over a decade of global experience in providing digital solutions to institutions and companies. Haptiq drives value and enhances efficiency through their premier AI data-driven platform and expert tech-enablement consulting. For more information on Haptiq, please visit www.haptiq.com.

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PERFORMANCE

Market Indices						21-Mar	14-Mar	WoW Change	YTD Change	YoY Change
DJIA						41,985.35	41,488.19	1.20%	(1.31%)	6.26%
S&P 500						5,667.56	5,638.94	0.51%	(3.64%)	8.48%
NASDAQ						17,784.05	17,754.09	0.17%	(7.91%)	8.64%
MSCI - EAFE						2,484.98	2,466.55	0.75%	0.87%	6.76%
MSCI - Emerging Markets						1,131.38	1,119.61	1.05%	5.20%	9.62%
US Dollar Index						104.09	103.72	0.36%	(4.05%)	0.68%
VIX						19.28	21.77	(11.44%)	11.12%	39.51%

Market Ratios						21-Mar	14-Mar	WoW Change	YTD Change	YoY Change
COBE Put/Call Ratio	Equities					0.61	0.57	7.02%	32.61%	(15.28%)

Commodities Indices (\$ USD)

Metric	21-Mar	14-Mar	WoW Change	YTD Change	YoY Change	
Core Commodity Index	CRY Index	305.77	302.67	1.02%	3.05%	7.09%
Gasoline - Pump	Gallon	3.13	3.08	1.49%	2.19%	(10.88%)
Crude Oil - WTI	Barrel	68.28	67.18	1.64%	(4.80%)	(13.71%)
Crude Oil - Brent	Barrel	72.16	70.58	2.24%	(3.32%)	(15.44%)
Natural Gas	MM BTU	3.98	4.10	(3.02%)	9.55%	120.50%
Coal (1 contract = 1,000 tons)	Contract	189.15	189.15	0.00%	0.25%	(10.05%)
Aluminum	Metric Ton	2,622.50	2,681.50	0.02%	2.78%	15.38%
Copper	Metric Ton	9,855.50	9,780.50	0.77%	12.40%	10.39%
Iron Ore	Metric Ton	102.00	102.85	(0.83%)	(1.55%)	(7.52%)
Steel - Hot Rolled Coil	Metric Ton	937.00	939.00	(0.21%)	26.11%	6.12%
Steel - Cold Rolled Coil	Metric Ton	1,162.50	1,162.50	0.00%	27.75%	(1.06%)
Ferrous Scrap	Metric Ton	510.00	517.00	(1.35%)	21.43%	18.60%
Lumber	27.5K Board Feet	646.00	642.00	0.62%	11.28%	0.47%
Gold	Troy Ounce	3,022.15	2,984.16	1.27%	15.15%	38.23%
Silver	Troy Ounce	33.03	33.80	(2.27%)	14.29%	29.12%
Cotton	Pound	62.40	63.07	(1.06%)	(3.02%)	(18.35%)
Butter	Pound	2.30	2.34	(1.71%)	(9.71%)	(18.35%)
Cheese	Pound	1.81	1.82	(0.17%)	(4.53%)	1.28%
Cocoa	Pound	3.52	3.57	(1.30%)	(29.66%)	50.11%
Com	Bushel	4.64	4.46	4.21%	1.25%	5.75%
Milk, Non Fat Dry	Pound	1.23	1.23	(0.43%)	(11.60%)	3.34%
Soybean	Bushel	10.10	9.99	1.05%	1.15%	(16.52%)
Sugar	Pound	0.20	0.19	2.76%	2.39%	(9.42%)
Wheat	Bushel	5.58	5.46	2.29%	1.22%	2.43%
Live Cattle	Pound	2.07	2.03	1.86%	6.76%	10.20%
Lean Hogs	Pound	0.86	0.87	(0.58%)	5.93%	0.97%
Beef, USDA Ground	Pound	3.25	3.18	2.26%	0.38%	3.83%
Chicken, Boneless & Skinless	Pound	4.08	4.08	0.00%	(0.61%)	(0.63%)

Currencies	Metric	21-Mar	14-Mar	2025	2026	Low	High
Japanese Yen	USDJPY	149.320	148.640	145.000	140.000	99.890	161.690
Chinese Renminbi	USDCNY	7.252	7.237	7.400	7.250	6.188	7.365
Swiss Franc	USDCHF	0.883	0.885	0.890	0.890	0.841	1.030
British Pound	GBPUSD	1.292	1.294	1.290	1.300	1.069	1.588
Euro Zone Euro	EURUSD	1.082	1.088	1.080	1.100	0.959	1.251

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: Lipper FM)					
Week Ending	Bank Loans		High Yield		
19-Mar-25	\$	(1,623)	\$		1,091
12-Mar-25	\$	(1,126)	\$		(568)
5-Mar-25	\$	60	\$		1,765
26-Feb-25	\$	725	\$		1,350
19-Feb-25	\$	1,598	\$		1,214
12-Feb-25	\$	1,040	\$		19
5-Feb-25	\$	2,917	\$		838
29-Jan-25	\$	1,551	\$		195
22-Jan-25	\$	1,615	\$		1,354
Year To Date 2025	\$	10,619	\$		6,774
Year Ended December 31, 2024	\$	21,086	\$		19,373
Year Ended December 31, 2023	\$	(18,051)	\$		(17,252)

NEW ISSUE SUMMARY					
Institutional Loans		3/21/2025	Deals	Amt (\$mm)	
Priced	Prior Week	9		3,500	
In-Market Forward Calendar		14		17,600	
High Yield		3/21/2025	Deals	Amt (\$mm)	
Priced	Prior Week	6		4,100	
In-Market Forward Calendar		0		0	

ECONOMIC DATA RECAP					
Key Economic Indicators:		Period Ending	Actual	Expected	Prior
Initial Jobless Claims		3/15/2025	223K	224K	220K
Continuing Claims		3/8/2025	1,892K	1,887K	1,870K
Change in Non-Farm Payrolls		2/28/2025	151K	160K	143K
Change in Private Payrolls		2/28/2025	140K	145K	111K
Unemployment Rate	U-3	2/28/2025	4.1%	4.0%	4.0%
Unemployment Rate	U-6	2/28/2025	8.0%	7.8%	7.5%
Average Work Week		2/28/2025	34.1	34.2	34.1
Existing Home Sales		2/28/2025	4.26M	3.95M	4.08M
Housing Starts		2/28/2025	1,501K	1,385K	1,366K
S&P/Case-Shiller Composite	YoY	12/31/2024	4.5%	4.4%	4.3%
S&P/Case-Shiller Composite	MoM	12/31/2024	0.5%	0.4%	0.4%
Consumer Confidence		2/28/2025	98.3	102.5	104.1
GDP	QoQ-Annualized	1/31/2024	2.3%	2.3%	2.3%
Durable Goods Orders		1/31/2025	3.2%	2.0%	(2.2%)
Total Vehicle Sales		2/28/2025	16,00M	16,00M	16,80M
Capacity Utilization		2/28/2025	78.2%	77.7%	77.6%
Fed & Treasury Balance Sheet					
		20-Mar	13-Mar	WoW Change	YoY Change
Fed Total Assets	\$ in Billions	6,755,982.0	6,759,571.0	(0.1%)	(10.1%)
Public Debt	\$ in Billions	36,218.2	36,217.4	0.0%	4.7%
US Debt Outstanding					
		4Q24	3Q24	QoQ Change	YoY Change
Domestic Nonfinancial Debt	\$ in Billions	76,730.9	76,284.8	0.6%	4.2%
Shared National Credit					
		2024	2023	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	2021	2022	2023	2024	2025	2026
United States	5.7%	2.9%	2.9%	2.1%	2.7%	3.3%
Brazil	4.6%	2.5%	3.2%	3.7%	2.2%	2.2%
China	8.1%	3.2%	5.2%	4.8%	4.6%	4.5%
Germany	2.8%	0.8%	(0.3%)	(0.2%)	0.3%	1.1%
India	8.9%	6.1%	8.2%	6.5%	6.5%	6.5%
Japan	1.6%	0.5%	1.5%	(0.2%)	1.1%	0.8%
United Kingdom	7.4%	0.6%	0.3%	0.9%	1.6%	1.5%

LEVERAGED FINANCE

Leveraged Finance Primary Volume - \$ USD in Billions					
	Year To Date	2024	Year End	YoY Change	
3/21/2025	2025		2024		
Bank Debt					
	313.7	269.6	1,327.0	16.36%	
Total Bonds					
	57.7	75.1	288.8	(23.17%)	
Totals					
	371.4	344.7	1,615.8	7.75%	

DETAILED ACTIVITY						
Total Loan Defaults - as of:				28-Feb	31-Jan	YE 2024
Default Rate by Total Amount of All Loans Outstanding				1.26%	1.50%	1.52%
Default Rate by Total Amount of All HY Bonds Outstanding				0.27%	0.30%	0.36%

EMPLOYMENT - LABOR PARTICIPATION RATES					
	28-Feb	31-Jan	YTD Change		
Civilian Employment as % of Total Labor Force	59.9%	60.1%	0.54pp		
Labor Force Participation Rate	62.4%	62.6%	0.56pp		
GOVERNMENT ASSISTANCE					
SNAP aka Food Stamps - # of Participants		in Millions	31-Dec	30-Nov	YTD Change
			42,792	42,890	1.20%
RETAIL SALES					
Adj. Retail & Food Services Sales Index - US Census			28-Feb	31-Jan	YTD Change
			722.7	721.3	(1.04%)

U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas						
Type	Peak- 2020 to Date	# of Rigs	% Change	21-Mar	14-Mar	YoY Change
Oil	10/10/2014	1,609	(69.79%)	486	487	(4.52%)
Gas	9/12/2008	1,606	(93.65%)	102	100	(8.93%)

RAIL & TRUCK VOLUME					
	31-Jan	31-Dec	YTD Change		
Total Rail Freight Carloads	Tons in Thousands	926.90	950.32	(2.46%)	
Total Intermodal	Tons in Thousands	1,192.53	1,188.02	0.38%	
Truck Tonnage Index		111.90	111.95	(0.04%)	

TSA Checkpoint Travel Numbers					
	20-Mar	13-Mar	WoW Change	YoY Change	
Weekly Traveler Throughput	in Thousands	18,183.4	17,076.7	6.48%	3.54%

Freight Rates					
	21-Mar	14-Mar	WoW Change	YTD Change	YoY Change
Baltic Exchange Dry Index	1,635	1,650	(0.91%)	63.99%	(28.42%)
Shanghai - Los Angeles Spot Rates	2,658	2,906	(8.53%)	(44.96%)	(28.24%)
Shanghai - NY Spot Rates	3,774	4,038	(6.54%)	(41.44%)	(22.89%)
Shanghai Containerized Freight Index	1,293	1,319	(2.02%)	(48.40%)	(25.39%)

INTERNATIONAL MONETARY FUND

Country						2023	2024	2025	2026
United States						5.7%	2.9%	2.9%	2.1%
Brazil						4.6%	2.5%	3.2%	3.7%
China						8.1%	3.2%	5.2%	4.8%
Germany						2.8%	0.8%	(0.3%)	(0.2%)
India						8.9%	6.1%	8.2%	6.5%
Japan						1.6%	0.5%	1.5%	(0.2%)
United Kingdom						7.4%	0.6%	0.3%	0.9%

Region						2023	2024	2025	2026
World						5.7%	2.9%	2.9%	2.1%
Advanced Economies						1.7%	0.7%	1.0%	1.8%
Euro Area						0.4%	0.8%	1.0%	1.4%
Emerging Mkts and Developing Economies						4.4%	4.2%	4.2%	4.3%
Emerging and Developing Asia						5.7%	5.2%	5.1%	5.1%
Emerging and Developing Europe						3.3%	3.2%	2.2%	2.4%
Latin America and the Caribbean						2.4%	2.4%	2.5%	2.7%