ZCG®

# Global Economic & Credit Market Briefing

## Week 34 Ending – August 21, 2026

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Briefing

# Global Economic & Credit Market

### Week 34 Ending – August 21, 2026

## Economic Calendar

**Tuesday, August 25:** US Consumer Confidence
Thursday, August 27: Weekly Jobless Claims
**Friday, August 28:** Personal Income & Spending / Core PCE Inflation

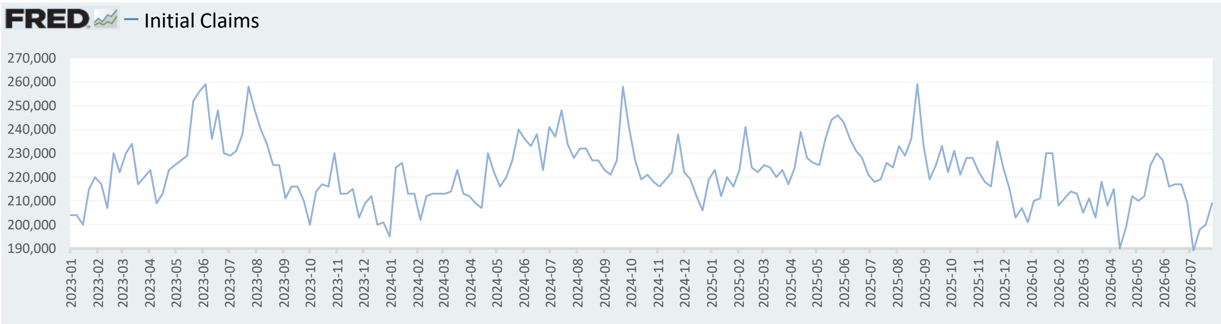
### Key Market Metrics

| | 21-Aug | WoW | YTD | YoY | LTM EBITDA | NTM EBITDA |
|---|---|---|---|---|---|---|
| **Equities Return** | | | | | | |
| **S&P 500:** | 7,674 | (1.43%) | +12.11% | +20.47% | 15.9x | 12.8x |
| **Dow Jones:** | 53,277 | (0.85%) | +10.85% | +18.96% | 14.1x | 13.1x |
| **Nasdaq:** | 26,180 | (2.05%) | +12.64% | +24.08% | | |
| **Credit Return** | | | | | | |
| **High-yield:** | | (0.02%) | +2.66% | +5.67% | | |
| **Leveraged Loan:** | | +0.21% | +2.82% | +4.79% | | |
| **Credit Yields** | | | | | | |
| **High-yield:** | 7.26% | +9 bps | +61 bps | +11 bps | | |
| **Leveraged Loan:** | 8.87% | 0 bps | +105 bps | +86 bps | | |
| **Rates** | | | | | | |
| **10Y Treasury:** | 4.73% | +4 bps | +58 bps | +41 bps | | |
| **1M SOFR:** | 3.66% | +2 bps | (3)bps | (66)bps | | |
| **3M SOFR:** | 3.74% | +1 bps | +9 bps | (46)bps | | |
| **6M SOFR:** | 3.84% | +1 bps | +27 bps | (20)bps | | |
| **Currencies** | | | | | | |
| **British Pound / USD:** | $1.36 | +0.78% | +1.25% | +1.73% | | |
| **Euro / USD:** | $1.17 | +0.94% | (0.57%) | +0.63% | | |
| **USD / Yen:** | ¥158.95 | (0.23%) | +1.43% | +7.13% | | |
| **Swiss franc / EUR:** | € 1.07 | +0.56% | (0.49%) | +0.31% | | |

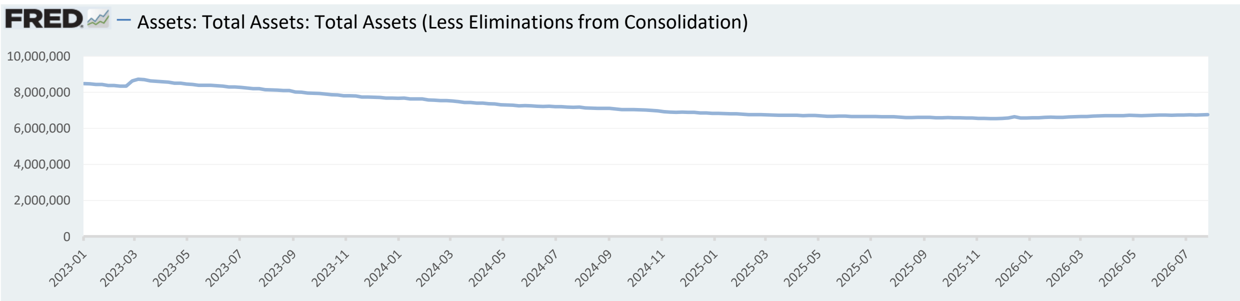
## U.S. News

- **Industrial Production & Capacity Utilization**
  - Industrial Product (IP) and manufacturing production each rose 0.2% MoM in July after 0.3% in June; total IP stood at 103.0% of its 2017 average, 1.1% above year-earlier; capacity utilization edged up to 76.3%, 3.1pp below its 1972–2025 average. Consensus was +0.3%, and June was revised up from the originally reported +0.1%. Capacity utilization matched the 76.3% expected; manufacturing output matched at +0.2%.
  - Business equipment rose 0.8% and defense and space equipment 1.8%, while consumer goods fell 0.4% (durables –1.4%, nondurables –0.1%); construction supplies rose 0.8%, materials 0.3%. Motor vehicles and parts fell 2.1%, and manufacturing ex-autos rose 0.4%. Mining rose 0.2%, utilities 0.5%.
  - Capex-linked industrials (business equipment +6.6% YoY, defense +6.8% YoY, high-tech +11.8% YoY) continue to outrun consumer-facing manufacturing (consumer goods –1.8% YoY), with autos/parts a drag.
- **FOMC Minutes**
  - The Committee held the funds rate at 3.50–3.75% on a 9-3 vote, with Cleveland's Hammack, Minneapolis' Kashkari and Dallas' Logan each preferring a 25bp hike; no Board governors dissented.
  - FOMC minutes revealed a broadly hawkish policy debate, with many officials indicating further rate hikes could be necessary if inflation does not continue to ease; policymakers also highlighted tighter financial conditions, including higher long-term Treasury yields, while generally viewing the labor market as balanced and discussing, but not adopting, a proposal to reduce annual Fed meetings from eight to six.
  - Longer-dated Treasury yields pulled back Wednesday after Treasury announced an enlarged debt buyback operation, confounding attribution to the minutes themselves. September hike odds have collapsed to roughly 30% (CME FedWatch: 69.4% hold as of Aug 17; 68.4% hold as of Aug 20). Goldman's Jan Hatzius called a September hike "very unlikely" and market pricing too hawkish, with traders pushing the next quarter-point hike to January; J.P. Morgan Wealth Management's 25bp September base case was set weeks earlier when futures implied ~65%.
- **Global Flash Manufacturing & Services PMI**
  - The flash composite output index rose to 56.0 in August from 54.5 in July, the fastest US business growth since April 2022; the headline manufacturing PMI slipped to 53.2 from 53.9, the weakest since March, while services reached 56.8.
  - The flash factory output index fell to 51.9 from 53.9, a 13-month low. S&P Global attributed the factory slowdown to fading safety-stock building that had powered goods production early in the war, and to supply chain delays lengthening again in August to one of the greatest extents in four years, blamed on shipping disruption, tariffs and thin supplier inventories.
  - Manufacturers' input buying rose only slightly, the smallest increase this year. Employment grew at the fastest pace since January 2025; selling-price inflation slowed to its lowest since November while energy costs, tariffs and supply constraints kept input costs elevated; business expectations hit a nine-month high.

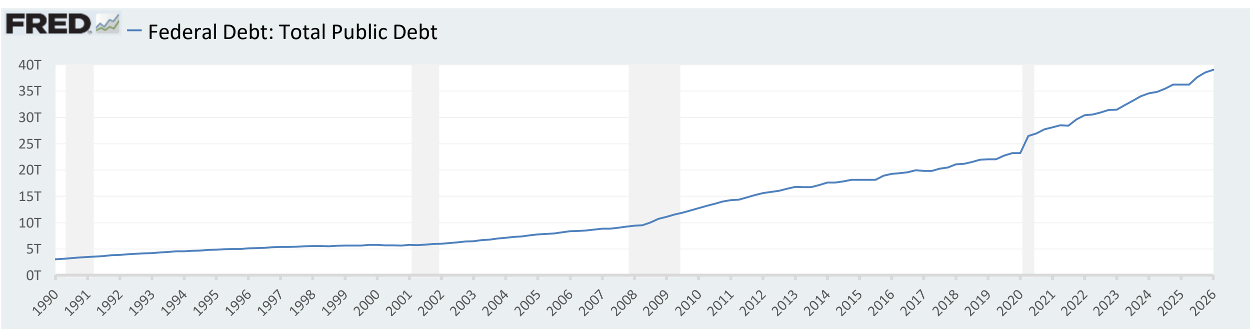
- **Jobless Claims**
    - Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 206,000 in the week ended August 14, down 6,000 from the prior week
    - The four-week moving average was 204,000, up 4,250 from the prior week
    - Continuing claims – those filed by workers unemployed for longer than a week – increased at 1.799 million in the week ended August 7. This figure is reported with a one-week lag



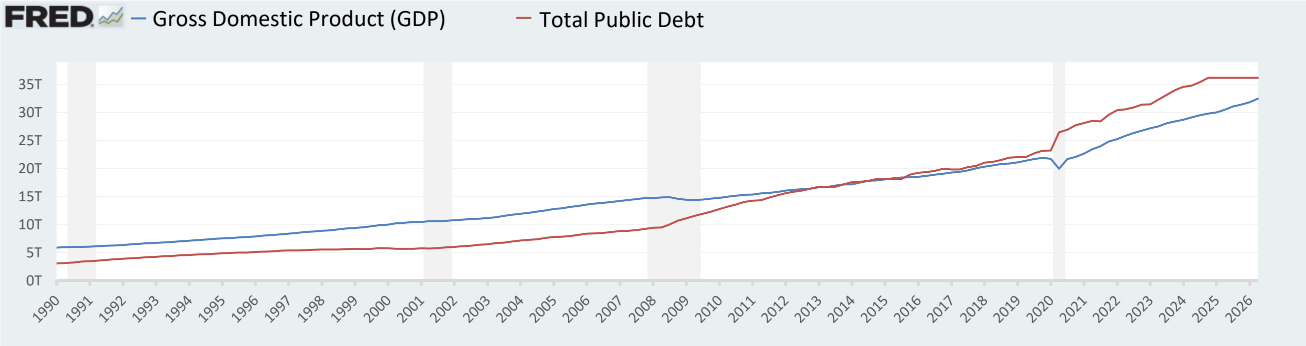

- **Fed's Balance Sheet**
    - The Federal Reserve's assets totaled $6.746 trillion in the week ended August 21, down $14.3 billion from the prior week
    - Treasury holdings totaled $4.539 trillion, up $5.2 billion from the prior week
    - Holdings of mortgage-backed securities (MBS) were $1.93 trillion in the week, down $0.1 billion from the prior week

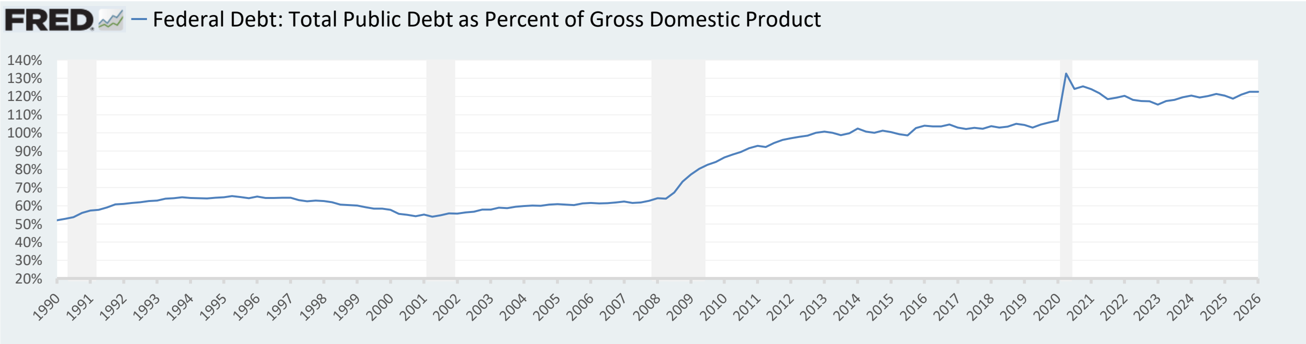



- **Total Public Debt**
    - Total public debt outstanding was $40.03 trillion as of August 21, an increase of 7.5% from the previous year
    - Debt held by the public was $32.28 trillion, and intragovernmental holdings were $7.73 trillion



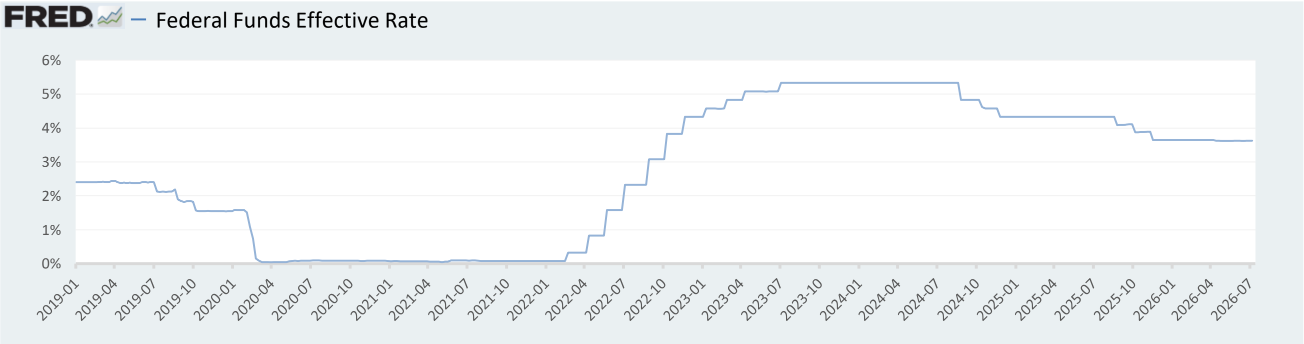
- **GDP**
  - The latest annualized U.S. GDP stands at $32.48 trillion as of June 30, 2026, an increase of 1.91% from the previous quarter, & an increase of 6.53% from the previous year
  - The total public debt-to-GDP ratio is at 121.52% as of June 30, an increase of 2.73% from the previous year



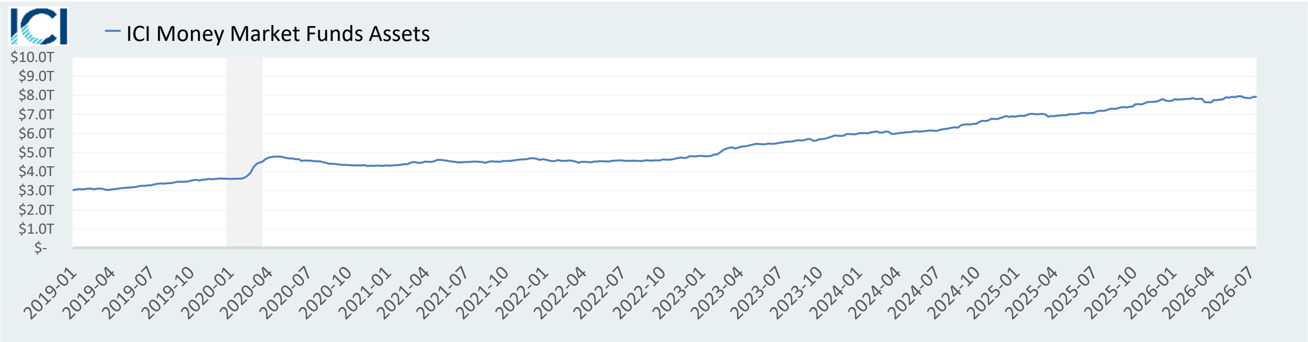



- **Inflation Factors**
  - CPI:
    - The consumer-price index rose 3.4% in July year over year
    - On a monthly basis, the CPI increased 0.1% in July on a seasonally adjusted basis, after decreasing -0.4% in June
    - The index for all items less food and energy (core CPI) rose 0.2% in July, after falling 0.0% in June
    - Core CPI increased 2.5% for the 12 months ending July
  - Food & Beverages:
    - The food at home index increased 2.6% in July from the same month a year earlier, and decreased -0.1% in July month over month
    - The food away from home index increased 3.4% in July from the same month a year earlier, and increased 0.3% in July month over month
  - Commodities:
    - The energy commodities index decreased (2.9%) in July after decreasing (9.5%) in June
    - The energy commodities index rose 24.7% over the last 12 months
    - The energy services index rose 0.1% in July after increasing 1.5% in June
    - The energy services index rose 4.3% over the last 12 months
    - The gasoline index rose 24.6% over the last 12 months
    - The fuel oil index rose 39.1% over the last 12 months
    - The index for electricity rose 4.2% over the last 12 months
    - The index for natural gas rose 4.3% over the last 12 months
  - Supply Chain:
    - Drewry's composite World Container Index increased to $4,526.19 per 40ft container for the week of August 21
    - Drewry's composite World Container Index has increased by 101.1% over the last 12 months
  - Housing Market:
    - The shelter index increased 0.1% in July after increasing 0.1% in June
    - The rent index increased 0.1% in July after increasing 0.1% in June
    - The index for lodging away from home decreased (3.4%) in July after decreasing (2.5%) in June

- **Federal Funds Rate**
  - The effective Federal Funds Rate is at 3.63%, down (0.01%) year to date




- **Money Market Funds**
  - Money market fund assets stood at $7.93 trillion as of August 19, 2026, up 0.0% from the previous week, & up 10.3% from the previous year



## World News

- **Middle East**
  - Brent settled up at $93.70 and WTI at $87.06 Friday, finishing the week more than 5% higher after Treasury Secretary Bessent said Washington will impose the toughest sanctions in history on Iran; Bessent will hold a Monday press conference on the plan, which Trump framed in a Wednesday post as the most crushing economic operation ever taken against any country.
  - The US military told CNBC it has helped tankers move more than 660 million barrels through Hormuz since early May, while Foreign Minister Araghchi said the waterway will not reopen until Washington eases sanctions and pays war reparations. RBC's Helima Croft questioned whether additional sanctions change Iranian behavior given Iran is already among the most sanctioned countries, and noted it is unclear whether the US will target China and Russia.
  - ADCB reported the Gulf project pipeline remains substantial into H2 2026 despite higher shipping, insurance and construction costs, with the UAE recording the highest absolute value of awards in H1; expected awards include over $10bn for Dubai's Al Maktoum International Airport expansion and $10bn for phase two of the TA'ZIZ chemicals zone in Abu Dhabi, with the conflict strengthening the case for investment in supply-chain and logistics continuity that reduces reliance on Hormuz.

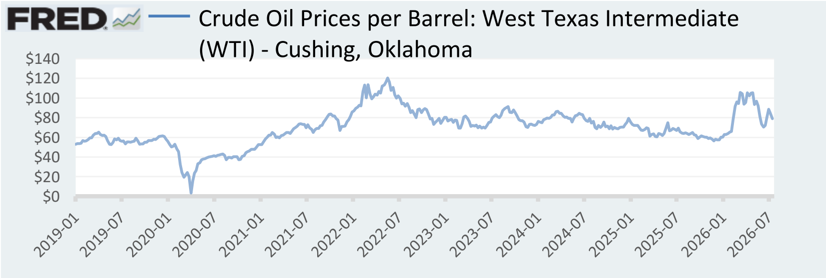
- **Europe**
  - The Eurozone flash composite rose to 52.1 from 52.0, its highest since November and above a Reuters poll of 51.7; the factory PMI jumped to a four-year-plus high of 52.8 from 51.9 against a 51.8 poll estimate, with output growth the strongest in 54 months, after the bloc expanded 0.4% in Q2 despite disruption from the US-Israeli war on Iran.
  - Eurozone manufacturing production hit a 54-month high of 53.4 with growth driven primarily by German output boosted by AI-related tech goods and defense equipment demand; services held at 51.7, total new business reached a 40-month high, and new export orders expanded for the first time in 4.5 years as manufacturing ended a 38-month streak of job shedding. Germany's August flash manufacturing PMI printed 54.1 against 52.0 expected.
  - European financial firms are on track to return a record €228 billion to shareholders in 2026, up 13% year-over-year, led by strong earnings from banks and insurers. Higher interest rates and AI-driven efficiency gains are supporting profitability, making financials the largest expected contributor to MSCI Europe earnings growth this year and next.
  - France’s unemployment rate rose to 8.3%, the highest level in nearly six years, as weaker economic growth, higher energy costs linked to Middle East disruptions, and severe heat waves weighed on business activity.
- **China**
  - The Shanghai Composite rose 0.24% and the Shenzhen Component gained 0.59% on the LPR hold, with expectations of further stimulus reinforced by weak July data and Premier Li Qiang's call to accelerate the shift toward new growth drivers; investors are awaiting the National People's Congress Standing Committee meeting on August 25–28 for policy signals.
  - Sales at the 25 biggest luxury labels in China dropped more than 10% in July per three research firms surveyed by Bloomberg — worse than June and a sharp reversal from earlier this year. The slump coincides with Beijing's campaign to stem capital outflows and reclaim tax revenue, including tighter controls on cross-border stock trading, with wealthy Chinese now holding more equities than property, tying luxury demand to market swings.
  - Global private equity firms continue to pull back from China, with major buyout groups making no new publicly disclosed mainland investments in 2026 amid geopolitical tensions,

heightened regulatory scrutiny, and concerns over exits. While China's valuations have become more attractive and US-China relations have stabilized somewhat, investors remain focused on lower-risk opportunities in markets such as Japan, India, and Australia.

- **Americas**
  - Canada retail sales fell 0.8% in July after a 0.6% June gain — the first decline in seven months, breaking a purchasing surge driven by higher gasoline prices — though strong Q2 purchases point to a rebound in consumption. Consumer-discretionary credits in Canada warrant closer monitoring into Q3.
  - U.S.-Canada trade talks collapsed over disagreements on extending tariff relief to Canadian medium- and heavy-duty vehicles, triggering a fresh escalation in trade tensions. The U.S. imposed 50% tariffs on roughly $20 billion of Canadian goods, with the Trump administration invoking Depression-era emergency authority, while Canada announced retaliatory tariffs on U.S. imports effective September 8.
  - Mexico is pressing for trade terms similar to Canada's new U.S. agreement, which lowered tariffs on certain steel and aluminum products to 25% and auto tariffs to 15%. The deal provides Mexican negotiators with a clearer benchmark as they seek comparable relief for key export sectors, particularly metals and autos.

## Commodities

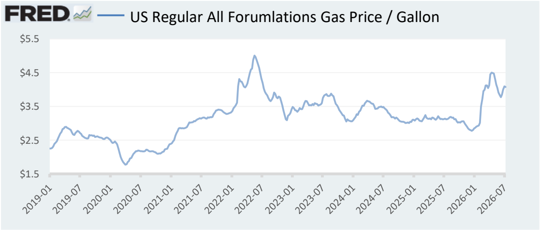
- **Oil Prices**
- WTI: $87.06 per barrel
  - +5.66% WoW; +16.20% YTD; +37.73% YoY
- Brent: $93.70 per barrel
  - +5.85% WoW; +19.29% YTD; +38.47% YoY




- **US Production**
- U.S. oil production amounted to 13.8 million bpd for the week ended August 14, up 0.0 million bpd from the prior week

- **Rig Count**
- The total number of oil rigs amounted to 588, down 5 from last week

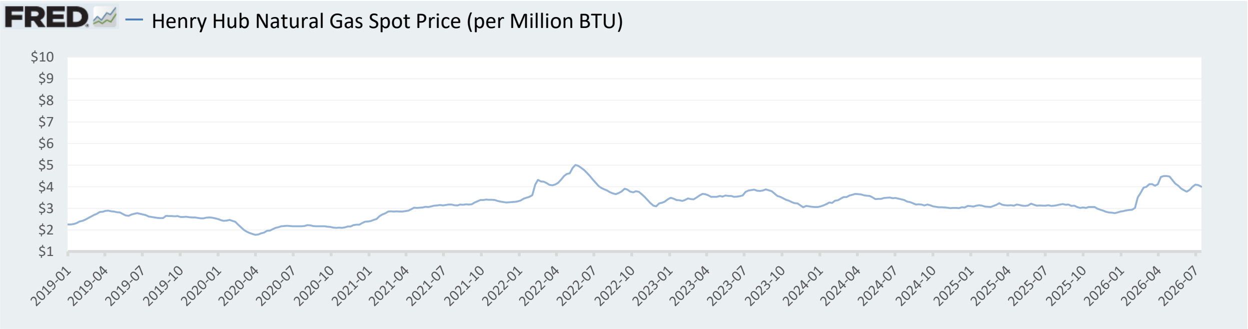
- **Inventories**
  - **Crude Oil**
    - Total U.S. crude oil inventories now amount to 428.8 million barrels, up 1.9% YoY
    - Refiners operated at a capacity utilization rate of 97.2% for the week, up from 96.2% in the prior week
    - U.S. crude oil imports now amount to 7.339 million barrels per day, down 1.5% YoY




  - **Gasoline**
    - Retail average regular gasoline prices amounted to $4.11 per gallon in the week of August 21, up 30.8% YoY
      - Gasoline prices on the East Coast amounted to $3.98,up 28.0% YoY
      - Gasoline prices in the Midwest amounted to $4.03, up 30.8% YoY
      - Gasoline prices on the Gulf Coast amounted to $3.73, up 31.0% YoY
      - Gasoline prices in the Rocky Mountain region amounted to $4.43, up 34.5% YoY
      - Gasoline prices on the West Coast amounted to $5.21, up 24.9% YoY
    - Motor gasoline inventories were up by 0.7 million barrels from the prior week
    - Motor gasoline inventories amounted to 209.4 million barrels, down (6.3%) YoY
    - Production of motor gasoline averaged 9.71 million bpd, up 1.6% YoY
    - Demand for motor gasoline amounted to 8.689 million bpd, down (1.7%) YoY

  - **Distillates**
    - Distillate inventories decreased by -1.5 million in the week of August 21
    - Total distillate inventories amounted to 105.6 million barrels, down (9.0%) YoY
    - Distillate production averaged 5.226 million bpd, down (2.0%) YoY
    - Demand for distillates averaged 3.953 million bpd in the week, down (0.4%) YoY

  - **Natural Gas**
    - Natural gas inventories increased by 16 billion cubic feet last week
    - Total natural gas inventories now amount to 3,169 billion cubic feet, down (0.9%) YoY



## Geopolitical Hotspots

- **Japan**
  - Support is growing for faster Bank of Japan (BOJ) rate hikes, with the government, former policymakers, and major financial institutions increasingly backing tighter monetary policy. Japan's benchmark rate currently stands at 1.0%, while the yen has surrendered roughly 40% of the gains achieved after recent joint U.S.-Japan currency intervention. Markets are increasingly pricing in a potential BOJ rate hike at its September 17-18 meeting as officials seek to address inflation and currency weakness.
- **Africa**
  - The Bundibugyo Ebola strain has infected 3,973 people and killed 1,801 in just 10 weeks — already outpacing the record 2014-2016 West Africa outbreak's early trajectory — with its unusually slow replication rate allowing infected individuals to travel widely before symptoms emerge, as evidenced by a Congolese traveler who completed an eight-day Dubai business trip before testing positive, while active conflict in eastern DRC, community mistrust, and the absence of an approved vaccine continue to hamper containment efforts
- **Venezuela**
  - U.S.-backed talks between Venezuela's interim government and parts of the opposition began on August 1, aiming to establish a path toward democratic elections, but exclude prominent opposition leader María Corina Machado and lack a clear election timetable. The talks reflect the Trump administration's efforts to advance a political transition while supporting Venezuela's economic stabilization and reopening the country to U.S. investment.
- **India**
  - Indian companies are ramping up overseas acquisitions to diversify markets, access technology, and strengthen supply chains amid geopolitical uncertainty, with outbound investments reaching $14 billion in the first four months of fiscal 2026, compared with $18.7 billion in the prior full year. Major deals include Sun Pharma's $11.7 billion acquisition of US-based Organon and Persistent Systems' €1.3 billion bid for Germany-based Nagarro.
- **Colombia**
  - Far-right populist Abelardo de la Espriella — a criminal defense attorney who has represented paramilitary commanders and money launderers — captured 44% of the vote in Colombia's first-round presidential election, setting up a June 21 runoff against leftist Iván Cepeda that presents voters with the starkest ideological choice in the country's modern political history
- **Cuba**
  - CIA Director Ratcliffe made a rare visit to Havana to warn Cuban officials they have a limited window to engage with the Trump administration, as the island faces severe fuel shortages, widespread blackouts, and growing street protests
- **Australia**
  - Australia is permanently diversifying its oil imports beyond Middle East suppliers and accelerating its renewable energy transition, even as it secures emergency fuel reserves to buffer against the ongoing Strait of Hormuz disruption

- **Canada**
    - Canada approved Enbridge's ~$3 billion Westcoast pipeline expansion, adding 300 million cubic feet per day of capacity as part of PM Carney's push to reduce U.S. trade dependence and boost Asian energy exports
- **Italy**
    - Trump publicly broke with Italian PM Giorgia Meloni — once his closest European ally — after she refused to send forces to the Strait of Hormuz and called his attacks on Pope Leo "unacceptable," leaving her isolated on both sides of the Atlantic

## Credit News

High yield bond yields increased 9bps to 7.26% and spreads widened 2bps to 296bps. Leveraged loan yields were unchanged at 8.87% and spread tightened 1bp to 480bps. WTD high yield bond returns were negative 13bps and WTD leveraged loan returns were positive 14bps. High-yield bond spreads widened as investors absorbed a surprise longer-dated Treasury buyback announcement and hawkish Fed minutes, while lighter capital-market and secondary-market activity weighed on sentiment. Leveraged-loan price gains were supported by steady inflows and healthy CLO origination, while the lightest capital-market activity in 19 weeks constrained new-issue supply, adding to the supportive technical backdrop.

**High-yield:**

Week ended 08/21/2026

- Yields & Spreads[1]

| Current Week | | Prior Week | | Δ (bps) | |
|---|---|---|---|---|---|
| Yield | Spread | Yield | Spread | Yield | Spread |
| 7.26% | 296 | 7.17% | 293 | 9 | 2 |

- Pricing & Returns[1]

| Pricing | | | Returns | | | |
|---|---|---|---|---|---|---|
| Current Week | Prior Week | Δ (bps) | WTD | MTD | YTD | 2025 |
| $96.46 | $96.72 | -26 | -0.13% | 0.54% | 2.72% | 9.0% |

- Fund Flows[2]

| Total Flows ($) |
|---|
| $97mm |

- New Issue[2]

| Week | | YTD | | |
|---|---|---|---|---|
| # New Deals | Total ($) | Total ($) | Prior Year YTD | CY vs PY |
| 4 | $1.7bn | $231.6bn | $207.7bn | +12% |

- Distressed Level (trading in excess of 1,000 bps)[2]

| 7-31-26 | 6-30-26 | 5-31-26 |
|---|---|---|
| 4.51% | 4.98% | 5.01% |

- Total HY Defaults

| Excluding Distressed Exchanges | | | Including Distressed Exchanges | | |
|---|---|---|---|---|---|
| 7-31-26 | 6-30-26 | 5-31-26 | 7-31-26 | 6-30-26 | 5-31-26 |
| 1.89% | 1.89% | 1.18% | 2.70% | 2.67% | 2.02% |

**Leveraged loans:**

Week ended 08/21/2026

- Yields & Spreads[1]

| Current Week | | Prior Week | | Δ (bps) | |
|---|---|---|---|---|---|
| Yield | Spread | Yield | Spread | Yield | Spread |
| 8.87% | 480 | 8.87% | 481 | 0 | (1) |

- Pricing & Returns[1]

| Pricing | | | Returns | | | |
|---|---|---|---|---|---|---|
| Current Week | Prior Week | Δ (bps) | WTD | MTD | YTD | 2025 |
| $94.54 | $94.54 | 0 | 0.14% | 0.57% | 2.83% | 6.0% |

- Fund Flows[2]

| Total Flows ($) |
|---|
| $507mm |

- New Issue[2]

| Week | | YTD | | |
|---|---|---|---|---|
| # New Deals | Total ($) | Total ($) | Prior Year YTD | CY vs PY |
| 7 | $3.4bn | $543.4bn | $719.8bn | -25% |

- Distressed Level (loan price below $80)[1]

| 7-31-26 | 6-30-26 | 5-31-26 |
|---|---|---|
| 9.40% | 9.39% | 8.68% |

- Total Leveraged Loan Defaults

| Excluding Distressed Exchanges | | | Including Distressed Exchanges | | |
|---|---|---|---|---|---|
| 7-31-26 | 6-30-26 | 5-31-26 | 7-31-26 | 6-30-26 | 5-31-26 |
| 1.29% | 1.29% | 1.28% | 2.29% | 2.29% | 2.62% |

**Default activity:**

- Most recent defaults include: Hughes Satellite Systems ($1.5bn, 8/2/2026), Unifrax Investment ($3.1bn, 7/26/2026), Dish DBS ($9.8bn, 6/30/2026), QVC Group ($2.2bn, 4/16/2026), Cumulus Media ($641mn, 03/05/2026), Trinseo ($390mn, 02/17/2026), Beasley Broadcasting Group ($189mn, 02/01/2026), Nine Energy Service ($300mn, 02/01/2026), Multi-Color ($4.5bn, 01/29/2026), and Pretium Packaging ($201mn, 01/28/2026).

**CLOs:**

Week ended 08/21/2026

- New U.S. CLO Issuance[2]

| # Priced | Total ($) | New Issue | Refis/Resets |
|---|---|---|---|
| 27 | $12.4bn | $5.6bn | $6.8bn |

- New U.S. CLO YTD Issuance[2]

| Total U.S. CLOs | Total ($) | New Issue | Refis/Resets | Prior Year YTD | CY vs. PY |
|---|---|---|---|---|---|
| 680 | $302.6bn | $107.8bn | $194.8bn | $331.7bn | -9% |

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

[1] Source: Credit Suisse High Yield and Leveraged Loan Index
[2] Source: JP Morgan

**Ratings activity:**

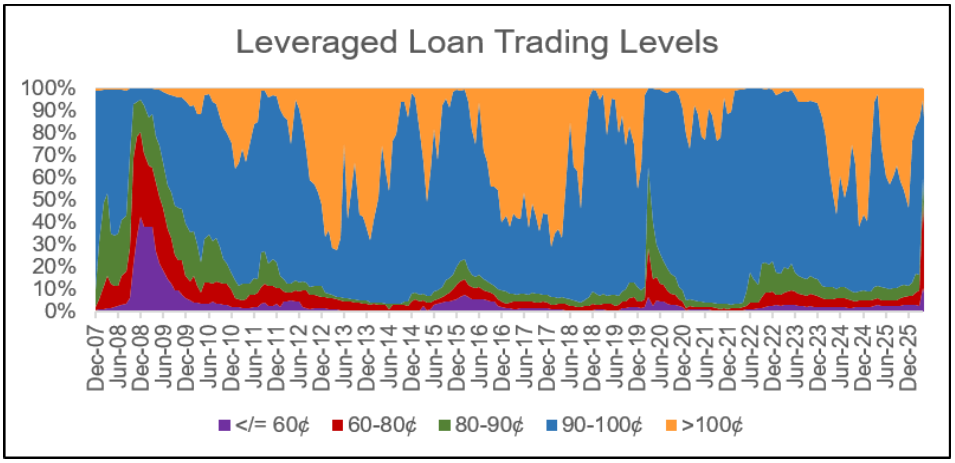
- S&P and Moody's High Yield Ratings

| | S&P | | | Moody's | | |
|---|---|---|---|---|---|---|
| | Downgrades | Upgrades | Ratio | Downgrades | Upgrades | Ratio |
| Full Year 2025 | 388 | 261 | 1.5x | 460 | 294 | 1.6x |
| Week Ending 01/02/26 | 0 | 0 | n/a | 0 | 0 | n/a |
| Week Ending 01/09/26 | 4 | 4 | 1.0x | 1 | 2 | 0.5x |
| Week Ending 01/16/26 | 8 | 5 | 1.6x | 7 | 3 | 2.3x |
| Week Ending 01/23/26 | 4 | 3 | 1.3x | 11 | 7 | 1.6x |
| Week Ending 01/30/26 | 5 | 5 | 1.0x | 6 | 5 | 1.2x |
| Week Ending 02/06/26 | 10 | 8 | 1.3x | 9 | 10 | 0.9x |
| Week Ending 02/13/26 | 5 | 2 | 2.5x | 11 | 2 | 5.5x |
| Week Ending 02/20/26 | 7 | 2 | 3.5x | 5 | 3 | 1.7x |
| Week Ending 02/27/26 | 10 | 3 | 3.3x | 6 | 3 | 2.0x |
| Week Ending 03/06/26 | 8 | 7 | 1.1x | 12 | 16 | 0.8x |
| Week Ending 03/13/26 | 7 | 2 | 3.5x | 9 | 5 | 1.8x |
| Week Ending 03/20/26 | 8 | 10 | 0.8x | 12 | 2 | 6.0x |
| Week Ending 03/27/26 | 4 | 7 | 0.6x | 10 | 5 | 2.0x |
| Week Ending 04/03/26 | 9 | 3 | 3.0x | 3 | 13 | 0.2x |
| Week Ending 04/10/26 | 10 | 7 | 1.4x | 4 | 7 | 0.6x |
| Week Ending 04/17/26 | 3 | 3 | 1.0x | 3 | 8 | 0.4x |
| Week Ending 04/24/26 | 8 | 4 | 2.0x | 7 | 8 | 0.9x |
| Week Ending 05/01/26 | 6 | 5 | 1.2x | 9 | 3 | 3.0x |
| Week Ending 05/08/26 | 8 | 5 | 1.6x | 5 | 5 | 1.0x |
| Week Ending 05/15/26 | 6 | 10 | 0.6x | 7 | 3 | 2.3x |
| Week Ending 05/22/26 | 16 | 3 | 5.3x | 10 | 8 | 1.3x |
| Week Ending 05/29/26 | 10 | 3 | 3.3x | 15 | 8 | 1.9x |
| Week Ending 06/05/26 | 12 | 11 | 1.1x | 8 | 9 | 0.9x |
| Week Ending 06/12/26 | 12 | 6 | 2.0x | 11 | 3 | 3.7x |
| Week Ending 06/19/26 | 6 | 10 | 0.6x | 5 | 11 | 0.5x |
| Week Ending 06/26/26 | 9 | 7 | 1.3x | 10 | 12 | 0.8x |
| Week Ending 07/03/26 | 7 | 1 | 7.0x | 3 | 0 | n/a |
| Week Ending 07/10/26 | 8 | 4 | 2.0x | 4 | 1 | 4.0x |
| Week Ending 07/17/26 | 3 | 5 | 0.6x | 4 | 3 | 1.3x |
| Week Ending 07/24/26 | 11 | 11 | 1.0x | 8 | 8 | 1.0x |
| Week Ending 07/31/26 | 2 | 2 | 1.0x | 5 | 10 | 0.5x |
| Week Ending 08/07/26 | 7 | 5 | 1.4x | 7 | 3 | 2.3x |
| Week Ending 08/14/26 | 10 | 4 | 2.5x | 5 | 5 | 1.0x |
| Week Ending 08/21/26 | 4 | 6 | 0.7x | 7 | 7 | 1.0x |
| YTD 2026 | 247 | 173 | 1.4x | 239 | 198 | 1.2x |

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 | 97.0 | 98.1 | 94.8 | 3.3 |
| Leveraged Loans | 95.1 | 96.7 | 93.5 | 3.1 |

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

[2] HY high price as of 1/22/26. LL high price as of 9/16/25

[3] HY low price as of 3/27/26. LL low price as of 3/3/26

### 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 | 0.14% | 0.13% | (0.13%) | (0.08%) |
| MTD Return | 0.57% | 0.67% | 0.54% | 0.76% |
| YTD Return | 2.83% | 2.78% | 2.72% | 1.49% |

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 08/21/2026

[2] Yield data as of 08/21/2026

## 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.*

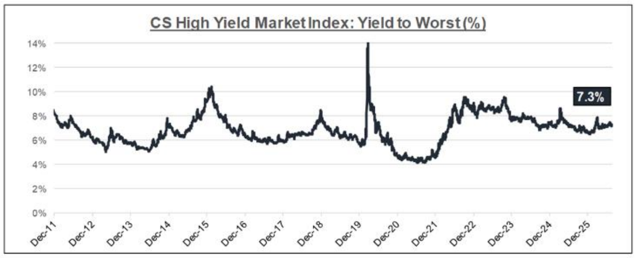
## Diagram E: Leveraged Loans Spreads & Yields


*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.*

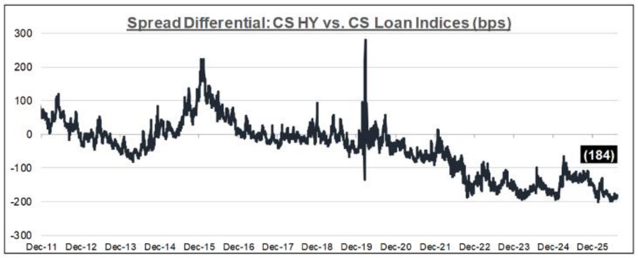
## Diagram F: High Yield Bonds Spreads & Yields


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



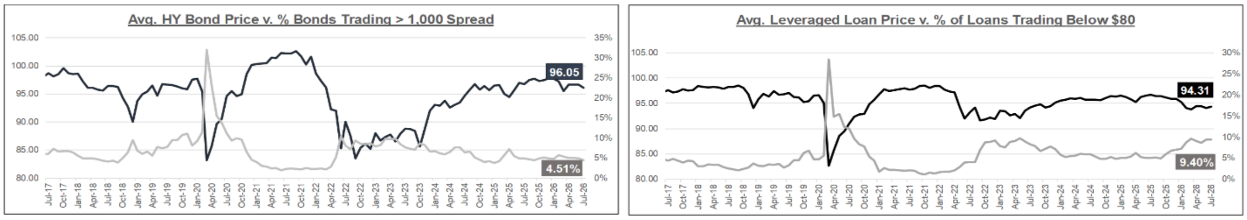

*Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.*

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



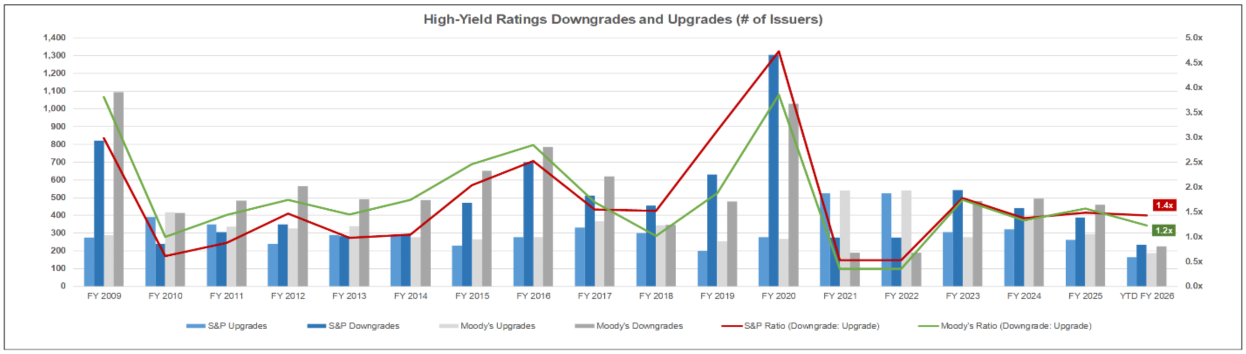

*Source: CSFB HY Index and CSFB LL Index. Data is reported daily.*

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

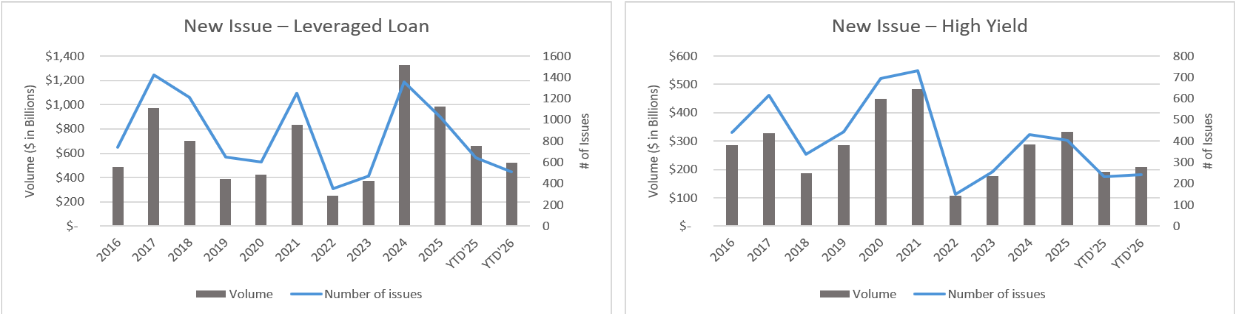



*Source: CSFB. Data is reported monthly.* *Source: JPM. Data is reported monthly.*

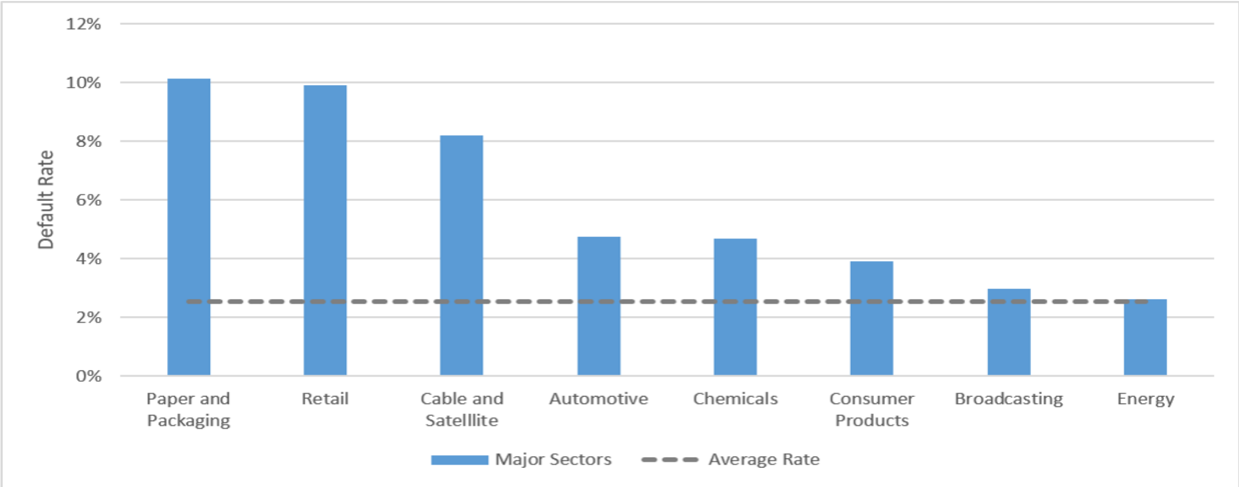
## Diagram I: High Yield Upgrades and Downgrades




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




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

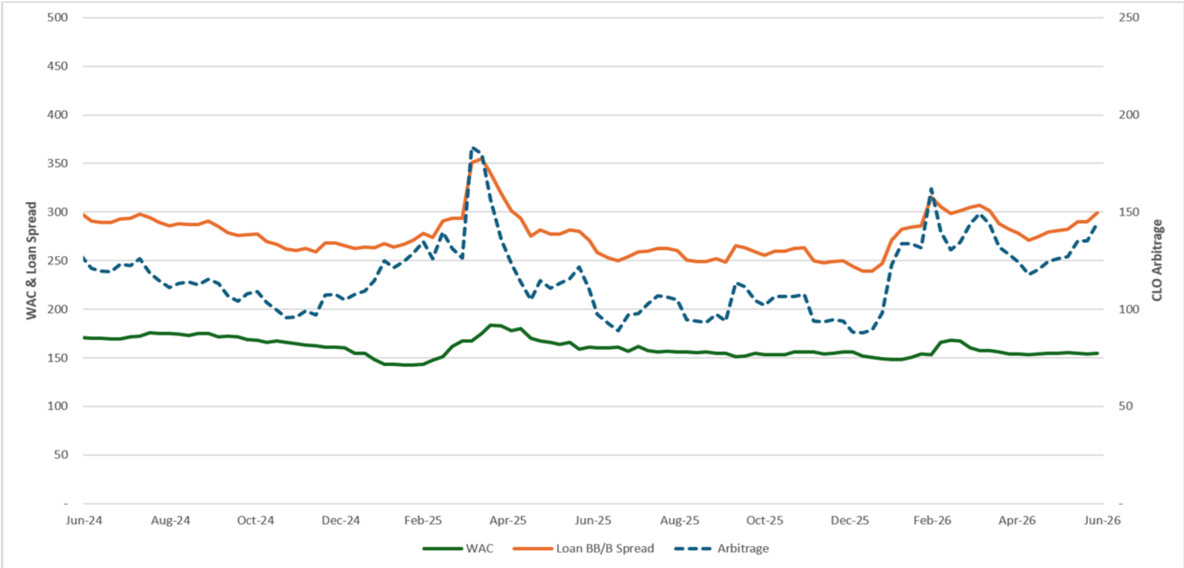



Source: JP Morgan Default Monitor

## Diagram L: CLO Economics

| US CLO Economics | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CLO Arbitrage [1] | | | AAA Spread [2] | | | WAC Liabilities [2] | | | Asset WAS [3] | | |
| 2Q26 | 1Q26 | 2Q25 | 2Q26 | 1Q26 | 2Q25 | 2Q26 | 1Q26 | 2Q25 | 2Q26 | 1Q26 | 2Q25 |
| 128 | 122 | 119 | S+124 | S+120 | S+136 | S+159 | S+156 | S+178 | S+407 | S+398 | S+417 |

[1] CLO Arbitrage = WAS - WAC - Fees & Losses
[2] Souce: LCD
[3] Source: BBG. BB/B Loan Index Spread (25%/75% weighting)
*Assumptions: 50bp annual fees and 70bp annual loss (2% CDR, 65% Recovery)



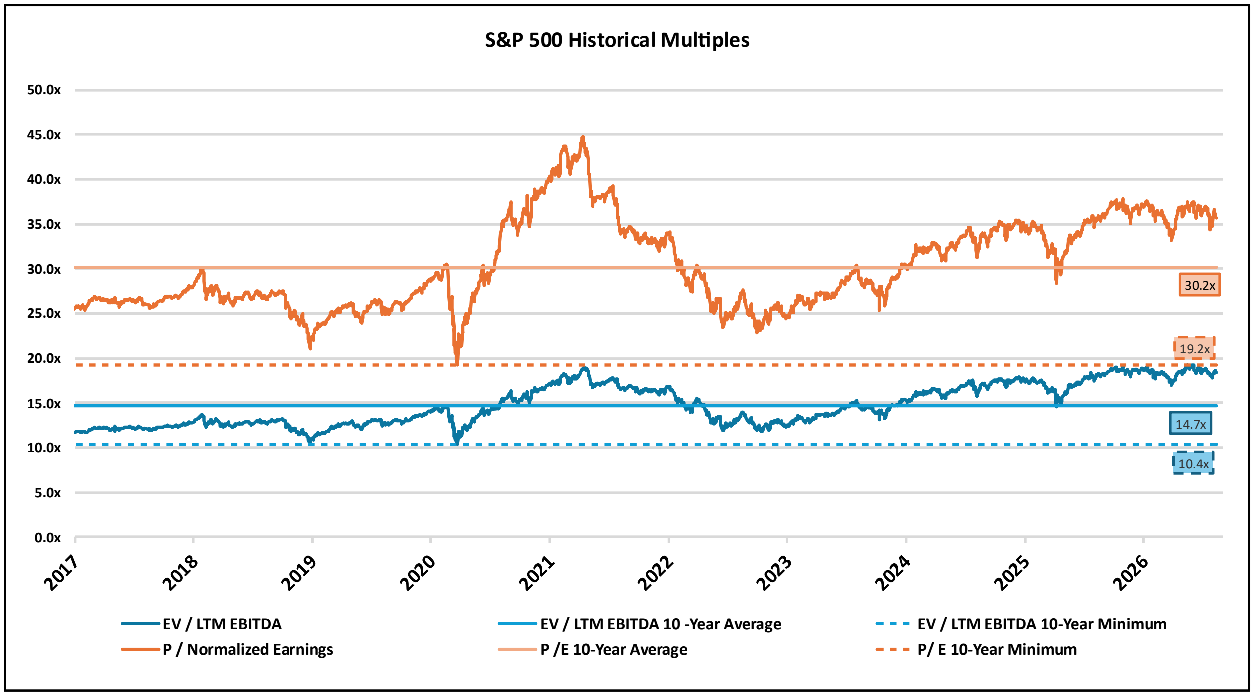

Source: JPM and BBG

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

| By | 7/31/26 | 8/7/26 | 8/14/26 | 8/21/26 | Change: Weekly | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 |
|---|---|---|---|---|---|---|---|---|---|
| France - 10 year | 4.00% | 3.92% | 4.05% | 4.13% | 9 bps | 3 bps | 25 bps | (17 bps) | 26 bps |
| Germany - 10 year | 3.21% | 3.13% | 3.20% | 3.26% | 5 bps | 14 bps | 10 bps | (13 bps) | 37 bps |
| Italy - 10 year | 4.02% | 3.90% | 3.98% | 4.08% | 10 bps | 2 bps | 6 bps | (39 bps) | 35 bps |
| Japan - 10 year | 2.81% | 2.81% | 2.89% | 2.89% | (0 bps) | 41 bps | 23 bps | 6 bps | 27 bps |
| UK - 10 year | 5.05% | 4.92% | 5.04% | 5.06% | 2 bps | (20 bps) | 20 bps | (28 bps) | 15 bps |
| US | | | | | | | | | |
| US - 2 year | 4.29% | 4.20% | 4.17% | 4.24% | 7 bps | (6 bps) | (24 bps) | (9 bps) | (38 bps) |
| US - 5 year | 4.45% | 4.35% | 4.36% | 4.42% | 6 bps | 5 bps | (16 bps) | (5 bps) | (48 bps) |
| US - 10 year | 4.73% | 4.65% | 4.69% | 4.73% | 4 bps | 7 bps | (14 bps) | 11 bps | (43 bps) |
| US - 30 year | 5.27% | 5.20% | 5.26% | 5.27% | 1 bps | 13 bps | (5 bps) | 26 bps | (28 bps) |

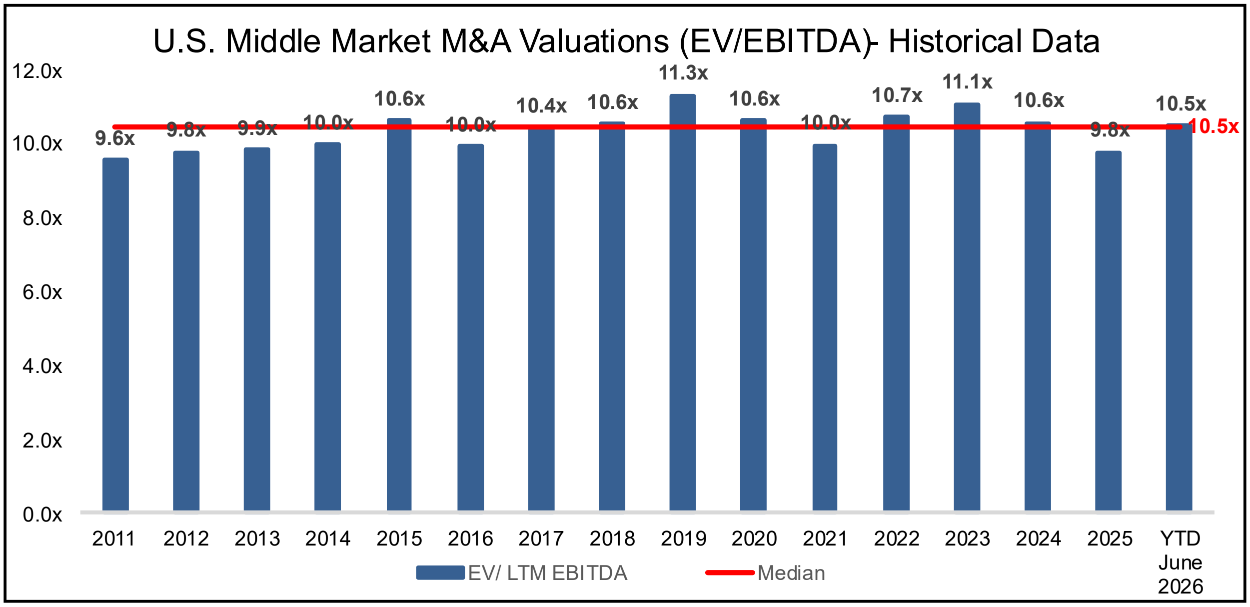
*Source: Bloomberg*

## Diagram N: S&P 500 Historical Multiples



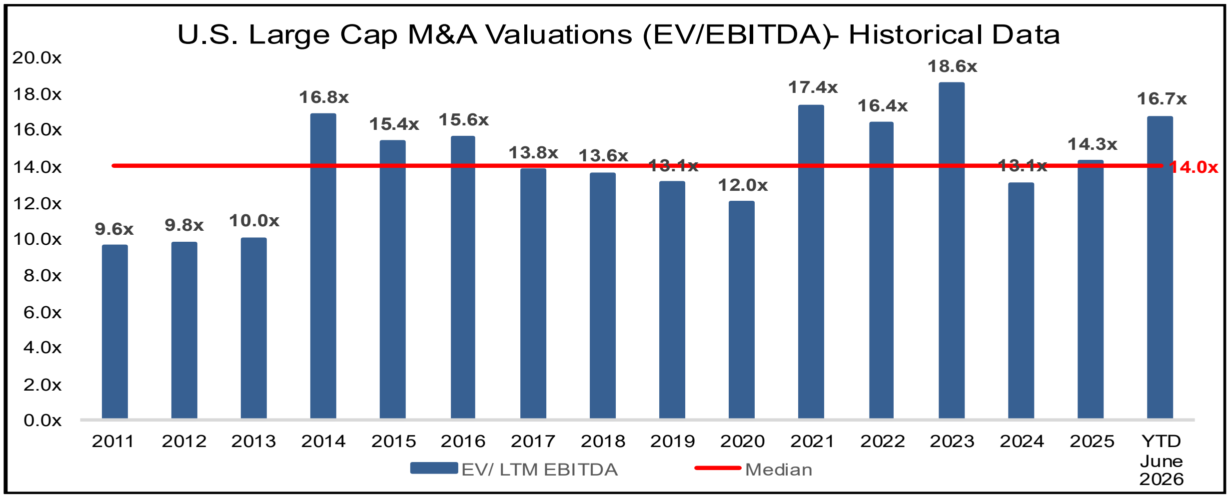

Source: S&P Capital IQ

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



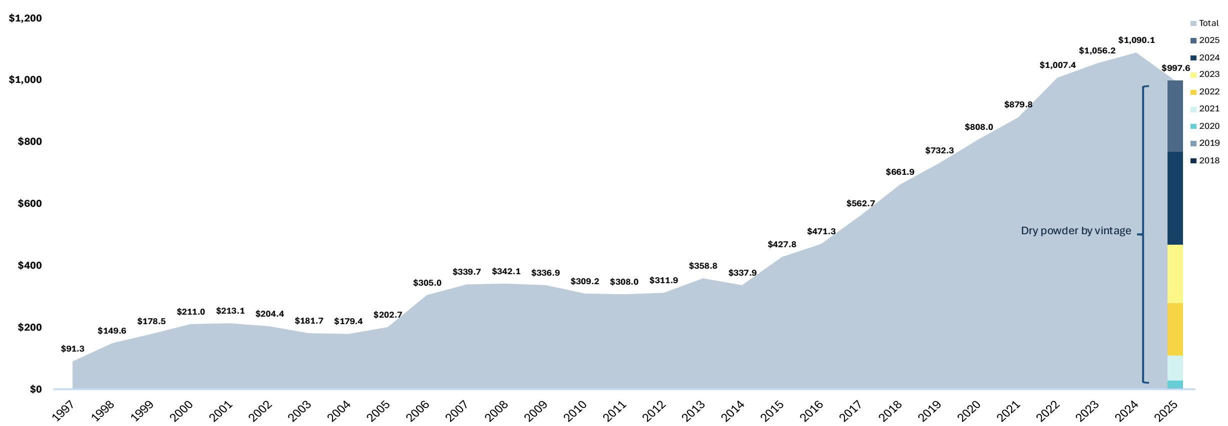

Source: Pitchbook

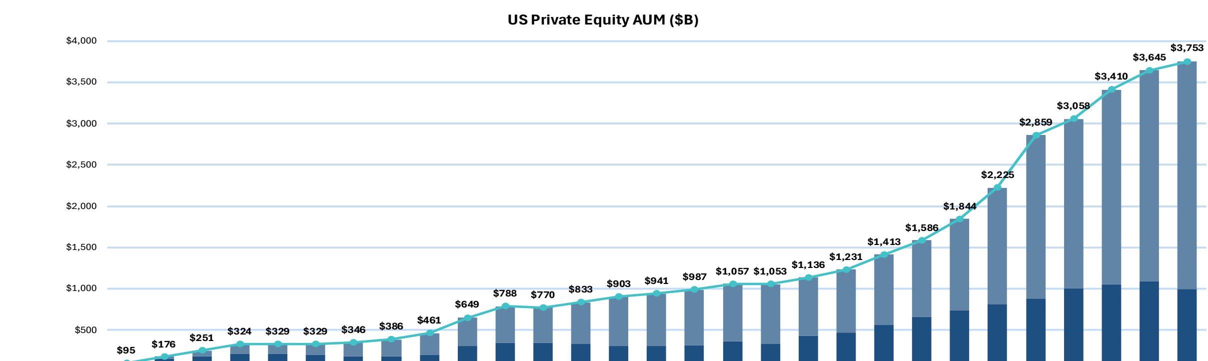
## Diagram P: U.S. Large Cap M&A Valuations (EV/EBITDA)




Source: Pitchbook

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




| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAV ($B) | $4.1 | $26.3 | $72.3 | $113.3 | $116.3 | $124.8 | $164.2 | $206.1 | $258.5 | $344.4 | $448.6 | $427.9 | $496.4 | $593.6 |
| Dry powder ($B) | $91.3 | $149.6 | $178.5 | $211.0 | $213.1 | $204.4 | $181.7 | $179.4 | $202.7 | $305.0 | $339.7 | $342.1 | $336.9 | $309.2 |
| Total AUM ($B) | $95.4 | $175.9 | $250.8 | $324.2 | $329.4 | $329.1 | $345.9 | $385.5 | $461.2 | $649.4 | $788.3 | $770.0 | $833.3 | $902.8 |

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAV ($B) | $633.4 | $675.3 | $698.4 | $715.3 | $707.9 | $760.2 | $850.8 | $923.7 | $1,111. | $1,417. | $1,979. | $2,050. | $2,354. | $2,554. | $2,755. |
| Dry powder ($B) | $308.0 | $311.9 | $358.8 | $337.9 | $427.8 | $471.3 | $562.7 | $661.9 | $732.3 | $808.0 | $879.8 | $1,007. | $1,056. | $1,090. | $997.6 |
| Total AUM ($B) | $941.4 | $987.2 | $1,057. | $1,053. | $1,135. | $1,231. | $1,413. | $1,585. | $1,844. | $2,225. | $2,859. | $3,058. | $3,410. | $3,644. | $3,752. |

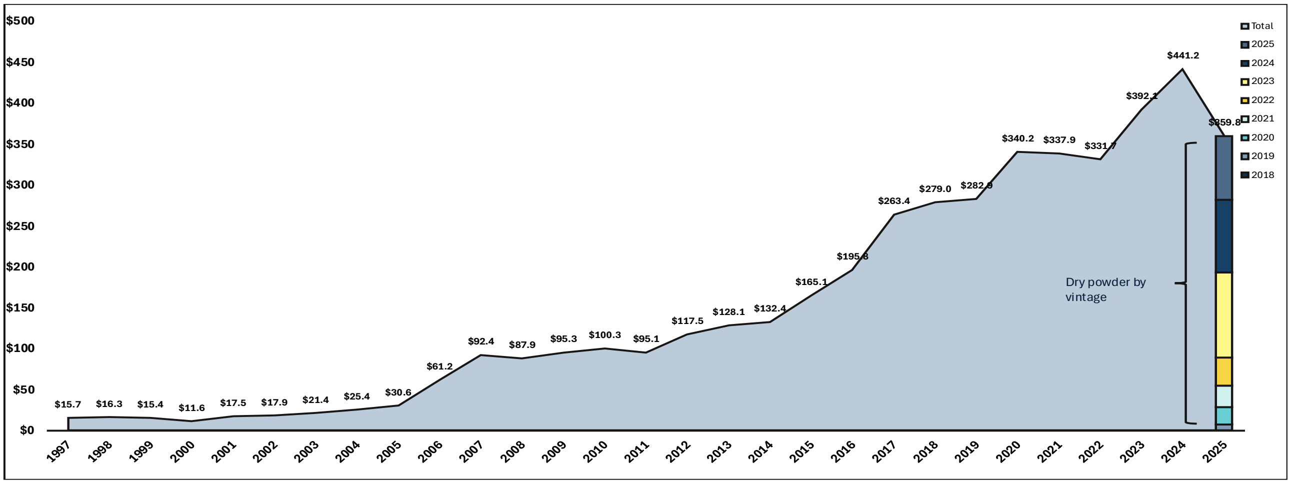
**US Private Equity AUM ($B)**

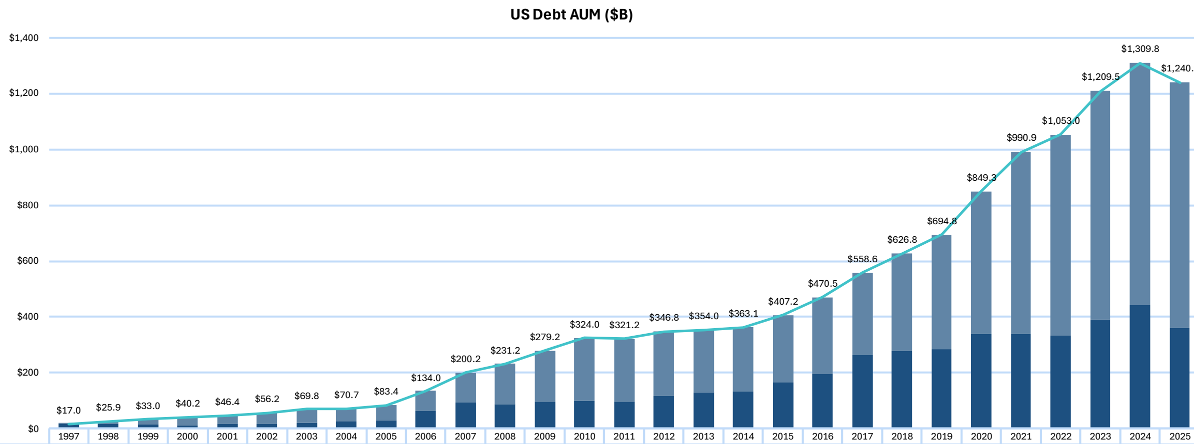
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Dry powder ($B) | $202.7 | $305.0 | $339.7 | $342.1 | $336.9 | $309.2 | $308.0 | $311.9 | $358.8 | $337.9 |
| NAV ($B) | $258.5 | $344.4 | $448.6 | $427.9 | $496.4 | $593.6 | $633.4 | $675.3 | $698.4 | $715.3 |
| Total AUM ($B) | $461.2 | $649.4 | $788.3 | $770.0 | $833.3 | $902.8 | $941.4 | $987.2 | $1,057.2 | $1,053.2 |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dry powder ($B) | $427.8 | $471.3 | $562.7 | $661.9 | $732.3 | $808.0 | $879.8 | $1,007.4 | $1,056.2 | $1,090.1 | $997.6 |
| NAV ($B) | $707.9 | $760.2 | $850.8 | $923.7 | $1,111.7 | $1,417.2 | $1,979.5 | $2,050.7 | $2,354.2 | $2,554.4 | $2,755.0 |
| Total AUM ($B) | $1,135.8 | $1,231.5 | $1,413.5 | $1,585.6 | $1,844.0 | $2,225.1 | $2,859.4 | $3,058.1 | $3,410.4 | $3,644.5 | $3,752.6 |

*As of 12/31/2025

## Diagram R: Dry Powder for All US Debt ($B)



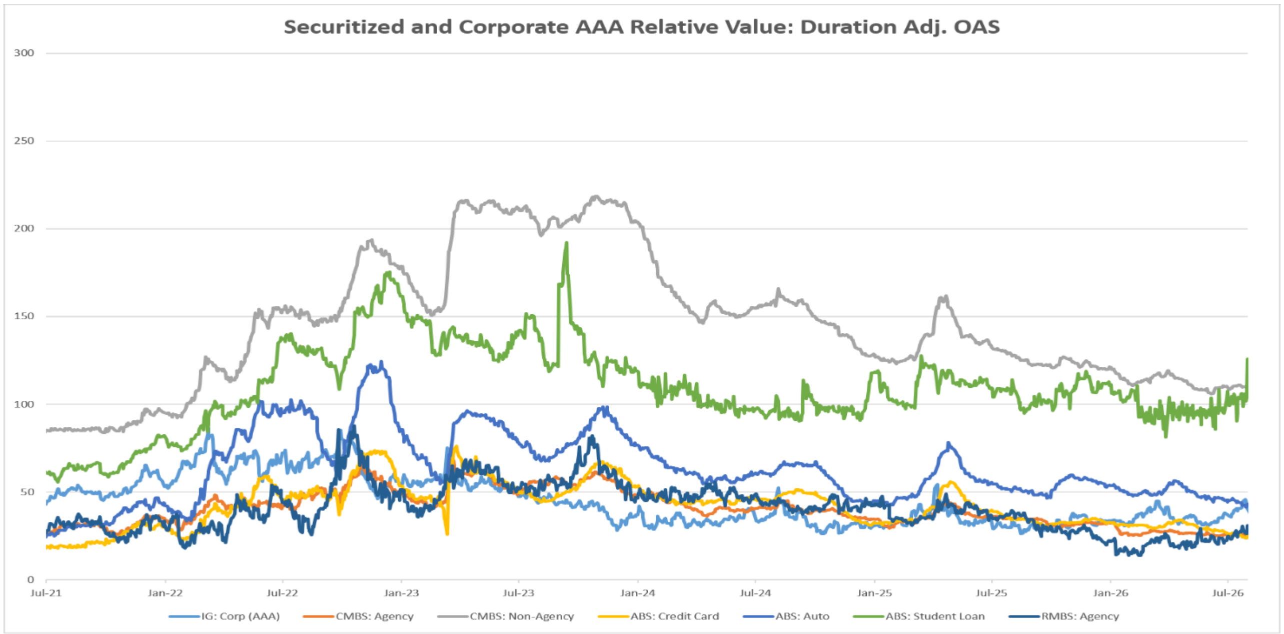

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAV ($B) | $1.2 | $9.7 | $17.6 | $28.6 | $28.9 | $38.4 | $48.4 | $45.4 | $52.8 | $72.8 | $107.8 | $143.3 | $183.8 | $223.7 | $226.2 | $229.2 | $225.9 | $230.7 | $242.1 | $274.7 | $295.2 | $347.8 | $411.9 | $509.2 | $653.0 | $721.3 | $817.4 | $868.6 | $881.1 |
| Dry powder ($B) | $15.7 | $16.3 | $15.4 | $11.6 | $17.5 | $17.9 | $21.4 | $25.4 | $30.6 | $61.2 | $92.4 | $87.9 | $95.3 | $100.3 | $95.1 | $117.5 | $128.1 | $132.4 | $165.1 | $195.8 | $263.4 | $279.0 | $282.9 | $340.2 | $337.9 | $331.7 | $392.1 | $441.2 | $359.8 |
| Total AUM ($B) | $17.0 | $25.9 | $33.0 | $40.2 | $46.4 | $56.2 | $69.8 | $70.7 | $83.4 | $134.0 | $200.2 | $231.2 | $279.2 | $324.0 | $321.2 | $346.8 | $354.0 | $363.1 | $407.2 | $470.5 | $558.6 | $626.8 | $694.8 | $849.3 | $990.9 | $1,053. | $1,209. | $1,309. | $1,240. |

**US Debt AUM ($B)**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dry powder ($B) | $30.6 | $61.2 | $92.4 | $87.9 | $95.3 | $100.3 | $95.1 | $117.5 | $128.1 | $132.4 | $165.1 | $195.8 | $263.4 | $279.0 | $282.9 | $340.2 | $337.9 | $331.7 | $392.1 | $441.2 | $359.8 |
| NAV ($B) | $52.8 | $72.8 | $107.8 | $143.3 | $183.8 | $223.7 | $226.2 | $229.2 | $225.9 | $230.7 | $242.1 | $274.7 | $295.2 | $347.8 | $411.9 | $509.2 | $653.0 | $721.3 | $817.4 | $868.6 | $881.1 |
| Total AUM ($B) | $83.4 | $134.0 | $200.2 | $231.2 | $279.2 | $324.0 | $321.2 | $346.8 | $354.0 | $363.1 | $407.2 | $470.5 | $558.6 | $626.8 | $694.8 | $849.3 | $990.9 | $1,053.0 | $1,209.5 | $1,309.8 | $1,240.9 |

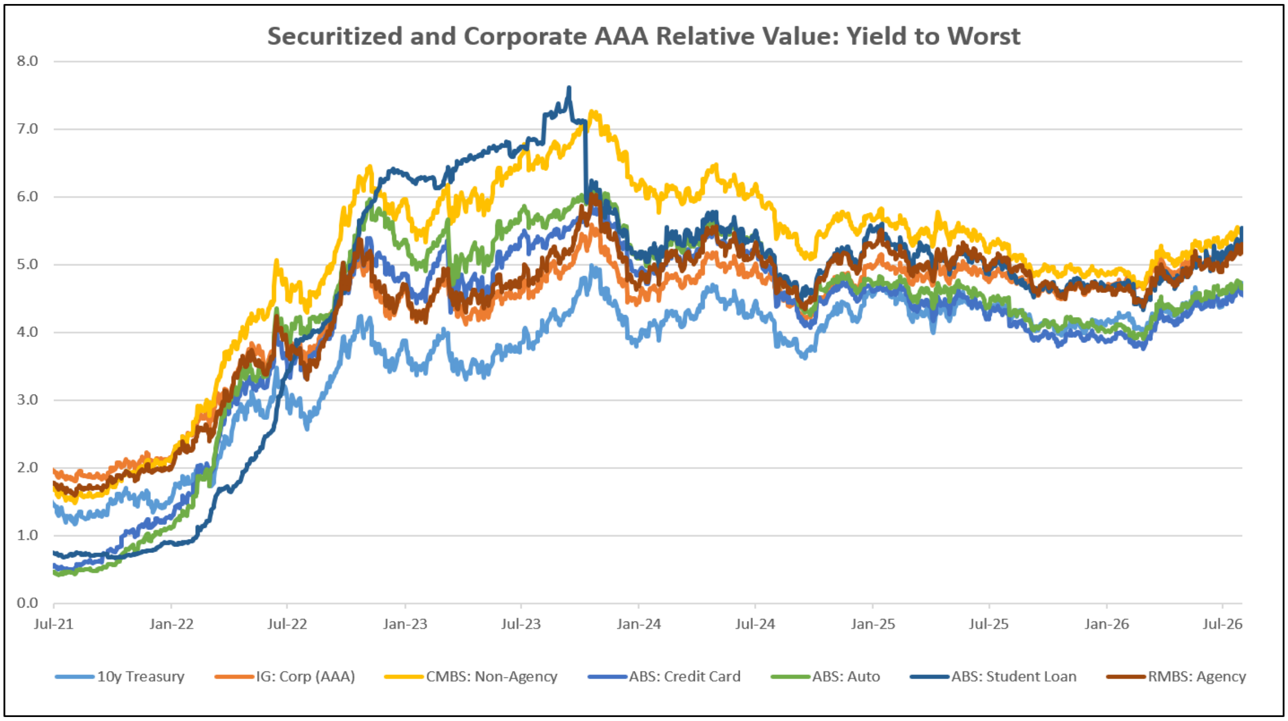
*As of 12/31/2025

## Diagram S: Structured Credit Spreads



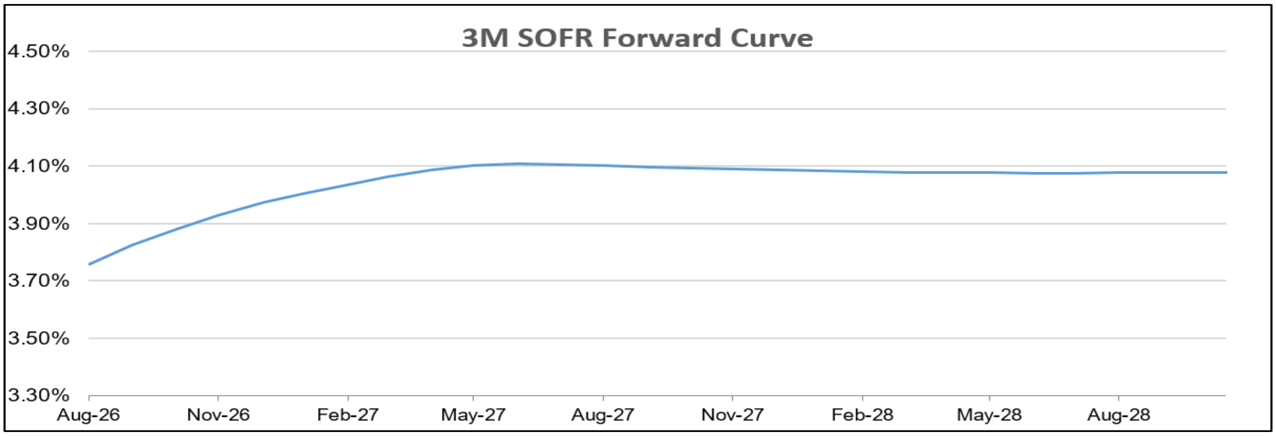

Source: Bloomberg

## Diagram T: Structured Credit Yield

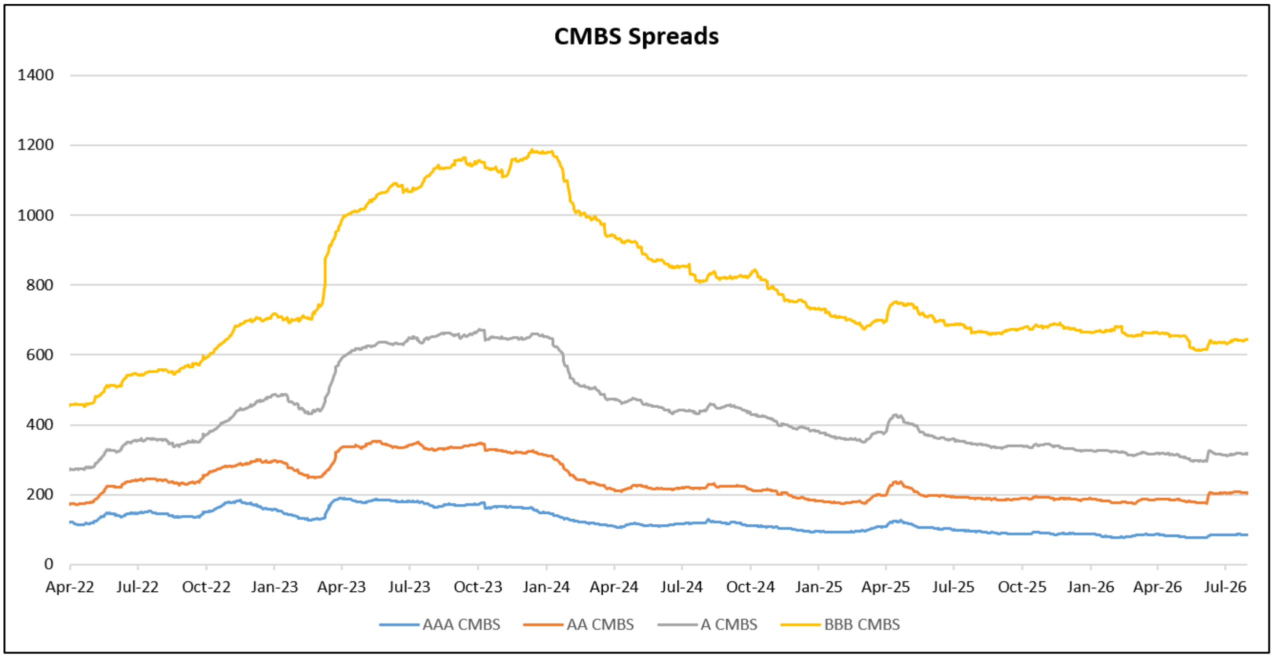


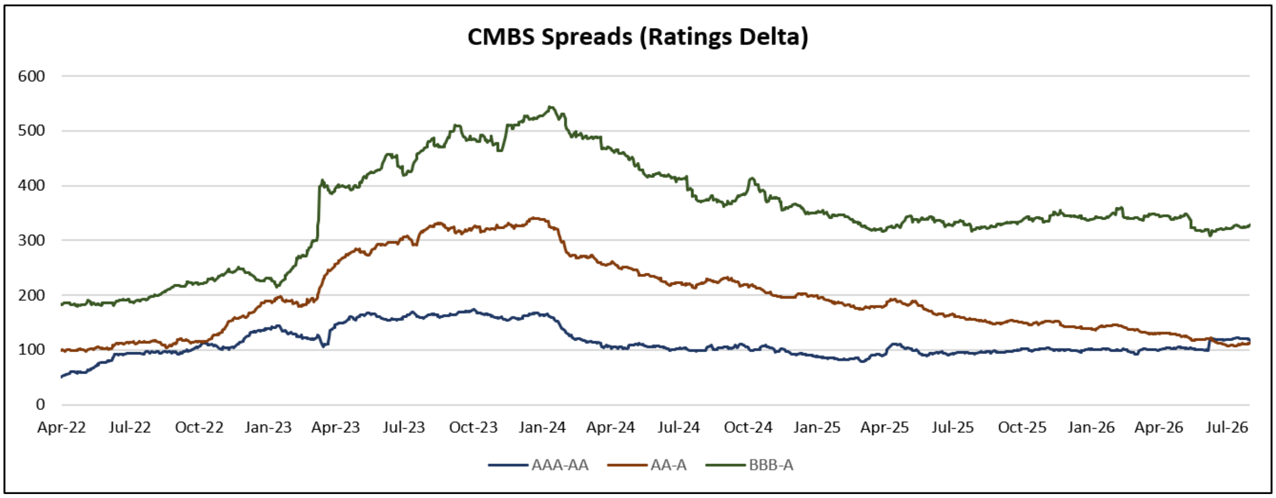

Source: Bloomberg

## Diagram U: SOFR Curve




## Diagram V: CMBS Spreads




Source: Bloomberg

# About ZCG

**ZCG is a leading, privately held global firm comprised of private markets asset management, business consulting services, and technology development and solutions.**

ZCG's investors are some of the largest and most sophisticated global institutional investors including pension funds, endowments, foundations, sovereign wealth funds, central banks, and insurance companies.

For almost 30 years, ZCG Principals have invested tens of billions of dollars of capital. ZCG has a global team of approximately 250 professionals and is headquartered in New York, with eight affiliated offices, across six countries.

For more information on ZCG, please visit www.zcg.com.

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**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 & builds, and go-private transactions, driven by a three-pronged approach for value creation.

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.

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ZCGC partners with management teams to develop strategic plans and execute high-impact value creation initiatives. As a trusted resource for private equity firms and portfolio companies, our consultants bring 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, we equip clients with the tools and expertise to drive growth and long-term success. For more information on ZCGC, please visit **www.zcgc.com**.

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**Haptiq, LLC ("Haptiq")** – where insight meets innovation.

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ZCG

# Data Scan

Week Ending 8/21/26

## PERFORMANCE

| Market Indices | 21-Aug | 14-Aug | WoW Change | YTD Change | YoY Change |
|---|---|---|---|---|---|
| DJIA | 53,277.01 | 53,732.41 | (0.85%) | 10.85% | 19.55% |
| S&P 500 | 7,674.37 | 7,785.76 | (1.43%) | 12.11% | 25.42% |
| NASDAQ | 26,180.46 | 26,729.16 | (2.05%) | 12.64% | 30.55% |
| MSCI - EAFE | 3,243.62 | 3,262.58 | (0.58%) | 12.13% | 38.65% |
| MSCI - Emerging Markets | 1,721.89 | 1,701.17 | 1.22% | 22.61% | 59.24% |
| US Dollar Index | 98.80 | 99.67 | (0.87%) | 0.49% | (8.56%) |
| Bitcoin | 72,663.79 | 63,048.53 | 15.25% | (11.57%) | (24.85%) |
| VIX | 15.13 | 14.25 | 6.18% | 1.20% | 0.73% |

| High Yield & Loan Returns | WTD | MTD | YTD | 2025 |
|---|---|---|---|---|
| High Yield Bond | (0.18%) | 0.48% | 2.66% | 8.97% |
| Leveraged Loan | 0.16% | 0.56% | 2.82% | 5.99% |

| Market Ratios | | 21-Aug | 14-Aug | WoW Change | YTD Change | YoY Change |
|---|---|---|---|---|---|---|
| CBOE Put/Call Ratio | Equities | 0.51 | 0.52 | (1.92%) | (44.57%) | (3.77%) |

| Commodities ($ USD) | Metric | 21-Aug | 14-Aug | WoW Change | YTD Change | YoY Change |
|---|---|---|---|---|---|---|
| Core Commodity Index | CRY Index | 406.24 | 391.41 | 3.79% | 35.97% | 36.13% |
| Gasoline - Pump | Gallon | 4.10 | 4.07 | 0.79% | 44.79% | 30.60% |
| Gasoline - Futures | Gallon | 3.35 | 3.18 | 5.14% | 96.31% | 55.02% |
| Crude Oil - WTI | Barrel | 87.06 | 82.40 | 5.66% | 51.62% | 37.06% |
| Crude Oil - Brent | Barrel | 94.39 | 88.52 | 6.63% | 55.12% | 39.49% |
| Natural Gas | MM BTU | 2.77 | 2.73 | 1.46% | (24.77%) | (1.88%) |
| Coal (1 contract = 1,000 tons) | Contract | 131.50 | 129.25 | 1.74% | 22.33% | 18.90% |
| Aluminum | Metric Ton | 3,237.50 | 3,252.00 | 0.02% | 8.08% | 25.24% |
| Copper | Metric Ton | 14,215.50 | 14,160.00 | 0.39% | 14.43% | 46.18% |
| Iron Ore | Metric Ton | 95.21 | 95.17 | 0.04% | (11.13%) | (6.26%) |
| Steel - Hot Rolled Coil | Metric Ton | 1,194.00 | 1,196.00 | (0.17%) | 33.56% | 35.68% |
| Steel - Cold Rolled Coil | Metric Ton | 1,385.00 | 1,365.00 | 1.47% | 30.05% | 34.47% |
| Ferrous Scrap | Metric Ton | 421.00 | 439.00 | (4.10%) | 0.00% | (9.46%) |
| Ammonia | Metric Ton | 635.00 | 635.00 | 0.00% | (2.31%) | 30.39% |
| Lumber | 27.5k Board Ft | 574.00 | 568.00 | 1.06% | 6.59% | (6.06%) |
| Gold | Troy Ounce | 4,603.07 | 4,376.40 | 5.18% | 6.57% | 37.87% |
| Silver | Troy Ounce | 68.99 | 64.68 | 6.66% | (3.72%) | 80.87% |
| Corrugated Box Cost | Short Ton | 128.35 | 128.35 | 9.81% | 7.58% | (0.05%) |
| Cotton | Pound | 83.27 | 78.61 | 5.93% | 37.39% | (41.79%) |
| Butter | Pound | 1.46 | 1.46 | 0.17% | 4.46% | (41.79%) |
| Cheese | Pound | 1.62 | 1.61 | 0.43% | (6.95%) | (13.10%) |
| Cocoa | Pound | 2.74 | 2.62 | 4.52% | (0.85%) | (20.98%) |
| Coffee | Pound | 3.29 | 3.20 | 2.54% | 7.23% | 14.25% |
| Corn | Bushel | 4.84 | 4.59 | 5.39% | 9.88% | (1.23%) |
| Milk, Non Fat Dry | Pound | 1.59 | 1.58 | 1.06% | 36.34% | 14.45% |
| Soybean | Bushel | 12.25 | 11.74 | 4.37% | 18.87% | 14.97% |
| Sugar | Pound | 0.18 | 0.17 | 6.08% | 17.32% | (5.78%) |
| Wheat | Bushel | 6.82 | 6.75 | 1.00% | 34.42% | 23.01% |
| Live Cattle | Pound | 2.23 | 2.24 | (0.26%) | (3.86%) | 10.91% |
| Lean Hogs | Pound | 0.81 | 0.95 | (15.23%) | (4.96%) | (1.52%) |
| Beef, USDA Ground | Pound | 3.86 | 3.75 | 2.77% | 11.01% | 16.54% |
| Chicken, Boneless & Skinless | Pound | 1.23 | 1.23 | 0.00% | 3.36% | 11.82% |

| | | Spot Prices | | Futures | | 10-Year Historicals | |
|---|---|---|---|---|---|---|---|
| Currencies | Metric | 21-Aug | 14-Aug | 2025 | 2026 | Low | High |
| Japanese Yen | USDJPY | 158.950 | 159.320 | 150.000 | 158.000 | 99.890 | 161.690 |
| Chinese Renminbi | USDCNY | 6.721 | 6.743 | 7.100 | 6.700 | 6.195 | 7.346 |
| Swiss Franc | USDCHF | 0.801 | 0.813 | 0.800 | 0.800 | 0.815 | 1.030 |
| British Pound | GBPUSD | 1.364 | 1.354 | 1.330 | 1.340 | 1.069 | 1.588 |
| Euro Zone Euro | EURUSD | 1.168 | 1.157 | 1.170 | 1.160 | 0.959 | 1.251 |

| Market Indices | 21-Aug | 14-Aug | WoW Change | YTD Change | YoY Change |
|---|---|---|---|---|---|
| S&P/LSTA Leveraged Loan Index | 4,421.50 | 4,415.69 | 0.13% | 2.78% | 4.76% |
| Barclays High Yield Index | 2,985.69 | 2,990.07 | (0.15%) | 2.44% | 5.50% |
| Barclays Aggregate | 2,340.79 | 2,343.23 | (0.10%) | (0.34%) | 2.48% |

| Loan Market Bids | 21-Aug | 14-Aug | WoW Change | YTD Change |
|---|---|---|---|---|
| S&P Flow Name Index | 94.54 | 94.54 | (0.00%) | (1.44%) |
| S&P 100 Name Index | 97.29 | 97.31 | (0.02%) | (2.01%) |
| S&P BB's Index | 99.70 | 99.67 | 0.03% | (0.19%) |
| S&P B's Index | 97.20 | 97.18 | 0.02% | (0.76%) |
| S&P CCC's Index | 68.24 | 68.58 | (0.50%) | (8.53%) |

| Loan Market Spreads | 21-Aug | 14-Aug | WoW Change | YTD Change |
|---|---|---|---|---|
| S&P BB's Index | S+250 | S+251 | (1 bps) | 3 bps |
| S&P B's Index | S+437 | S+439 | (2 bps) | 27 bps |
| S&P CCC's Index | S+1722 | S+1720 | 2 bps | 251 bps |

| Credit Default Swap - Volatility Indices | Index | 21-Aug | 14-Aug | WoW Change | YTD Change |
|---|---|---|---|---|---|
| Investment Grade CDS | Markit | 50.89 | 50.82 | 0.14% | 1.77% |
| High Yield CDS | Markit | 303.40 | 299.77 | 1.21% | (4.14%) |

| Credit | | 21-Aug | 14-Aug | WoW Change | YoY Change |
|---|---|---|---|---|---|
| High Yield | OAS - YTW | T+269 | T+266 | 3 bps | (18 bps) |
| Loan Index - S&P Flow Name | DM - 3 Year | S+480 | S+481 | (1 bps) | 22 bps |
| US Treasury 2-Yr | | 4.24% | 4.17% | 7 bps | 44 bps |
| US Treasury 3-Yr | | 4.31% | 4.25% | 6 bps | 57 bps |
| US Treasury 5-Yr | | 4.42% | 4.36% | 6 bps | 57 bps |
| US Treasury 7-Yr | | 4.57% | 4.52% | 5 bps | 50 bps |
| US Treasury 10-Yr | | 4.73% | 4.69% | 4 bps | 41 bps |
| US Treasury 30-Yr | | 5.27% | 5.26% | 1 bps | 35 bps |

| US CLO Spreads - New Issue | 31-Jul | 30-Jun | MoM Change | YTD Change |
|---|---|---|---|---|
| AAA | S+125 | S+127 | (2 bps) | (2 bps) |
| AA | S+160 | S+158 | 2 bps | (5 bps) |
| A | S+183 | S+185 | (2 bps) | (12 bps) |
| BBB | S+280 | S+293 | (13 bps) | (10 bps) |
| BB | S+645 | S+610 | 35 bps | 45 bps |

| Market Rates | 21-Aug | 14-Aug | WoW Change | YTD Change |
|---|---|---|---|---|
| Fed Fund Rate | 4.31% | 4.31% | 0 bps | 67 bps |
| Prime Rate | 6.75% | 6.75% | 0 bps | 0 bps |
| Broker Call Rate | 5.50% | 5.50% | 0 bps | 0 bps |
| 1M SOFR | 3.65% | 3.64% | 1 bps | (4 bps) |
| 3M SOFR | 3.74% | 3.73% | 1 bps | 9 bps |
| 6M SOFR | 3.84% | 3.83% | 1 bps | 27 bps |

| Short Interest - Millions of shares | 31-Jul | 30-Jun | MoM Change | YTD Change |
|---|---|---|---|---|
| NYSE Mkt Short Interest | 22,617.92 | 22,564.83 | 0.24% | 16.53% |
| Nasdaq Short Interest | 22,597.85 | 22,681.25 | (0.37%) | 21.72% |

| Fed Corp Primary Dealer Positions - $ USD in Millions | 31-Jul | 30-Jun | MoM Change | YTD Change |
|---|---|---|---|---|
| Net Outright Total Corp Securities | 12,957.00 | 17,174.00 | (24.55%) | 103.92% |

| Margin Debt - $ USD in Billions | 31-Jul | 30-Jun | MoM Change | YTD Change |
|---|---|---|---|---|
| FINRA Margin Debt | 1,417.23 | 1,502.07 | (5.65%) | 15.64% |

| Money Market Funds - $ USD in Billions | 19-Aug | 12-Aug | WoW Change | YTD Change |
|---|---|---|---|---|
| ICI Money Market Fund Assets | 7,928.48 | 7,927.58 | 0.01% | 2.52% |

## TECHNICALS (Supply / Demand)

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

| Week Ending | Bank Loans | High Yield |
|---|---|---|
| 19-Aug-26 | $ 507 | $ 97 |
| 12-Aug-26 | $ 987 | $ 167 |
| 5-Aug-26 | $ 797 | $ 2,000 |
| 29-Jul-26 | $ 298 | $ (640) |
| 22-Jul-26 | $ 503 | $ 534 |
| 15-Jul-26 | $ 515 | $ (393) |
| 8-Jul-26 | $ 909 | $ 194 |
| 1-Jul-26 | $ 450 | $ 2,200 |
| 24-Jun-26 | $ (476) | $ 287 |
| **Year To Date 2026** | **$ 8,656** | **$ 1,998** |
| **Year Ended December 31, 2025** | **$ 6,052** | **$ 19,823** |
| **Year Ended December 31, 2024** | **$ 21,086** | **$ 19,373** |

**Leveraged Finance Primary Volume - $ USD in Billions**

| | Year To Date | | Year End | YoY |
|---|---|---|---|---|
| **8/21/2026** | **2026** | **2025** | **2025** | **Change** |
| **Bank Debt** | **543.4** | **719.8** | **984.3** | **(24.51%)** |
| **Total Bonds** | **231.6** | **207.7** | **332.0** | **11.51%** |
| **Totals** | **775.0** | **927.5** | **1,316.3** | **(16.44%)** |

## NEW ISSUE SUMMARY

| Institutional Loans | 8/21/2026 | Deals | Amt ($mm) |
|---|---|---|---|
| Priced | Prior Week | 7 | 3,400 |
| In-Market Forward Calendar | | 0 | 0 |

| High Yield | 8/21/2026 | Deals | Amt ($mm) |
|---|---|---|---|
| Priced | Prior Week | 4 | 1,700 |
| In-Market Forward Calendar | | 0 | 0 |

## DEFAULT ACTIVITY

| Total Loan Defaults - as of: | 31-Jul | 30-Jun | YE 2025 |
|---|---|---|---|
| Default Rate by Total Amount of All Loans Outstanding | 1.29% | 1.29% | 1.46% |
| Default Rate by Total Amount of All HY Bonds Outstanding | 1.89% | 1.89% | 0.99% |

## ECONOMIC DATA RECAP

| Key Economic Indicators: | | Period Ending | Actual | Expected | Prior |
|---|---|---|---|---|---|
| Initial Jobless Claims | | 8/15/2026 | 206K | 210K | 212K |
| Continuing Claims | | 8/8/2026 | 1,799K | 1,790K | 1,781K |
| Change in Non-Farm Payrolls | | 7/31/2026 | (23K) | 85K | 20K |
| Change in Private Payrolls | | 7/31/2026 | 30K | 78K | 30K |
| Unemployment Rate | U-3 | 7/31/2026 | 4.1% | 4.2% | 4.2% |
| Unemployment Rate | U-6 | 7/31/2026 | 7.9% | 7.9% | 7.9% |
| Average Work Week | | 7/31/2026 | 34.3 | 34.3 | 34.3 |
| Existing Home Sales | | 7/31/2026 | 4.06M | 4.05M | 4.13M |
| Housing Starts | | 7/31/2026 | 1,239K | 1,340K | 1,415K |
| S&P/Case-Shiller Composite | YoY | 5/31/2026 | 1.6% | 1.3% | 1.2% |
| S&P/Case-Shiller Composite | MoM | 5/31/2026 | 0.2% | 0.9% | 1.0% |
| Consumer Confidence | | 7/31/2026 | 90.8 | 92.4 | 92.2 |
| GDP | QoQ-Annualized | 6/30/2026 | 1.5% | 2.1% | 2.1% |
| Durable Goods Orders | | 6/30/2026 | 0.5% | 1.6% | (4.0%) |
| Total Vehicle Sales | | 7/31/2026 | 16.33M | 16.30M | 16.50M |
| Capacity Utilization | | 7/31/2026 | 76.3% | 76.3% | 76.2% |

| Fed & Treasury Balance Sheet | | 21-Aug | 14-Aug | WoW Change | YoY Change |
|---|---|---|---|---|---|
| Fed Total Assets | $ in Billions | 6,745.7 | 6,760.0 | (0.2%) | (1.3%) |
| Public Debt | $ in Billions | 40,033.3 | 39,934.8 | 0.2% | 10.5% |

| US Debt Outstanding | | 1Q26 | 4Q25 | QoQ Change | YoY Change |
|---|---|---|---|---|---|
| Domestic Nonfinancial Debt | $ in Billions | 81,855.3 | 80,711.4 | 1.4% | 5.7% |

| Shared National Credit | | 2025 | 2024 | YoY Change |
|---|---|---|---|---|
| Shared National Credit Total Commitments | $ in Billions | 6,911.4 | 6,521.9 | 6.0% |
| Special Mention Commitments | $ in Billions | 155.3 | 161.8 | -4.0% |
| Classified Commitments | $ in Billions | 437.5 | 434.0 | 0.8% |

| Employment - Labor Participation Rates | 31-Jul | 30-Jun | YTD Change |
|---|---|---|---|
| Civilian Employment as % of Total Labor Force | 58.9% | 59.0% | 0.53pp |
| Labor Force Participation Rate | 61.4% | 61.5% | 0.55pp |

| Government Assistance | | 31-May | 30-Apr | YTD Change |
|---|---|---|---|---|
| SNAP fka Food Stamps - # of Participants | in Millions | 36.6 | 37.1 | (6.73%) |

| Retail Sales | 30-Jun | 31-May | YTD Change |
|---|---|---|---|
| Adj. Retail & Food Services Sales Index - US Census | 768.1 | 766.2 | 4.50% |

| Packaging Papers & Containerboard | YoY | YTD YoY |
|---|---|---|
| Packaging Papers & Specialty Packaging Shipments (Jun) | 2.00% | 6.00% |
| Total Containerboard Production (Q2 2026) | (2.00%) | (5.00%) |

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

| Type | Peak- 2000 to Date | # of Rigs | % Change | 21-Aug | 14-Aug | YoY Change |
|---|---|---|---|---|---|---|
| Oil | 10/10/2014 | 1,609 | (71.91%) | 452 | 455 | 9.98% |
| Gas | 9/12/2008 | 1,606 | (92.09%) | 127 | 128 | 4.10% |

| Rail & Truck Volume | | 31-May | 30-Apr | YTD Change |
|---|---|---|---|---|
| Total Rail Freight Carloads | Tons in Thousands | 1,006.06 | 1,003.58 | 5.87% |
| Total Intermodal | Tons in Thousands | 1,245.10 | 1,183.85 | 4.80% |
| Truck Tonnage Index | | 112.96 | 116.75 | 0.55% |

| TSA Checkpoint Travel Numbers | | 21-Aug | 14-Aug | WoW Change | YoY Change |
|---|---|---|---|---|---|
| Weekly Traveler Throughput | in Thousands | 17,251.5 | 18,004.9 | (4.18%) | (4.05%) |

| Freight Rates | 21-Aug | 14-Aug | WoW Change | YTD Change | YoY Change |
|---|---|---|---|---|---|
| Baltic Exchange Dry Index | 2,841 | 2,863 | (0.77%) | 51.36% | 244.78% |
| Shanghai - Los Angeles Spot Rates | 6,802 | 6,244 | 8.94% | 174.16% | 173.50% |
| Shanghai - NY Spot Rates | 9,507 | 8,706 | 9.20% | 187.92% | 162.48% |
| Shanghai Containerized Freight Index | 3,410 | 3,355 | 1.62% | 105.86% | 60.01% |

## ECONOMIC / GDP DATA

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

| Country | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|
| United States | 0.9% | 2.9% | 2.8% | 2.1% | 2.3% | 2.2% |
| Brazil | 2.5% | 3.2% | 3.4% | 2.5% | 2.4% | 2.2% |
| China | 3.2% | 5.2% | 5.0% | 5.0% | 4.6% | 4.1% |
| Germany | 0.8% | (0.3%) | (0.5%) | 0.2% | 0.7% | 1.0% |
| India | 6.1% | 8.2% | 6.5% | 7.3% | 6.4% | 6.7% |
| Japan | 0.5% | 1.5% | 0.1% | 1.1% | 0.6% | 0.7% |
| United Kingdom | 0.6% | 0.3% | 1.1% | 1.4% | 1.0% | 1.3% |
| Saudi Arabia | 8.7% | (0.8%) | 2.0% | 4.3% | 1.7% | 5.5% |
| UAE | 7.5% | 4.3% | 4.0% | 4.8% | 3.1% | 5.3% |

| Region | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| **World** | 3.3% | 3.3% | 3.0% | 3.4% |
| **Advanced Economies** | 1.8% | 1.7% | 1.7% | 1.8% |
| Euro Area | 0.9% | 1.4% | 0.9% | 1.2% |
| **Emerging Mkts and Developing Economies** | 4.3% | 4.4% | 3.8% | 4.5% |
| Emerging and Developing Asia | 5.3% | 5.4% | 5.0% | 4.8% |
| Emerging and Developing Europe | 3.5% | 2.0% | 1.9% | 2.1% |
| Latin America and the Caribbean | 2.4% | 2.4% | 2.4% | 2.7% |
| Middle East and Central Asia | 2.6% | 3.7% | 0.7% | 6.5% |
| Sub-Saharan Africa | 4.1% | 4.4% | 4.3% | 4.5% |