



# LEVERAGED FINANCE MONTHLY

JULY 2023

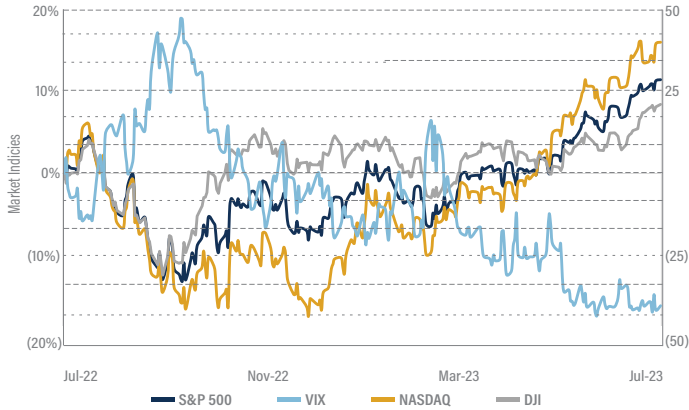
*This report reviews the latest trends in the loan environment, covering the relationship between loan volume, leverage multiples and relevant macroeconomic indicators and benchmarks impacting the credit markets. It also includes a statistical update, providing a snapshot of activity across the leveraged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

|   | JULY '23 | JUNE '23 | MAY '23 | APRIL '23 | JULY '22 |
|---|----------|----------|---------|-----------|----------|
| <b>Indices</b>                                    |          |          |         |           |          |
| 10-Year Treasury                                  | 3.97%    | 3.81%    | 3.69%   | 3.44%     | 2.67%    |
| 10-Year vs. 2-Year Spread (basis points)          | (91)     | (91)     | (106)   | (77)      | (22)     |
| Secured Overnight Financing Rate (30 Day Average) | 5.10%    | 5.07%    | 5.03%   | 4.82%     | 1.55%    |
| DJIA  | 35,560   | 34,408   | 33,043  | 33,274    | 32,845   |
| S&P 500   | 4,589    | 4,450    | 4,206   | 4,169     | 4,130    |
| NASDAQ  | 14,346   | 13,788   | 13,017  | 12,227    | 12,391   |
| iShares HY Corporate Bond Fund (ARCX: HYG)        | 75       | 75       | 74      | 75        | 78       |
| iShares Barclays Aggregate Bond Index (ARCX: AGG) | 98       | 98       | 98      | 100       | 104      |
| <b>Commodities</b>                                |          |          |         |           |          |
| Crude Oil (\$ / bbl)                              | \$81.80  | \$70.64  | \$69.46 | \$76.78   | \$98.62  |
| Natural Gas (\$ / MMCF)                           | \$2.63   | \$2.77   | \$2.33  | \$2.58    | \$8.23   |
| Gold (\$ / oz.)                                   | \$1,989  | \$1,929  | \$1,977 | \$1,999   | \$1,772  |
| <b>Currencies</b>                                 |          |          |         |           |          |
| GBP in USD  | \$1.29   | \$1.27   | \$1.24  | \$1.26    | \$1.22   |
| EUR in USD  | \$1.10   | \$1.09   | \$1.07  | \$1.10    | \$1.02   |
| USD in JYP  | ¥142.13  | ¥144.59  | ¥139.76 | ¥136.12   | ¥133.44  |
| USD in CNY  | ¥715     | ¥725     | ¥708    | ¥6.91     | ¥6.74    |
| <b>Middle Market New Issue Loan Pricing</b>       |          |          |         |           |          |
| Total Spread (basis points)                       | -        | -        | -       | -         | 602      |
| YTM   | 13.93%   | -        | -       | -         | 8.10%    |
| <b>Large Corporate New Issue Loan Pricing (1)</b> |          |          |         |           |          |
| Total Spread (basis points)                       | 449      | 467      | 497     | 495       | 642      |
| YTM   | 10.21%   | 10.28%   | 10.35%  | 9.82%     | 8.65%    |

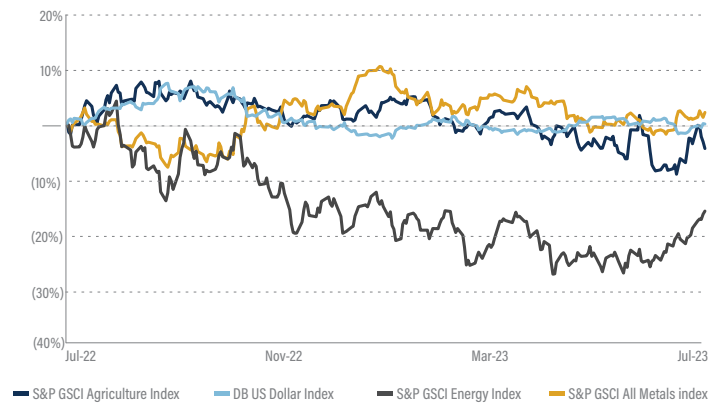
(1) "Large Corporate" defined as syndicated loans in companies with >\$50 million of pro forma adjusted EBITDA

# LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS

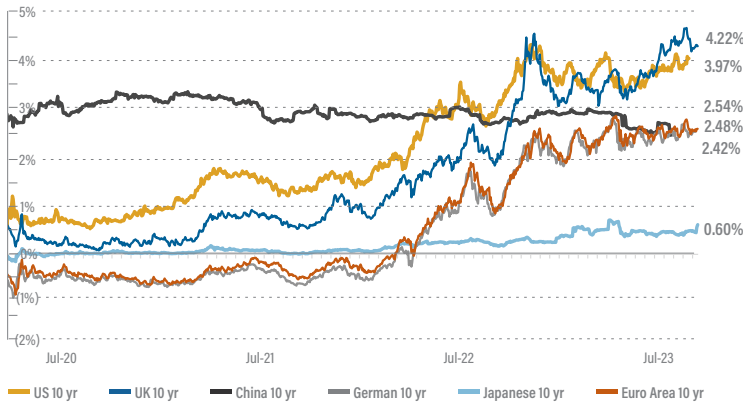
## Stock Market Indices



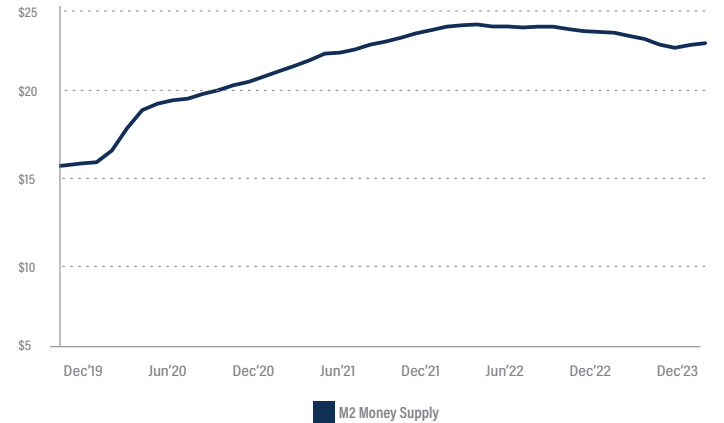
## Commodities Prices



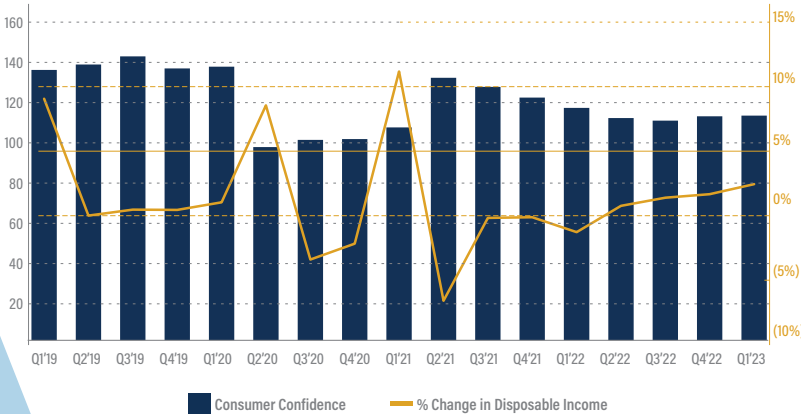
## Sovereign Debt Yields



## M2 Money Supply (\$ in trillions)



## Consumer Confidence Index and % Change in DPI



## Default Rates of Leveraged Loans (1)

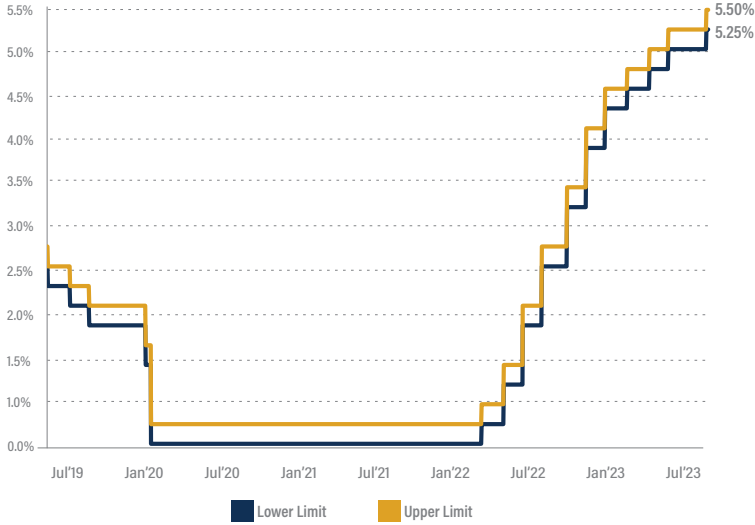


(1) Default rates based on issuances of institutional debt only

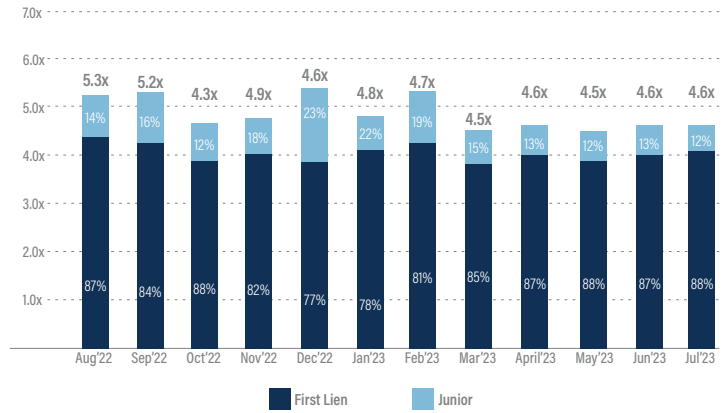
Sources: LevFin Insights, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac

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

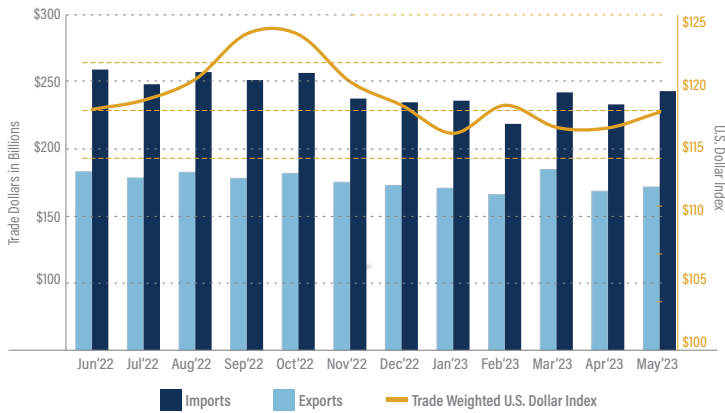
## Target Fed Funds Rate



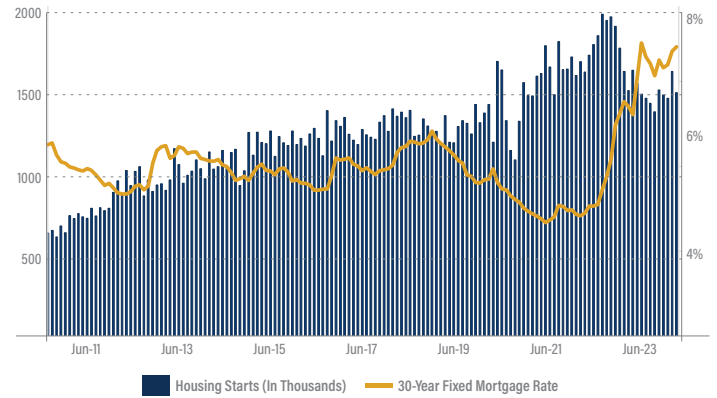
## Average Debt Multiples - Large Corporate (% of Cap Structure)



## U.S. Trade Deficit & Dollar Index



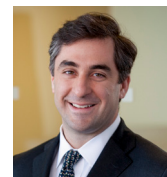
## Housing Starts & Mortgage Rates



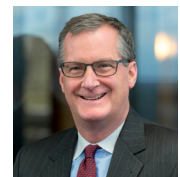
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## Selected TM Capital Leveraged Finance Experience

**A SPECIALTY CONSUMER FINANCE COMPANY**

HAS SECURED A \$220 MILLION CREDIT FACILITY FROM

**CapitalOne** **BMO** **First Horizon** **United Community Bank**

**A LEADING PROVIDER OF HOME DÉCOR**

HAS SECURED A \$15.5 MILLION JUNIOR CAPITAL INVESTMENT  
HAS RECEIVED A SECOND LIEN NOTE FROM

**Tokarz Group**

**mud pie**  
HOME FINE HOMES

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

**Goldman Sachs**

AND AN ASSET-BASED REVOLVING CREDIT FACILITY PROVIDED BY

**TRUIST**

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