



LEVERAGED FINANCE MONTHLY

SEPTEMBER 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.

	SEPTEMBER '22	AUGUST '22	JULY '22	JUNE '22	SEPTEMBER '21
Indices					
10-Year Treasury	3.83%	3.15%	2.67%	2.98%	1.55%
10-Year vs. 2-Year Spread (basis points)	(39)	(30)	(22)	6	125
Secured Overnight Financing Rate (30 Day Average)	2.47%	2.28%	1.55%	1.09%	0.05%
DJIA	28,726	31,510	32,845	30,775	34,391
S&P 500	3,586	3,955	4,130	3,785	4,359
NASDAQ	10,576	11,816	12,391	11,029	14,512
iShares HY Corporate Bond Fund (ARCA:HYG)	72	75	78	73	88
iShares Barclays Aggregate (ARCA:AGG)	96	101	104	102	115
Commodities					
Crude Oil (\$/BBL)	\$78.72	\$89.55	\$98.62	\$105.76	\$74.83
Natural Gas (\$/MMCF)	\$6.77	\$9.19	\$8.23	\$5.39	\$5.48
Gold (\$/oz.)	\$1,672	\$1,717	\$1,772	\$1,807	\$1,723
Currencies					
GBP in USD	\$1.11	\$1.16	\$1.22	\$1.22	\$1.34
EUR in USD	\$0.98	\$1.01	\$1.02	\$1.05	\$1.16
USD in JYP	¥144.69	¥138.62	¥133.44	¥135.89	¥111.86
USD in CNY	¥7.11	¥6.89	¥6.74	¥6.74	¥6.47
Middle Market New Issue Loan Pricing (1, 2)					
Total Spread (basis points)	-	-	-	-	533
YTM	-	8.19%	8.10%	8.10%	6.56%
Large Corporate New Issue Loan Pricing (3)					
Total Spread (basis points)	668	666	761	686	402
YTM	9.47%	9.13%	8.65%	6.84%	4.72%

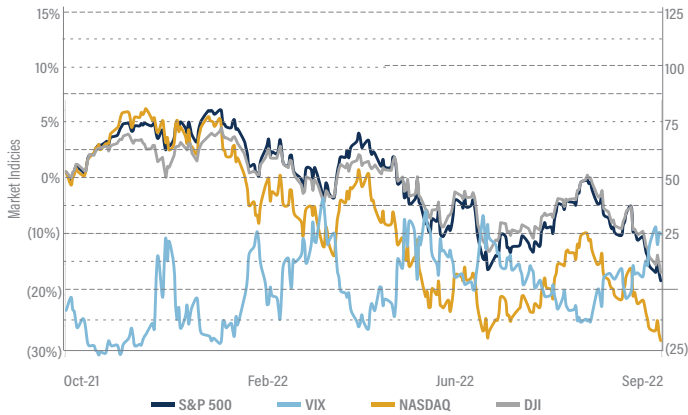
(1) "Middle Market" defined as syndicated loans in companies with <\$50 million of pro forma adjusted EBITDA

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

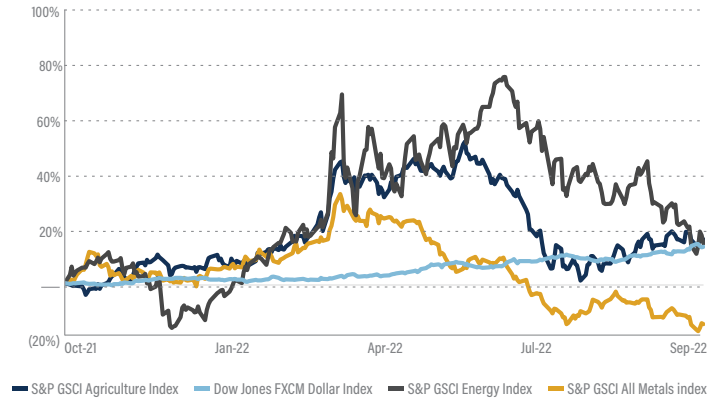
(3) "Large Corporate" defined as syndicated loans in companies with >\$50 million of pro forma adjusted EBITDA

LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS

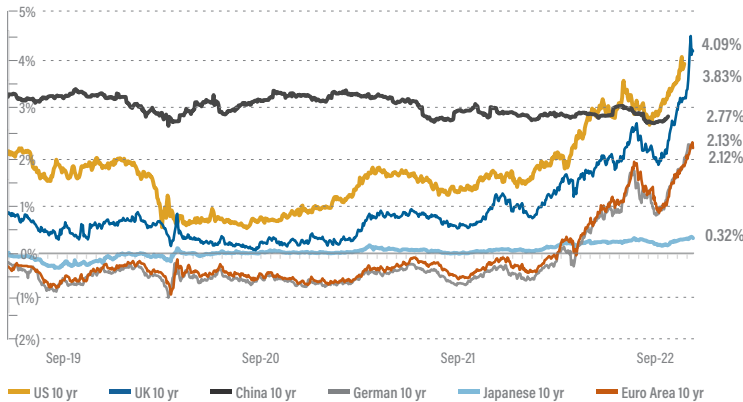
Stock Market Indices



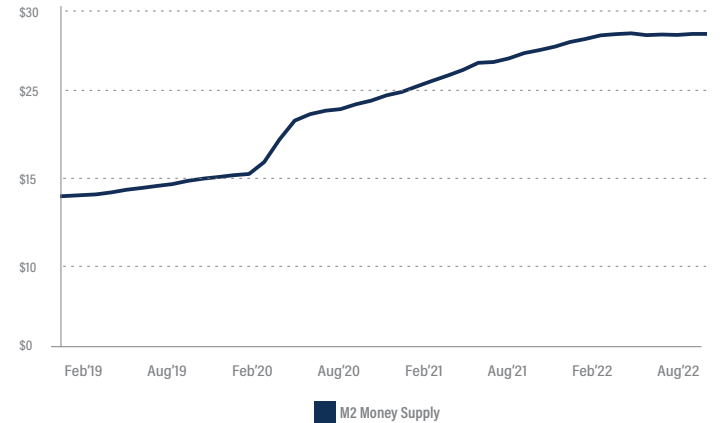
Commodities Prices



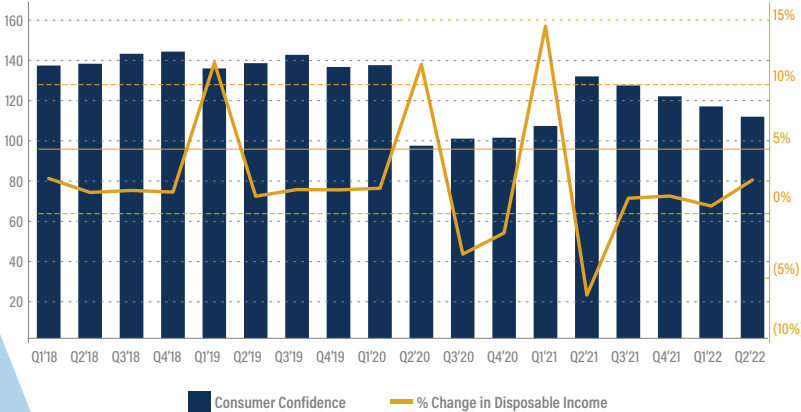
Sovereign Debt Yields



M2 Money Supply (\$ in trillions)



Consumer Confidence Index and % Change in DPI



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

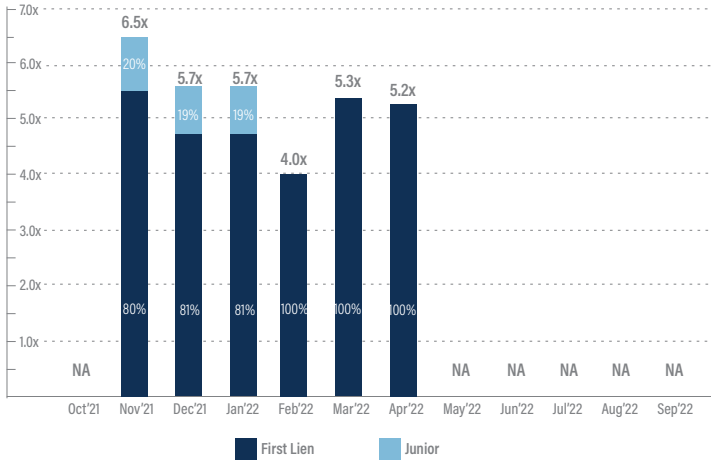
Sources: LevFin Insights, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac

Default Rates of Leveraged Loans (1)

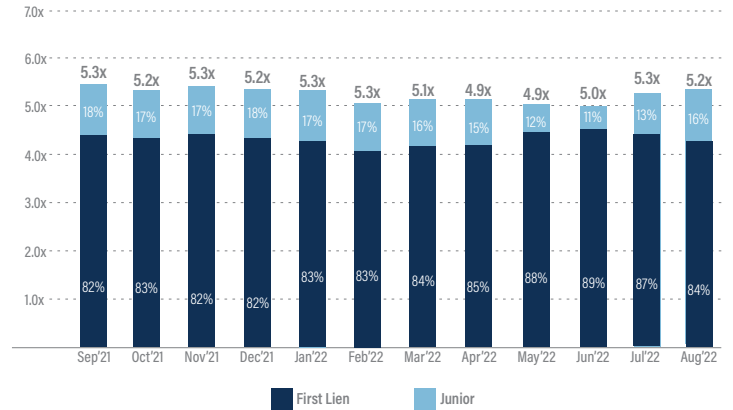


LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS (CONTINUED...)

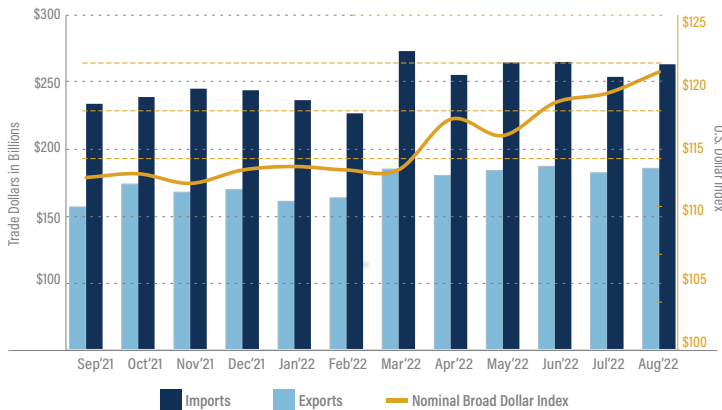
Average Debt Multiples - Middle Market (% of Cap Structure)



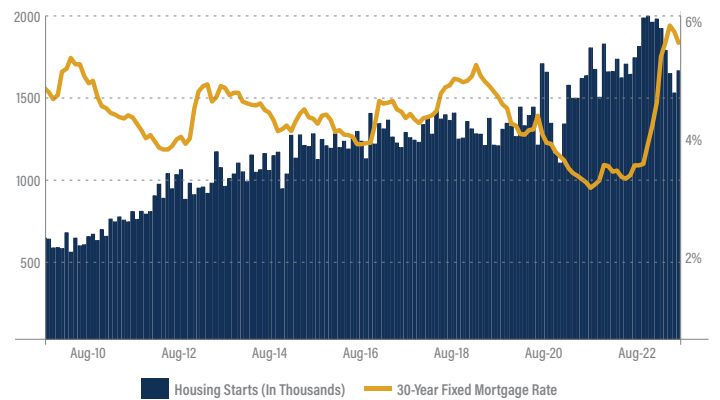
Average Debt Multiples - Large Corporate (% of Cap Structure)



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