

# Global Economic & Credit Market

Week 33 Ending – August 15, 2025

## Economic Calendar

Monday, August 18: Home builder confidence

Tuesday, August 19: Housing starts

Thursday, August 21: U.S. services / manufacturing PMI

## Key Market Metrics

- S&P 500: +0.94% WoW; +9.66% YTD; +16.12% YoY; 15.1x LTM EBITDA; 14.4x NTM EBITDA
- Dow Jones: +1.74% WoW; +5.65% YTD; +10.54% YoY; 12.8x LTM EBITDA; 13.4x NTM EBITDA
- Nasdaq: +0.81% WoW; +11.97% YTD; +22.64% YoY
- High-yield: +0.25% WoW; +5.36% YTD; +8.23% YoY
- Leveraged Loan: +0.06% WoW; +3.86% YTD; +7.54% YoY
- Ten Year US Treasury Yield: 4.31% +4 bps YTD; +42 bps YoY
- Currency:
  - British Pound per USD: \$1.36; 0.8% WoW; 8.3% YTD; 4.7% YoY
  - Euro per USD: \$1.17; 0.5% WoW; 13.0% YTD; 6.1% YoY
  - USD per Yen: ¥147.19; (0.4%)WoW; (6.4%) YTD; (0.3%)YoY
  - Swiss franc per EUR: 1.06 CHF; (0.3%)WoW; (0.5%) YTD; 1.2% YoY

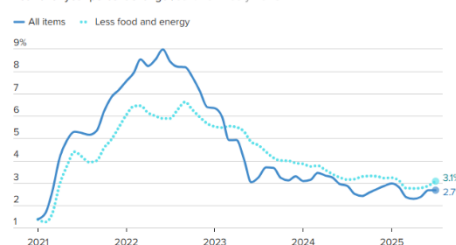
## U.S. News

### • Consumer Price Index

- Core consumer prices rose 0.3% in July, the largest increase in six months, driven partly by tariffs, while overall CPI rose 0.2% as falling gas prices offset some inflation
- Annual core inflation reached 3.1%, the highest since February, with rising service costs – especially housing, medical care, and airfare – posing the biggest concern
- Despite the inflation uptick, most investors still expect the Fed to cut interest rates in September due to a weakening labor market and expectations that tariff-driven inflation will be temporary

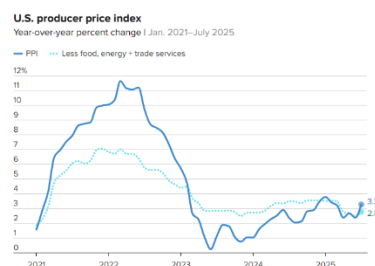
U.S. consumer price index

Year-over-year percent change | Jan. 2021–July 2025



- **Producer Price Index**

- U.S. wholesale prices surged 0.9% in July – the biggest jump in three years – driven by higher costs for food, metals, and services
- Core wholesale inflation rose 0.6%, the largest gain in over three years, with annual rates climbing to 3.3% overall and 2.8% for core
- Rising prices for raw materials up 1.8% and partly finished goods up 0.8% suggest inflation is building before products even reach store shelves



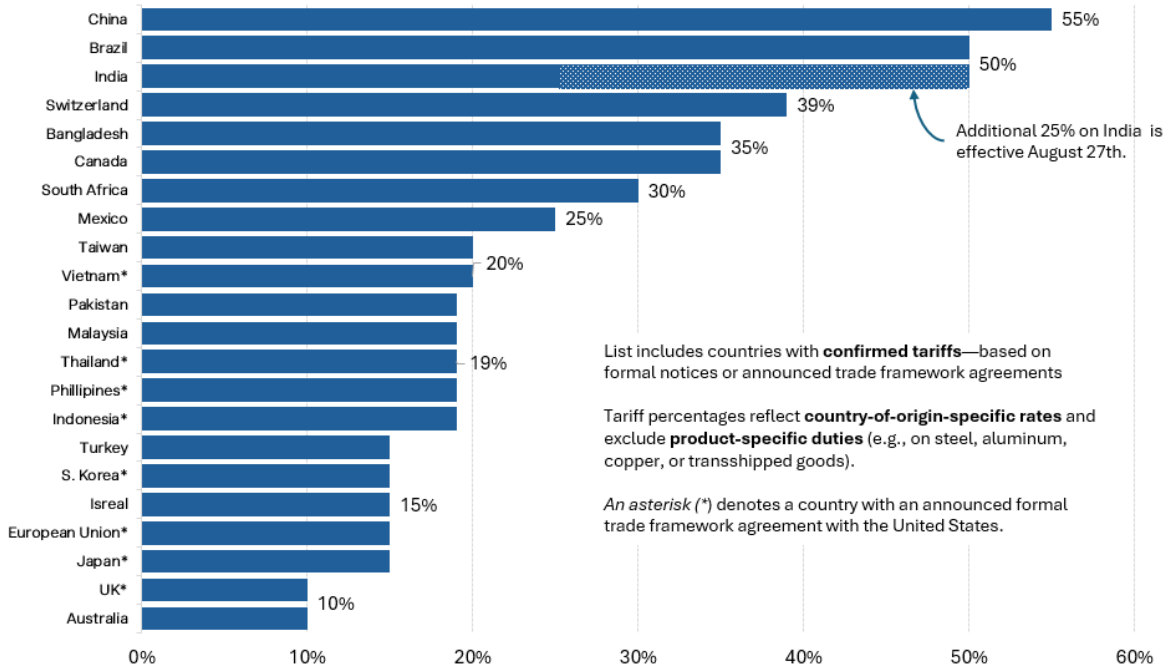
- **U.S. Retail Sales**

- U.S. retail sales rose 0.5% in July, with broad gains across 9 of 13 categories, led by motor vehicle sales and online promotions
- Excluding autos, retail sales still increased 0.3%, supported by strong performance at general merchandise and e-commerce stores, including Amazon and Walmart
- The increase suggests consumer spending picked up in the second half of the year as trade policy clarity and a rebounding stock market boosted confidence

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

- President Trump said aboard Air Force One Friday that tariffs of 200–300% on imported chips and semiconductors could be announced as early as next week, alongside new duties on steel; no immediate White House clarification was provided
- President Trump issued an executive order Aug. 11 extending for 90 days the reduced reciprocal tariff on Chinese imports, citing China’s “significant steps” to address trade and security concerns
- Nvidia and AMD will remit 15% of China chip sales to the U.S. government in exchange for export licenses—the first use of export controls as a revenue-raising tool, with critics warning it resembles an export tax that may conflict with Article I, Section 9 of the Constitution
- US Census data show June imports from China fell to a 16-year low, while imports from Vietnam and Taiwan reached record highs—indicating supply chains are shifting or Chinese goods are being transshipped through those countries, a practice the U.S. has pledged to target

## Tariffs by Country: Top U.S. Trading Partners

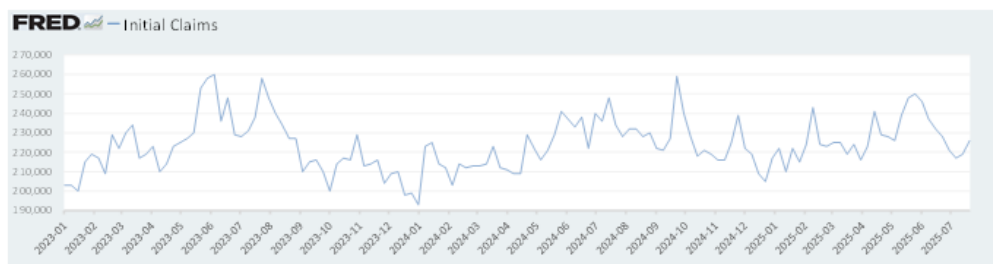


Section 232 Investigations	Investigation Status	Notes
Steel & Steel Derivatives	Completed	50% Tariff on most imports; 25% from UK
Aluminum & Alum. Derivatives	Completed	50% Tariff on most imports; 25% from UK
Automotive & Automotive Parts	Completed	25% Tariff on most imports; 7.5% from UK with tariff rate quota
Copper & Copper Derivatives	Completed	50% Tariff on most imports
Timber, Lumber & Wood Products	Under Investigation	Investigation initiated March 3 <sup>rd</sup> , 2025
Semiconductors & Manufacturing Equipment	Completed	100% Tariff on most imports; excluding companies that manufacture or have the intent to manufacture in the US
Pharma & Pharmaceutical Ingredients	Under Investigation	Investigation initiated April 1 <sup>st</sup> , 2025
Medium- & Heavy-duty Trucks & Parts	Under Investigation	Investigation initiated April 22 <sup>nd</sup> , 2025
Processed Critical Minerals & Derivatives	Under Investigation	Investigation initiated April 22 <sup>nd</sup> , 2025
Commercial Aircraft, Jet Engines & Parts	Under Investigation	Investigation initiated May 9 <sup>th</sup> , 2025
Unmanned Aircraft Systems (Drones)	Under Investigation	Investigation initiated July 1 <sup>st</sup> , 2025
Polysilicon and Derivatives (Solar Panel Components)	Under Investigation	Investigation initiated July 1 <sup>st</sup> , 2025

**Section 232 investigations** are conducted by the U.S. Department of Commerce to determine whether specific imports threaten national security. If a threat is found, the President may impose tariffs or other trade restrictions to protect critical industries.

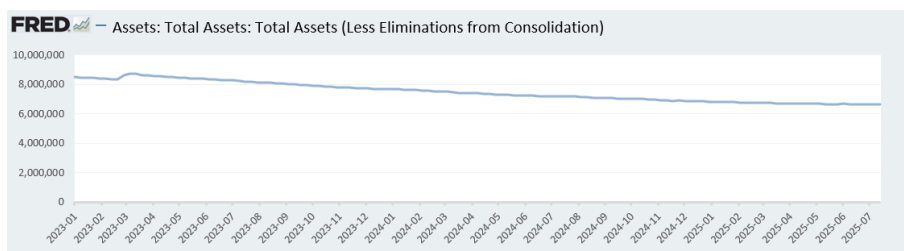
- **Jobless Claims**

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 224,000 in the week ended August 8, down 3,000 from the prior week
- The four-week moving average was 221,750, up 750 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased at 1.953 million in the week ended August 1. This figure is reported with a one-week lag



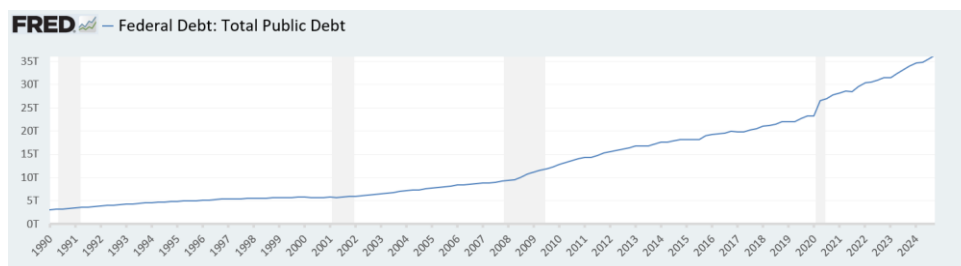
- **Fed's Balance Sheet**

- The Federal Reserve's assets totaled \$6.644 trillion in the week ended August 15, up \$2.8 billion from the prior week
- Treasury holdings totaled \$4.205 trillion, up \$0.3 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.12 trillion in the week, down \$2.0 billion from the prior week



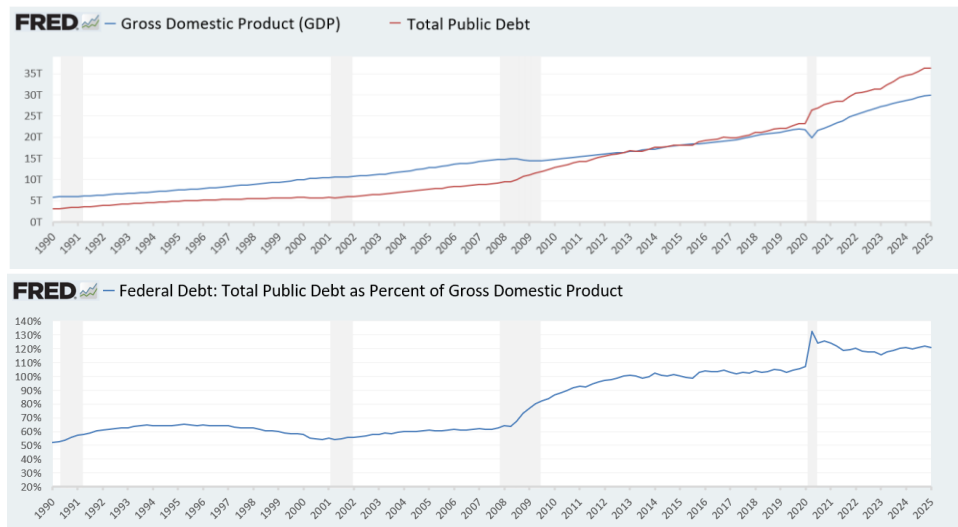
- **Total Public Debt**

- Total public debt outstanding was \$37.09 trillion as of August 15, an increase of 5.5% from the previous year
- Debt held by the public was \$29.74 trillion, and intragovernmental holdings were \$7.39 trillion



- **GDP**

- The latest annualized U.S. GDP stands at \$30.33 trillion as of June 30, 2025, an increase of 1.23% from the previous quarter, & an increase of 4.53% from the previous year
- The total public debt-to-GDP ratio is at 119.39% as of June 30, a decrease of -0.65% from the previous year

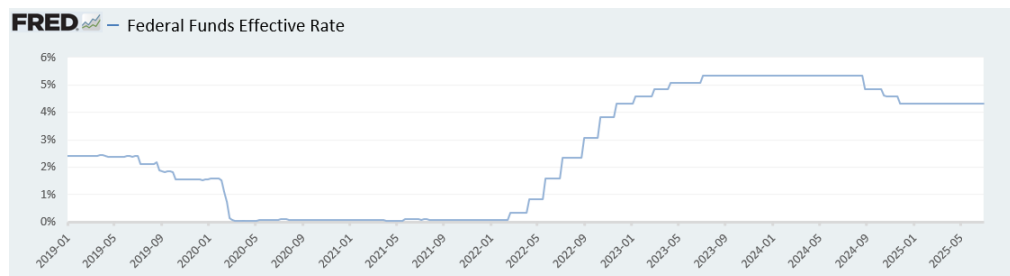


- **Inflation Factors**

- CPI:
  - The consumer-price index rose 2.7% in June year over year
  - On a monthly basis, the CPI increased 0.3% in June on a seasonally adjusted basis, after increasing 0.1% in May
  - The index for all items less food and energy (core CPI) rose 0.2% in June, after rising 0.1% in May
  - Core CPI increased 2.9% for the 12 months ending June
- Food & Beverages:
  - The food at home index increased 2.4% in June from the same month a year earlier, and increased 0.3% in June month over month
  - The food away from home index increased 3.8% in June from the same month a year earlier, and increased 0.4% in June month over month
- Commodities:
  - The energy commodities index increased 1.0% in June after decreasing (2.4%) in May
  - The energy commodities index fell (7.9%) over the last 12 months
  - The energy services index rose 2.9% in June after increasing 0.8% in May
  - The energy services index rose 7.5% over the last 12 months
  - The gasoline index fell (8.3%) over the last 12 months
  - The fuel oil index fell (4.7%) over the last 12 months
  - The index for electricity rose 5.8% over the last 12 months
  - The index for natural gas rose 14.2% over the last 12 months
- Supply Chain:
  - Drewry's composite World Container Index decreased to \$2,423.87 per 40ft container for the week of August 8
  - Drewry's composite World Container Index has decreased by (56.3%) over the last 12 months
- Housing Market:
  - The shelter index increased 0.2% in June after increasing 0.3% in May
  - The rent index increased 0.2% in June after increasing 0.3% in May
  - The index for lodging away from home decreased (2.2%) in June after increasing 1.9% in May

- **Federal Funds Rate**

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



## World News

- **Middle East**

- A U.N. human-rights commission found that pro-government forces in Syria committed systematic and widespread atrocities against Alawite civilians earlier this year, including murder, torture, and abductions
- The violence, which triggered revenge attacks and displaced tens of thousands, highlights ongoing risks to minority communities
- Israel plans to move ahead with a controversial settlement expansion in the E1 area near East Jerusalem, linking Ma'ale Adumim to the city and isolating Palestinian communities
- The expansion coincides with international recognition efforts and U.S.-Israeli support, complicating a two-state solution

- **Europe**

- Ukraine and Russia have exchanged over 10,000 prisoners of war during the conflict, using a secret military intelligence channel
- The prisoner swaps, coordinated by senior intelligence officers and supported by neutral countries like Turkey and Saudi Arabia, demonstrate rare cooperation between two wartime enemies despite stalled peace talks
- President Trump and European leaders agreed on key “red lines” ahead of his Alaska summit with Vladimir Putin, stressing a cease-fire, Ukraine’s participation, and no territorial negotiations without Kyiv
- The agreement sets the stage for a potential trilateral meeting with Putin and Zelensky, aiming to secure a coordinated U.S.-European approach to end the war in Ukraine

- **China**

- China’s economy showed signs of broad-based slowing in July, as both retail sales and industrial production growth decelerated, raising pressure on Beijing to boost growth
- Industrial production rose 5.7% year-over-year in July, down from June’s 6.6% increase, highlighting a cooling trend in the country’s manufacturing sector
- U.S. reliance on Chinese goods has fallen sharply since 2018, with China now accounting for only about 12% of all U.S. imports, down from a peak of 22%
- The U.S. trade deficit with China has also declined to around \$280 billion, compared with \$418 billion at its peak in December 2018

# Geopolitical Hotspots

- **Sudan**
  - Sudan's famine has escalated as over two-thirds of the population faces severe hunger, with fertile farmlands rendered unusable due to ongoing conflicts, heavy rains, and blocked aid routes, while the Rapid Support Forces – a powerful paramilitary group linked to the Janjaweed militias – intensify attacks on displacement camps, complicating humanitarian efforts
- **UK**
  - The Bank of England lowered its key interest rate from 4.25% to 4%—the fifth cut in a year—after a closely split vote, aiming to balance a recent uptick in inflation with signs of a weakening jobs market, while signaling future cuts may proceed more cautiously
- **India**
  - Despite new U.S. tariffs doubling to 50% on Indian exports over its Russian oil purchases, Prime Minister Modi is resisting pressure from President Trump to cut ties with Moscow, citing decades of strategic, economic, and military cooperation that have brought discounted crude, arms technology transfers, and geopolitical support
- **Mexico**
  - Mexico and the U.S. are negotiating a new security agreement alongside broader trade talks, but President Claudia Sheinbaum's efforts are being complicated by entrenched cartel influence, which threatens both cross-border cooperation and the stability needed to finalize a comprehensive deal with Washington
- **Europe**
  - In a shift under President Trump's policy, four European countries—led by the Netherlands and a Denmark-Sweden-Norway consortium—are buying about \$1 billion in U.S. arms, including Patriot missiles, for Ukraine through NATO, with Trump pushing allies to fund Kyiv's defense while the U.S. focuses on China and the Pacific
- **Brazil**
  - Brazil's Supreme Court ordered former President Jair Bolsonaro under house arrest, accusing him of violating a social-media ban while facing trial for allegedly plotting a 2022 military coup to block President Luiz Inácio Lula da Silva from taking office
- **North Korea**
  - Satellite imagery shows North Korea expanding its Sohae Satellite Launching Station with a new seaport to receive large rocket components from Russia, reflecting deepening military cooperation that includes Russian aid in developing spy satellites—technology that could dramatically improve Pyongyang's reconnaissance and missile targeting capabilities



# Commodities

## Oil Prices

- WTI: \$62.80 per barrel
  - (1.69%) WoW; (6.12%) YTD; (18.42%) YoY
- Brent: \$65.85 per barrel
  - (1.11%) WoW; (6.66%) YTD; (17.44%) YoY



## US Production

- U.S. oil production amounted to 13.3 million bpd for the week ended August 8, up 0.0 million bpd from the prior week

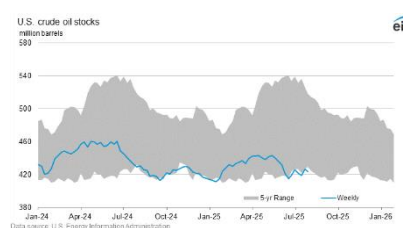
## Rig Count

- The total number of oil rigs amounted to 539, down 0 from last week

## Inventories

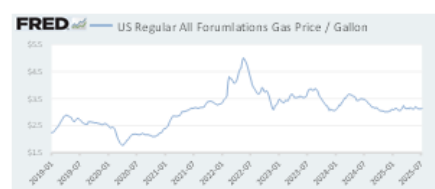
### Crude Oil

- Total U.S. crude oil inventories now amount to 426.7 million barrels, up 0.2%
- Refiners operated at a capacity utilization rate of 96.4% for the week, down from 96.9% in the prior week
- U.S. crude oil imports now amount to 5.962 million barrels per day, down 4.0%



### Gasoline

- Retail average regular gasoline prices amounted to \$3.14 per gallon in the week of August 15, down (8.2%) YoY
  - Gasoline prices on the East Coast amounted to \$3.12, down (9.3%) YoY
  - Gasoline prices in the Midwest amounted to \$3.08, down (11.4%)
  - Gasoline prices on the Gulf Coast amounted to \$2.78, down
  - Gasoline prices in the Rocky Mountain region amounted to \$3.28, down (7.0%) YoY
  - Gasoline prices on the West Coast amounted to \$4.16, down (0.9%)
- Motor gasoline inventories were down by 0.8 million barrels from the
- Motor gasoline inventories amounted to 226.3 million barrels, up 2.6%
- Production of motor gasoline averaged 9.81 million bpd, up 0.5% YoY
- Demand for motor gasoline amounted to 9.000 million bpd, down (2.1%)

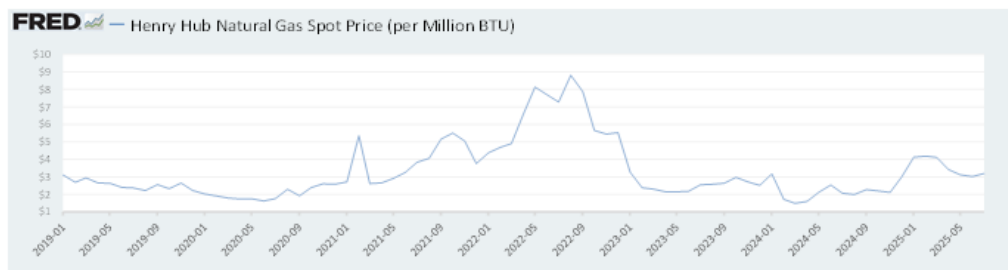


- **Distillates**

- Distillate inventories decreased by 0.7 million in the week of August 15
- Total distillate inventories amounted to 113.7 million barrels, down
- Distillate production averaged 5.137 million bpd, up 5.0% YoY
- Demand for distillates averaged 3.701 million bpd in the week, up 3.5%

- **Natural Gas**

- Natural gas inventories increased by 56 billion cubic feet last week
- Total natural gas inventories now amount to 3,186 billion cubic feet, down (3.4%) YoY



## Credit News

High yield bond yields remained unchanged at 7.05% while spreads widened 4bps to 328bps. Leveraged loan yields increased 4bps to 7.97% and spreads widened 2bps to 457bps. WTD high yield bond returns were positive 25bps. WTD Leveraged loan returns were positive 6bps. 10yr treasury yields increased 5bps to 4.29%. Spreads in both High Yield and Leveraged Loans widened modestly as investors continued to absorb robust earnings, steady issuance, and dovish Fed signals.

### High-yield:

Week ended 08/15/2025

- Yields & Spreads<sup>1</sup>

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.05%	328	7.05%	324	0	4

- Pricing & Returns<sup>1</sup>

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$97.11	\$96.99	12	0.25%	0.68%	5.36%	8.6%

- Fund Flows<sup>2</sup>

Total Flows (\$)
\$137mm

- New Issue<sup>2</sup>

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
16	\$13.4bn	\$208.7bn	\$201.3bn	+4%

- Distressed Level (trading in excess of 1,000 bps)<sup>2</sup>

7/31/25	6/30/25	5/31/25
4.97%	4.87%	5.53%

- Total HY Defaults

Excluding Distressed Exchanges			Including Distressed Exchanges		
7/31/25	6/30/25	5/31/25	7/31/25	6/30/25	5/31/25
0.40%	0.43%	0.43%	1.37%	1.41%	1.33%

## Leveraged loans:

Week ended 08/15/2025

- Yields & Spreads<sup>1</sup>

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
7.97%	457	7.93%	455	4	2

- Pricing & Returns<sup>1</sup>

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2024
\$96.48	\$96.56	-9	0.06%	0.14%	3.86%	9.3%

- Fund Flows<sup>2</sup>

Total Flows (\$)
\$330mm

- New Issue<sup>2</sup>

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
35	\$31.3bn	\$716.1bn	\$807.1bn	-11%

- Distressed Level (loan price below \$80)<sup>1</sup>

7/31/25	6/30/25	5/31/25
5.07%	5.06%	5.27%

- Total Leveraged Loan Defaults

Excluding Distressed Exchanges			Including Distressed Exchanges		
7/31/25	6/30/25	5/31/25	7/31/25	6/30/25	5/31/25
1.19%	1.36%	1.42%	3.86%	3.79%	3.62%

## Default activity:

- Most recent defaults include: Maverick Gaming (\$215mn, 7/17/2025), Del Monte Foods (\$864mn, 7/2/2025), Everstream (\$495mn, 5/28/2025), At Home (\$1.6bn, 5/15/2025), and Aegis Toxicology (\$164mn, 5/9/2025), Ascend Performance Materials (\$1.0bn, 4/21/2025), Sunnova (\$800mn, 4/1/2025), and Astra Acquisition (\$1.0bn, 3/10/2025).

## CLOs:

Week ended 08/15/2025

- New U.S. CLO Issuance<sup>2</sup>

# Priced	Total (\$)	New Issue	Refis/Resets
25	\$11.9bn	\$4.3bn	\$7.6bn

- New U.S. CLO YTD Issuance<sup>2</sup>

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
685	\$325.1bn	\$129.3bn	\$195.8bn	\$270.6bn	+20%

**Note: High-yield and leveraged loan yields and spreads are swap-adjusted**

<sup>1</sup> Source: Credit Suisse High Yield and Leveraged Loan Index

<sup>2</sup> Source: JP Morgan

## Ratings activity:

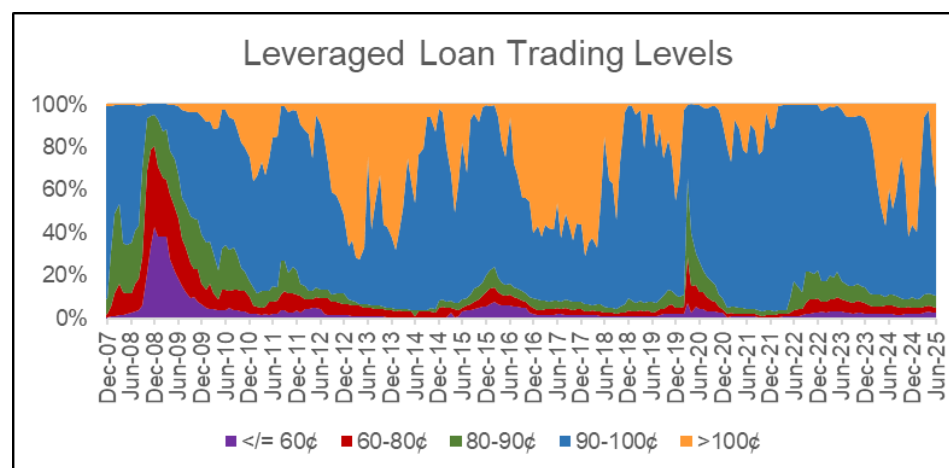
- S&P and Moody's High Yield Ratings

	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
Week Ending 04/04/25	10	2	5.0x	5	7	0.7x
Week Ending 04/11/25	3	6	0.5x	8	1	8.0x
Week Ending 04/18/25	10	4	2.5x	11	2	5.5x
Week Ending 04/25/25	5	2	2.5x	6	4	1.5x
Week Ending 05/02/25	7	8	0.9x	18	5	3.6x
Week Ending 05/09/25	10	3	3.3x	12	2	6.0x
Week Ending 05/16/25	13	3	4.3x	11	8	1.4x
Week Ending 05/23/25	24	8	3.0x	13	6	2.2x
Week Ending 05/30/25	7	3	2.3x	9	5	1.8x
Week Ending 06/06/25	14	5	2.8x	19	6	3.2x
Week Ending 06/13/25	10	5	2.0x	15	6	2.5x
Week Ending 06/20/25	10	5	2.0x	19	6	3.2x
Week Ending 06/27/25	5	7	0.7x	9	6	1.5x
Week Ending 07/04/25	8	11	0.7x	11	5	2.2x
Week Ending 07/11/25	8	2	4.0x	6	2	3.0x
Week Ending 07/18/25	7	6	1.2x	8	7	1.1x
Week Ending 07/25/25	6	5	1.2x	12	4	3.0x
Week Ending 08/01/25	2	2	1.0x	4	6	0.7x
Week Ending 08/08/25	6	6	1.0x	3	6	0.5x
Week Ending 08/15/25	11	4	2.8x	8	6	1.3x
YTD 2025	258	160	1.6x	318	196	1.6x

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	95.9	97.2	92.2	5.0
Leveraged Loans	96.2	96.9	94.0	2.9

[1] Data is from Credit Suisse High Yield Market Index and Credit Suisse Leveraged Loan Index

[2] HY high price as of 8/13/25. LL high price as of 7/18/25

[3] HY low price as of 4/7/25. LL low price as of 4/7/25

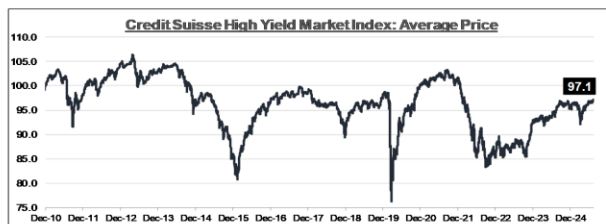
## Diagram C: Leveraged Loan and High Yield Returns

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	0.06%	0.03%	0.25%	0.31%
MTD Return	0.14%	0.06%	0.68%	0.61%
YTD Return	3.86%	3.81%	5.36%	5.36%

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 08/15/2025

[2] Yield data as of 08/15/2025

## 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.

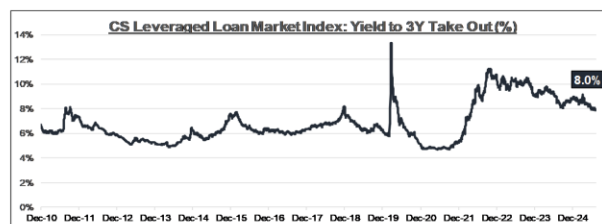


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

## 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

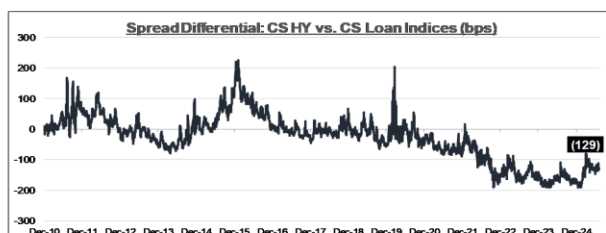


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



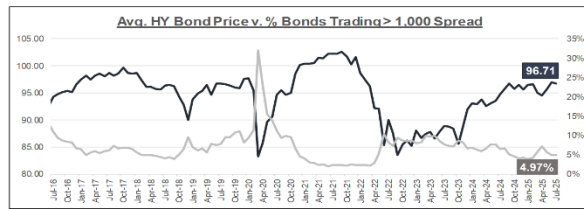
Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

## Diagram G: Spread between High Yield Bonds and Leveraged Loans

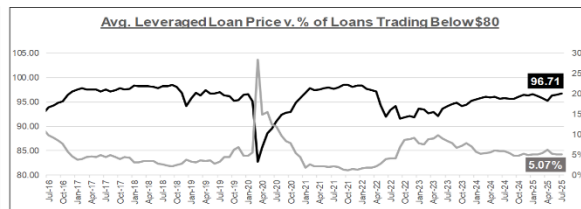


Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

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

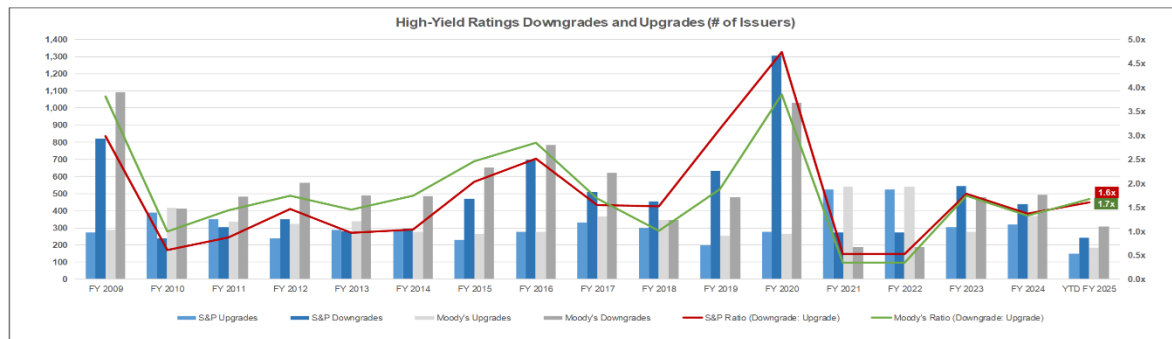


Source: CSFB. Data is reported monthly.

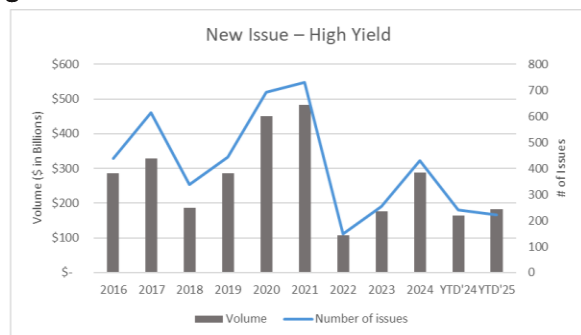
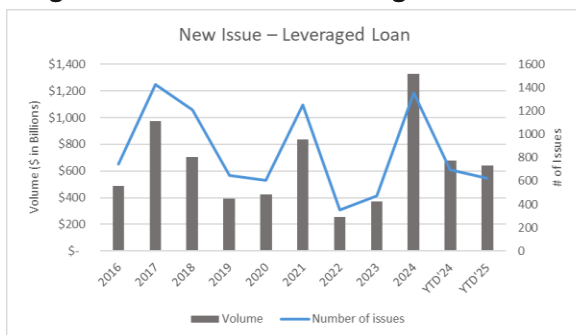


Source: JPM. Data is reported monthly.

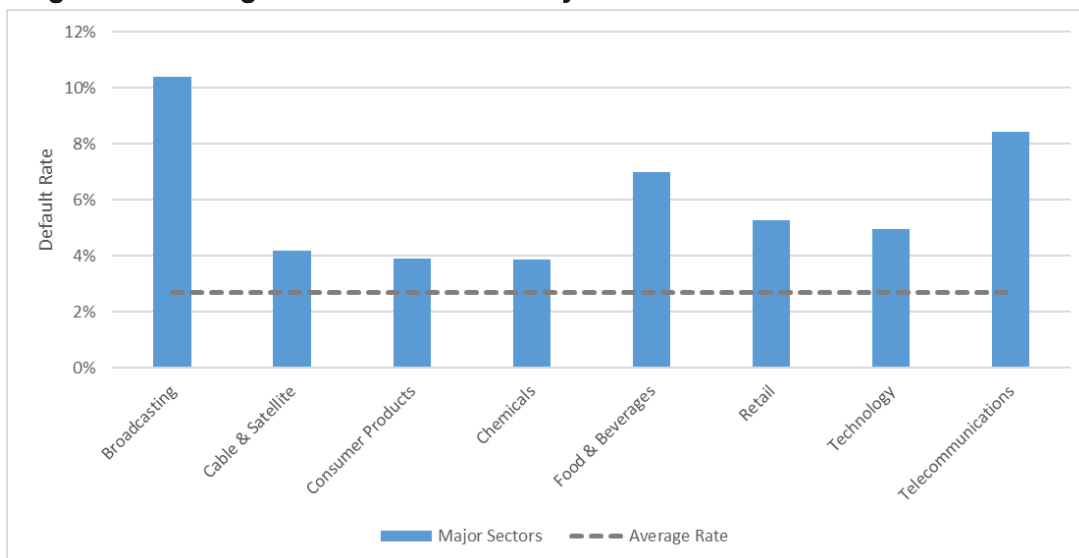
**Diagram I: High Yield Upgrades and Downgrades**



**Diagram J: New Issue - Leveraged Loan and High Yield**



**Diagram K: Leveraged Loan + HY Defaults by Sector – LTM**



Source: JP Morgan Default Monitor

## Diagram L: CLO Economics

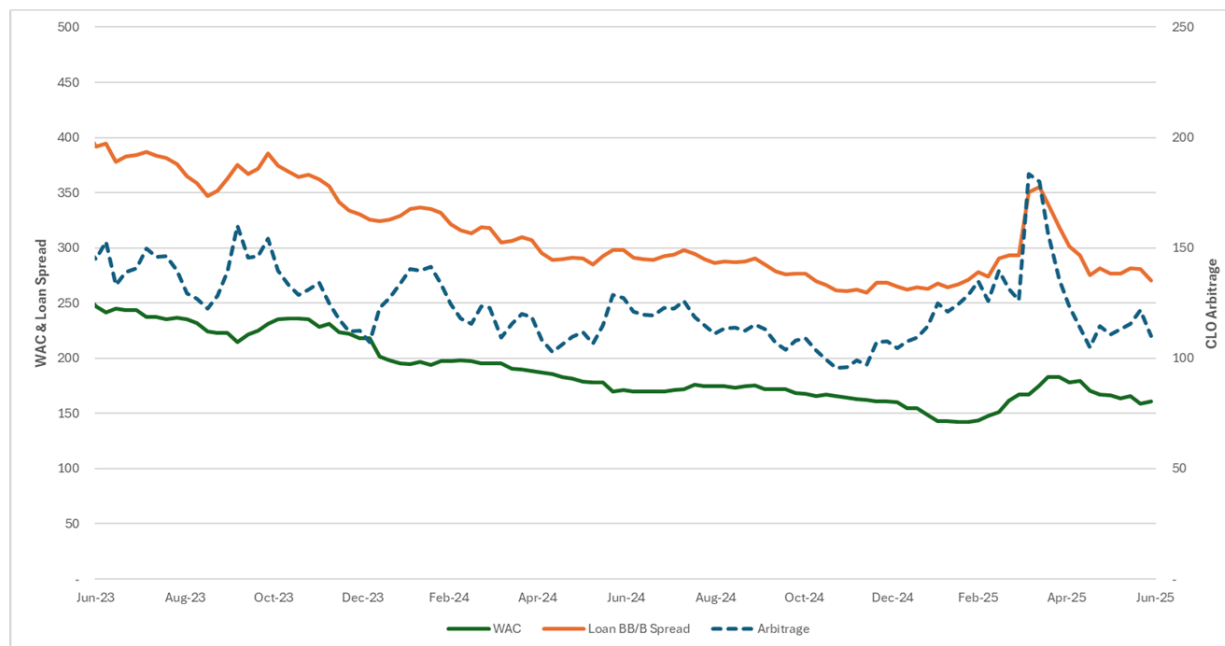
US CLO Economics											
CLO Arbitrage [1]			AAA Spread [2]			WAC Liabilities [2]			Asset WAS [3]		
2Q25	1Q25	2Q24	2Q25	1Q25	2Q24	2Q25	1Q25	2Q24	2Q25	1Q25	2Q24
122	119	106	S+136	S+119	S+149	S+178	S+154	S+191	S+420	S+393	S+417

[1] CLO Arbitrage = WAS - WAC - Fees & Losses

[2] Source: LCD

[3] Source: BBG. BB/B Loan Index Spared (25%/75% weighting)

\*Assumptions: 50bp annual fees and 70bp annual loss (2% CDR, 65% Recovery)



Source: JPM and BBG

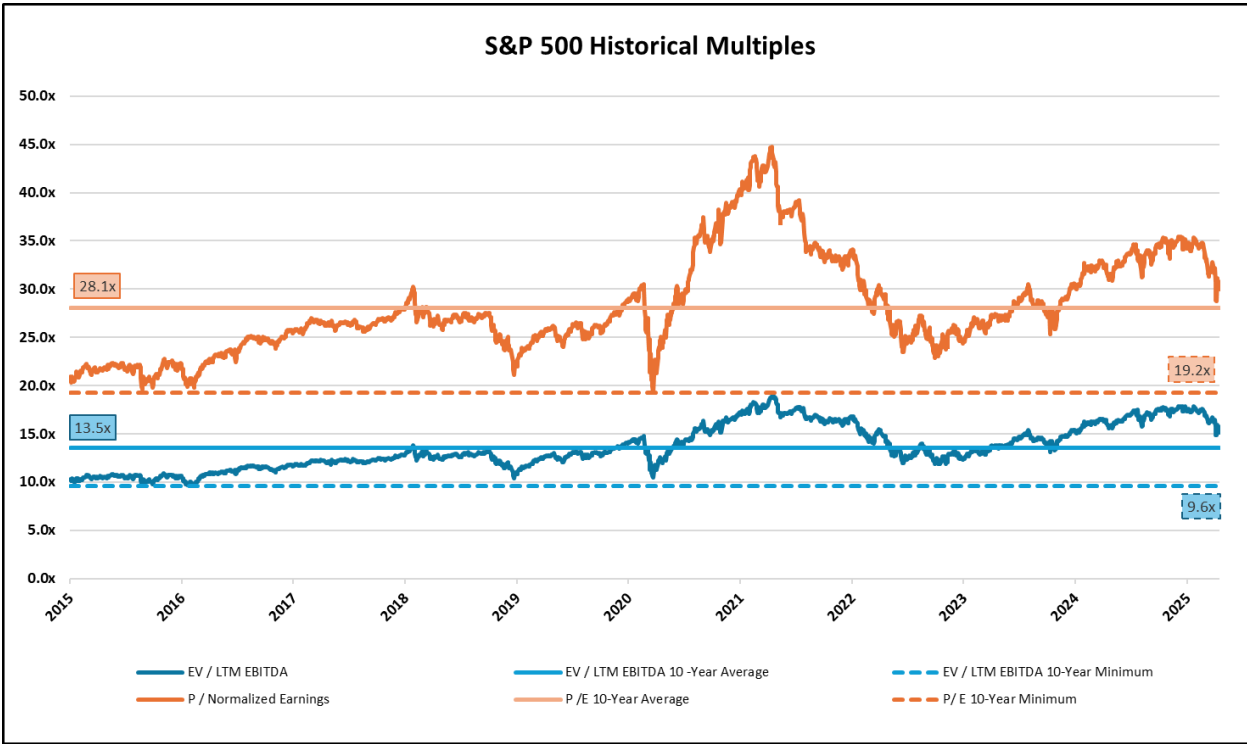
## Diagram M: Developed Country Govt. Bond Yields (%)

By	7/25/25	8/1/25	8/8/25	8/15/25	Change				
					Weekly	Q4 2024	Q3 2024	Q2 2024	Q1 2024
France - 10 year	3.39%	3.35%	3.35%	3.45%	11 bps	28 bps	(38 bps)	49 bps	25 bps
Germany - 10 year	2.72%	2.68%	2.69%	2.77%	8 bps	24 bps	(38 bps)	20 bps	27 bps
Italy - 10 year	3.55%	3.51%	3.48%	3.57%	9 bps	7 bps	(62 bps)	39 bps	(2 bps)
Japan - 10 year	1.61%	1.56%	1.49%	1.57%	8 bps	28 bps	(26 bps)	30 bps	17 bps
UK - 10 year	4.64%	4.53%	4.60%	4.68%	8 bps	63 bps	(16 bps)	20 bps	50 bps
US									
US - 2 year	3.92%	3.68%	3.76%	3.73%	(3 bps)	60 bps	(110 bps)	7 bps	34 bps
US - 5 year	3.96%	3.76%	3.83%	3.82%	(1 bps)	83 bps	(84 bps)	7 bps	42 bps
US - 10 year	4.39%	4.22%	4.28%	4.30%	1 bps	79 bps	(65 bps)	8 bps	43 bps
US - 30 year	4.93%	4.82%	4.85%	4.90%	5 bps	65 bps	(48 bps)	10 bps	43 bps

Source: Bloomberg

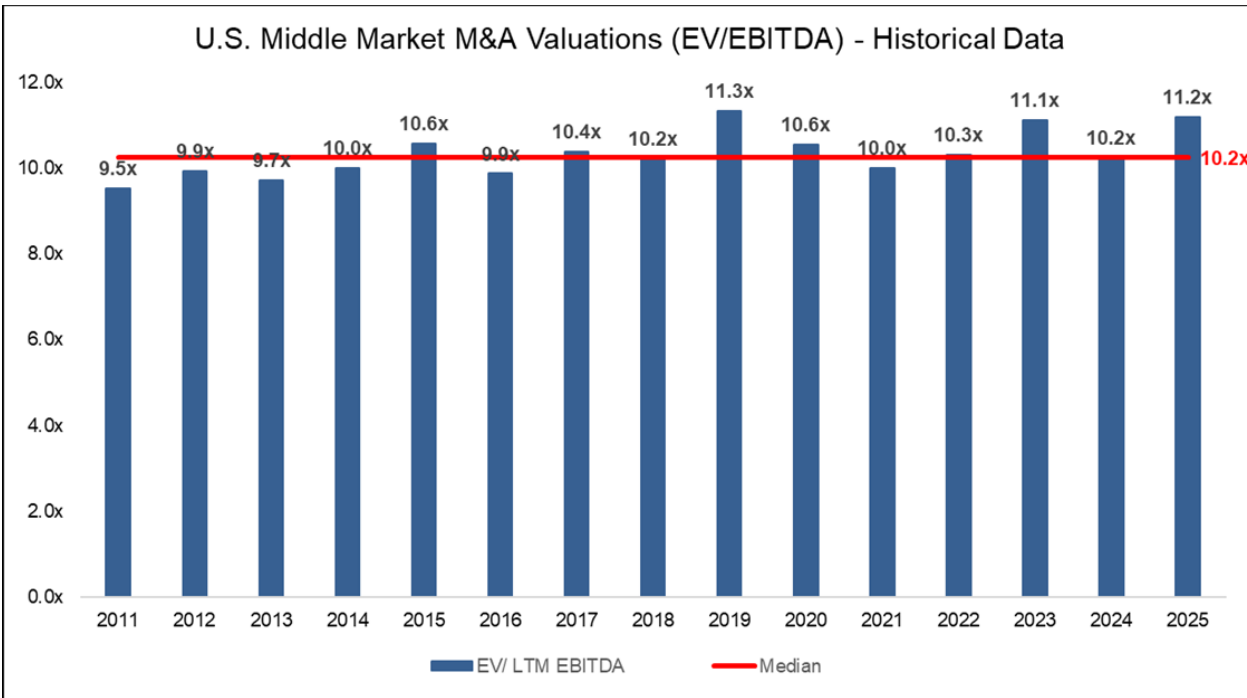


Diagram N: S&P 500 Historical Multiples



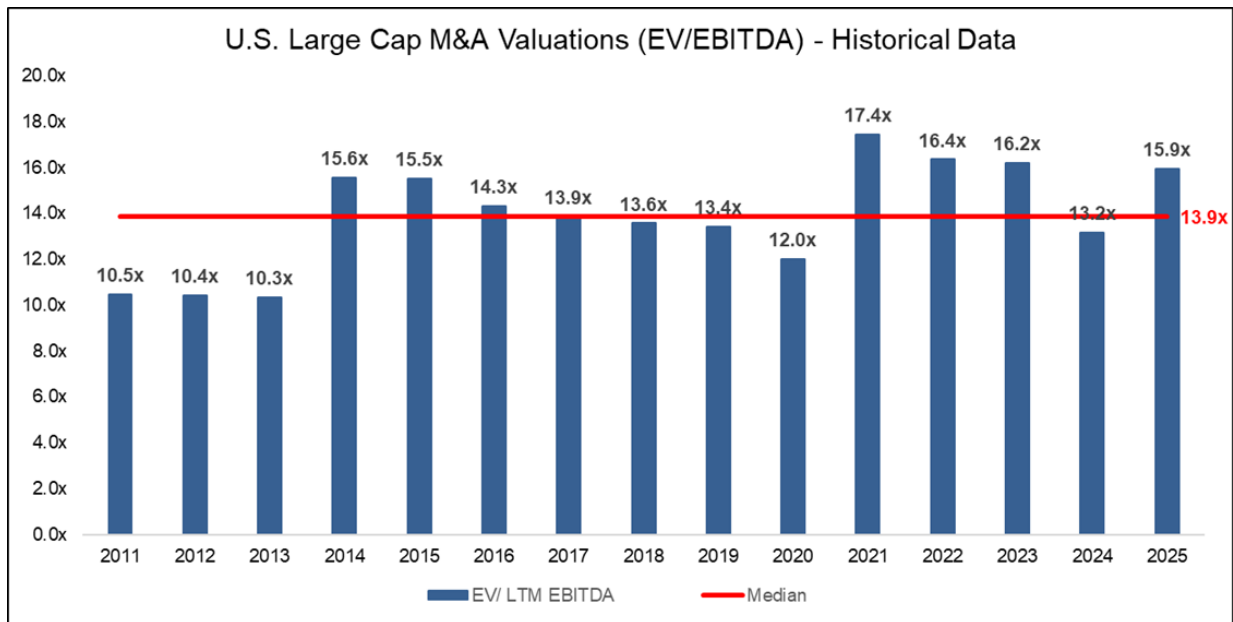
Source: S&P Capital IQ

Diagram O: U.S. Middle-Market M&A Valuations (EV/EBITDA)



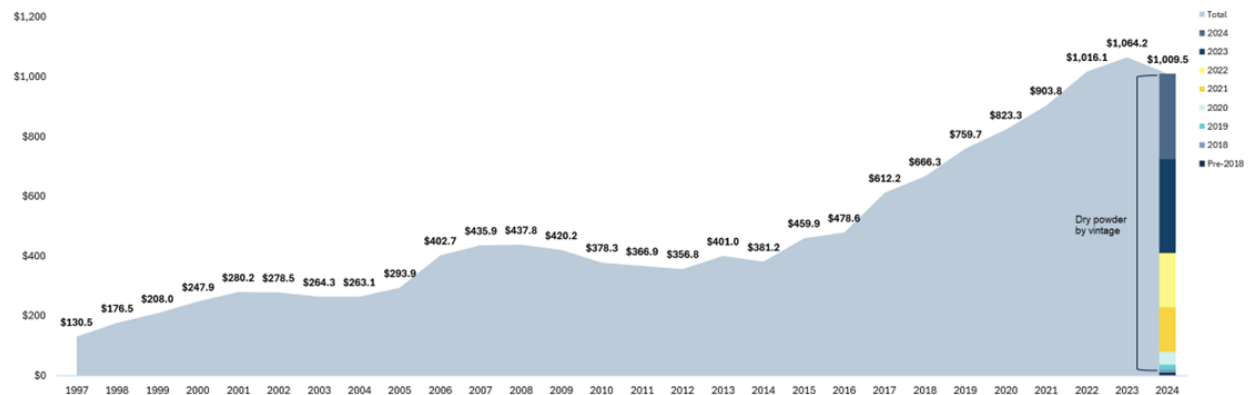
Source: Pitchbook

**Diagram P: U.S. Large Cap M&A Valuations (EV/EBITDA)**

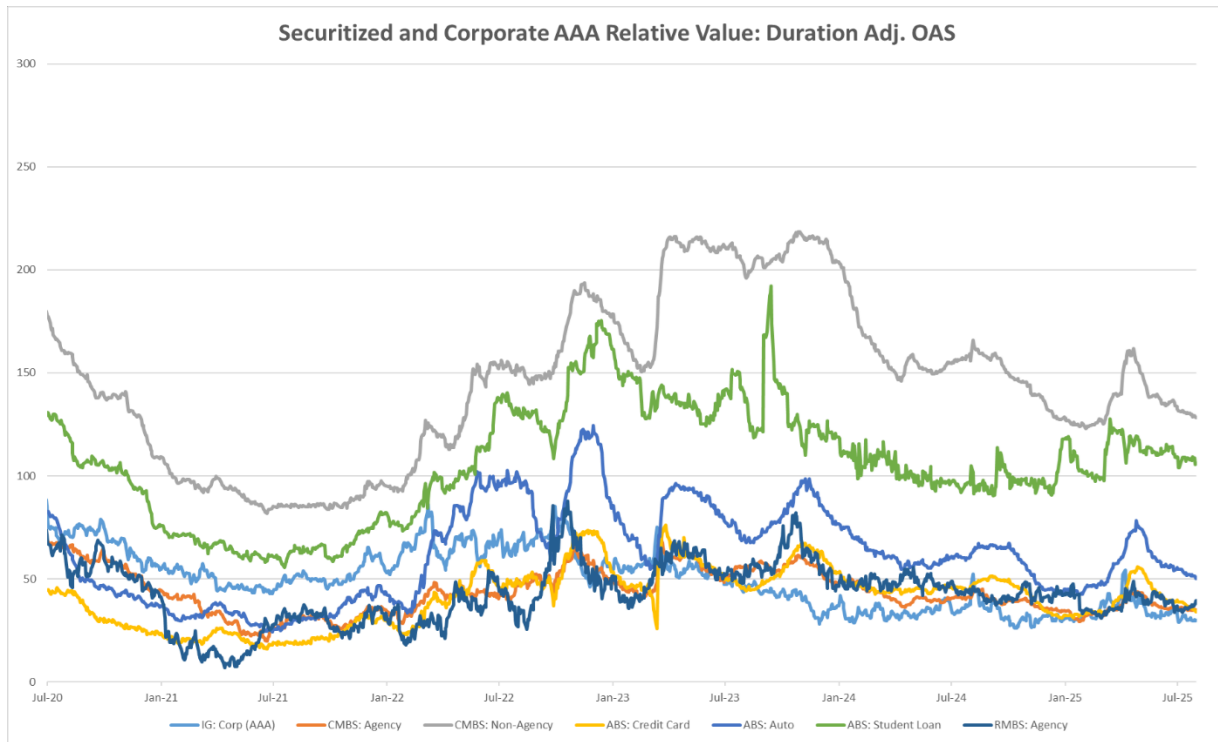


Source: Pitchbook

**Diagram Q: Dry Powder for All Private Equity Buyouts (\$B)**

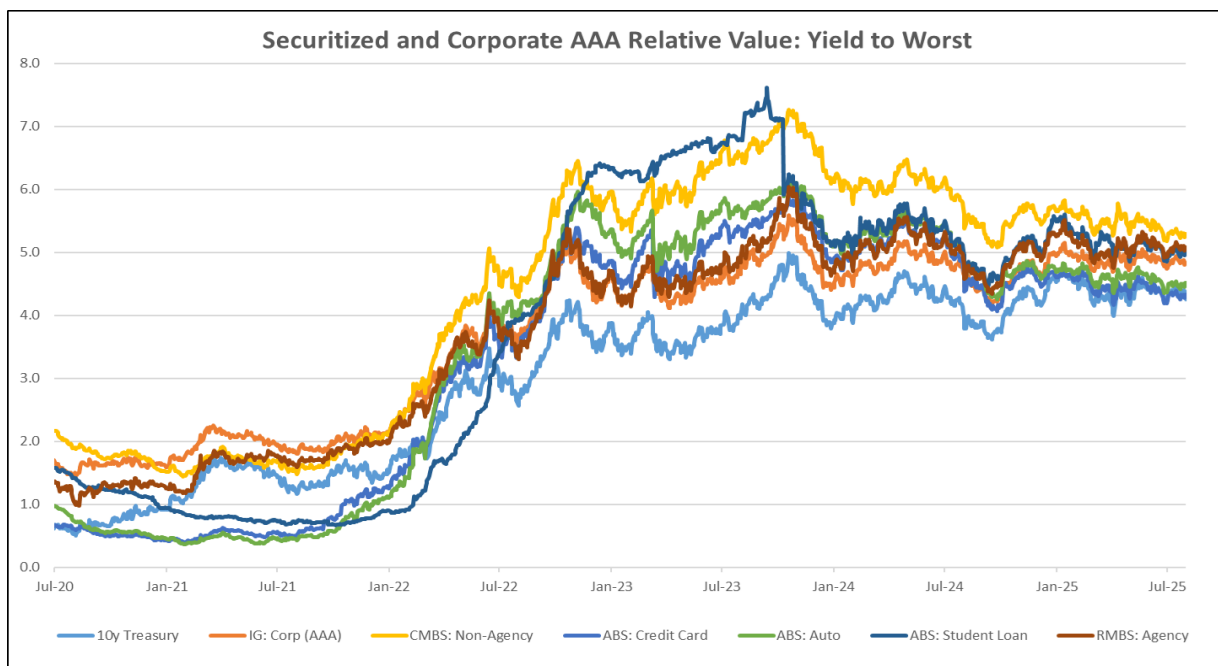


**Diagram R: Structured Credit Spreads**



Source: Bloomberg

**Diagram S: Structured Credit Yield**



Source: Bloomberg

Diagram T: SOFR Curve

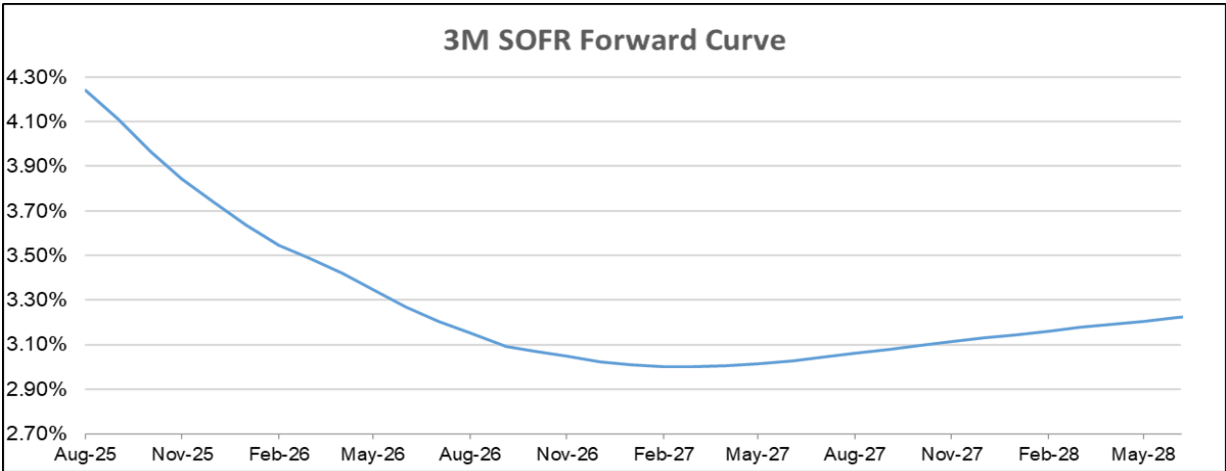
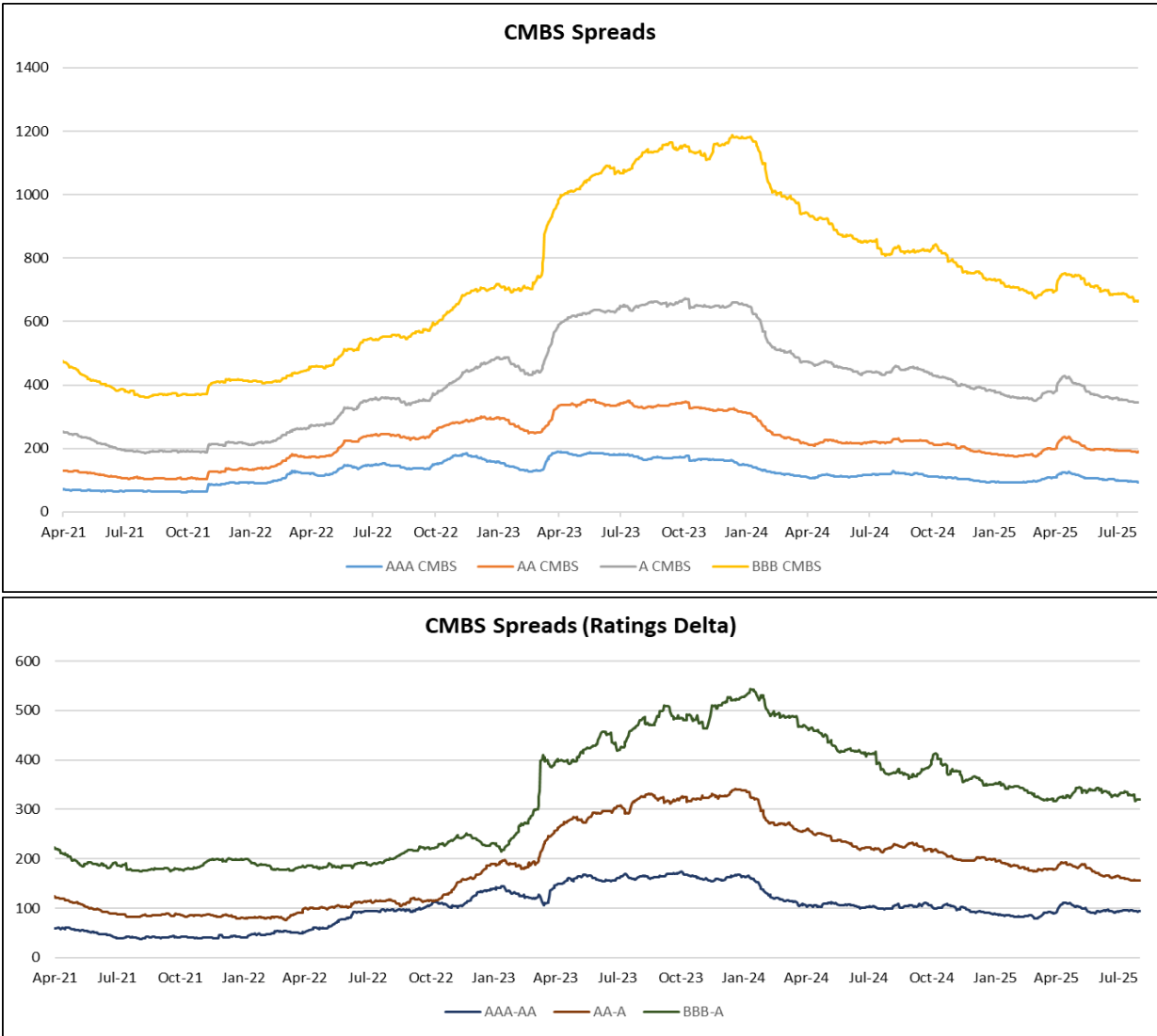


Diagram U: CMBS Spreads

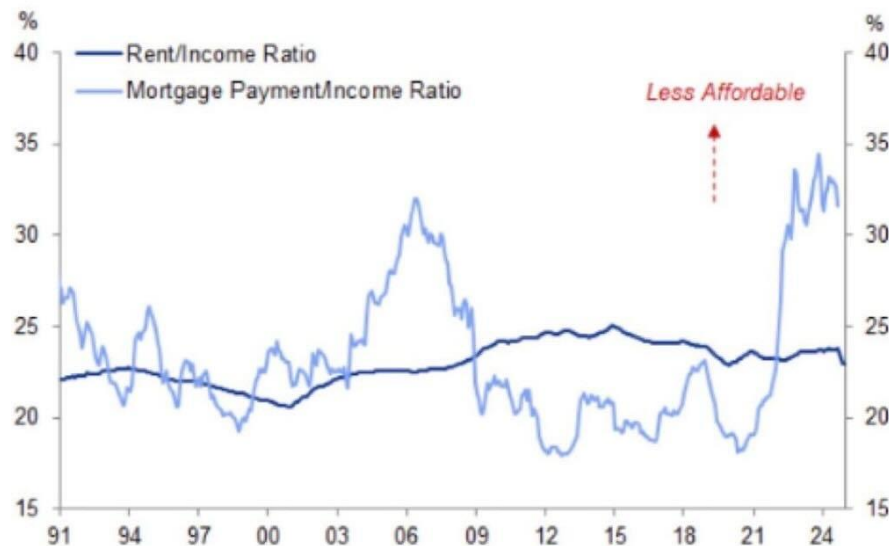


Source: Bloomberg

## ZCGC Real Estate

### Exhibit 18: Rental affordability is superior to mortgage affordability

Housing vs. Rental Affordability Indices



Source: Goldman Sachs Global Investment Research

- The chart from Goldman Sachs Global Investment Research highlights that renting has become more affordable than buying a home since 2021, with the rent-to-income ratio stabilizing around 25% while the mortgage payment-to-income ratio spiked to 35% due to rising interest rates and home prices, a trend supported by Bankrate's 2025 study showing rental costs outpacing mortgage payments in 38 U.S. metros.

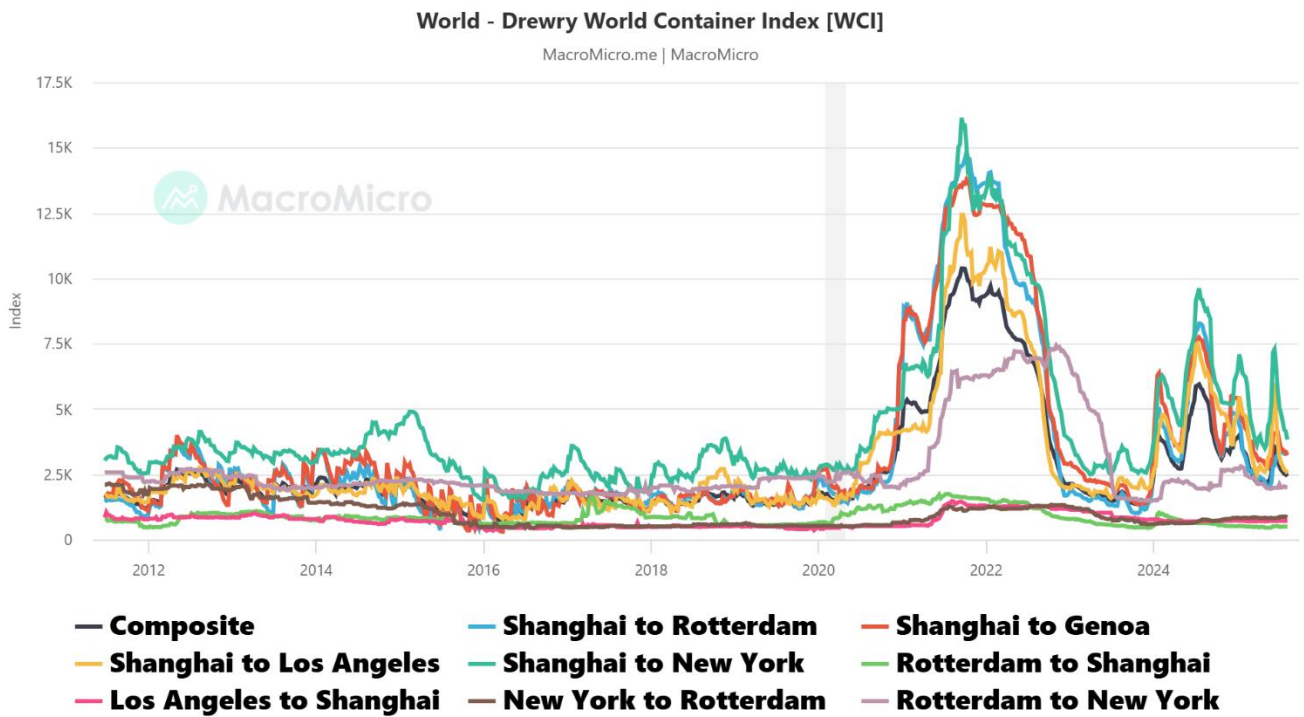
- High mortgage rates, currently above 7%, have widened this affordability gap by increasing monthly ownership costs, freezing the housing market as owners cling to low-rate loans and buyers delay purchases, a phenomenon echoed by a 2023 Federal Reserve study linking high rates to reduced housing mobility.

- Historical data from the National Association of Realtors shows similar affordability gaps preceded housing market corrections, suggesting a potential shift if interest rates drop, though current supply-demand imbalances—fewer homes for sale than buyers—may sustain high prices despite the rental advantage.

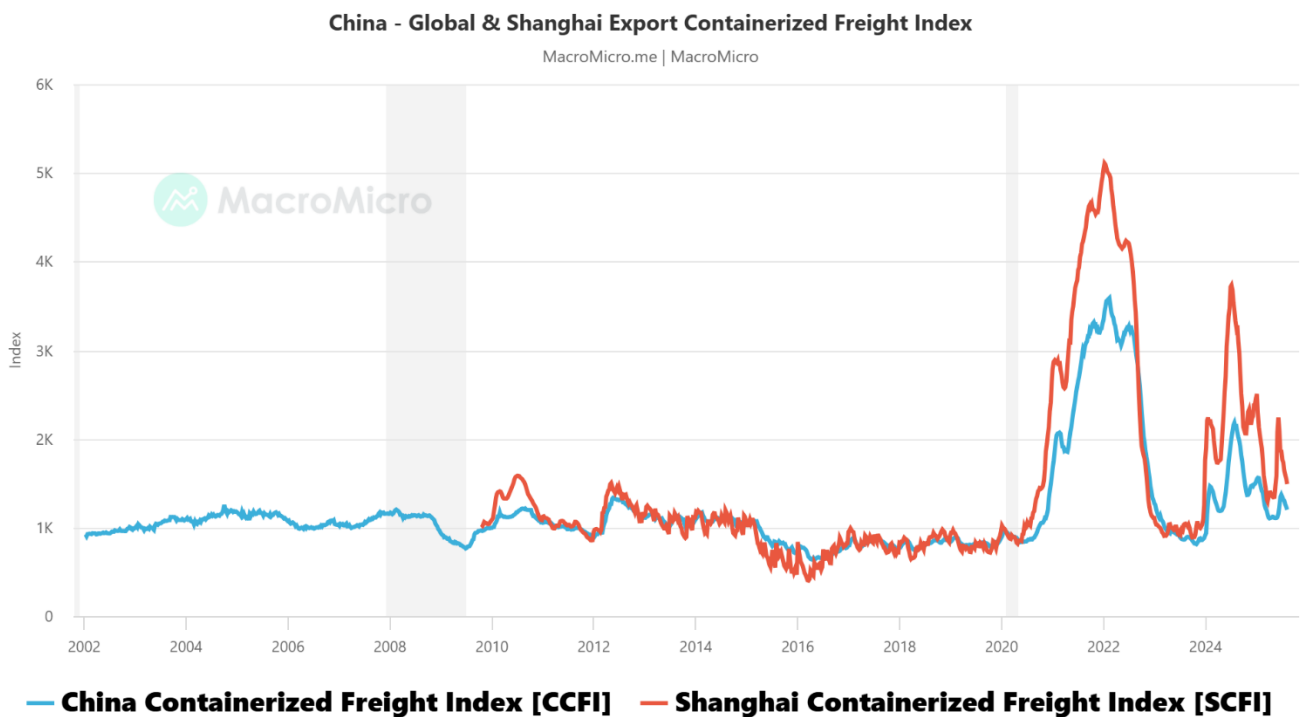
Sources: Census, NAR

# Freight Rates

## Drewry World Container Index



## China-Global & Shanghai Export Container Freight Index



# About ZCG

**ZCG is a leading, privately held global firm with approximately \$8B of AUM\* 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](http://www.zcg.com).

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## 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 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](http://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](http://www.haptiq.com).



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\* References to total "assets under management" or "AUM" represent assets managed by Z Capital Group ("ZCG") and its affiliates. The methodology for calculating AUM includes (i) the enterprise values and the leverage of the portfolio companies, (ii) undrawn committed capital, (iii) structured vehicles, (iv) net asset values of open-ended vehicles and (v) other asset values owned and/or managed by ZCG affiliates. The calculation may not be consistent with regulatory definitions.

Week Ending 8/15/25

## PERFORMANCE

Market Indices	15-Aug	8-Aug	WoW Change	YTD Change	YoY Change
DJIA	44,946.12	44,175.61	1.74%	5.65%	12.34%
S&P 500	6,449.80	6,389.45	0.94%	9.66%	18.23%
NASDAQ	21,622.98	21,458.82	0.81%	11.97%	25.77%
MSCI - EAFE	2,748.81	2,679.76	2.28%	21.18%	17.21%
MSCI - Emerging Markets	1,272.43	1,253.79	1.49%	18.31%	18.19%
US Dollar Index	97.85	98.18	(0.33%)	(9.80%)	(4.60%)
VIX	15.89	15.15	(0.40%)	(13.83%)	(16.72%)

High Yield & Loan Returns	WTD	MTD	YTD	2024
High Yield Bond	0.25%	0.68%	5.36%	8.63%
Leveraged Loan	0.06%	0.14%	3.86%	9.33%

Market Ratios	15-Aug	8-Aug	WoW Change	YTD Change	YoY Change
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Commodities (\$ USD)	Metric	15-Aug	8-Aug	WoW Change	YTD Change	YoY Change
Core Commodity Index	CRY Index	295.54	294.87	0.50%	(0.40%)	7.28%

Gasoline - Pump	Gallon	3.14	3.15	(0.10%)	2.61%	2.75%
Gasoline - Futures	Gallon	2.07	2.09	(0.65%)	3.55%	(10.71%)
Crude Oil - WTI	Barrel	62.80	63.88	(1.69%)	(12.44%)	(19.39%)
Crude Oil - Brent	Barrel	65.85	66.59	(1.11%)	(11.78%)	(17.34%)
Natural Gas	MM BTU	2.92	2.99	(2.47%)	(19.74%)	48.85%
Coal (1 contract = 1,000 tons)	Contract	183.41	183.41	0.00%	(2.79%)	(6.43%)

Aluminum	Metric Ton	2,687.00	2,689.00	0.02%	21.8%	11.62%
Copper	Metric Ton	9,773.50	9,762.00	0.12%	11.47%	8.98%
Iron Ore	Metric Ton	101.59	101.22	0.37%	(1.95%)	2.41%
Steel - Hot Rolled Coil	Metric Ton	832.00	835.00	(0.36%)	11.98%	0.12%
Steel - Cold Rolled Coil	Metric Ton	1,030.00	1,030.00	0.00%	13.19%	2.74%
Ferrous Scrap	Metric Ton	470.00	470.00	0.00%	11.90%	13.25%
Lumber	27.5k Board Feet	646.00	642.00	0.62%	11.28%	0.47%
Gold	Troy Ounce	3,336.19	3,397.75	(1.81%)	27.12%	36.29%
Silver	Troy Ounce	38.60	38.34	(0.90%)	31.48%	37.84%

Cotton	Pound	63.42	62.21	1.95%	(1.43%)	(26.28%)
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Butter	Pound	2.30	2.36	(2.34%)	(9.80%)	(26.28%)
Cheese	Pound	1.77	1.77	0.00%	(6.85%)	(4.89%)
Cocoa	Pound	3.75	3.62	3.76%	(25.82%)	53.44%
Corn	Bushel	3.84	3.83	0.26%	(16.38%)	0.72%
Milk, Non Fat Dry	Pound	1.28	1.29	(0.35%)	(7.59%)	4.86%
Soybean	Bushel	10.22	9.67	5.74%	2.40%	4.34%
Sugar	Pound	0.16	0.16	1.17%	(14.64%)	(8.51%)
Wheat	Bushel	5.07	5.15	(1.55%)	(8.16%)	(5.28%)
Live Cattle	Pound	2.36	2.33	1.59%	21.87%	27.98%
Lean Hogs	Pound	0.90	1.09	(17.26%)	10.82%	0.00%
Beef, USDA Ground	Pound	4.01	3.79	5.74%	23.55%	27.21%
Chicken, Boneless & Skinless	Pound	4.20	4.20	0.00%	2.44%	6.54%

Currencies	Metric	Spot Prices	8-Aug	2025	Futures	2026	10-Year Historicals	Low	High
Japanese Yen	USDJPY	147.190	147.740	142.500	0.900	99.890	161.690		
Chinese Renminbi	USDCNY	7.185	7.180	7.150	7.100	6.195	7.344		
Swiss Franc	USDCHF	0.887	0.888	0.810	0.820	0.815	1.030		
British Pound	GBPUSD	1.355	1.345	1.360	1.400	1.069	1.588		
Euro Zone Euro	EURUSD	1.170	1.164	1.180	1.220	0.959	1.251		

## TECHNICALS (Supply / Demand)

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

Week Ending	15-Aug	8-Aug	2025	Futures	2026	10-Year Historicals	Low	High
13-Aug-25			\$ 330			\$ 137		
6-Aug-25			\$ 470			\$ 1,642		
30-Jul-25			\$ 255			\$ (167)		
23-Jul-25			\$ 715			\$ 910		
16-Jul-25			\$ 490			\$ 876		
9-Jul-25			\$ 565			\$ (384)		
2-Jul-25			\$ 872			\$ 888		
25-Jun-25			\$ 386			\$ 3,518		
18-Jun-25			\$ 291			\$ 355		
Year To Date 2025			\$ 7,424			\$ 12,899		
Year Ended December 31, 2024			\$ 21,086			\$ 19,373		
Year Ended December 31, 2023			\$ (18,051)			\$ (17,252)		

## NEW ISSUE SUMMARY

Institutional Loans	8/15/2025	Deals	Amt (\$mm)
Priced	Prior Week	35	31,300
In-Market Forward Calendar		4	2,400
High Yield	8/15/2025	Deals	Amt (\$mm)
Priced	Prior Week	16	13,400
In-Market Forward Calendar		0	0

## ECONOMIC DATA RECAP

Key Economic Indicators:	Period Ending	Actual	Expected	Prior
Initial Jobless Claims	8/9/2025	224K	225K	227K
Continuing Claims	8/2/2025	1,953K	1,968K	1,968K
Change In Non-Farm Payrolls	7/31/2025	73K	106K	14K
Change in Private Payrolls	7/31/2025	83K	100K	3K

Unemployment Rate	U-3	7/31/2025	4.2%	4.2%	4.1%
Unemployment Rate	U-6	7/31/2025	7.9%	7.8%	7.7%
Average Work Week		7/31/2025	34.3	34.2	34.2

Existing Home Sales		6/30/2025	3.93M	4.00M	4.04M
Housing Starts		6/30/2025	1,321K	1,290K	1,263K
S&P/Case-Shiller Composite	YoY	5/31/2025	2.8%	2.9%	3.4%
S&P/Case-Shiller Composite	MoM	5/31/2025	(0.3%)	0.3%	0.8%
Consumer Confidence		7/31/2025	97.2	95.9	95.2
GDP	QoQ-Annualized	6/30/2025	3.0%	2.5%	(0.5%)
Durable Goods Orders		6/30/2025	(9.4%)	(10.4%)	16.5%
Total Vehicle Sales		7/31/2025	16.41M	16.00M	15.30M
Capacity Utilization		7/31/2025	77.5%	77.6%	77.7%

Fed & Treasury Balance Sheet		15-Aug	8-Aug	WoW Change	YoY Change
Fed Total Assets	\$ in Billions	6,643,615.0	6,640,843.0	0.0%	(7.4%)
Public Debt	\$ in Billions	37,089.4	36,996.2	0.3%	5.5%

US Debt Outstanding		1Q25	4Q24	QoQ Change	YoY Change
Domestic Nonfinancial Debt	\$ in Billions	77,202.9	76,768.3	0.6%	3.6%

Shared National Credit		2024	2023	YoY Change
Shared National Credit Total Commitments	\$ in Billions	6,521.9	6,408.8	1.8%
Special Mention Commitments	\$ in Billions	161.8	176.6	-8.4%
Classified Commitments	\$ in Billions	434.0	395.6	9.7%

## ECONOMIC / GDP DATA

International Monetary Fund Growth Rates (Source: IMF "World Economic Outlook")

Country	2021	2022	2023	2024	2025	2026
United States	5.7%	2.9%	2.9%	2.8%	1.2%	1.9%
Brazil	4.6%	2.5%	3.2%	3.4%	2.3%	2.1%
China	8.1%	3.2%	5.2%	5.0%	4.8%	4.2%
Germany	2.8%	0.8%	(0.3%)	(0.2%)	0.1%	0.9%
India	8.9%	6.1%	8.2%	6.5%	6.4%	6.4%
Japan	1.6%	0.6%	1.5%	0.1%	0.7%	0.5%
United Kingdom	7.4%	0.6%	0.3%	1.1%	1.2%	1.4%

Market Indices	15-Aug	8-Aug	WoW Change	YTD Change	YoY Change
S&P/LSTA Leveraged Loan Index	4,216.09	4,214.38	0.04%	3.79%	7.55%
Barclays High Yield Index	2,833.19	2,825.43	0.27%	5.59%	8.81%
Barclays Aggregate	2,284.83	2,285.40	(0.02%)	4.38%	2.48%

Loan Market Bids	15-Aug	8-Aug	WoW Change	YTD Change
S&P Flow Name Index	96.47	96.57	(0.11%)	0.10%
S&P 100 Name Index	98.92	98.95	(0.03%)	0.98%
S&P BB's Index	99.64	99.69	(0.05%)	(0.46%)
S&P B's Index	98.40	98.49	(0.09%)	(0.74%)
S&P CCC's Index	78.76	79.13	(0.47%)	2.98%

Loan Market Spreads	15-Aug	8-Aug	WoW Change	YTD Change
S&P BB's Index	S+265	S+263	2 bps	4 bps
S&P B's Index	S+422	S+419	3 bps	(9 bps)
S&P CCC's Index	S+1310	S+1306	4 bps	(96 bps)

Credit Default Swap - Volatility Indices	Index	15-Aug	8-Aug	WoW Change	YTD Change
Investment Grade CDS	Market	58.04	51.04	(1.97%)	0.39%
High Yield CDS	Market	318.71	323.29	(1.42%)	2.32%

Credit		15-Aug	8-Aug	WoW Change	YOY Change
High Yield	OAS - YTW	T+279	T+283	(4 bps)	(59 bps)
Loan Index - S&P Flow Name	DM - 3 Year	S+458	S+455	3 bps	(47 bps)

US Treasury 2-Yr	3.75%	3.76%	(1 bps)	(21 bps)
US Treasury 3-Yr	3.71%	3.73%	(2 bps)	(5 bps)
US Treasury 5-Yr	3.84%	3.83%	1 bps	16 bps
US Treasury 7-Yr	4.05%	4.03%	2 bps	32 bps
US Treasury 10-Yr	4.32%	4.28%	3 bps	48 bps
US Treasury 30-Yr	4.92%	4.85%	7 bps	79 bps

US CLO Spreads - New Issue	31-Jul	30-Jun	MoM Change	YTD Change
AAA	S+134	S+134	0 bps	5 bps
AA	S+175	S+170	5 bps	5 bps
A	S+208	S+195	13 bps	13 bps
BBB	S+290	S+305	(15 bps)	(40 bps)
BB	S+580	S+588	(8 bps)	(68 bps)

Market Rates	15-Aug	8-Aug	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	4.37%	4.36%	0 bps	3 bps
3M SOFR	4.23%	4.23%	1 bps	(7 bps)
6M SOFR	4.07%	4.06%	1 bps	(18 bps)

Short Interest - Millions of shares	31-Jul	30-Jun	MoM Change	YTD Change
NYSE Mkt Short Interest	18,275.01	18,434.43	(0.86%)	13.33%
Nasdaq Short Interest	16,593.62	16,928.92	(1.98%)	11.91%

Fed Corp Primary Dealer Positions - \$ USD in Millions	31-Jul	30-Jun	MoM Change	YTD Change
Net Outright Total Corp Securities	10,353.00	12,075.00	(14.26%)	16.82%

Margin Debt - \$ USD in Billions	30-Jun	31-May	MoM Change	YTD Change
FINRA Margin Debt	1,008.00	920.96	9.45%	12.10%

## Leveraged Finance Primary Volume - \$ USD in Billions

8/15/2025	Year To Date	2024	Year End	YoY
	2025	2024	2024	Change
Bank Debt	716.1	807.1	1,327.0	(11.27%)
Total Bonds	208.7	201.3	288.8	3.68%
Totals	924.8	1,008.4	1,615.8	(8.29%)

## DEFAULT ACTIVITY

Total Loan Defaults - as of:	31-Jul	30-Jun	YE 2024
Default Rate by Total Amount of All Loans Outstanding	1.19%	1.30%	1.52%
Default Rate by Total Amount of All HY Bonds Outstanding	0.40%	0.43%	0.36%

## Employment - Labor Participation Rates

31-Jul	30-Jun	YTD Change
Civilian Employment as % of Total Labor Force	59.6%	0.54pp
Labor Force Participation Rate	62.2%	0.56pp

## Government Assistance

SNAP fka Food Stamps - # of Participants	in Millions	42.0	42.2	(2.26%)
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## Retail Sales

31-Jul	30-Jun	YTD Change	
Adj. Retail & Food Services Sales Index - US Census	726.3	722.6	1.20%

## U.S. Rig Count - Active Drilling Rigs, Exploring or Developing Oil &amp; Natural Gas

Type	Peak-2000 to Date	# of Rigs	% Change	15-Aug	8-Aug	YoY Change
Oil	10/10/2014	1,609	(74.39%)	412	411	(14.70%)
Gas	9/12/2008	1,606	(92.40%)	122	123	24.49%

## Rail &amp; Truck Volume

30-Jun		31-May	YTD Change	
Total Rail Freight Carloads	Tons in Thousands	974.70	981.66	2.57%
Total Intermodal	Tons in Thousands	1,111.49	1,154.79	(6.44%)
Truck Tonnage Index		113.01	113.75	0.95%

## TSA Checkpoint Travel Numbers

		15-Aug	8-Aug	WoW Change	YoY Change
Weekly Traveler Throughput	in Thousands	18,458.7	19,173.0	(3.73%)	1.60%

## Freight Rates

Freight Rates	15-Aug	8-Aug	WoW Change	YTD Change	YoY Change
Baltic Exchange Dry Index	2,044	2,051	(0.34%)	105.02%	20.80%
Shanghai - Los Angeles Spot Rates	2,494	2,534	(1.58%)	(48.35%)	(60.08%)
Shanghai - NY Spot Rates	3,638	3,826	(4.91%)	(43.55%)	(57.65%)
Shanghai Containerized Freight Index	1,460	1,490	(1.98%)	(41.71%)	(52.86%)