

Briefing

Global Economic & Credit Market

Week 10 Ending – March 07, 2025

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Economic Calendar

- Wednesday, March 12: Consumer price index
- Thursday, March 13: Producer price index
- Friday, March 14: Preliminary consumer sentiment

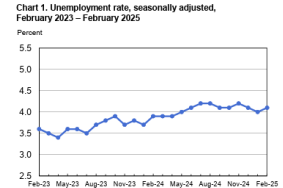
Key Market Metrics

- S&P 500: (3.10%) WoW; (1.89%)YTD; +11.88% YoY; 15.8x LTM EBITDA; 12.7x NTM EBITDA
- Dow Jones: (2.37%) WoW; +0.61% YTD; +10.34% YoY; 11.4x LTM EBITDA; 11.8x NTM EBITDA
- Nasdaq: (3.45%) WoW; (5.77%) YTD; +11.82% YoY
- Ten Year US Treasury Yield: 4.35% (27) bps YTD; +21 bps YoY
- Currency:
 - British Pound per USD: \$1.29; 2.7% WoW; 3.2% YTD; 0.9% YoY
 - Euro per USD: \$1.08; 4.4% WoW; 4.6% YTD; (1.1%)YoY
 - USD per Yen: ¥148.04; (1.7%)WoW; (5.9%) YTD; (0.0%)YoY
 - Swiss franc per EUR: 1.05 CHF; (1.7%)WoW; (1.5%) YTD; 0.8% YoY

U.S. News

U.S. Unemployment

- The unemployment rate rose to 4.1%, an increase from 4.0% and higher than forecasts
- Employment trended upward in healthcare, financial activities, transportation and warehousing, and social assistance. Federal government employment trended downward
- Nonfarm payroll employment rose by 151,000 in February, more than in January but below the forecasted 170,000 figure



Factory Orders

- New orders for manufactured goods in January increased \$9.8 billion, or 1.7%, to \$589.9 billion
- Shipments increased \$2.4 billion, or 0.4%, to \$592.1 billion, marking the third consecutive monthly increase
- Unfilled orders increased \$2.7 billion, or 0.2%, to \$1,400.6 billion. This follows a 0.3% decrease in December
- Inventories increased \$0.8 billion, or 0.1%, to \$863.7 billion, marking the third consecutive monthly increase



Auto Sales

- New light-vehicle sales in February reached 16.0 million units, a year over year increase of 2.1% and above the forecasted 15.5 million units
- Hybrids continue to increase their market share, as sales reached 274,189 units in February, an increase of 38.6% year over year. Sales of electric vehicles have also risen year over year, up to 185,922, which is an 18.8% increase
- Industry experts predict that higher vehicle costs, driven by interest rates and tariffs, pose a near-term challenge for the industry

■ U.S. Tariff & Trade

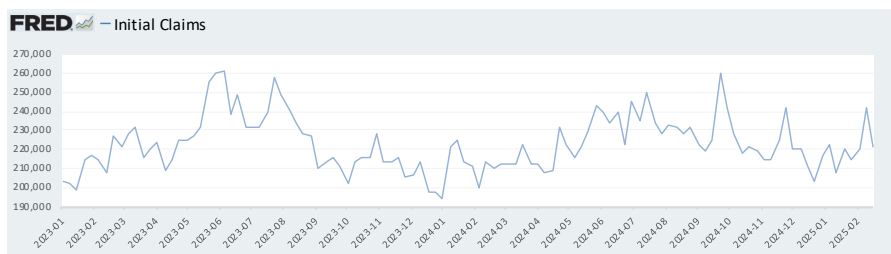
- President Trump announced a one-month tariff exemption for goods qualifying under the United States–Mexico–Canada Agreement (USMCA). This granted a reprieve for 62% of Canadian and 51% of Mexican goods imported into the U.S.
- Canadian Prime Minister Justin Trudeau responded to the U.S. tariffs by announcing that Canada will impose a 25% tariff on C\$155 billion worth of U.S. imports in two phases and will remain in place until the U.S. removes its tariffs
- Effective March 10, China will impose additional tariffs of 15% on chicken, wheat, corn, and cotton, as well as 10% on sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables, and dairy products imported from the U.S.
- On March 1, President Trump issued an executive order directing the Department of Commerce to initiate a Section 232 investigation into the national security impact of importing timber, lumber, and their derivative products, such as paper products, furniture, and cabinetry

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 tariffs 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 that have been granted exemption until April 2 nd	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 that have been granted exemption until April 2 nd	3/4/2025	25%
All Countries	Sec 232 Steel / Aluminum & Derivatives	Steel, aluminum, and certain derivatives of steel and aluminum	3/12/2025	25%

Target Country	Potential Tariff Action	Notes
All Countries	Reciprocal Tariffs	Presidential memorandum issues of February 13 th set the stage for imposing reciprocal tariffs 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 19 th , 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

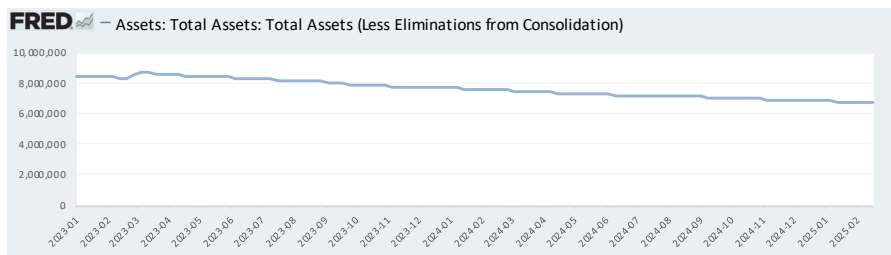
▪ Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 221,000 in the week ended February 28, down 21,000 from the prior week
- The four-week moving average was 224,250, up 250 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 42,000 to 1.897 million in the week ended February 21. This figure is reported with a one-week lag



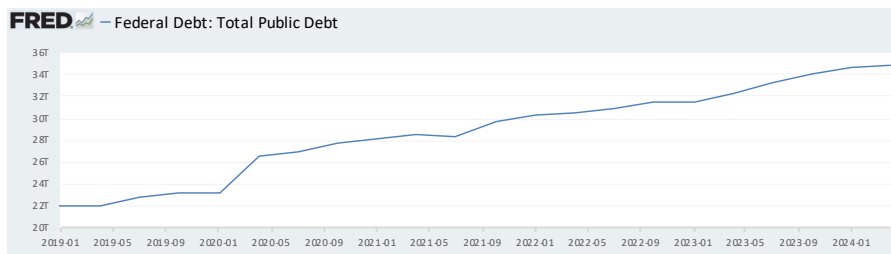
▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$6.757 trillion in the week ended March 7, down \$9.3 billion from the prior week
- Treasury holdings totaled \$4.243 trillion, down \$8.6 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.20 trillion in the week, down \$14.3 billion from the prior week



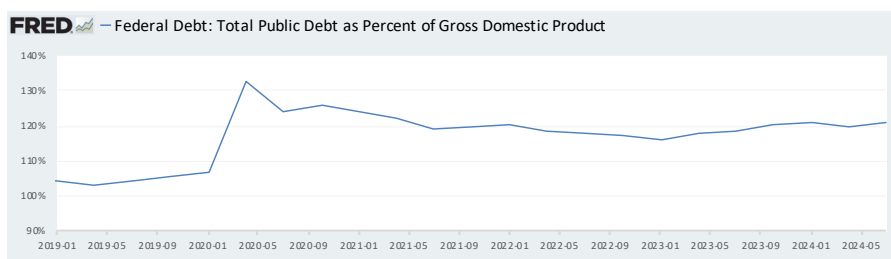
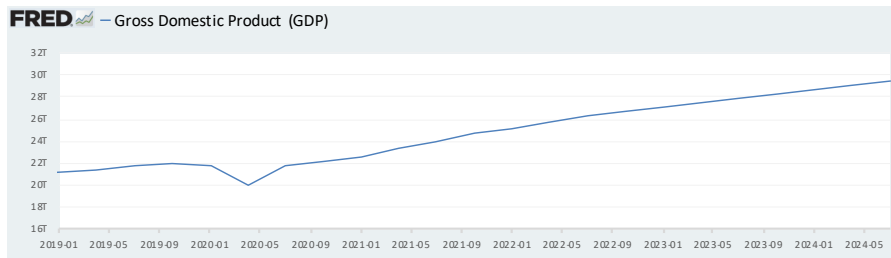
▪ Total Public Debt

- Total public debt outstanding was \$36.22 trillion as of March 7, an increase of 5.1% from the previous year
- Debt held by the public was \$28.91 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

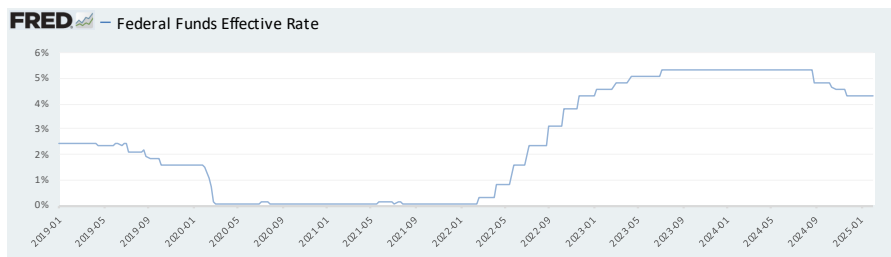


■ Inflation Factors

- CPI:
 - The consumer-price index rose 3.0% in January year over year
 - On a monthly basis, the CPI increased 0.5% in January on a seasonally adjusted basis, after increasing 0.4% in December
 - The index for all items less food and energy (core CPI) rose 0.4% in January, after rising 0.2% in December
 - Core CPI increased 3.3% for the 12 months ending January
- Food & Beverages:
 - The food at home index increased 1.9% in January from the same month a year earlier, and increased 0.5% in January month over month
 - The food away from home index increased 3.4% in January from the same month a year earlier, and increased 0.2% in January month over month
- Commodities:
 - The energy commodities index increased 1.9% in January after increasing 3.9% in
 - The energy commodities index fell (0.5%) over the last 12 months
 - The energy services index 1.8% in January after increasing 0.8% in December
 - The energy services index rose 2.5% over the last 12 months
 - The gasoline index fell (0.2%) over the last 12 months
 - The fuel oil index fell (5.3%) over the last 12 months
 - The index for electricity rose 1.9% over the last 12 months
 - The index for natural gas rose 4.9% over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index decreased to \$2,540.72 per 40ft
 - Drewry's composite World Container Index has decreased by (22.7%) over the last 12 months
- Housing Market:
 - The shelter index increased 0.4% in January after increasing 0.3% in December
 - The rent index increased 0.4% in January after increasing 0.3% in December
 - The index for lodging away from home increased 3.9% in January after decreasing (2.1%) in December

■ Federal Funds Rate

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



World News

▪ Middle East

- After supporting the Assad regime, Russia is now coordinating with the new Syrian government to maintain its military bases and economic ties. Russia sent \$23 million in Syrian currency last month to the central bank in Damascus. On top of this, private negotiations have included billions of dollars in cash and investments in gas fields and ports and a potential apology by Moscow for its role in bombing civilians
- Syrian forces continue to combat ambushes by Assad loyalists, particularly along the country's Mediterranean coast, the heartland of the Assad's Alawite religious minority. Syrian officials stated that government forces have retaken control of Tartus and Latakia and were pursuing insurgents in Qardaha. Local reports indicate that government forces carried out beatings, arbitrary arrests, and lootings during their campaign
- Israel drafted plans for escalatory pressure against Hamas, now that talks to extend the ceasefire have stalled. The first step was blocking the entry of goods into Gaza, which took effect last week. The next planned move would be to cut off electricity and water. Measures could escalate up to another invasion of Gaza, with the intention of occupying territory while Israel attacks the remnants of Hamas

▪ Europe

- President Trump ordered a pause to weapons shipments and intelligence sharing with Ukraine, after a contentious meeting between Trump and Ukrainian President Volodymyr Zelensky demonstrated the rift between the two leaders' views on the road to peace. While Ukraine has enough weapons to continue fighting near-term, the Ukrainian military relies heavily on U.S. intelligence to conduct operations
- On Tuesday, Zelensky posted on X that he would sign the mineral-rights deal, an agreement that was meant to be signed during Zelensky's visit to the U.S. However, this has not been enough to resume U.S. support. According to a White House official, military aid and intelligence sharing will not resume until Trump believes that Zelensky is making a good-faith effort to negotiate for peace
- Top U.S. officials will meet with Ukrainian counterparts in Saudi Arabia next week, with the goal of setting a framework for an initial ceasefire and peace agreement. Currently, there are no negotiations scheduled between Kyiv and Moscow

▪ China

- China set its 2025 growth target at 5%, unchanged from last year. China also stated that it met its 2024 growth target. To meet its 2025 goal, China will increase its fiscal deficit target to 4% of GDP, up from 3% last year. In addition, the inflation target dropped from 3% in 2024 to 2% in 2025. These targets will be challenged by trade tensions, weak domestic demand, and longstanding concerns over China's property sector
- China retaliated against recent U.S. tariffs with duties against American products and controls on U.S. companies. Beijing announced an additional 15% tariff on U.S. chicken, wheat, corn, and cotton products, and an additional 10% tariff on sorghum, soybeans, pork, beef, seafood, fruits, vegetables, and dairy products. These tariffs are scheduled to take effect on March 10
- In addition, China added more than two dozen American companies to export control and corporate blacklists. China has also filed a lawsuit with the World Trade Organization against the U.S.'s new tariffs

Geopolitical Hotspots

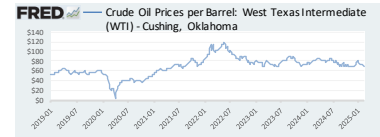
- **Canada**
 - Canadian Prime Minister Justin Trudeau said the new leader of the Liberal Party will transition to prime minister in the span of a week after the vote concludes on Sunday
- **Germany**
 - Orders at German factories dropped by 7% in January, a larger decline than forecasted. The reduction of factory orders comes as Germany prepares for the impact of U.S. tariffs that will take effect in April
- **South Korea**
 - South Korean jet fighters accidentally dropped eight bombs just outside Seoul, injuring at least 15 people and destroying buildings
- **France**
 - French inflation cooled to its lowest level in four years, giving the European Central Bank further reason to cut interest rates. Consumer prices in France rose 0.9% in February, lower than the 1.5% forecasted by economists
- **United Kingdom**
 - Prime Minister Keir Starmer met President Donald Trump in Washington, D.C. While no deal was signed, Trump said that there was “a very good chance” of a trade deal “where tariffs wouldn’t be necessary”
- **Argentina**
 - Argentine President Javier Milei faces political backlash after a cryptocurrency he endorsed, \$LIBRA, collapsed, wiping out \$4 billion. Accused of promoting a scam, Milei denies involvement, calling it a private matter. A federal judge is investigating, while critics demand impeachment. The controversy threatens Milei’s credibility as he seeks U.S. support for economic reforms and an IMF loan
- **Venezuela**
 - President Trump is planning to revoke a Biden-era license allowing Chevron to produce oil in Venezuela. Trump said that President Maduro’s failure to assist in deporting migrants led to the decision
- **Australia**
 - Argentine Australia has passed a law banning social media access for under-16s, requiring platforms to implement age verification measures like facial recognition. While many parents and some experts support the move, others argue it may be ineffective, as children can find ways to bypass restrictions, and harmful content could shift to other online spaces
- **Thailand**
 - Thailand estimates 30,000–100,000 people, including foreigners from 30+ countries, are trapped in Myanmar scam compounds run by Chinese gangs, forced into global fraud schemes. In response, Thailand cut power, restricted fuel, and is repatriating victims. The crackdown intensified after Chinese actor Wang Xing’s high-profile abduction exposed the region’s human trafficking crisis
- **Mexico**

In response to the U.S. designating six Mexican drug cartels as foreign terrorist organizations, Mexico’s President Claudia Sheinbaum announced plans for constitutional reforms to protect national sovereignty, rejecting any U.S. military intervention while also proposing stricter penalties for foreign involvement in arms trafficking

Commodities

Oil Prices

- WTI: \$67.04 per barrel
 - (3.90%) WoW; (6.53%) YTD; (15.28%) YoY
- Brent: \$70.36 per barrel
 - (3.85%) WoW; (5.73%) YTD; (15.19%) YoY



US Production

- U.S. oil production amounted to 13.5 million bpd for the week ended February 28, up 0.0 million bpd from the prior week

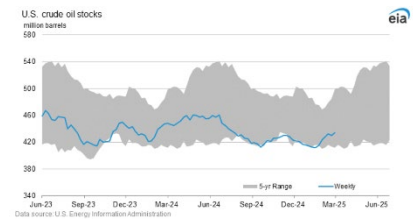
Rig Count

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

Inventories

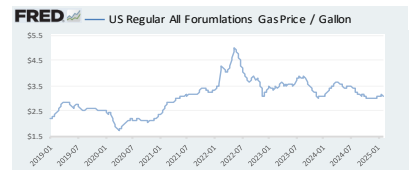
Crude Oil

- Total U.S. crude oil inventories now amount to 433.8 million barrels, down (3.3%) YoY
- Refiners operated at a capacity utilization rate of 85.9% for the week, down from 86.5% in the prior week
- U.S. crude oil imports now amount to 5.919 million barrels per day, down (19.5%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.10 per gallon in the week of March 7, down (9.0%) YoY



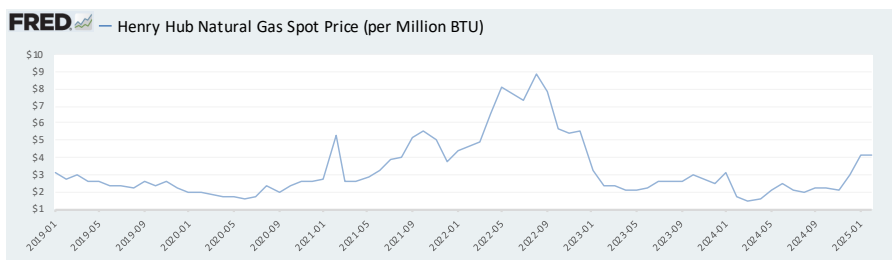
- Gasoline prices on the East Coast amounted to \$3.09, down (7.7%) YoY
- Gasoline prices in the Midwest amounted to \$2.96, down (11.5%) YoY
- Gasoline prices on the Gulf Coast amounted to \$2.74, down (10.0%)
- Gasoline prices in the Rocky Mountain region amounted to \$3.08, down (1.5%) YoY
- Gasoline prices on the West Coast amounted to \$4.28, down (1.9%)
- Motor gasoline inventories were down by 1.4 million barrels from the prior
- Motor gasoline inventories amounted to 246.8 million barrels, up 3.0% YoY
- Production of motor gasoline averaged 9.63 million bpd, up 0.1% YoY
- Demand for motor gasoline amounted to 8.877 million bpd, down (1.5%) YoY

- **Distillates**

- Distillate inventories decreased by -1.3 million in the week of March 7
- Total distillate inventories amounted to 119.2 million barrels, up 1.8% YoY
- Distillate production averaged 4.575 million bpd, up 5.3% YoY
- Demand for distillates averaged 3.991 million bpd in the week, down (2.0%)

- **Natural Gas**

- Natural gas inventories decreased by 80 billion cubic feet last week
- Total natural gas inventories now amount to 1,760 billion cubic feet, down (24.6%) YoY



Credit News

High yield bond yields increased 17bps to 7.29% and spreads increased 20bps to 325bps. Leveraged loan yields decreased 10bps to 8.47% and spreads decreased 4bps to 472bps. WTD high yield bond returns were negative 34bps and leveraged loan returns were negative 13bps. 10-year Treasury yield remained unchanged at 4.28%. High yield spreads widened as developing global trade war, rising growth concerns, and higher global bond yields continue to weigh on sentiment. Leveraged loan yields declined amid weaker data and recalibration of Fed expectations.

High-yield:

Week ended 03/07/2025

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.29%	325	7.12%	305	17	20

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$96.27	\$96.59	-32	-0.34%	-0.30%	1.54%	8.6%

Fund Flows²

Total Flows (\$)
\$1,765mm

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
14	\$8.8bn	\$49.8bn	\$66.9bn	-26%

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%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 03/07/2025

▪ **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.47%	472	8.57%	476	(10)	(4)

▪ **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$96.56	\$96.30	26	-0.13%	-0.13%	0.78%	9.3%

▪ **Fund Flows²**

Total Flows (\$)
\$60mm

▪ **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
26	\$23.8bn	\$300.7bn	\$206.1bn	+46%

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

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

▪ **Total Loan Defaults**

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

Default activity:

- Most recent defaults include: Aimbridge Hospitality (\$1.1bn, 1/31/2025), Exela Intermediate LLC (\$1.2bn, 1/15/2025), City Brewing (\$886mn, 1/2/2025), The Container Store (\$163mn, 12/22/2024), Party City (\$264mn, 12/21/2024), Hearthside Food Solutions (\$2.6bn, 11/22/24), Spirit Airlines (\$1.1bn, 11/18/24), and Franchise Group Inc (\$1.1bn, 11/3/24).

CLOs:

Week ended 03/07/2025

▪ **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
22	\$9.8bn	\$3.7bn	\$6.1bn

▪ **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
211	\$101.0bn	\$29.8bn	\$71.2bn	\$57.7bn	+75%

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:

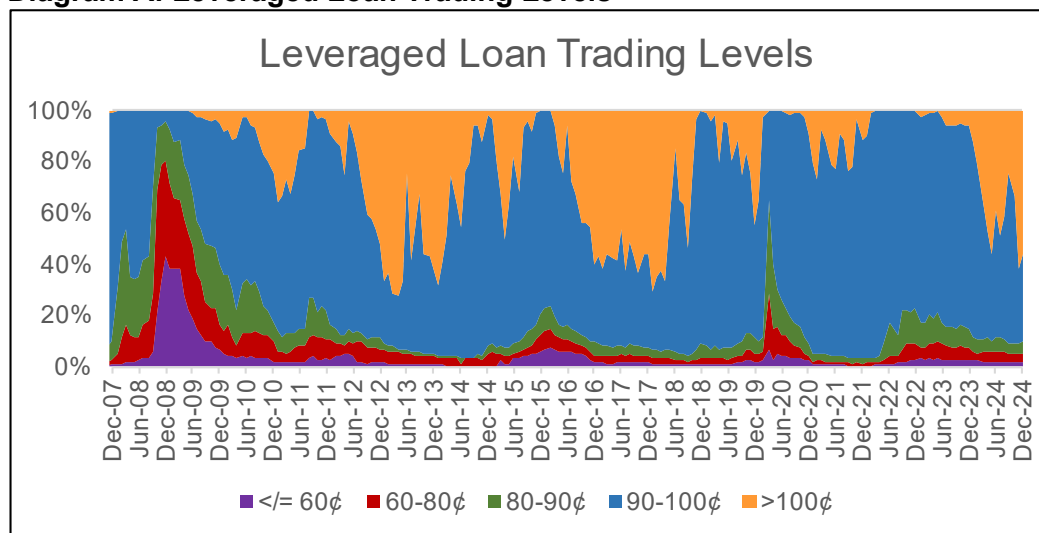
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 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
YTD 2025	62	44	1.4x	77	61	1.3x

Source: Bloomberg

Appendix:

Diagram A: Leveraged Loan Trading Levels



Source: Credit Suisse Leveraged Loan Index; JP Morgan

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	95.0	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	(0.13%)	(0.09%)	(0.34%)	(0.02%)
MTD Return	(0.13%)	(0.09%)	(0.30%)	(0.30%)
YTD Return	0.78%	0.72%	1.54%	1.54%

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 03/07/2025

[2] Yield data as of 03/07/2025

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

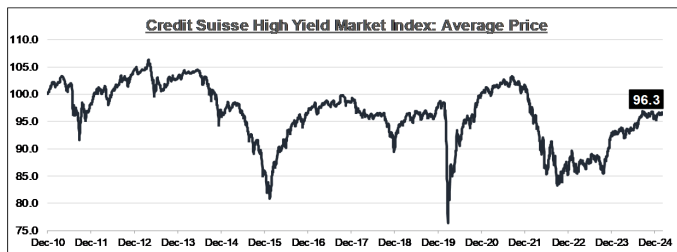


Diagram E: Leveraged Loans Spreads & Yields

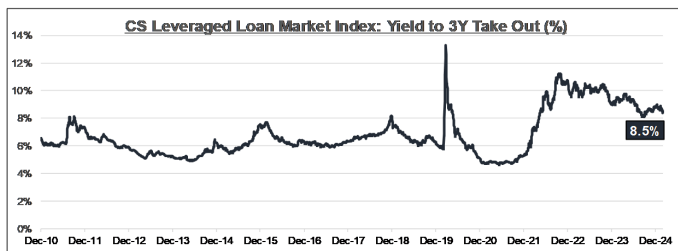


Diagram F: High Yield Bonds Spreads & Yields

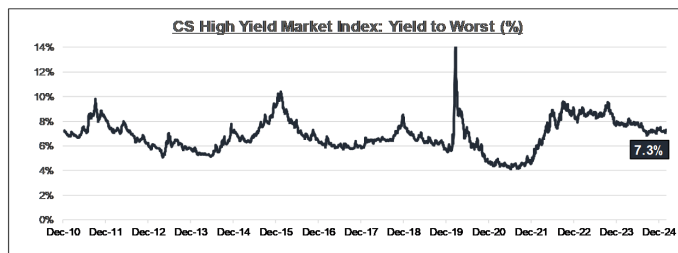
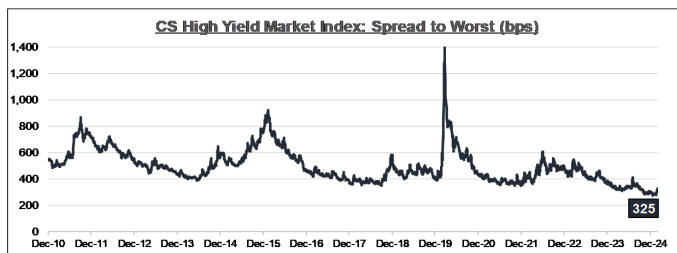


Diagram G: Spread between High Yield Bonds and Leveraged Loans

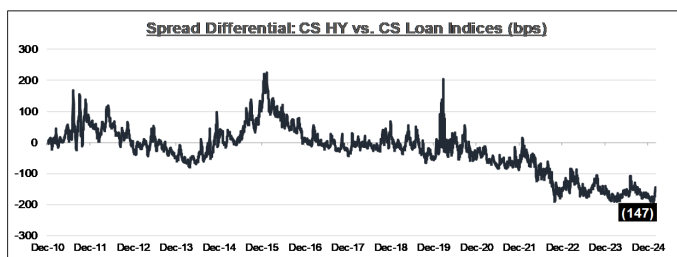
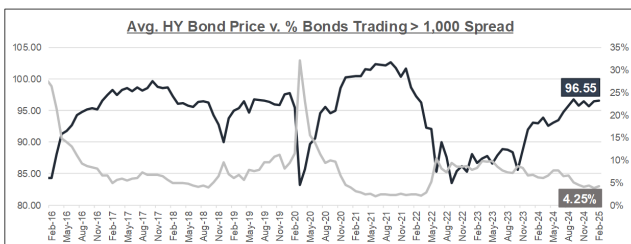
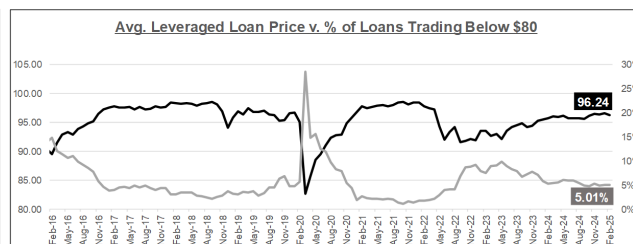


Diagram H: Percentage of Leveraged Loan and High Yield Market Trading at Distressed



Source: CSFB. Data is reported monthly.



Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

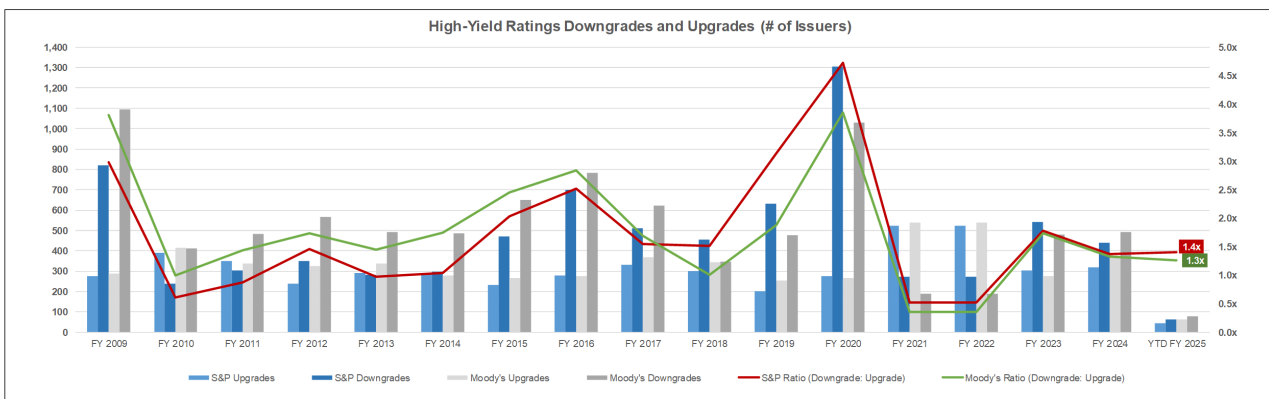
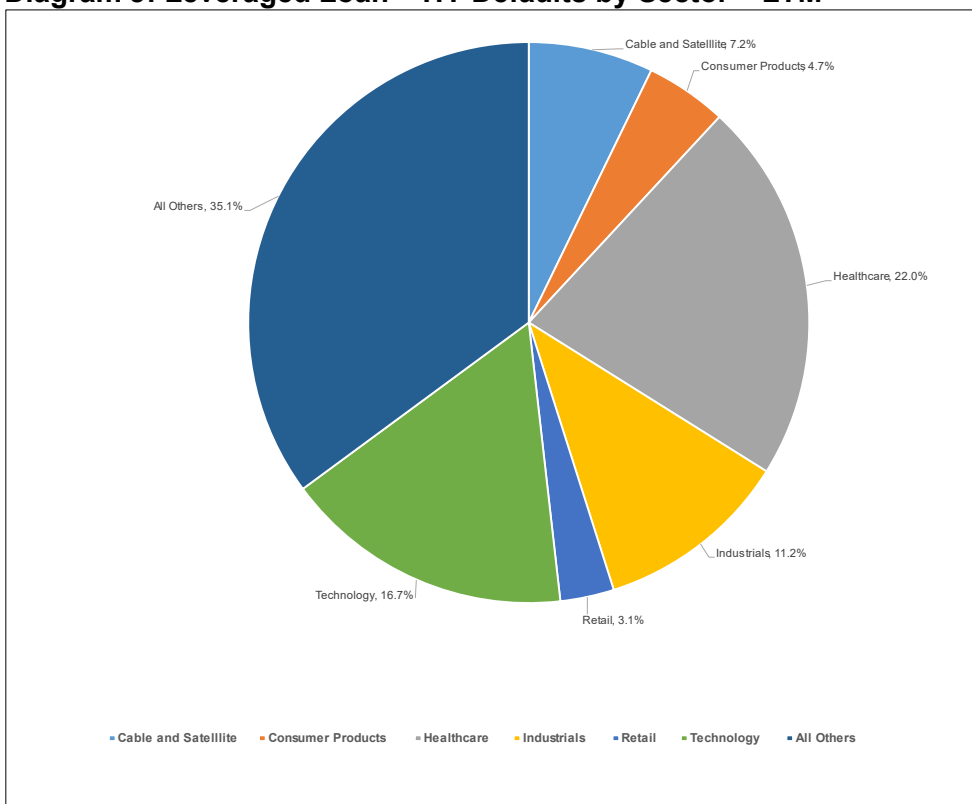


Diagram J: Leveraged Loan + HY Defaults by Sector – LTM



Source: JP Morgan Default Monitor.

Diagram 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+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

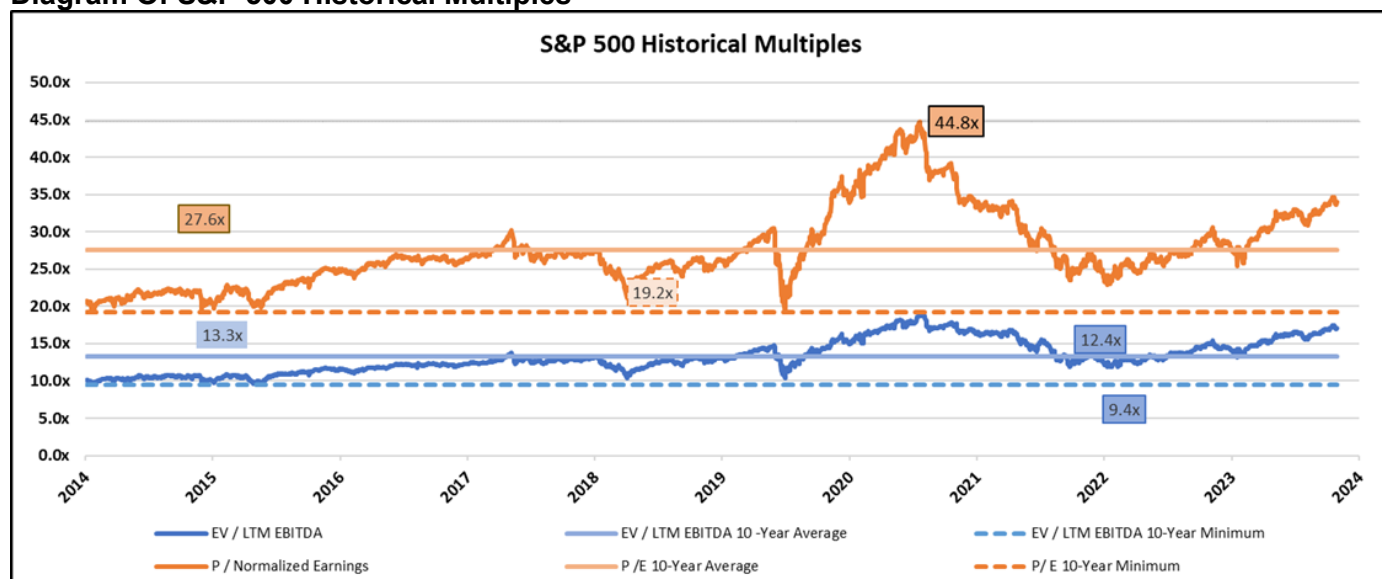
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

By	2/14/25	2/21/25	2/28/25	3/7/25	Change				
					Weekly	Q4 2024	Q3 2024	Q2 2024	Q1 2024
France - 10 year	3.17%	3.22%	3.15%	3.55%	41 bps	28 bps	(38 bps)	49 bps	25 bps
Germany - 10 year	2.43%	2.47%	2.41%	2.83%	43 bps	24 bps	(38 bps)	20 bps	27 bps
Italy - 10 year	3.52%	3.55%	3.54%	3.96%	42 bps	7 bps	(62 bps)	39 bps	(2 bps)
Japan - 10 year	1.36%	1.43%	1.38%	1.52%	14 bps	25 bps	(21 bps)	27 bps	18 bps
UK - 10 year	4.50%	4.57%	4.48%	4.63%	15 bps	57 bps	(13 bps)	20 bps	44 bps
US									
US - 2 year	4.26%	4.20%	3.99%	3.91%	(8 bps)	64 bps	(115 bps)	7 bps	37 bps
US - 5 year	4.33%	4.27%	4.02%	3.99%	(3 bps)	87 bps	(92 bps)	8 bps	43 bps
US - 10 year	4.48%	4.43%	4.21%	4.23%	2 bps	84 bps	(73 bps)	11 bps	42 bps
US - 30 year	4.70%	4.68%	4.49%	4.55%	6 bps	71 bps	(55 bps)	13 bps	42 bps

Source: Bloomberg

Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

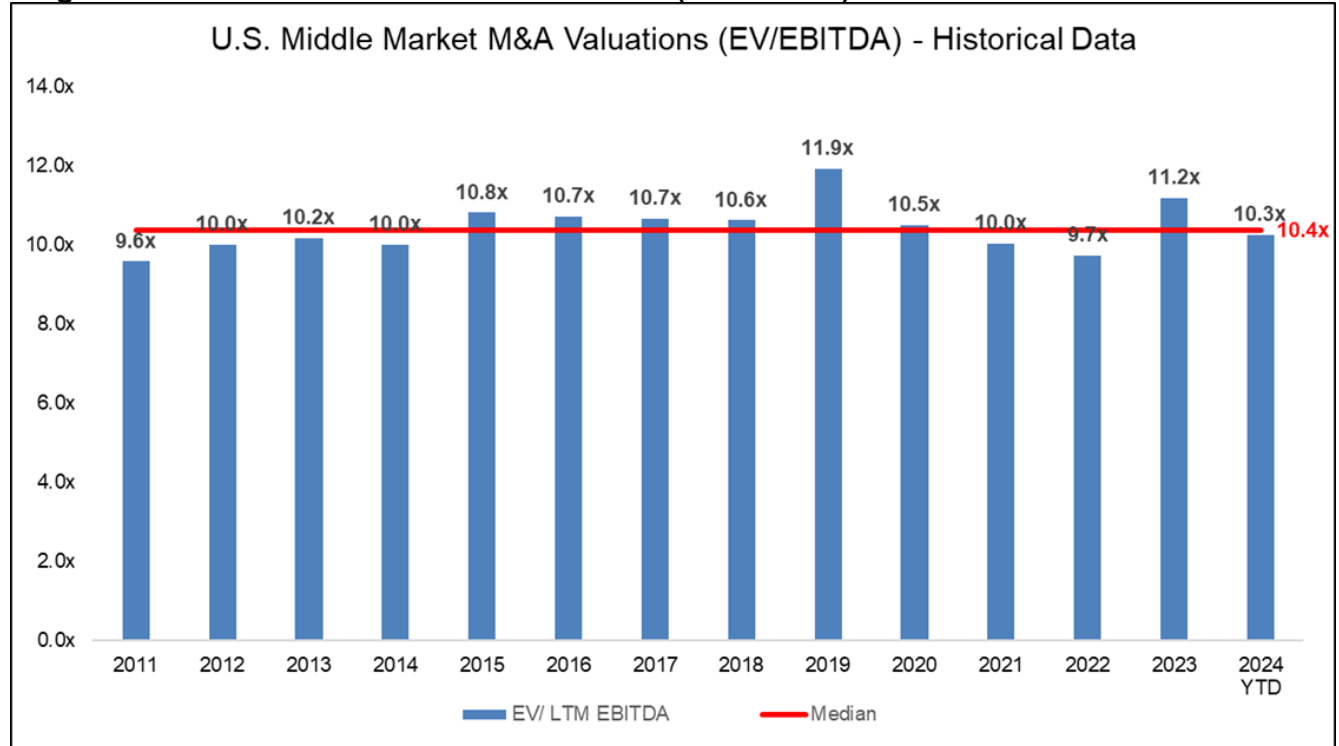
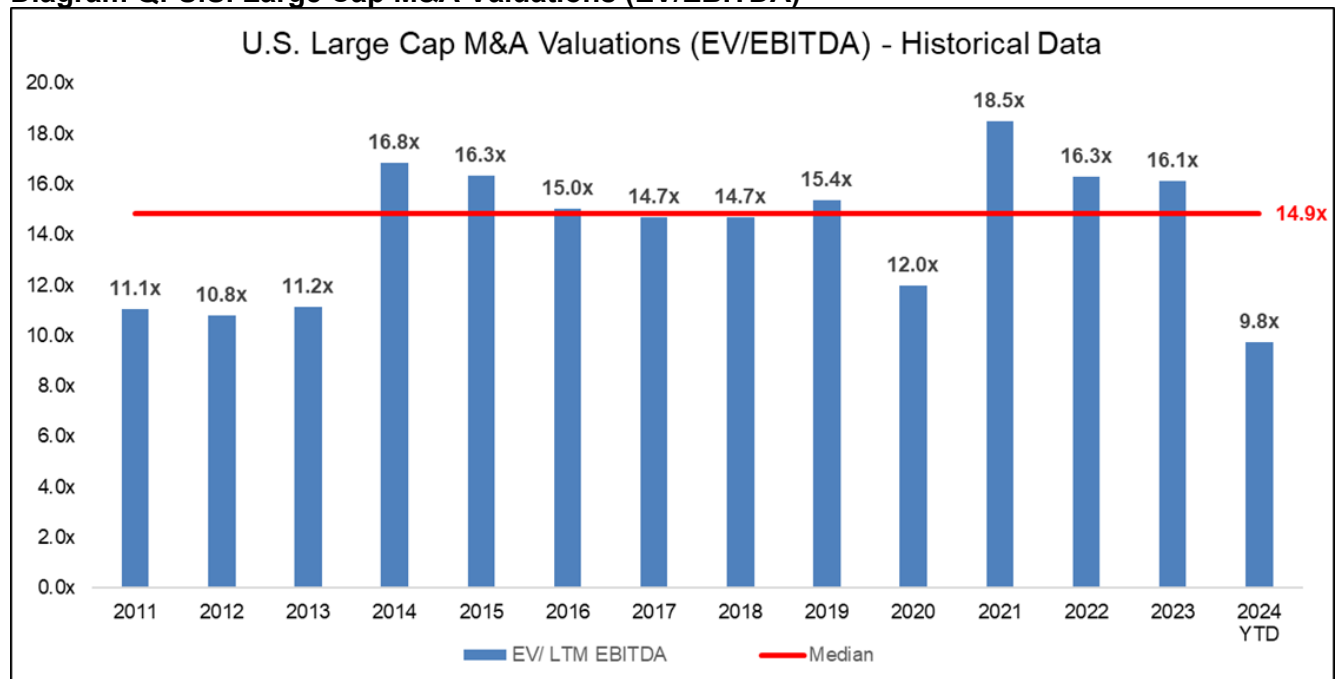
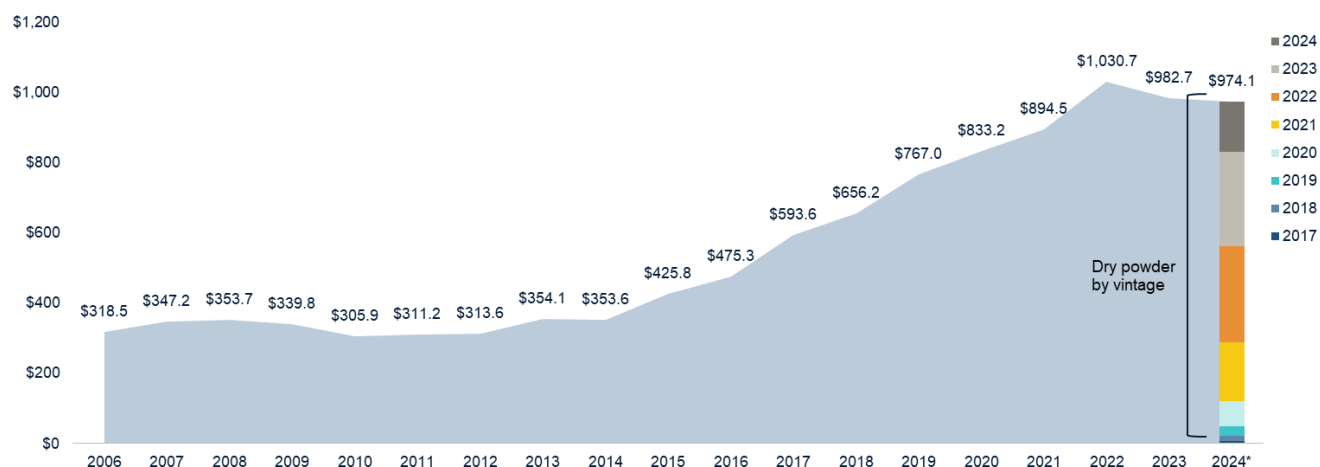
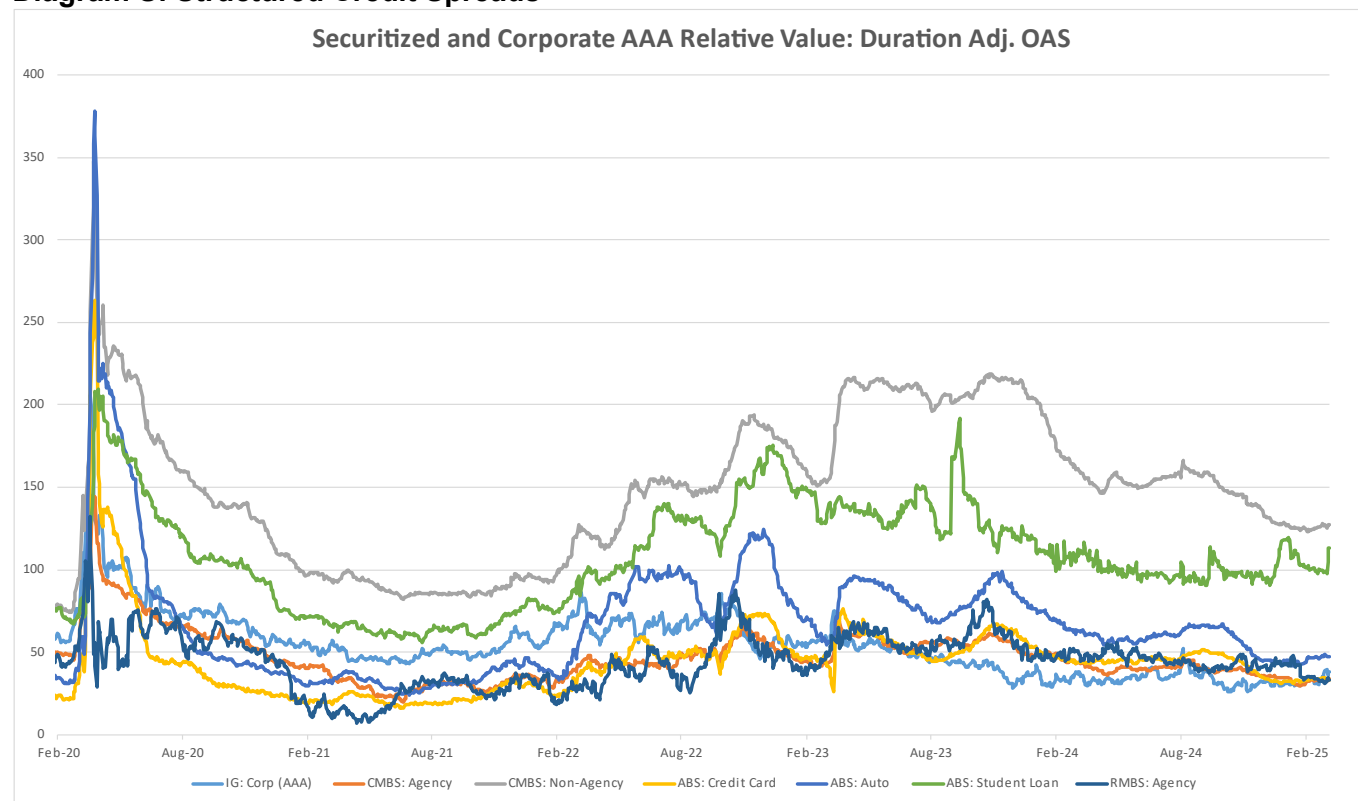
Diagram P: U.S. Middle-Market M&A Valuations (EV/EBITDA)x**Diagram Q: U.S. Large Cap M&A Valuations (EV/EBITDA)**

Diagram R: Dry Powder for All Private Equity Buyouts



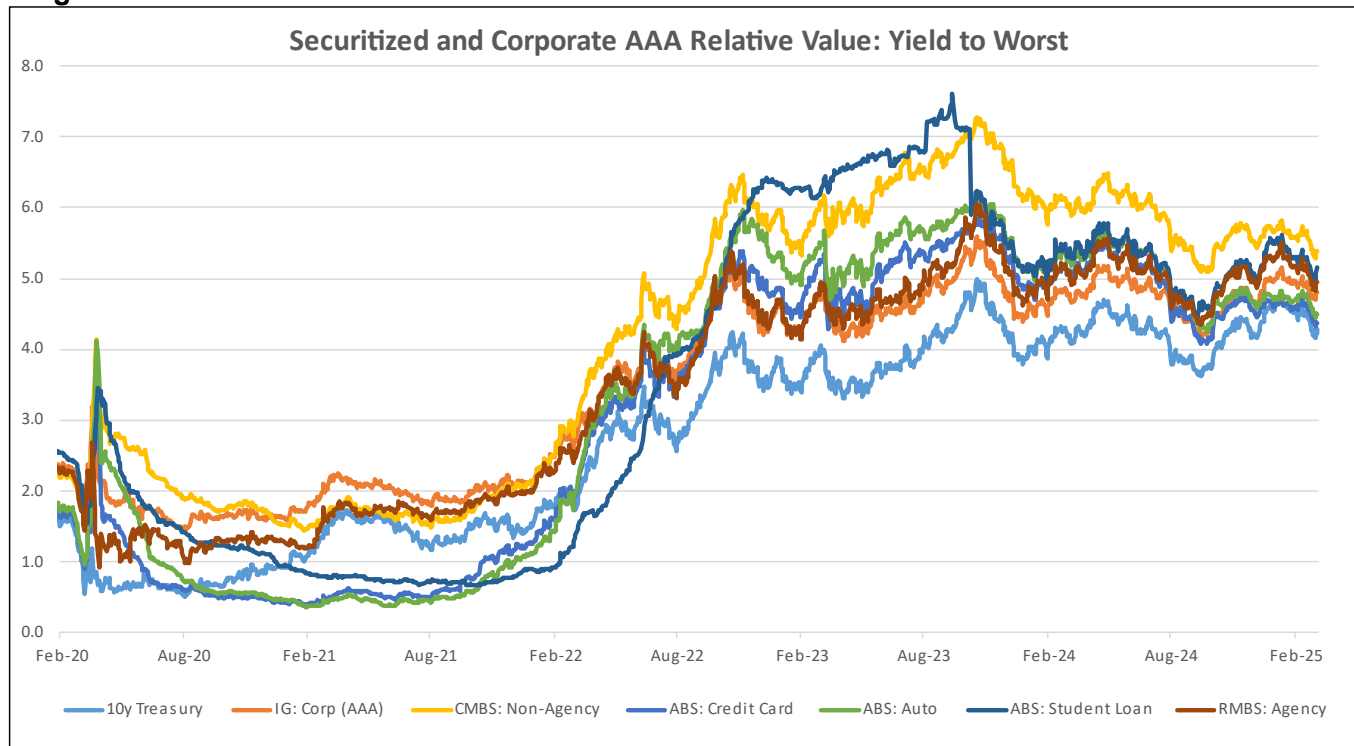
Source: Pitchbook

Diagram S: Structured Credit Spreads



Source: Bloomberg

Diagram T: Structured Credit Yield



Source: Bloomberg

Diagram U: SOFR Curve

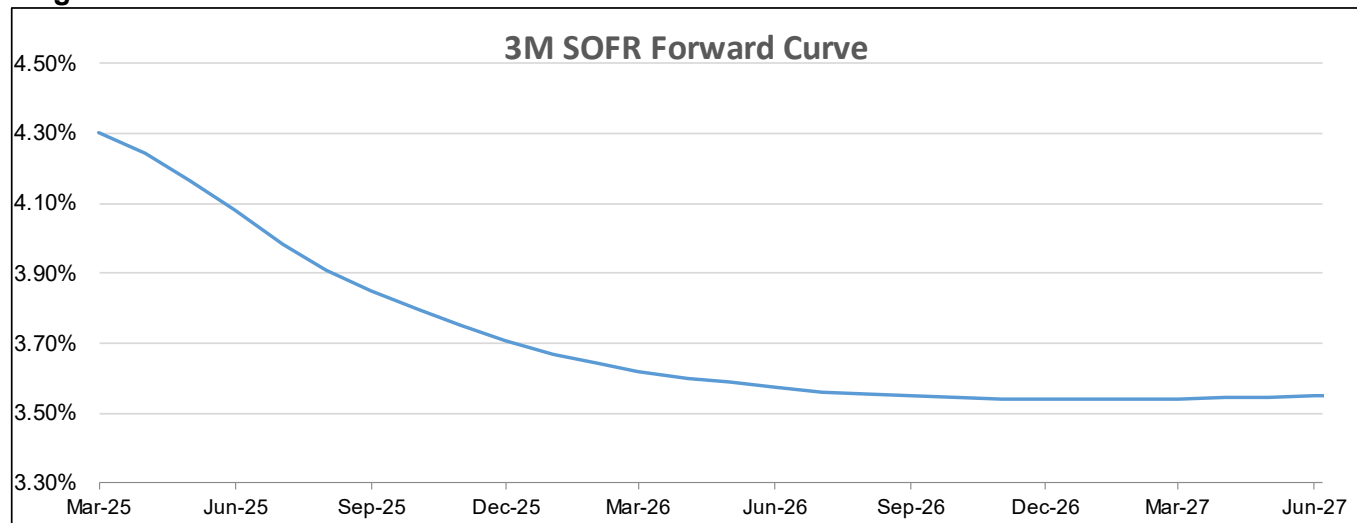
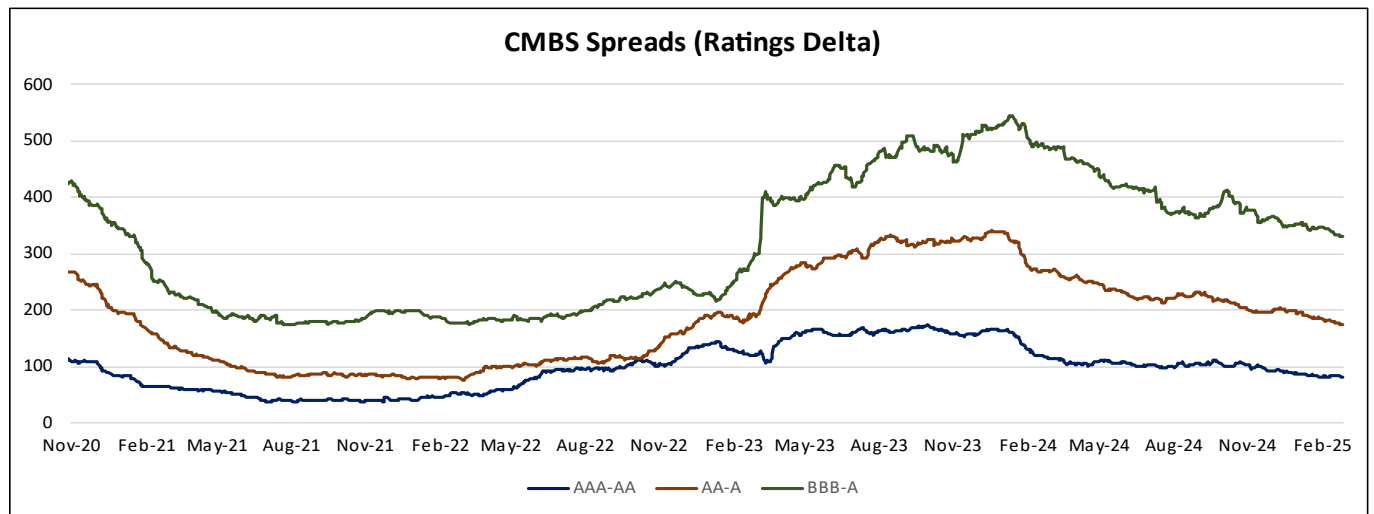
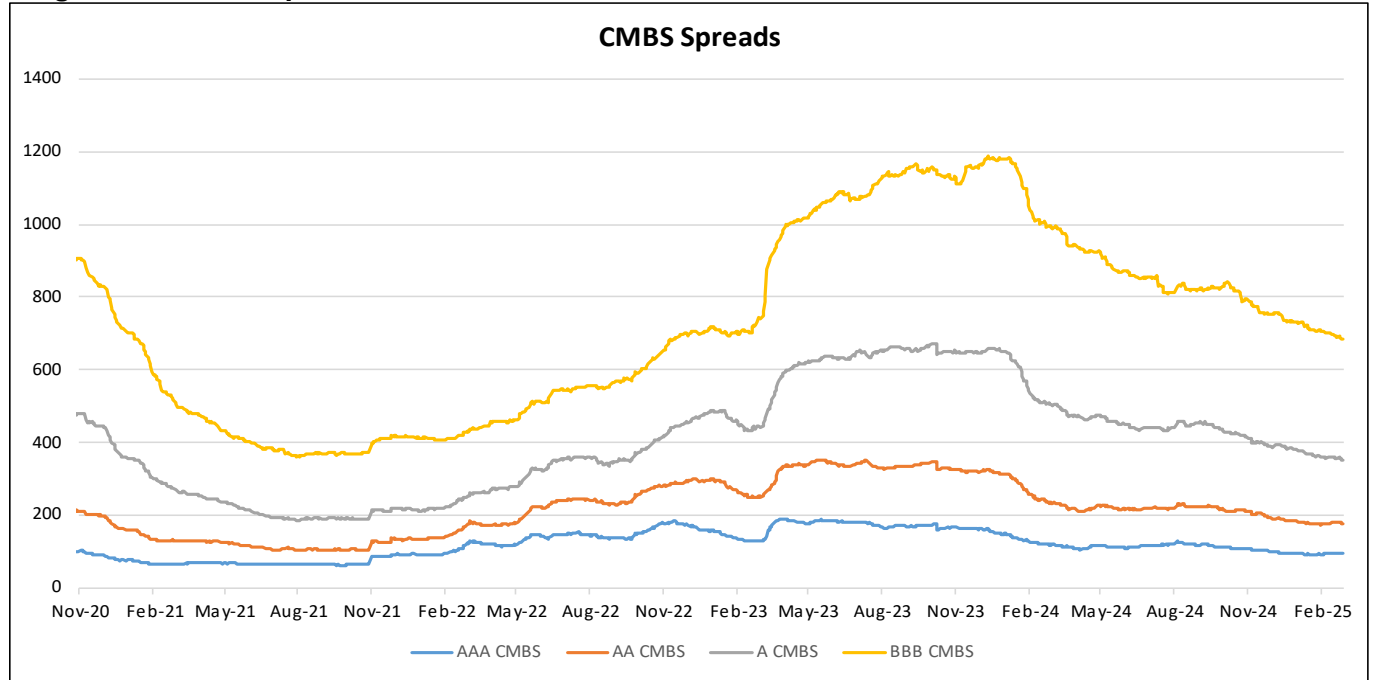
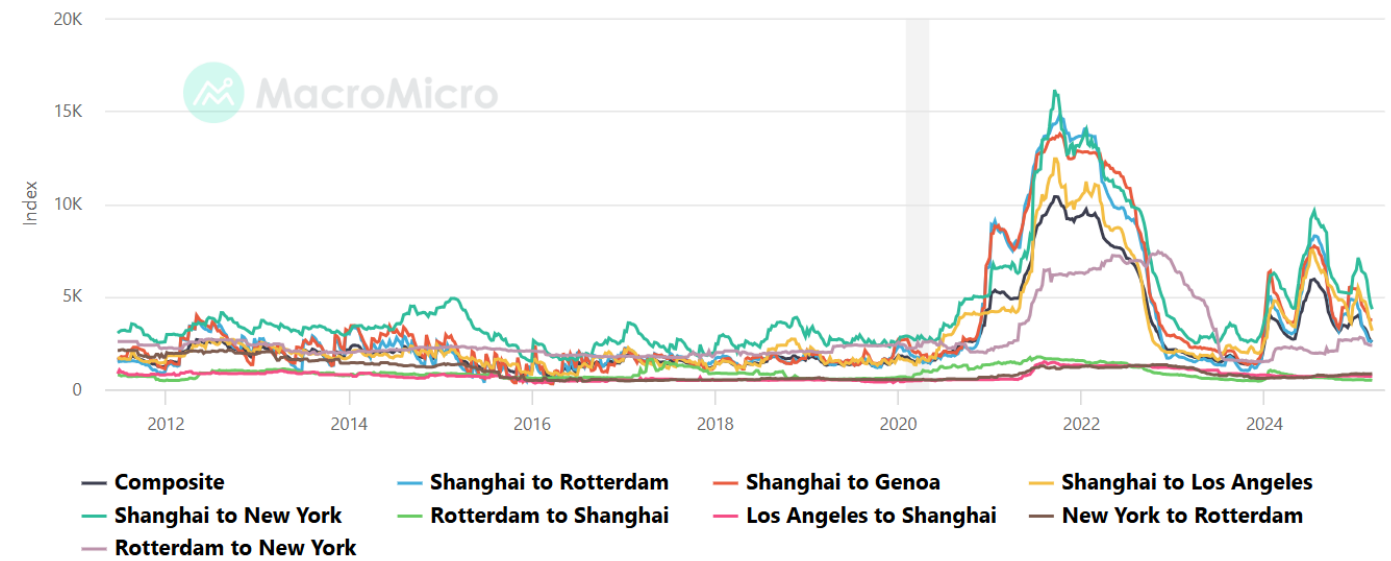


Diagram V: CMBS Spreads

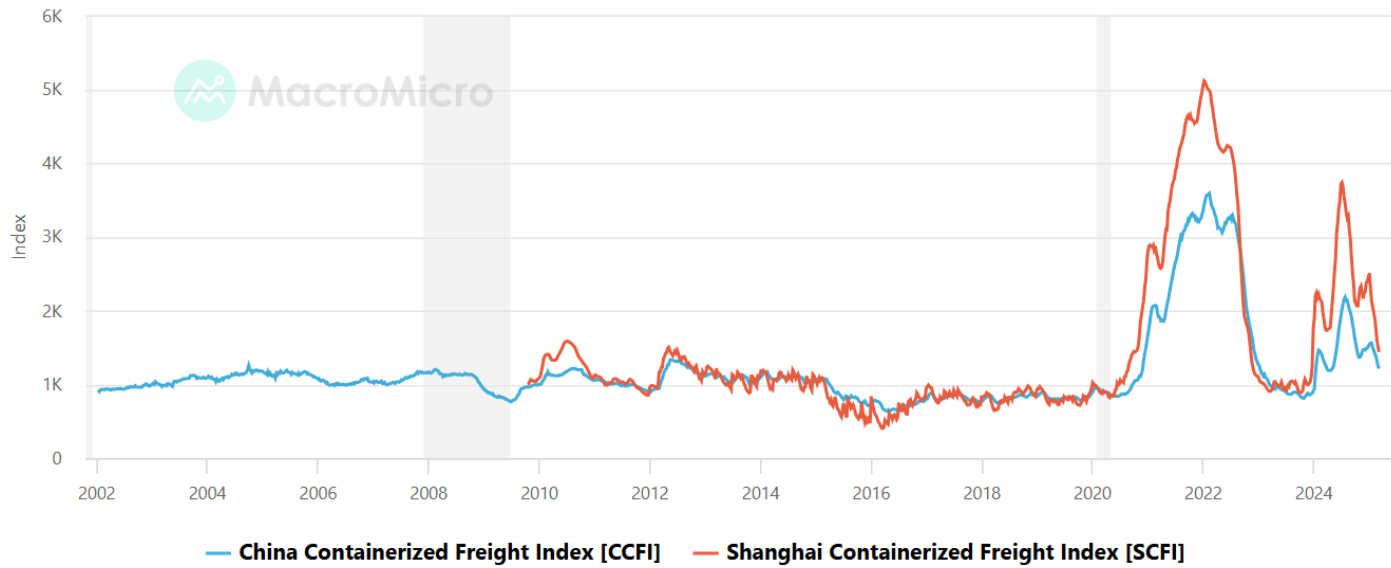


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



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-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.

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.

Olympus Fintech, LLC (“Olympus”) is a software product and platform which provides private equity, debt, and CLO managers with customizable and simplified workflows, data management, and robust reporting capabilities. For more information on Olympus, please visit www.olyfintech.com.

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PERFORMANCE																	
Market Indices		7-Mar	28-Feb	WoW Change	YTD Change	YoY Change	Market Indices			7-Mar	28-Feb	WoW Change	YTD Change	YoY Change			
DJIA		42,801.72	43,840.91	(2.37%)	0.61%	10.71%	S&P/STA Leveraged Loan Index		4,090.59	4,094.50	(0.10%)	0.70%	7.62%				
S&P 500		5,770.20	5,954.50	(3.10%)	(1.89%)	13.04%	Barclays High Yield Index		2,730.31	2,738.06	(0.28%)	1.78%	8.99%				
NASDAQ		18,196.22	18,847.28	(3.45%)	(5.77%)	13.50%	Barclays Aggregate		2,236.01	2,249.06	(0.58%)	2.15%	3.94%				
MSCI - EAFE		2,495.73	2,422.66		10.34%	7.43%	Loan Market Bids							7-Mar	28-Feb	WoW Change	YTD Change
MSCI - Emerging Markets		1,128.55	1,097.25		4.93%	9.79%	S&P Flow Name Index		96.55	96.24	0.33%	0.19%					
US Dollar Index		103.84	107.61	(3.51%)	(4.29%)	0.45%	S&P 100 Name Index		98.27	98.51	(0.24%)	0.31%					
VIX		23.37	19.63		34.70%	61.62%	S&P BB's Index		99.60	99.81	(0.21%)	(0.50%)					
							S&P B's Index		98.38	98.47	(0.09%)	(0.76%)					
							S&P CCC's Index		79.89	78.01	2.41%	4.46%					
Market Ratios		7-Mar	28-Feb	WoW Change	YTD Change	YoY Change	Loan Market Spreads		7-Mar	28-Feb	WoW Change	YTD Change					
CBOE Put/Call Ratio	Equities	0.57	0.61	(6.56%)	23.91%	(31.33%)	S&P BB's Index		S+267	S+264	3 bps	6 bps					
							S&P B's Index		S+436	S+443	(7 bps)	5 bps					
							S&P CCC's Index		S+1274	S+1347	(73 bps)	(132 bps)					
Commodities Indices (\$ USD)		Metric	7-Mar	28-Feb	WoW Change	YTD Change	YoY Change	Credit Default Swap - Volatility Indices		Index	7-Mar	28-Feb	WoW Change	YTD Change			
Core Commodity Index	CRY Index		303.04	301.83	0.40%	2.13%	8.96%	Investment Grade CDS	Market	51.48	49.20	(4.43%)	(3.18%)				
Gasoline - Pump	Gallon	3.10	3.10	(0.26%)	1.08%	(10.34%)	High Yield CDS	Market	326.42	308.76	(5.41%)	(4.57%)					
Gasoline - Futures	Gallon	2.11	1.97	7.02%	5.38%	(17.43%)	Credit		7-Mar <th>28-Feb</th> <th>WoW Change</th> <th>YOY Change</th>	28-Feb	WoW Change	YOY Change					
Crude Oil - WTI	Barrel	67.04	69.76	(3.90%)	(6.53%)	(13.95%)	High Yield	OAS - YTW	T+291	T+280	11 bps	(23 bps)					
Crude Oil - Brent	Barrel	70.36	73.18	(3.85%)	(5.73%)	(15.79%)	Loan Index - S&P Flow Name	DM - 3 Year	S+472	S+478	(6 bps)	(38 bps)					
Natural Gas	MM BTU	4.40	3.83	14.74%	174.42%	17.42%	US Treasury 2-Yr		4.00%	3.99%	1 bps	(47 bps)					
Coal (1 contract = 1,000 tons)	Contract	189.15	189.15	0.00%	0.25%	(10.05%)	US Treasury 3-Yr		4.01%	3.97%	4 bps	(24 bps)					
Aluminum	Metric Ton	2,705.50	2,605.50	0.02%	6.04%	21.05%	US Treasury 5-Yr		4.09%	4.02%	7 bps	4 bps					
Copper	Metric Ton	9,613.50	9,358.00	2.73%	9.64%	12.08%	US Treasury 7-Yr		4.20%	4.11%	8 bps	14 bps					
Iron Ore	Metric Ton	101.29	106.90	(5.25%)	(2.24%)	(13.40%)	US Treasury 10-Yr		4.30%	4.21%	9 bps	23 bps					
Steel - Hot Rolled Coil	Metric Ton	925.00	912.00	1.43%	24.50%	6.32%	US Treasury 30-Yr		4.60%	4.49%	11 bps	35 bps					
Steel - Cold Rolled Coil	Metric Ton	1,162.50	1,125.00	3.33%	27.75%	2.42%	US CLO Spreads - New Issue		28-Feb	31-Jan	MoM Change	YTD Change					
Ferrous Scrap	Metric Ton	505.00	500.00	1.00%	20.24%	17.44%	AAA		S+118	S+119	(1 bps)	(11 bps)					
Lumber	27.5K Board Feet	642.00	635.00	1.10%	10.59%	(0.31%)	AA		S+155	S+153	2 bps	(15 bps)					
Gold	Troy Ounce	2,909.10	2,857.83	1.79%	10.84%	35.42%	A		S+188	S+190	(2 bps)	(7 bps)					
Silver	Troy Ounce	32.54	31.15	4.45%	12.85%	34.63%	BBB		S+270	S+265	5 bps	(60 bps)					
Cotton	Pound	61.71	63.03	(2.09%)	(4.09%)	(18.30%)	BB		S+523	S+510	13 bps	(125 bps)					
Butter	Pound	2.31	2.35	(1.49%)	(9.41%)	(18.30%)	Market Rates		7-Mar	28-Feb	WoW Change	YTD Change					
Cheese	Pound	1.80	1.82	(1.28%)	(5.16%)	0.22%	Fed Fund Rate		4.31%	4.31%	0 bps	(1 bps)					
Cocoa	Pound	3.76	4.14	(9.12%)	(24.89%)	63.87%	Prime Rate		7.50%	7.50%	0 bps	0 bps					
Com	Bushel	4.55	4.54	0.39%	(0.78%)	8.91%	Broker Call Rate		6.25%	6.25%	0 bps	0 bps					
Milk, Non Fat Dry	Pound	1.24	1.33	(6.77%)	(10.79%)	4.36%	1M SOFR		4.32%	4.32%	0 bps	(1 bps)					
Soybean	Bushel	10.10	10.12	(0.12%)	1.20%	(11.40%)	3M SOFR		4.29%	4.32%	(2 bps)	(1 bps)					
Sugar	Pound	0.18	0.20	(6.15%)	(4.93%)	(14.64%)	6M SOFR		4.19%	4.26%	(7 bps)	(6 bps)					
Wheat	Bushel	5.34	5.37	(0.61%)	(3.22%)	2.40%	Short Interest - Millions of shares		28-Feb	31-Jan	MoM Change	YTD Change					
Live Cattle	Pound	2.00	1.98	1.29%	3.31%	6.96%	NYSE Mkt Short Interest		17,057.50	16,372.36	4.18%	5.78%					
Lean Hogs	Pound	0.87	0.84	4.39%	7.44%	2.76%	Nasdaq Short Interest		14,581.38	14,827.31	(1.66%)	(1.66%)					
Beef, USDA Ground	Pound	3.15	3.12	0.98%	(2.87%)	3.28%	Fed Corp Primary Dealer Positions - \$ USD in Millions		28-Feb	31-Jan	MoM Change	YTD Change					
Chicken, Boneless & Skinless	Pound	3.97	3.97	0.00%	(3.29%)	(2.86%)	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%					
TECHNICALS (Supply / Demand)																	
Bank Loan & High Yield, Inflows (Outflows) Mutual Fund, \$ USD in Millions, (Source: Lipper FM)																	
		Week Ending	Bank Loans		High Yield												
		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											
		15-Jan-25	\$	1,416	\$	(56)											
		8-Jan-25	\$	2,149	\$	(34)											
Year To Date 2025			\$ 13,369		\$ 6,251												
Year Ended December 31, 2024			\$ 21,086		\$ 19,373												
Year Ended December 31, 2023			\$ (18,051)		\$ (17,252)												
NEW ISSUE SUMMARY																	
Institutional Loans		3/7/2025	Deals	Amt (\$mm)													
Priced	Prior Week	26	23,800														
In-Market Forward Calendar		16	11,400														
High Yield		3/7/2025	Deals	Amt (\$mm)													
Priced	Prior Week	13	8,200														
In-Market Forward Calendar		0	0														
ECONOMIC DATA RECAP																	
Key Economic Indicators:		Period Ending	Actual	Expected	Prior												
Initial Jobless Claims		3/1/2025	221K	233K	242K												
Continuing Claims		2/22/2025	1,897K	1,874K	1,862K												
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			1/31/2025	4.08M	4.13M	4.24M											
Housing Starts			1/31/2025	1,366K	1,390K	1,499K											
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	12/31/2024	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			1/31/2025	77.8%	77.7%	77.6%											
Fed & Treasury Balance Sheet		5-Mar	26-Feb	WoW Change	YoY Change												
Fed Total Assets	\$ in Billions	6,756,764.0	6,766,101.0	(0.1%)	(10.4%)												
Public Debt	\$ in Billions	36,218.6	36,222.0	(0.0%)	5.2%												
US Debt Outstanding		3024	2024	QoQ Change	YoY Change												
Domestic Nonfinancial Debt	\$ in Billions	76,296.1	75,386.7	1.2%	4.8%												
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	Region	2023	2024	2025	2026						
United States	5.7%	0.9%	2.9%	2.8%	2.7%	2.1%	World	3.3%	3.2%	3.3%	3.3%						
Brazil	4.6%	2.5%	3.2%	3.7%	2.2%	2.2%	Advanced Economies	1.7%	1.7%	1.9%	1.8%						
China	8.1%	3.2%	5.2%	4.8%	4.6%	4.5%	Euro Area	0.4%	0.8%	1.0%	1.4%						
Germany	2.8%	0.8%	(0.3%)	(0.2%)	0.3%	1.1%	Emerging Mkts and Developing Economies	4.4%	4.2%	4.2%	4.3%						
India	8.9%	6.1%	8.2%	6.5%	6.5%	6.5%	Emerging and Developing Asia	5.7%	5.2%	5.1%	5.1%						
Japan	1.6%	0.5%	1.5%	(0.2%)	1.1%	0.8%	Emerging and Developing Europe	3.3%	3.2%	2.2%	2.4%						
United Kingdom	7.4%	0.6%	0.3%	0.9%	1.6%	1.5%	Latin America and the Caribbean	2.4%	2.4%	2.5%	2.7%						