

Briefing

Global Economic & Credit Market

Week 13 Ending -March 28, 2025

ZCG

New York • Mumbai • Riyadh

www.zcg.com

Economic Calendar

Tuesday, April 1: Auto sales

Thursday, April 3: U.S. trade deficit

Friday, April 4: U.S. unemployment

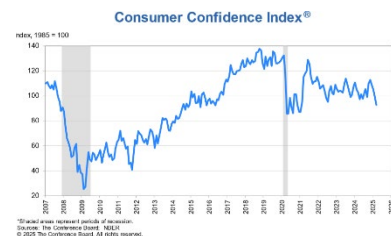
Key Market Metrics

- S&P 500: (1.53%) WoW; (5.11%)YTD; +6.22% YoY; 15.8x LTM EBITDA; 12.3x NTM EBITDA
- Dow Jones: (0.96%) WoW; (2.26%) YTD; +4.46% YoY; 11.4x LTM EBITDA; 11.5x NTM EBITDA
- Nasdaq: (2.59%) WoW; (10.29%) YTD; +5.76% YoY
- Ten Year US Treasury Yield: 4.29% (33) bps YTD; +4 bps YoY
- Currency:
 - British Pound per USD: \$1.29; 0.2% WoW; 3.4% YTD; 2.5% YoY
 - Euro per USD: \$1.08; 0.1% WoW; 4.6% YTD; 0.4% YoY
 - USD per Yen: ¥149.84; 0.3% WoW; (4.7%) YTD; (1.0%)YoY
 - Swiss franc per EUR: 1.05 CHF; 0.1% WoW; (1.6%) YTD; 2.0% YoY

U.S. News

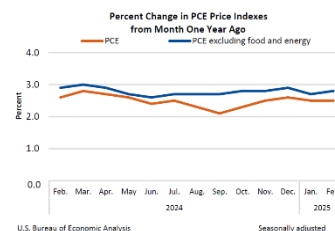
• Consumer Confidence

- The consumer confidence index fell from 100.1 in February to 92.9 in March. This is the fourth decline in a row and the lowest reading for over four years (January 2021)
- While confidence rose with Trump's election in November, consumers and businesses have grown weary of trade wars; both cite inflation and a weakening economy for lower confidence
- The expectations index decreased from 74.8 in February to 65.2 in March. This is the worst reading since 2013, and according to analysts, a sustained reading below 80 tends to indicate a recession



- **PCE Index**

- The PCE index rose 0.3% last month, meeting forecasts. The twelve-month rate of inflation was unchanged at 2.5%, above the Federal Reserve's target rate of 2%
- The core rate of inflation rose 0.4% in February, above the forecasted 0.3%. The twelve-month increase in the core PCE rose from 2.7% to 2.8%
- The recent rise in inflation caused the Federal Reserve to hold interest rates steady. Economists predict more upward pressure on inflation due to the Trump tariffs on goods such as new cars and steel



- **Durable Goods Orders**

- Orders for long-lasting durable goods rose almost 1% in February, above the forecasted 1% decline. U.S. companies moved to procure supplies and inventory ahead of impending tariffs announced by the Trump administration
- Orders for primary metals and appliances increased for the second consecutive month. U.S. manufacturers purchased supplies before tariffs on foreign steel and aluminum took effect
- In addition, orders for new autos rose last month, driven by announced tariffs on parts and vehicles from Mexico and Canada

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

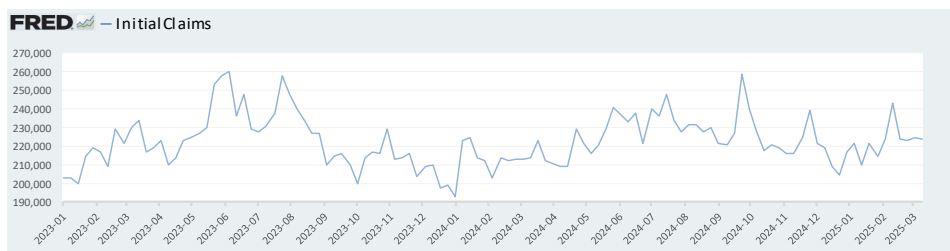
- President Trump issued a proclamation imposing a 25 percent tariff starting on April 2nd for passenger vehicles, light trucks, engines and engine parts, transmission and powertrain parts, and electrical components
- President Trump issued an executive order opening the door for 25 percent tariffs on imports from countries that import oil from Venezuela. China, India, and Spain, which, along with the U.S., are the four biggest importers of Venezuelan oil
- President Trump is still expected to announce “reciprocal tariffs” on a host of nations on April 2nd, however, the tariff is now expected to be more targeted and narrower than what the president has vowed previously
- Ocean carriers on the eastbound trans-Pacific are adjusting their 2025-26 contract rate expectations downward due to concerns over the U.S. economy, with rates now expected to be around \$1,800–\$2,200 per Forty Foot Equivalent Unit (FEU) to the West Coast and \$2,900 – \$3,300 per FEU to the East Coast

Imposed US Tariffs				
<u>Target Country</u>	<u>Tariff</u>	<u>Goods Targeted</u>	<u>Effective Date</u>	<u>Tariff %</u>
China	Sec 301 China Origin	Most goods	7/16/2018	Most CN goods have total tariffs ranging from 27.5% to 45%, with select goods facing tariffs as high as 100%
	4 Year Review of Sec 301	Select goods such as electric vehicles, batteries, syringes, medical gloves, and solar cells	9/27/2024	
	IEEPA China	All goods of Chinese origin	2/1/2025	
Canada	IEEPA Canada	All goods, except USMCA qualifying goods	3/4/2025	25%, except 10% on energy products
Mexico	IEEPA Mexico	All goods, except USMCA qualifying goods	3/4/2025	25%
All	Sec 232 Steel, Aluminum & Derivatives	Steel, aluminum, and certain derivatives of steel and aluminum	3/12/2025	25%
All	Automotive	Passenger vehicles, light trucks, engines and engine parts, transmission and powertrain parts, and electrical components	4/2/2025	25%

Threatened Tariff Actions			
<u>Target Country</u>	<u>Potential Tariff Action</u>	<u>Threatened Effective Date</u>	<u>Tariff Rate</u>
All Countries	Reciprocal Tariffs	4/2/2025	Unspecified
All Countries	Semiconductors	4/2/2025	25%
All Countries	Pharmaceuticals	4/2/2025	25%
All Countries	Food & Agricultural Products	4/2/2025	Unspecified
China, India, Spain	Importers of Venezuelan Oil	4/2/2025	25%
All Countries	Copper	11/22/2025	Unspecified
All Countries	Timber & Lumber	11/26/2025	Unspecified
All Countries	Retaliatory Tariffs	12/31/2025	Unspecified

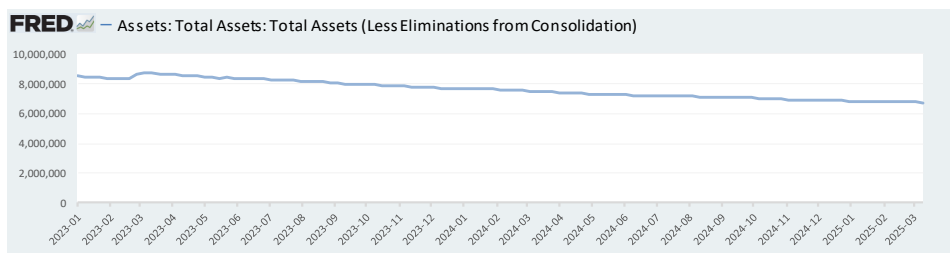
- **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 224,000 in the week ended March 21, down 1,000 from the prior week
- The four-week moving average was 224,000, down 4,750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased by 25,000 to 1.856 million in the week ended March 14. This figure is reported with a one-week lag



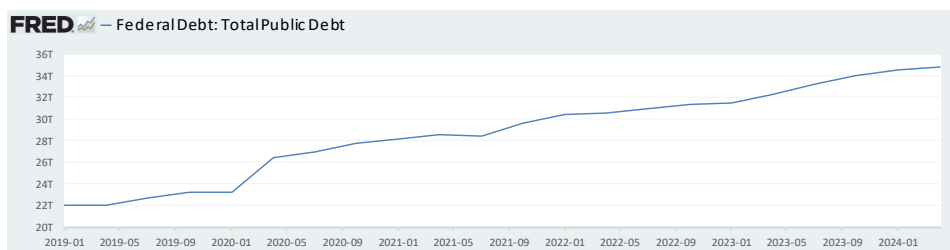
- **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$6.740 trillion in the week ended March 28, down \$15.7 billion from the prior week
- Treasury holdings totaled \$4.237 trillion, down \$2.8 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.20 trillion in the week, down \$6.3 billion from the prior week



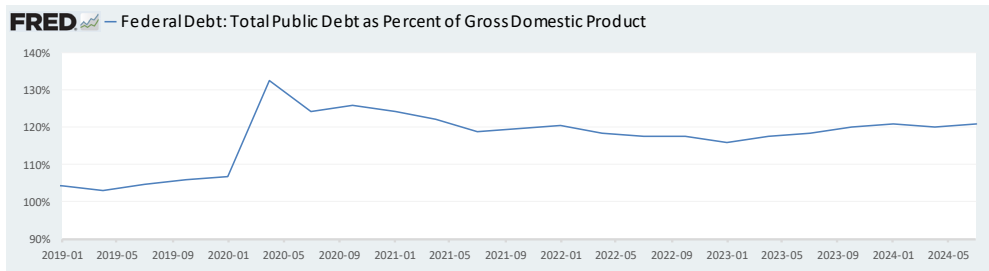
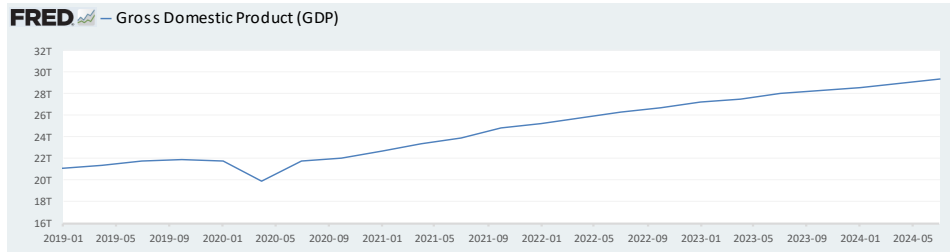
- **Total Public Debt**

- Total public debt outstanding was \$36.22 trillion as of March 28, an increase of 4.7% from the previous year
- Debt held by the public was \$28.92 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

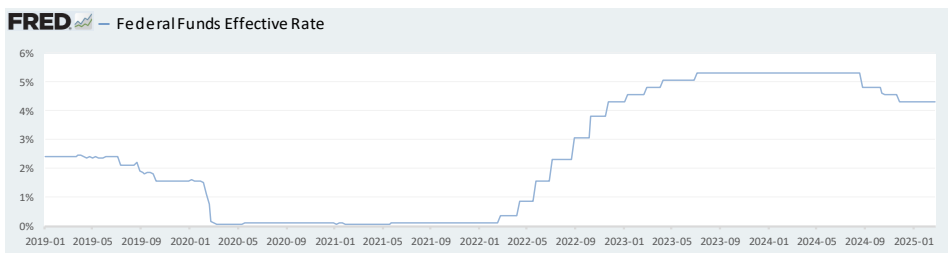


- **Inflation Factors**

- **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 1.9%
 - 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 \$2,168.36 per 40ft
 - Drewry's composite World Container Index has decreased by (26.0%) 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**

- Hundreds of Palestinians protested Hamas last week, in a sign of deepening anger against the militant group and frustration over the devastation caused by the war. While Hamas has previously cracked down on dissent, the protests that started Tuesday were met with less-than-usual resistance, demonstrating the weakened position of Hamas in Gaza
- Israel launched an airstrike on Beirut amid rocket fire from southern Lebanon for the first time since the ceasefire. The action comes after U.S. officials expressed frustration over the Lebanese government's slow progress in neutralizing Hezbollah
- Ahmed al-Sharaa, who became the Syrian president after ousting Assad, announced the new cabinet on Saturday, which includes some skilled technocrats. The announcement is part of an effort to establish legitimacy both at home and abroad. The European Union and the U.K. have eased some sanctions since the end of the civil war, while the Trump administration halted similar steps made by the Biden administration

- **Europe**

- President Trump stated that Russia is slow-playing the U.S.-brokered negotiations to end the war in Ukraine. The comments came soon after Russia demanded sanctions relief before complying with a Black-Sea ceasefire deal announced by the White House. Russia's demands further complicate Trump's goal of quickly ending the conflict
- Britain and France have struggled to secure other European allies' support for troops in Ukraine, due to increasing doubts about the U.S.'s willingness to guarantee their security. French President Emmanuel Macron held a meeting with dozens of European leaders to secure a public commitment but failed to do so after hours of negotiations
- The Trump administration sent a new agreement to Ukraine that gives the U.S. broad control over Ukraine's economy and natural resources. For example, the U.S. would draw profits from Ukrainian economic projects across metals, oil, and gas. Analysts stated that Ukraine is unlikely to accept the agreement

- **China**

- The Trump administration added dozens of Chinese companies to a trade blacklist, citing national security concerns. The action was motivated by a desire to enforce stricter limits on China's access to American technology
- Xi Jinping met with foreign business executives to discuss trade and globalization. During the meeting, Xi said that multinational corporations should defend trade and continue the "unstoppable" trend of globalization. Further, Xi emphasized that China is open for business and eager to work with foreign companies
- Chinese industrial companies' profits fell 0.3% from a year earlier during the first two months of the year, an improvement over the 3.3% decrease in 2024. The National Bureau of Statistics cited new stimulus, such as the consumer trade-in and equipment-upgrade programs, as the cause of the improvement. Beijing has implemented multiple measures to boost growth, including lowering interest rates, easing property restrictions, and increasing government borrowing

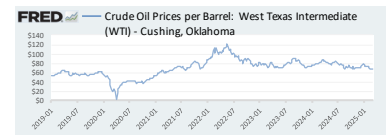
Geopolitical Hotspots

- **Myanmar**
 - Thousands are presumed dead after a series of earthquakes devastated the country. Most of the dead and injured were in Mandalay and surrounding areas
- **Germany**
 - Germany's jobless rate rose from 6.2% in February to 6.3% in March. Major companies announced increasing layoffs, which threatens to further increase unemployment
- **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
- **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

Commodities

Oil Prices

- WTI: \$69.36 per barrel
 - +1.58% WoW; (3.29%) YTD; (14.74%) YoY
- Brent: \$73.38 per barrel
 - +1.69% WoW; (1.69%) YTD; (14.76%) YoY



US Production

- U.S. oil production amounted to 13.6 million bpd for the week ended March 21, up 0.0 million bpd from the prior week

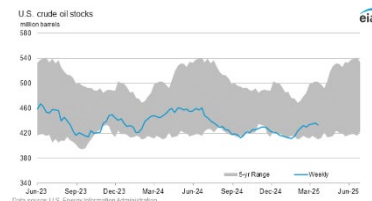
Rig Count

- The total number of oil rigs amounted to 592, down 1 from last week

Inventories

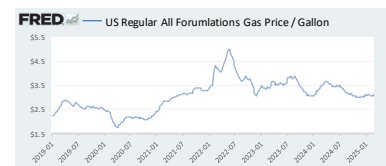
Crude Oil

- Total U.S. crude oil inventories now amount to 433.6 million barrels, down (3.3%) YoY
- Refiners operated at a capacity utilization rate of 87.0% for the week, up from 86.9% in the prior week
- U.S. crude oil imports now amount to 5.385 million barrels per day, down (7.6%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.16 per gallon in the week of March 28, down (10.7%) YoY
 - Gasoline prices on the East Coast amounted to \$3.08, down (11.9%) YoY
 - Gasoline prices in the Midwest amounted to \$3.10, down (10.9%) YoY
 - Gasoline prices on the Gulf Coast amounted to \$2.84, down (13.1%)
 - Gasoline prices in the Rocky Mountain region amounted to \$3.17, down (7.0%) YoY
 - Gasoline prices on the West Coast amounted to \$4.19, down (8.6%)
- Motor gasoline inventories were down by 1.4 million barrels from the prior
- Motor gasoline inventories amounted to 239.1 million barrels, up 3.0% YoY
- Production of motor gasoline averaged 9.22 million bpd, up 0.1% YoY
- Demand for motor gasoline amounted to 8.643 million bpd, down (0.8%) YoY

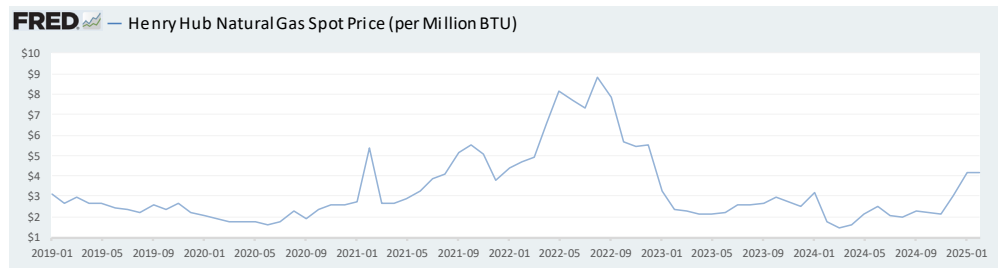


- **Distillates**

- Distillate inventories decreased by -0.4 million in the week of March 28
- Total distillate inventories amounted to 114.4 million barrels, down (2.5%)
- Distillate production averaged 4.513 million bpd, down (6.3%) YoY
- Demand for distillates averaged 3.636 million bpd in the week, down (9.7%)

- **Natural Gas**

- Natural gas inventories increased by 37 billion cubic feet last week
- Total natural gas inventories now amount to 1,744 billion cubic feet, down (24.0%) YoY



Credit News

High yield bond yields increased 19bps to 7.66% and spreads increased 22bps to 371bps. Leveraged loan yields decreased 4bps to 8.56% and spreads decreased 1bps to 490bps. WTD Leveraged loan returns were positive 16bps. WTD high yield bond returns were negative 50bps. 10yr treasury yields increased 14bps to 4.37%. HY spreads widened as investors weigh risks from trade war, economic slowdown, and sticky inflation. Leveraged loan prices are down in March amid retail outflows and as investors consider trade-related risks.

High-yield:

Week ended 3/28/2025

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.66%	371	7.47%	348	19	22

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$95.12	\$95.73	-61	-0.50%	-1.03%	0.79%	8.6%

- Fund Flows²

Total Flows (\$)
(\$110mm)

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
8	\$8.7bn	\$66.4bn	\$76.1bn	-13%

- 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 3/28/2025

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.56%	490	8.60%	491	(4)	(1)

- Leveraged Loan Index¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$96.01	\$96.01	0	0.16%	-0.18%	0.73%	9.3%

- Fund Flows²

Total Flows (\$)
(\$780mm)

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
19	\$17.2bn	\$330.9bn	\$284.4bn	+16%

- 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 3/28/2025

- New U.S. CLO Issuance²

# Priced	Total (\$)	New Issue	Refis/Resets
13	\$7.7bn	\$3.3bn	\$4.4bn

- New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
289	\$138.4bn	\$44.3bn	\$94.1bn	\$81.1bn	+71%

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:

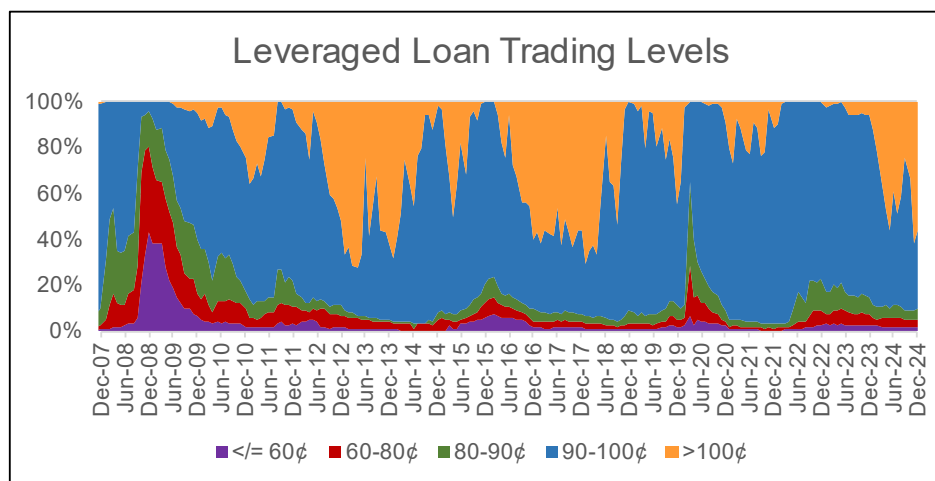
- S&P and Moody's High Yield Ratings

	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	16	8	2.0x
Week Ending 03/28/25	2	5	0.4x	6	11	0.5x
YTD 2025	82	63	1.3x	111	96	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

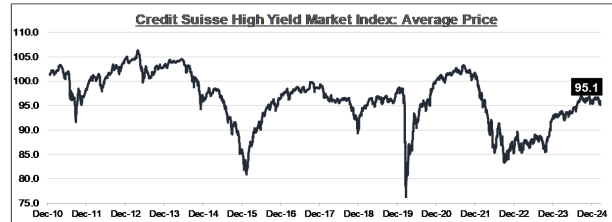
Diagram C: Leveraged Loan and High Yield Returns

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	0.16%	0.17%	(0.50%)	(0.42%)
MTD Return	(0.18%)	(0.14%)	(1.03%)	(0.41%)
YTD Return	0.73%	0.63%	0.79%	0.79%

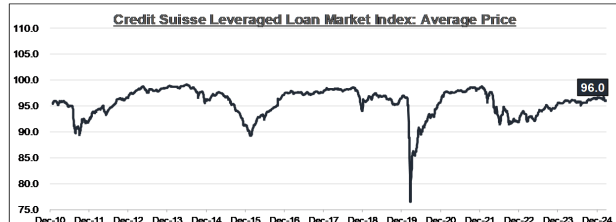
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 03/28/2025

[2] Yield data as of 03/28/2025

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.

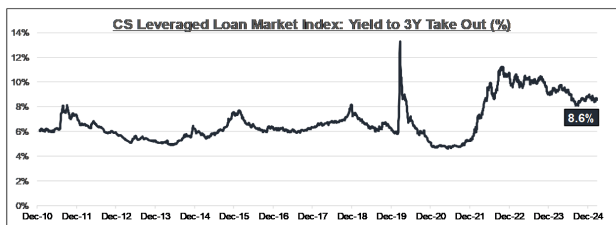


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

Diagram E: Leveraged Loans Spreads & Yields

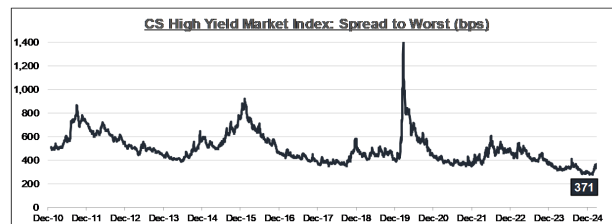


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.

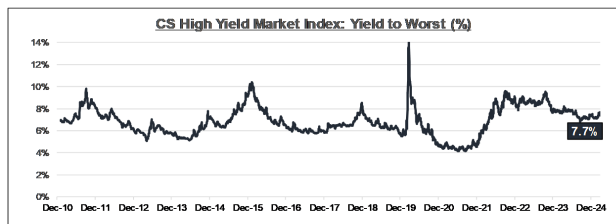


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

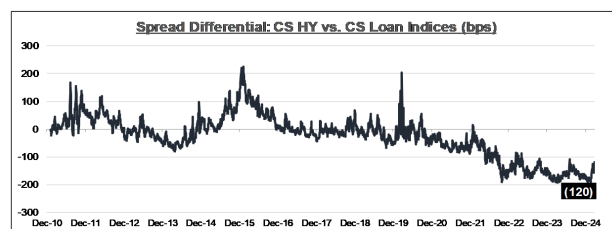


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



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



Source: CSFB. Data is reported monthly.

Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

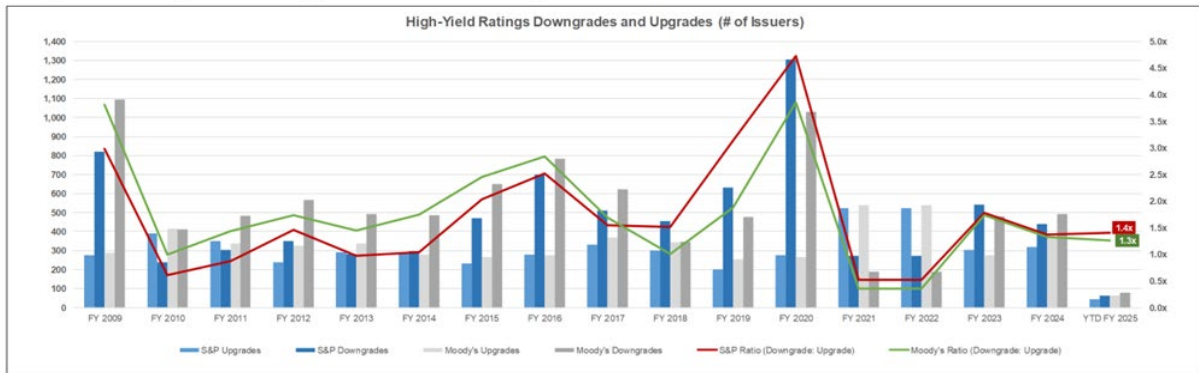


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM

Source: JP Morgan Default Monitor.

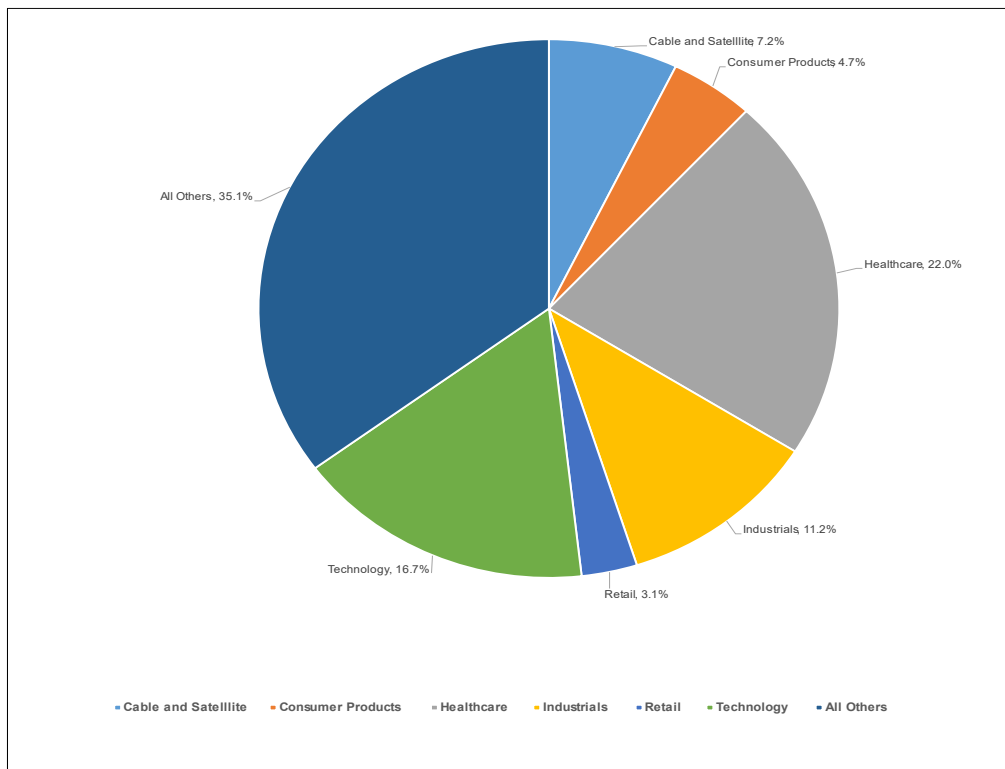


Diagram K: CLO Economics

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

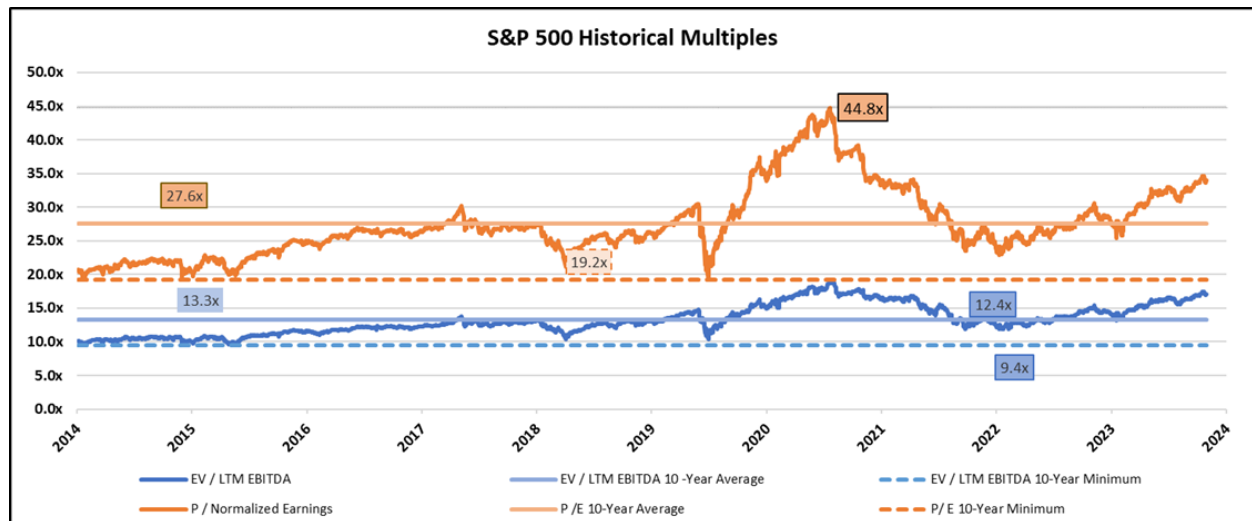
[1] Spread includes OID benefit based on 4 year repayment

Diagram L: Developed Country GovBond Yields (%)

By	3/7/25	3/14/25	3/21/25	3/28/25	Change				
					Weekly	Q4 2024	Q3 2024	Q2 2024	Q1 2024
France - 10 year	3.56%	3.57%	3.46%	3.43%	(3 bps)	28 bps	(38 bps)	49 bps	25 bps
Germany - 10 year	2.84%	2.88%	2.77%	2.73%	(4 bps)	24 bps	(38 bps)	20 bps	27 bps
Italy - 10 year	3.96%	4.00%	3.88%	3.85%	(3 bps)	7 bps	(62 bps)	39 bps	(2 bps)
Japan - 10 year	1.52%	1.52%	1.52%	1.54%	2 bps	25 bps	(21 bps)	27 bps	18 bps
UK - 10 year	4.64%	4.67%	4.71%	4.69%	(2 bps)	57 bps	(13 bps)	20 bps	44 bps
US									
US - 2 year	4.00%	4.02%	3.95%	3.91%	(4 bps)	64 bps	(115 bps)	7 bps	37 bps
US - 5 year	4.09%	4.09%	4.00%	3.98%	(2 bps)	87 bps	(92 bps)	8 bps	43 bps
US - 10 year	4.30%	4.31%	4.25%	4.25%	0 bps	84 bps	(73 bps)	11 bps	42 bps
US - 30 year	4.60%	4.62%	4.59%	4.63%	4 bps	71 bps	(55 bps)	13 bps	42 bps

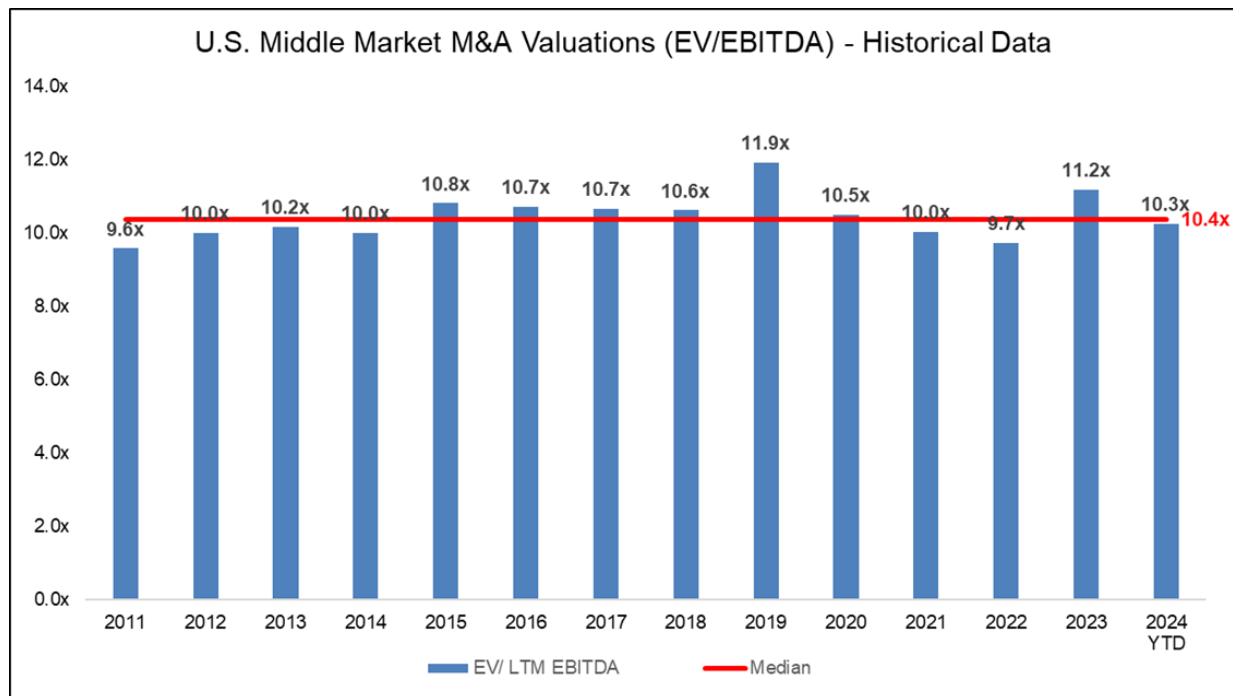
Source: Bloomberg

Diagram M: S&P 500 Historical Multiples



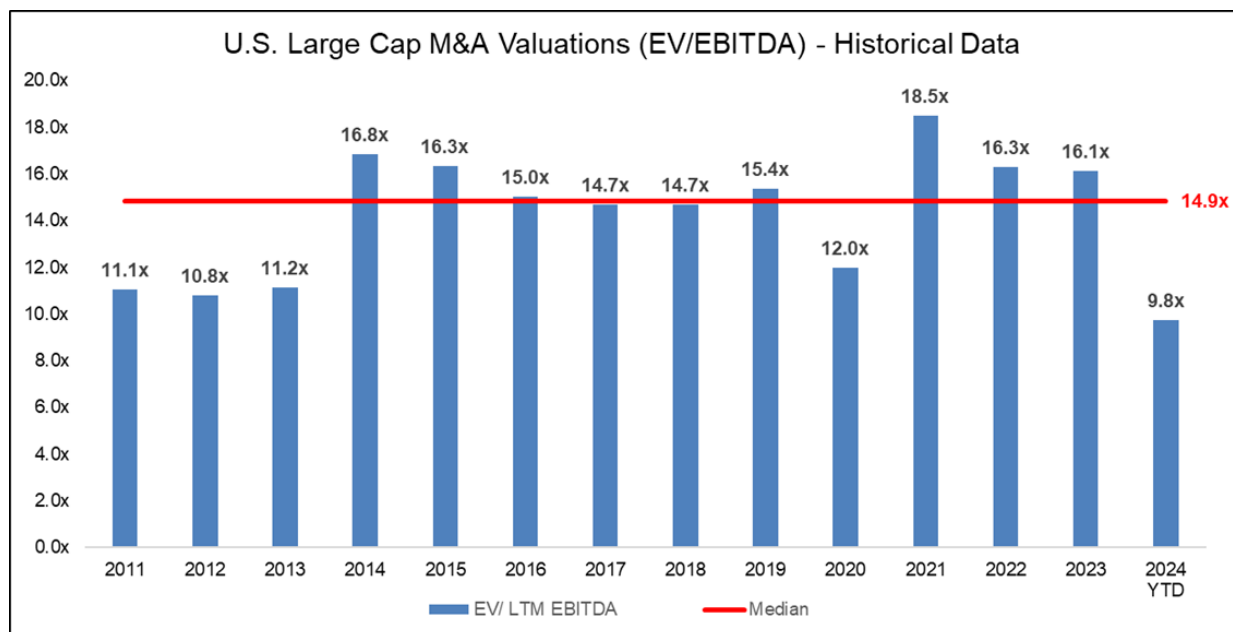
Source: S&P Capital IQ

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

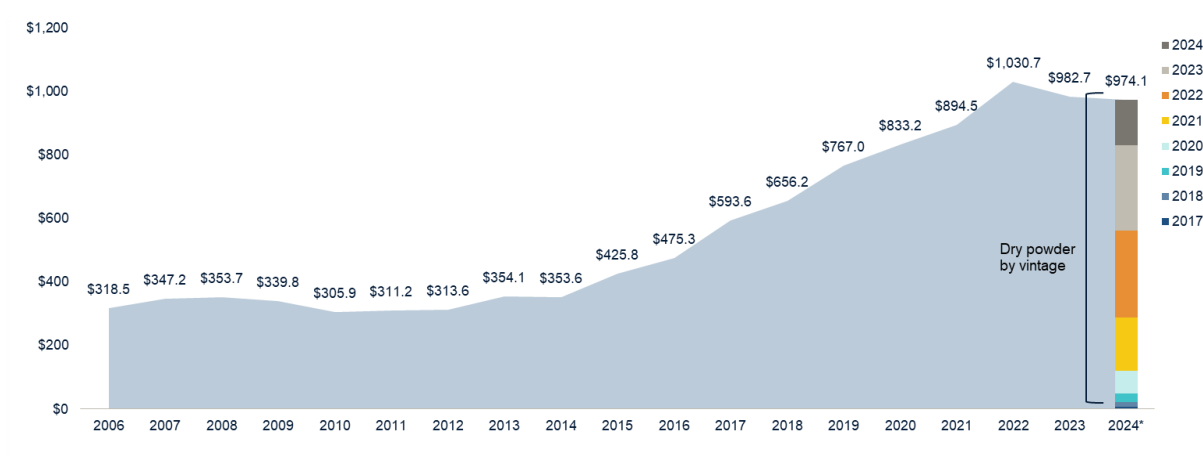
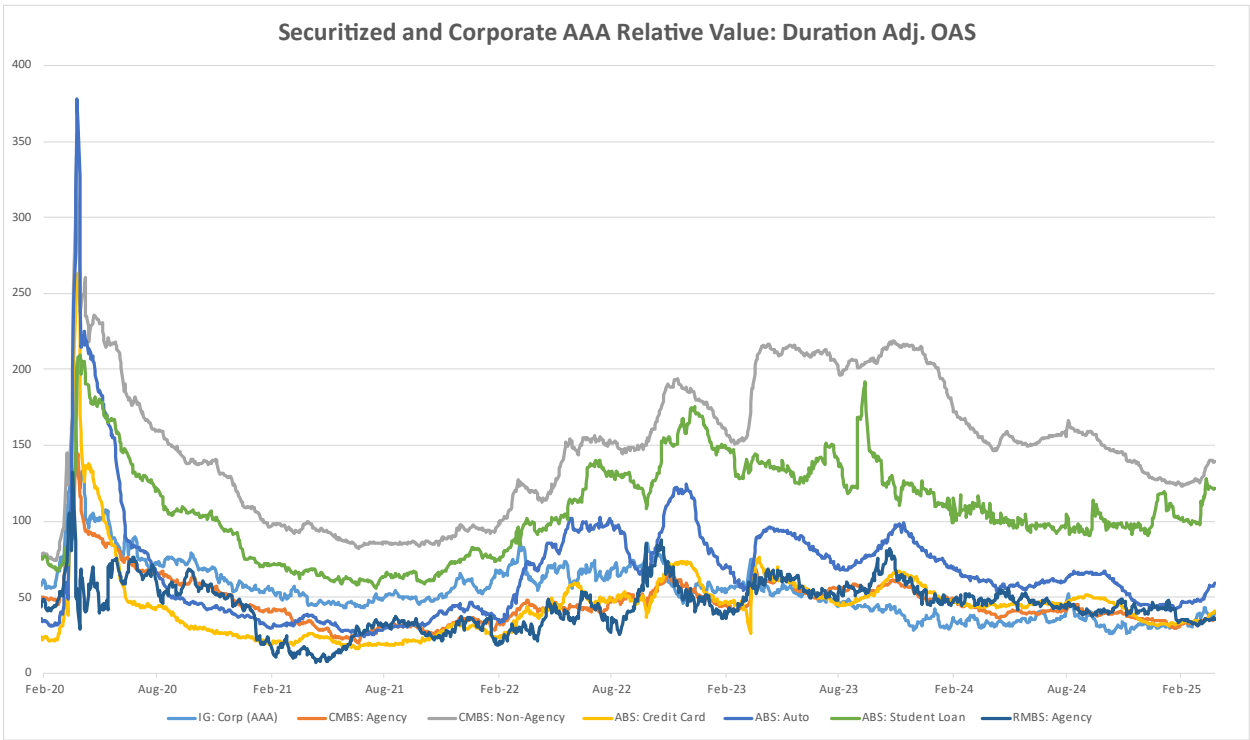
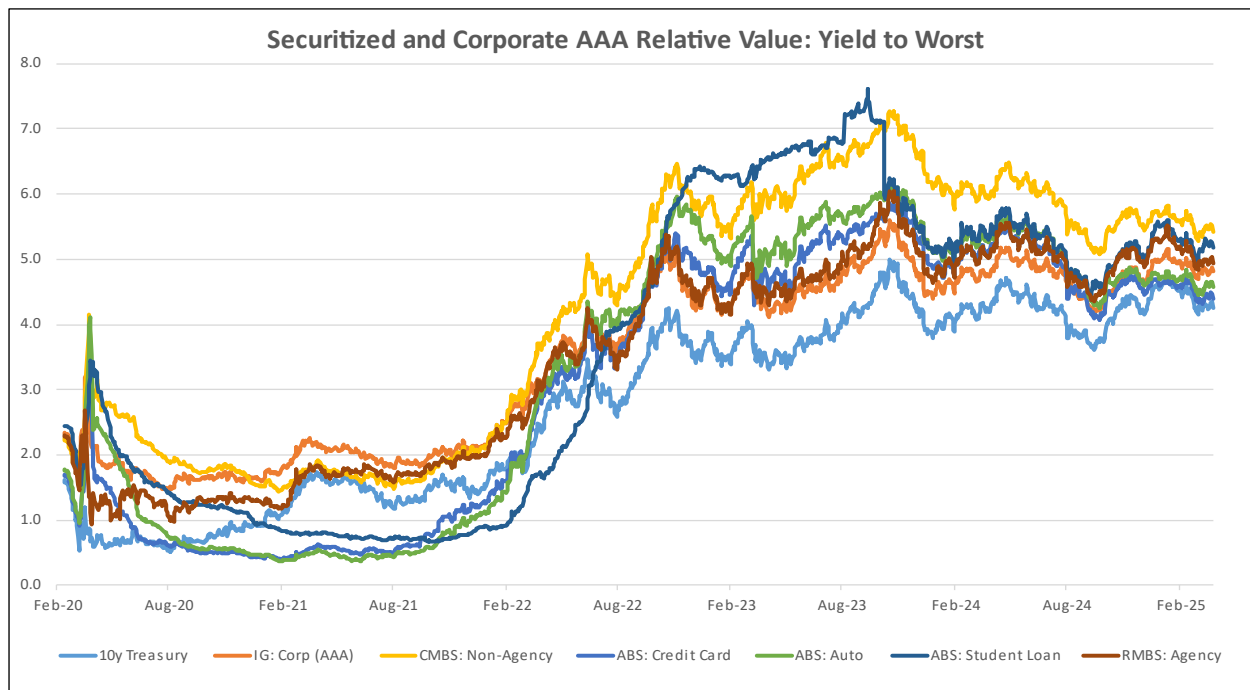


Diagram Q: Structured Credit Spreads



Source: Bloomberg

Diagram R: Structured Credit Yield



Source: Bloomberg

Diagram S: SOFR Curve

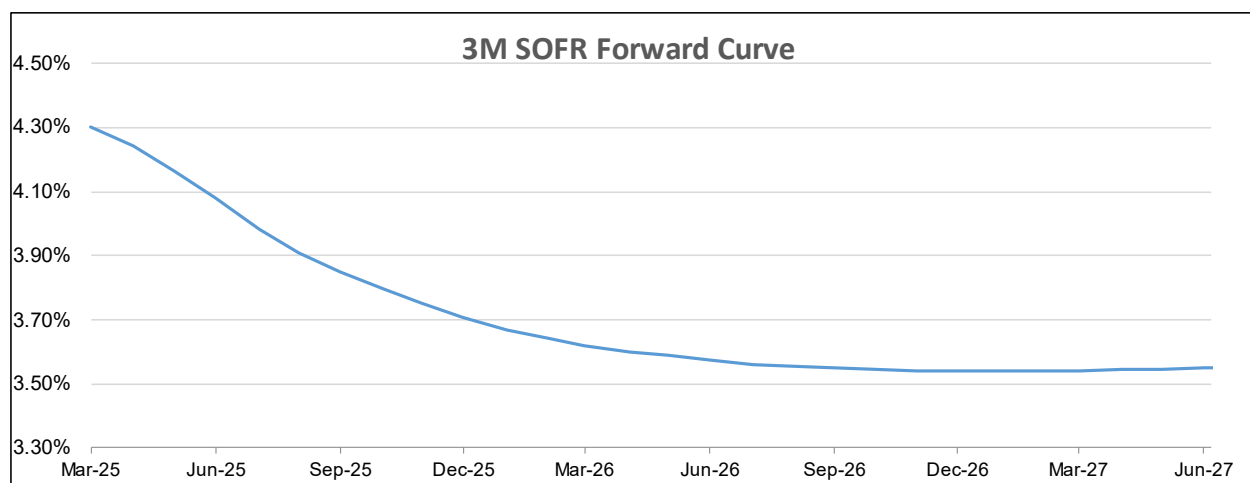
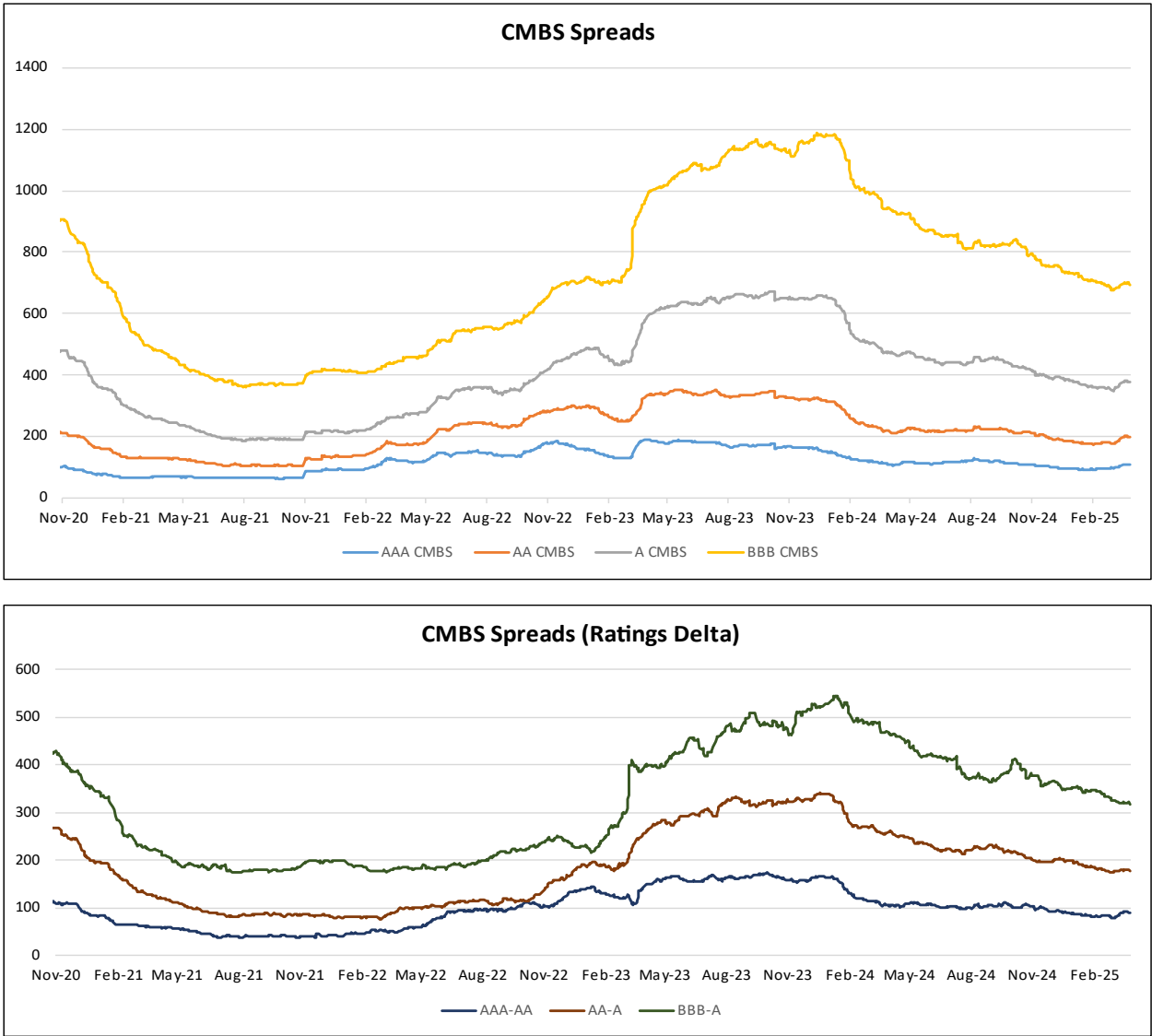


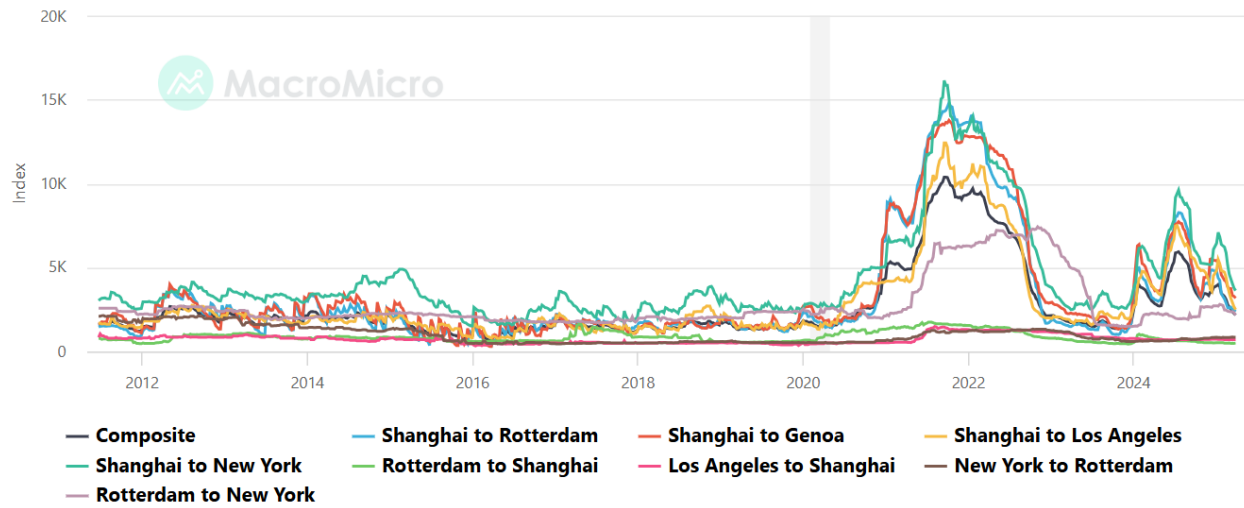
Diagram T: CMBS Spreads



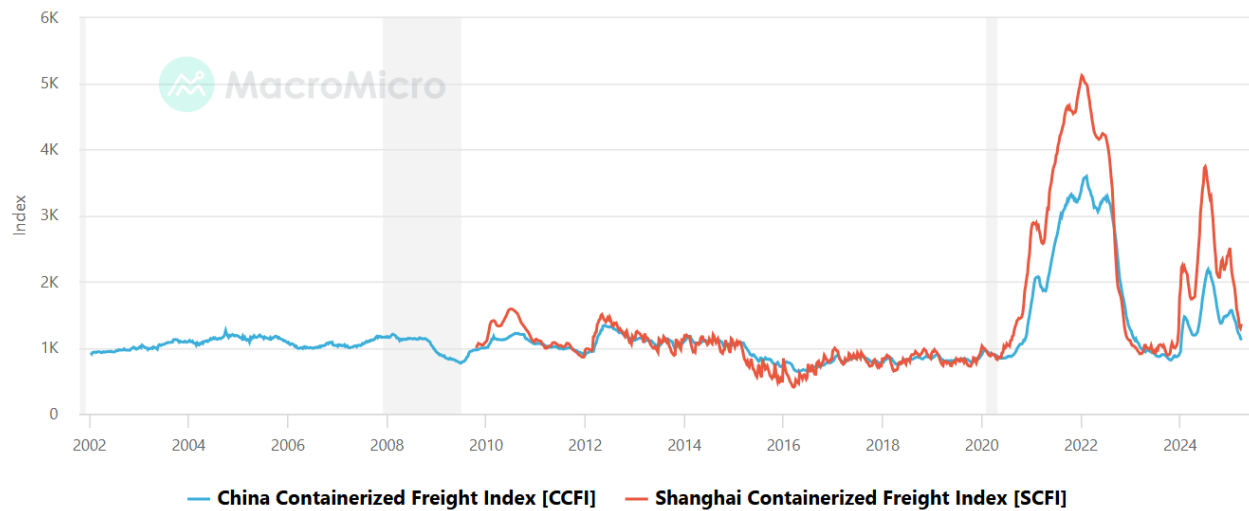
Source: Bloomberg

Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



About ZCG

ZCG is a privately held global firm 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-NSIA – Infrastructure. **ZCG** and the Nigerian Sovereign Investment Authority ("NSIA") have formed a joint venture to invest in infrastructure across Africa to leverage the continent's unique economic and financial opportunities.

The joint venture benefits from the combined resources of **ZCG**, **ZCGC**, & Haptiq Technology ("Haptiq"), as well as the extensive infrastructure expertise and successful history of NSIA.

Key focus areas of the investment strategy include:

- Renewable energy
- Industrialization
- Climate resilient infrastructure, and
- Technology

ZCG Credit - Direct Lending intends to directly source and originate senior secured and asset-backed loans to small and medium-sized enterprises (“SMEs”) primarily in the Kingdom of Saudi Arabia (“KSA”).

ZCG seeks to provide growth capital solutions to SMEs in KSA through various debt instruments, including secured term loans, revolving facilities and mezzanine loans. ZCG intends to partner with SMEs that are cash flow generative, high-growth businesses with proven management teams.

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.

IMPORTANT INFORMATION and DISCLAIMER: Certain information contained in this material has been obtained from third party sources that we deem to be reliable, but we do not warrant its accuracy or completeness, and any yield referenced is indicative and subject to change. The material contained herein is intended as a general market commentary. Any opinions or statements contained herein are purely the author's and may not reflect those of Z Capital or any affiliates. The opinions or statements expressed are for informational purposes only and are subject to change without notice. This material should not be regarded as research or a Z Capital research report or as including sufficient information to support an investment decision. Certain statements contained in this document are forward-looking statements. Forward-looking statements are inherently uncertain as they are based on expectations and assumptions concerning future events and are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Statements in this document are not intended to be, and should not be construed as, legal, business, investment, or tax advice. This document is not intended to be relied upon as the basis for any investment decision. Past performance is not a guarantee of future results. This material is not, and is not intended as, an offer or solicitation for the purchase or sale of any financial instrument.

PERFORMANCE

Market Indices	28-Mar	21-Mar	WoW Change	YTD Change	YoY Change
DJIA	41,583.90	41,985.35	(0.96%)	(2.26%)	4.59%
S&P 500	5,580.94	5,667.56	(1.53%)	(5.11%)	6.33%
NASDAQ	17,322.99	17,784.05	(2.59%)	(10.29%)	5.63%
MSCI - EAFE	2,451.37	2,484.98	(1.35%)	8.38%	4.06%
MSCI - Emerging Markets	1,120.72	1,131.38	(0.94%)	4.21%	8.10%
US Dollar Index	104.04	104.09	(0.04%)	(4.10%)	(0.29%)
VIX	21.65	19.28	12.29%	24.78%	63.52%

Market Ratios	28-Mar	21-Mar	WoW Change	YTD Change	YoY Change
CBOE Put/Call Ratio	0.72	0.55	30.91%	56.52%	7.46%

Commodities Indices (\$ USD)	Metric	28-Mar	21-Mar	WoW Change	YTD Change	YoY Change
------------------------------	--------	--------	--------	------------	------------	------------

Core Commodity Index	CRY Index	306.87	305.77	0.36%	3.42%	7.01%
Gasoline - Pump	Gallon	3.16	3.13	0.89%	3.10%	(10.16%)
Gasoline - Futures	Gallon	2.23	2.20	1.79%	(16.76%)	
Crude Oil - WTI	Barrel	69.36	68.28	1.58%	(3.29%)	(13.00%)
Crude Oil - Brent	Barrel	73.63	72.16	2.04%	(1.35%)	(13.81%)
Natural Gas	MM BTU	4.07	3.98	2.14%	11.89%	145.62%
Coal (1 contract = 1,000 tons)	Contract	189.15	189.15	0.00%	0.25%	(10.05%)

Aluminum	Metric Ton	2,547.50	2,622.50	0.02%	(0.16%)	10.83%
Copper	Metric Ton	9,794.50	9,855.50	(0.62%)	11.71%	10.68%
Iron Ore	Metric Ton	102.43	102.00	0.42%	(1.14%)	(6.75%)
Steel - Hot Rolled Coil	Metric Ton	890.00	919.00	(3.16%)	19.78%	3.49%
Steel - Cold Rolled Coil	Metric Ton	1,162.50	1,162.50	0.00%	27.75%	(3.13%)
Ferrous Scrap	Metric Ton	495.00	510.00	(2.94%)	17.86%	11.24%
Lumber	27.5k Board Feet	646.00	642.00	0.62%	11.28%	0.47%
Gold	Troy Ounce	3,085.12	3,022.15	2.08%	17.55%	40.57%
Silver	Troy Ounce	34.13	33.03	3.31%	18.07%	38.45%

Cotton	Pound	63.43	62.40	1.65%	(1.41%)	(16.96%)
Butter	Pound	2.35	2.30	2.06%	(7.84%)	(16.96%)
Cheese	Pound	1.82	1.81	0.50%	(4.05%)	1.50%
Cocoa	Pound	3.65	3.52	3.57%	(27.16%)	31.94%
Corn	Bushel	4.53	4.64	(2.37%)	(1.15%)	6.21%
Milk, Non Fat Dry	Pound	1.22	1.23	(0.33%)	(11.89%)	3.35%
Soybean	Bushel	10.23	10.10	1.31%	2.48%	(14.21%)
Sugar	Pound	0.19	0.20	(3.85%)	(14.56%)	
Wheat	Bushel	5.28	5.58	(5.37%)	(4.22%)	(3.52%)
Live Cattle	Pound	2.09	2.07	0.91%	7.73%	13.74%
Lean Hogs	Pound	0.87	0.86	0.67%	6.64%	0.70%
Beef, USDA Ground	Pound	3.33	3.25	2.26%	2.65%	7.86%
Chicken, Boneless & Skinless	Pound	4.08	4.08	0.00%	(0.61%)	(0.63%)

Currencies	Metric	Spot Prices		Futures		10-Year Historicals	
		28-Mar	21-Mar	2025	2026	Low	High
Japanese Yen	USDJPY	149.840	149.320	145.000	140.000	99.890	161.690
Chinese Renminbi	USDCNY	7.262	7.252	7.350	7.250	6.188	7.365
Swiss Franc	USDCHF	0.881	0.883	0.890	0.880	0.841	1.030
British Pound	GBPUSD	1.294	1.292	1.290	1.310	1.069	1.588
Euro Zone Euro	EURUSD	1.083	1.082	1.080	1.110	0.959	1.251

TECHNICALS (Supply / Demand)

Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: Lipper FMI)

Week Ending	28-Mar	21-Mar	2025	2026	Low	High
Bank Loans						
26-Mar-25	\$	(780)				(110)
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
Year To Date 2025	\$	9,839				6,663
Year Ended December 31, 2024	\$	21,086				19,373
Year Ended December 31, 2023	\$	(18,051)				(17,252)

NEW ISSUE SUMMARY

Institutional Loans	3/28/2025	Deals	Amt (\$mm)
Priced	Prior Week	19	17,200
In-Market Forward Calendar		13	13,100
High Yield	3/28/2025	Deals	Amt (\$mm)
Priced	Prior Week	8	8,700
In-Market Forward Calendar		0	0

ECONOMIC DATA REGAP

Key Economic Indicators:	Period Ending	Actual	Expected	Prior
Initial Jobless Claims	3/22/2025	224K	225K	223K
Continuing Claims	3/15/2025	1,856K	1,866K	1,892K
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%	7.6%	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	1/31/2025	4.7%	4.8%	4.5%
S&P/Case-Shiller Composite	MoM	1/31/2025	0.5%	0.4%	5.2%

Consumer Confidence		3/31/2025	92.9	94.0	98.3
GDP	QoQ-Annualized	12/31/2024	2.4%	2.3%	2.1%
Durable Goods Orders		2/28/2025	0.9%	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		27-Mar	20-Mar	WoW Change	YoY Change
Fed Total Assets	\$ in Billions	6,740,253.0	6,755,982.0	(0.2%)	(9.9%)
Public Debt	\$ in Billions	36,217.2	36,218.2	(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%	0.9%	3.2%	2.8%	2.7%	2.2%
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%	1.5%
United Kingdom	7.4%	0.6%	0.3%	0.9%	1.6%	1.5%

Market Indices	28-Mar	21-Mar	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	4,087.55	4,081.78	0.14%	0.63%	7.10%
Barclays High Yield Index	2,712.00	2,723.89	(0.44%)	1.08%	7.87%
Barclays Aggregate	2,244.71	2,245.64	(0.04%)	2.54%	4.63%

Loan Market Bids	28-Mar	21-Mar	WoW Change	YTD Change
S&P Flow Name Index	96.01	96.01	0.00%	(0.37%)
S&P 100 Name Index	97.76	97.68	0.08%	(0.21%)
S&P BB's Index	99.48	99.47	0.01%	(0.62%)
S&P B's Index	97.72	97.69	0.03%	(1.42%)
S&P CCC's Index	78.98	79.00	(0.03%)	3.27%

Loan Market Spreads	28-Mar	21-Mar	WoW Change	YTD Change
S&P BB's Index	S+273	S+273	0 bps	12 bps
S&P B's Index	S+460	S+460	0 bps	29 bps
S&P CCC's Index	S+1315	S+1315	0 bps	(91 bps)

Credit Default Swap - Volatility Indices	Index	28-Mar	21-Mar	WoW Change	YTD Change
Investment Grade CDS	Market	61.18	59.55	(2.66%)	(18.52%)
High Yield CDS	Market	377.33	349.36	(7.41%)	(17.45%)

Credit		28-Mar	21-Mar	WoW Change	YOY Change
High Yield	OAS - YTW	T+340	T+317	23 bps	39 bps
Loan Index - S&P Flow Name	DM - 3 Year	S+490	S+491	(1 bps)	(21 bps)
US Treasury 2-Yr		3.91%	3.95%	(4 bps)	(66 bps)
US Treasury 3-Yr		3.90%	3.92%	(3 bps)	(46 bps)
US Treasury 5-Yr		3.98%	4.00%	(2 bps)	(21 bps)
US Treasury 7-Yr		4.11%	4.12%	(1 bps)	(8 bps)
US Treasury 10-Yr		4.25%	4.25%	0 bps	6 bps
US Treasury 30-Yr		4.63%	4.59%	4 bps	28 bps

US CLO Spreads - New Issue	28-Feb	31-Jan	MoM Change	YTD Change
AAA	S+118	S+119	(1 bps)	(11 bps)
AA	S+155	S+153	2 bps	(15 bps)
A	S+188	S+190	(2 bps)	(7 bps)
BBB	S+270	S+265	5 bps	(60 bps)
BB	S+523	S+510	13 bps	(125 bps)

Market Rates	28-Mar	21-Mar	WoW Change	YTD Change
Fed Fund Rate	4.31%	4.31%	0 bps	(1 bps)
Prime Rate	7.50%	7.50%	0 bps	0 bps
Broker Call Rate	6.25%	6.25%	0 bps	0 bps
1M SOFR	4.32%	4.32%	0 bps	(1 bps)
3M SOFR	4.30%	4.30%	0 bps	(1 bps)
6M SOFR	4.22%	4.20%	1 bps	(3 bps)

Short Interest - Millions of shares	28-Feb	31-Jan	MoM Change	YTD Change
NYSE Mkt Short Interest	17,048.05	16,372.36	4.13%	5.72%
Nasdaq Short Interest	15,331.66	14,581.38	5.15%	3.40%

Fed Corp Primary Dealer Positions - \$ USD in Millions	28-Feb	31-Jan	MoM Change	YTD Change
Net Outright Total Corp Securities	11,240.00	9,326.00	20.52%	26.83%

Margin Debt - \$ USD in Billions	31-Jan	31-Dec	MoM Change	YTD Change
FINRA Margin Debt	937.253	899.168	4.24%	4.24%

Leveraged Finance Primary Volume - \$ USD in Billions

3/28/2025	Year To Date	Year End	YoY	
	2025	2024	Change	
Bank Debt	330.9	308.0	1,327.0	7.44%
Total Bonds	66.4	87.6	288.8	(24.20%)
Totals	397.3	395.6	1,615.8	0.43%

DEFAULT 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	31-Dec	30-Nov	YTD Change
SNAP Rka Food Stamps - # of Participants	42,792	42,890	1.20%

Retail Sales	28-Feb	31-Jan	YTD Change
Adj. Retail & Food Services Sales Index - US Census	722.7	721.3	(1.04%)

U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil & Natural Gas	28-Mar	21-Mar	YoY Change
Type	Peak - 2000 To Date	# of Rigs	% Change
Oil	9/12/2008	1,609	(69.92%)
Gas	9/12/2008	1,606	(93.59%)

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

TSA Checkpoint Travel Numbers	27-Mar	20-Mar	WoW Change	YoY Change
Weekly Traveler Throughput	17,917.3	18,183.4	(1.46%)	0.57%

Freight Rates	28-Mar	21-Mar	WoW Change	YTD Change	YoY Change
Baltic Exchange Dry Index	1,621	1,635	(0.86%)	62.59%	(12.14%)
Shanghai - Los Angeles Spot Rates	2,487	2,658	(6.43%)	(48.50%)	(31.56%)
Shanghai - NY Spot Rates	3,622	3,774	(4.03%)	(43.80%)	(23.10%)
Shanghai Containerized Freight Index	1,357	1,293	4.96%	(45.84%)	(21.61%)