



# LEVERAGED FINANCE MONTHLY

AUGUST 2022

*This report reviews the latest trends in the loan environment, covering the relationship between loan volume, leverage multiples and relevant macroeconomic indicators and benchmarks impacting the credit markets. It also includes a statistical update, providing a snapshot of activity across the leveraged finance space.*

	AUGUST '22	JULY '22	JUNE '22	MAY '22	AUGUST '21
<b>Indices</b>					
10-Year Treasury	3.15%	2.67%	2.98%	2.85%	1.30%
10-Year vs. 2-Year Spread (basis points)	(30)	(22)	6	32	109
Secured Overnight Financing Rate (30 Day Average)	2.28%	1.55%	1.09%	0.72%	0.05%
DJIA	31,510	32,845	30,775	32,990	35,361
S&P 500	3,955	4,130	3,785	4,132	4,523
NASDAQ	11,816	12,391	11,029	12,081	15,259
iShares HY Corporate Bond Fund (ARCA:HYG)	75	78	73	79	88
iShares Barclays Aggregate (ARCA:AGG)	101	104	102	103	116
<b>Commodities</b>					
Crude Oil (\$/BBL)	\$89.55	\$98.62	\$105.76	\$114.67	\$68.50
Natural Gas (\$/MMCF)	\$9.19	\$8.23	\$5.39	\$8.15	\$4.38
Gold (\$/oz.)	\$1,717	\$1,772	\$1,807	\$1,848	\$1,816
<b>Currencies</b>					
GBP in USD	\$1.16	\$1.22	\$1.22	\$1.26	\$1.38
EUR in USD	\$1.01	\$1.02	\$1.05	\$1.07	\$1.18
USD in JPY	¥138.62	¥133.44	¥135.89	¥128.62	¥109.98
USD in CNY	¥6.89	¥6.74	¥6.74	¥6.67	¥6.46
<b>Middle Market New Issue Loan Pricing (1, 2)</b>					
Total Spread (basis points)	-	-	-	-	448
YTM	-	8.10%	8.10%	8.01%	5.68%
<b>Large Corporate New Issue Loan Pricing (3)</b>					
Total Spread (basis points)	666	774	686	564	448
YTM	9.17%	8.70%	6.84%	5.98%	4.69%

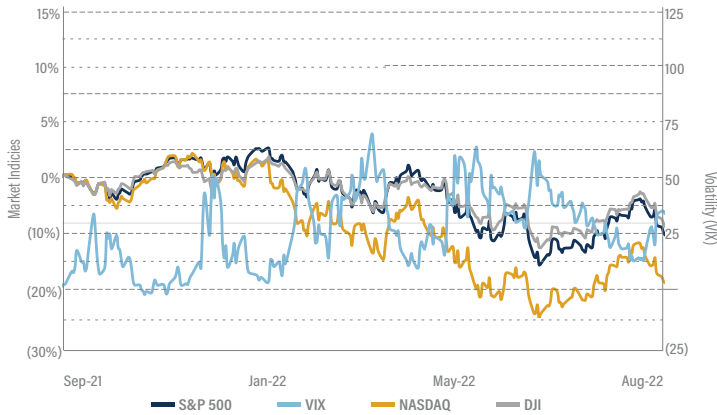
<sup>(1)</sup> "Middle Market" defined as syndicated loans in companies with <\$50 million of pro forma adjusted EBITDA

<sup>(2)</sup> Too few observations for a meaningful sample of syndicated middle-market spreads

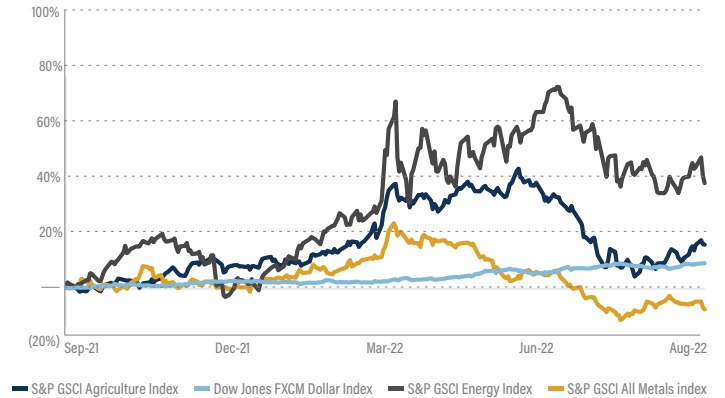
<sup>(3)</sup> "Large Corporate" defined as syndicated loans in companies with >\$50 million of pro forma adjusted EBITDA

# LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS

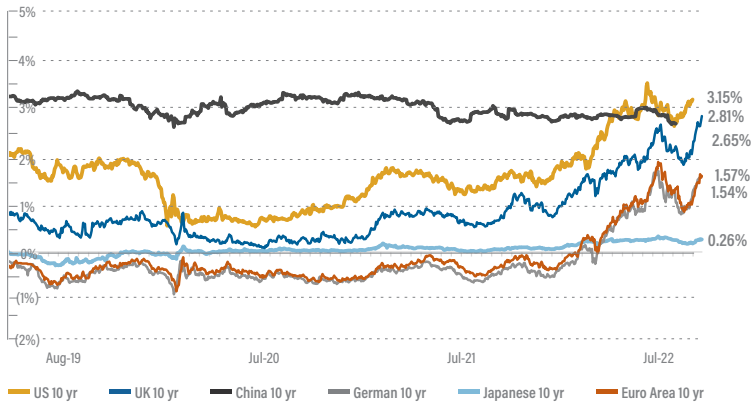
## Stock Market Indices



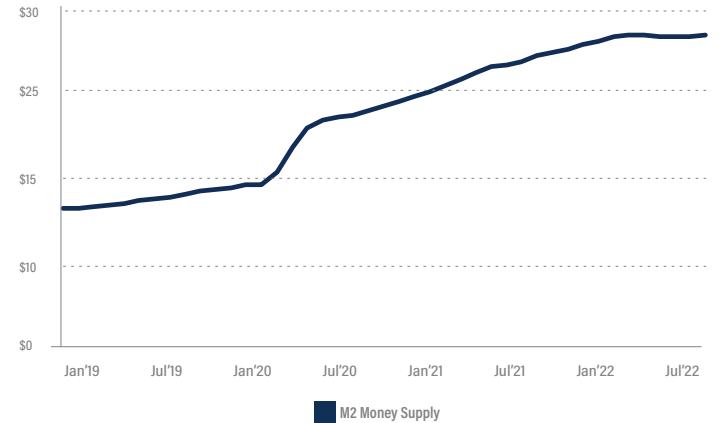
## Commodities Prices



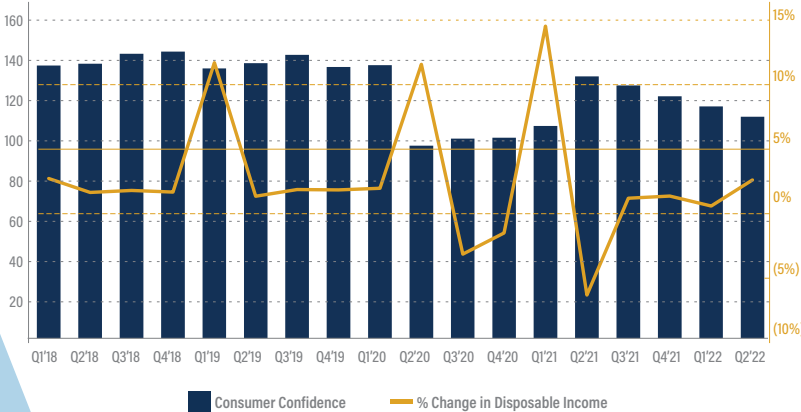
## Sovereign Debt Yields



## M2 Money Supply (\$ in trillions)



## Consumer Confidence Index and % Change in DPI



(1) Default rates based on issuances of institutional debt only

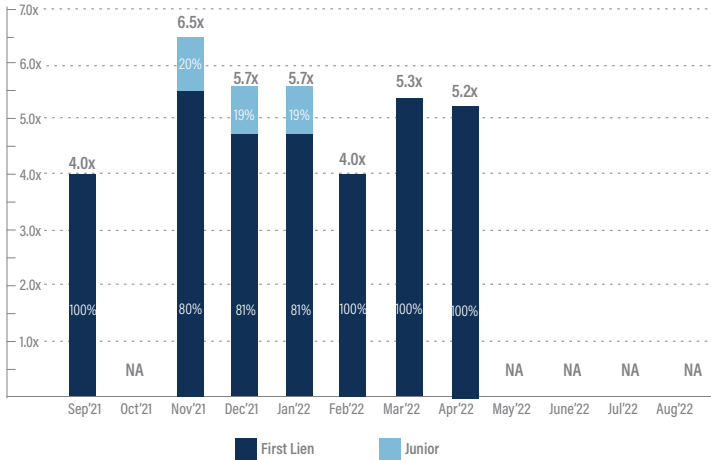
Sources: LevFin Insights, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac

## Default Rates of Leveraged Loans (1)

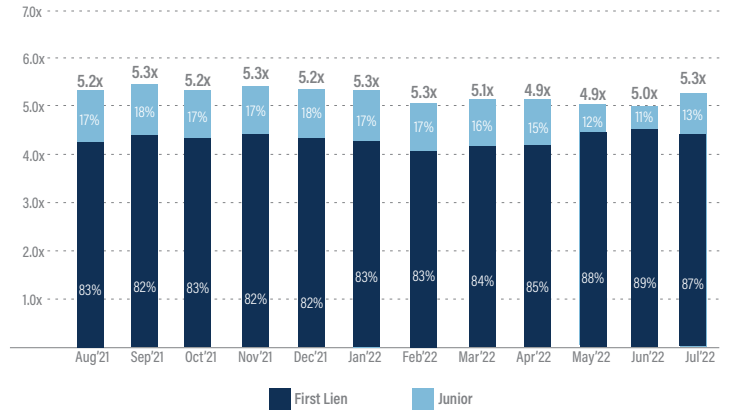


# LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS (CONTINUED...)

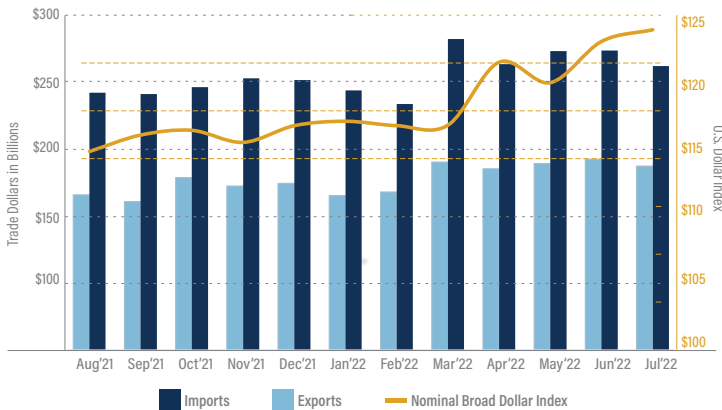
Average Debt Multiples - Middle Market (% of Cap Structure)



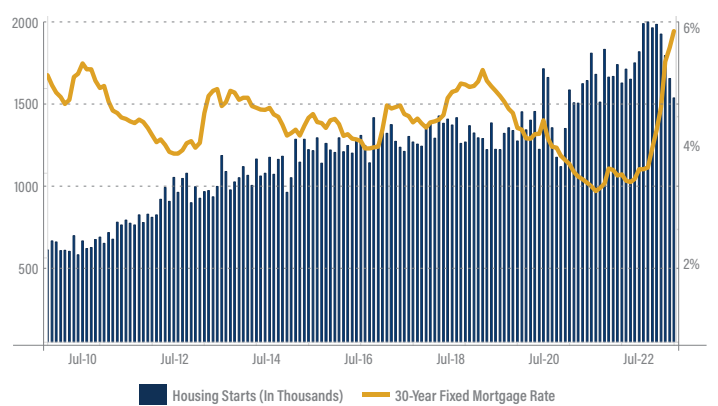
Average Debt Multiples - Large Corporate (% of Cap Structure)



U.S. Trade Deficit & Dollar Index



Housing Starts & Mortgage Rates



## Selected TM Capital Leveraged Finance Experience

HAS COMPLETED A DEBT RECAPITALIZATION WITH SENIOR SECURED CREDIT FACILITIES PROVIDED BY

AND AN ASSET-BASED REVOLVING CREDIT FACILITY PROVIDED BY

HAS COMPLETED A DEBT FINANCING TRANSACTION WITH A SPECIALTY LENDER

FINANCED THE ACQUISITION OF

WITH SENIOR DEBT PROVIDED BY

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Sources: LevFin Insights, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac