



Global Economic & Credit Market Briefing

Week 40 Ending – October 02, 2026

IN THIS EDITION



U.S. Economy

Key macro updates



Credit Markets

Trends in credit & leverage



Global Developments

Geopolitical & market highlights

430 Park Avenue, 16th Floor,
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Global Economic & Credit Market

Week 40 Ending – October 02, 2026

Economic Calendar

Monday, October 05: ISM Service PMI

Wednesday, October 07: FOMC Meeting Minutes

Friday, October 09: Consumer Sentiment

Key Market Metrics

	2-Oct	WoW	YTD	YoY	LTM EBITDA	NTM EBITDA
Equities Return						
S&P 500:	7,723	(0.27%)	+12.81%	+15.00%	17.0x	12.6x
Dow Jones:	51,177	(1.26%)	+6.48%	+10.01%	13.6x	12.6x
Nasdaq:	27,191	+0.45%	+16.99%	+19.03%		
Credit Return						
High-yield:	2,125	(1.36%)	+0.28%	+1.59%		
Leveraged Loan:	668	(0.24%)	+3.36%	+4.61%		
Credit Yields						
High-yield:	8.22%	+16 bps	+157 bps	+142 bps		
Leveraged Loan:	9.60%	+12 bps	+178 bps	+189 bps		
Rates						
10Y Treasury:	5.27%	+11 bps	+113 bps	+121 bps		
1M SOFR:	3.92%	+2 bps	+23 bps	(19)bps		
3M SOFR:	4.05%	(3)bps	+40 bps	+11 bps		
6M SOFR:	4.23%	(3)bps	+65 bps	+44 bps		
Currencies						
British Pound / USD:	\$1.32	(0.05%)	(1.74%)	(1.48%)		
Euro / USD:	\$1.13	(1.19%)	(4.18%)	(3.93%)		
USD / Yen:	¥157.85	+0.36%	+0.73%	+7.19%		
Swiss franc / EUR:	€ 1.07	+1.18%	(0.17%)	+0.22%		

U.S. News

PCE Price Index

- Headline PCE rose 0.3% month-over-month in August — slightly below the 0.4% consensus — holding the annual rate steady at 3.4%, unchanged from a downwardly revised July reading and well below the 3.7% expected
- Core PCE, the Fed's preferred gauge, rose just 0.2% MoM and held at 3.0% YoY (vs. 3.3% forecast), with energy costs — gasoline up 4.4% — driving most of the monthly headline increase
- Consumer spending notably outpaced income, with nominal spending up 0.9% and real spending up 0.6% — a combination of cooler-than-expected inflation and accelerating spending that complicates the read on underlying demand strength just two weeks after the Fed's rate hike

ISM Manufacturing PMI

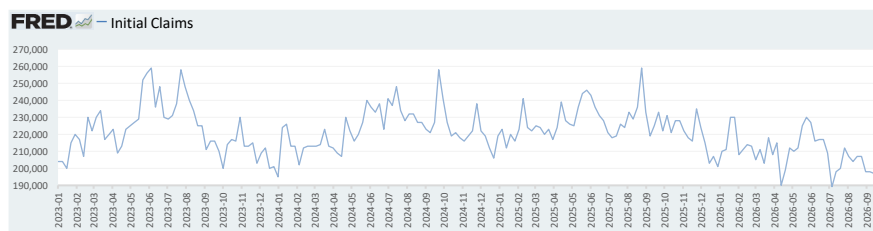
- The Manufacturing PMI slipped to 54.5 in September from August's 54.6, modestly missing the 54.8-55.0 consensus but still marking a ninth consecutive month of expansion, with New Orders accelerating to 55.3 from 53.7
- Prices Paid surged to 77.9 from 71.1 — well above the 73 forecast and a sharp jump that signals manufacturing input-cost pressure is intensifying rather than fading, even as Employment improved to 52.7 from 51.2
- The combination of resilient demand (new orders) and surging costs reinforces a stagflation-adjacent read heading into the Fed's late-October meeting — strong enough to argue against further easing, inflationary enough to argue against complacency

Employment Report

- Nonfarm payrolls rose just 29,000 in September — a dramatic miss against the ~89-90K consensus and a sharp deceleration from August's downwardly revised 133,000 (from 162,000), with roughly 60,000 in cumulative downward revisions to prior months
- The unemployment rate ticked up to 4.2% from 4.1%, though BLS attributed part of the rise to an influx of workers returning to the labor force rather than pure job losses, while average hourly earnings growth held at 3.1% YoY, matching expectations
- The soft print — arriving right after a hot ISM Prices Paid reading the day before — creates a genuinely difficult signal for the Fed: labor demand is clearly cooling while cost pressures are building, and markets immediately priced in a higher probability the Fed holds rates at its late-October meeting

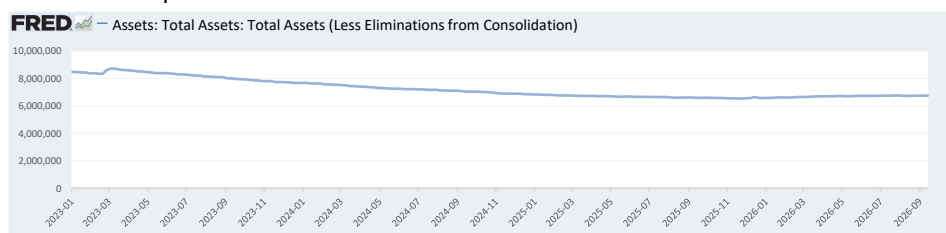
Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 197,000 in the week ended September 25, down 1,000 from the prior week
- The four-week moving average was 200,000, down 2,500 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – decreased at 1.701 million in the week ended September 18. This figure is reported with a one-week lag



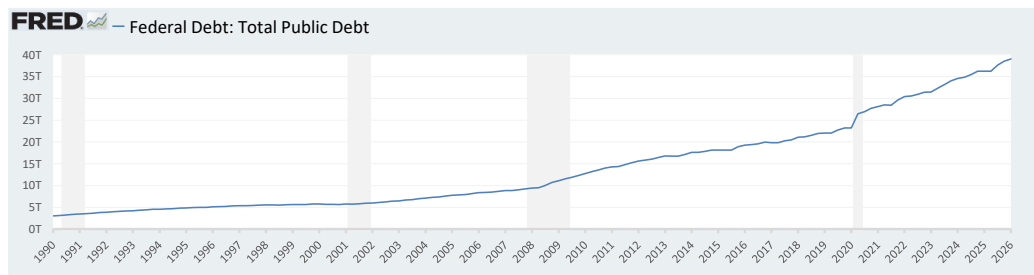
Fed's Balance Sheet

- The Federal Reserve's assets totaled \$6.743 trillion in the week ended October 2, down \$4.7 billion from the prior week
- Treasury holdings totaled \$4.561 trillion, up \$2.8 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$1.90 trillion in the week, down \$13.7 billion from the prior week



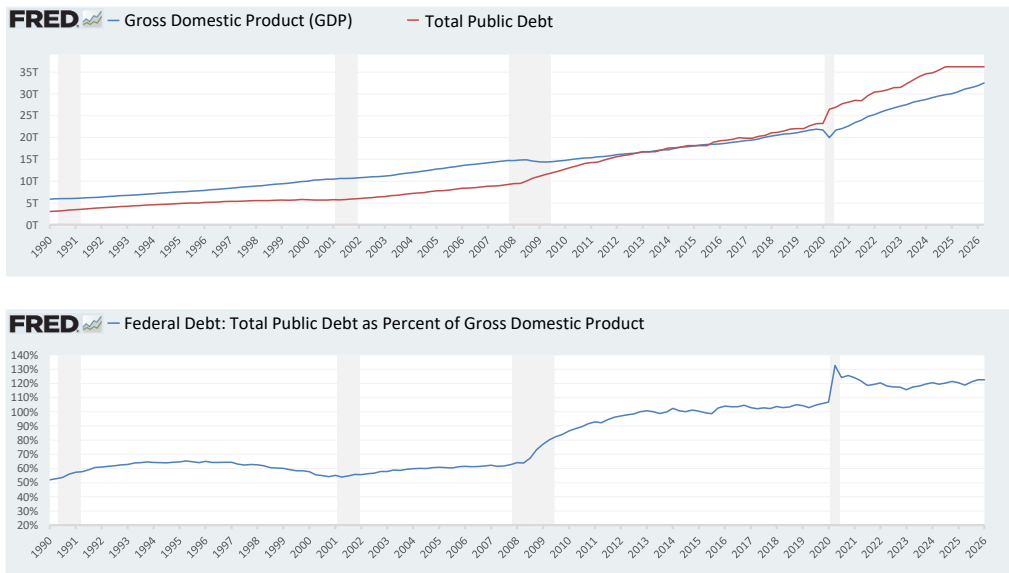
Total Public Debt

- Total public debt outstanding was \$40.26 trillion as of October 2, an increase of 6.3% from the previous year
- Debt held by the public was \$32.43 trillion, and intragovernmental holdings were \$7.76 trillion



GDP

- The latest annualized U.S. GDP stands at \$32.49 trillion as of June 30, 2026, an increase of 1.95% from the previous quarter, & an increase of 6.56% from the previous year
- The total public debt-to-GDP ratio is at 121.47% as of June 30, an increase of 2.69% from the previous year

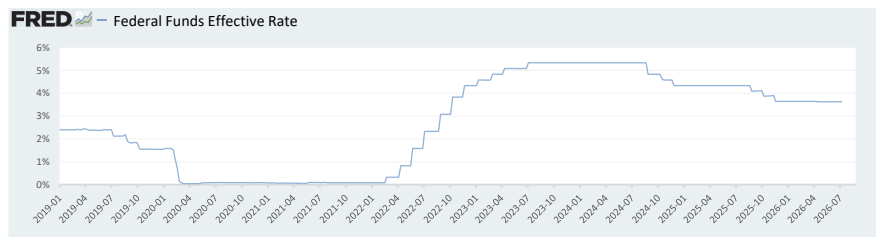


Inflation Factors

- CPI:
 - The consumer-price index rose 3.4% in August year over year
 - On a monthly basis, the CPI increased 0.4% in August on a seasonally adjusted basis, after increasing 0.1% in July
 - The index for all items less food and energy (core CPI) rose 0.3% in August, after rising 0.2% in July
 - Core CPI increased 2.4% for the 12 months ending August
- Food & Beverages:
 - The food at home index increased 2.1% in August from the same month a year earlier, and increased 0.0% in August month over month
 - The food away from home index increased 3.4% in August from the same month a year earlier, and increased 0.3% in August month over month
- Commodities:
 - The energy commodities index increased 4.2% in August after decreasing (2.9%) in July
 - The energy commodities index rose 28.0% over the last 12 months
 - The energy services index fell (0.6%) in August after increasing 0.1% in July
 - The energy services index rose 4.0% over the last 12 months
 - The gasoline index rose 27.4% over the last 12 months
 - The fuel oil index rose 52.0% over the last 12 months
 - The index for electricity rose 3.8% over the last 12 months
 - The index for natural gas rose 4.4% over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index decreased to \$4,433.86 per 40ft container for the week of October 2
 - Drewry's composite World Container Index has increased by 165.6% over the last 12 months
- Housing Market:
 - The shelter index increased 0.3% in August after increasing 0.1% in July
 - The rent index increased 0.3% in August after increasing 0.1% in July
 - The index for lodging away from home increased 0.5% in August after decreasing (3.4%) in July

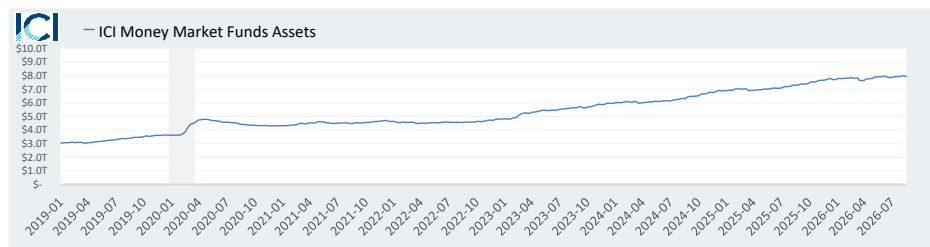
Federal Funds Rate

- The effective Federal Funds Rate is at 3.88%, up 0.24% year to date



Money Market Funds

- Money market fund assets stood at \$7.89 trillion as of September 30, 2026, down (0.6%) from the previous week, & up 7.1% from the previous year



World News

Middle East

- A FlyDubai co-pilot stabbed his captain and sent a flight carrying roughly 170 passengers into a near-catastrophic dive before an emergency landing in Saudi Arabia, exposing a significant gap in Dubai's aviation security on one of the world's most sensitive routes — FlyDubai suspended Israel flights, and security analysts called it potentially "the most significant terrorist plot involving a commercial passenger aircraft in recent years" if terrorism is confirmed
- The incident highlights a structural blind spot in post-9/11 and post-Germanwings aviation security, which was designed to protect aircraft from passengers and lone pilots respectively, not from insider threats or crew-on-crew attacks — with experts noting that if this was an orchestrated plot, "an intelligence failure" occurred well before the final security screening layer
- The Pentagon is deploying a third aircraft-carrier strike group and up to 10,000 additional troops to the Middle East by the end of November, which would bring the region to three carrier groups for the first time since April, as Trump signals he expects to resume bombing Iran after the midterm elections
- The buildup follows Trump's rejection of Iran's latest seven-day ceasefire proposal — which would have reopened the Strait of Hormuz in exchange for lifting the U.S. blockade — and comes as the Navy, already straining under supply shortages and near-record deployments, absorbs further pressure from Iranian ballistic missile strikes on American warships

Europe

- Ukraine launched its homemade FP-7 ballistic missile in combat for the first time, joining a small club of roughly a dozen nations — including the U.S., China, and Russia — capable of producing such weapons, which fly up to 37 miles high and carry a 440+ pound warhead over a 155-mile range, giving Kyiv a harder-to-intercept option against Russian bunkers and bridges than its existing drone fleet
- The milestone is likely more symbolic than militarily decisive near-term, as Ukraine's manufacturer Fire Point lacks the financial capacity to mass-produce the missile at scale — a persistent constraint given Russia fired a wartime-record 195 ballistic and hypersonic missiles in July alone — though Zelensky signaled production scale-up is now the immediate priority
- U.K. police arrested a 27-year-old British-Iranian dual national on suspicion of preparing a terrorist act, tied to a foiled plot near RAF Fairford — a base used by U.S. bombers staging strikes on Iran — after PM Andy Burnham cited "strong indications" of Iranian involvement following the earlier arrest and release of five men found with fuel-filled vans rather than explosives
- Investigators are probing whether Iran used "unwitting criminal proxies" to orchestrate the plot, a theory reinforced by one suspect's own emergency call that tipped off police, while Iran's embassy has categorically denied any link and Israeli PM Netanyahu said Israel separately warned the U.K. about a suspected Iranian plan weeks earlier

China

- The Trump administration's multi-billion-dollar push to build a China-free critical minerals supply chain is showing measurable progress, with U.S. government nonequity investment in rare-earths and magnet projects reaching \$7.6 billion over 18 months — more than quadruple the 2020-2024 pace — and 180+ projects completed across more than two dozen bilateral agreements (Brazil, DRC, Japan, Australia, and others)
- The effort, accelerated after China's April 2025 rare-earth export controls, faces a steep climb — China still dominates global production across most critical minerals, and experts estimate a full decade is needed to escape that chokehold, even as CRU projections show the U.S. gradually gaining share in several elements by 2030 and defense contractors face a 2026 deadline to eliminate adversary-sourced metals from their supply chains
- U.S. Ambassador to China David Perdue revealed Trump had "at one point" offered to sell American weapons to Xi Jinping, prompting immediate denials from administration officials that any such sale is planned — not least because weapons sales to China are already prohibited by law — while Perdue maintained that longstanding U.S. Taiwan policy (no support for independence or coercion) remains unchanged
- The disclosure has deepened unease in Taiwan and among China hawks, with analysts noting it "crystallizes" that Trump views Beijing as a potential customer rather than adversary; this comes as Trump has stalled a separate \$14 billion Taiwan security package despite bipartisan Senate pressure to advance it, even as he claims Xi personally assured him China won't attack Taiwan during his presidency

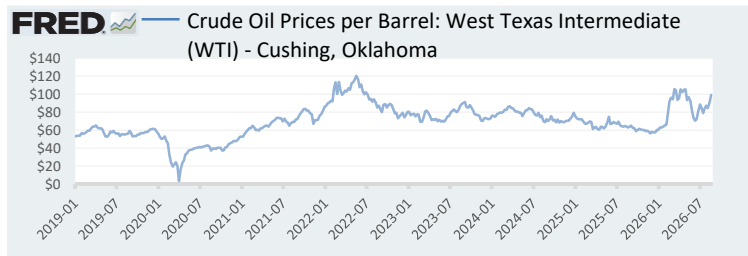
Americas

- Canadian PM Mark Carney has leveraged his confrontation with Trump into a surging political mandate, with Nanos Research showing over 60% preferring him as PM — the highest level recorded — as he advances once-unpopular policies (pipeline/mining permitting overhauls, major defense spending increases, warming ties with China and India) under a sovereignty-driven "emergency" framing that even former Conservative PM Stephen Harper has publicly endorsed
- The agenda isn't without friction — an infrastructure-approval omnibus bill is drawing opposition from Indigenous groups, environmentalists, and unions who may challenge it in court, while Carney's pledge to hit NATO's 5% GDP defense target by 2035 (up from current \$51B to an estimated \$150B annually) leaves open how Canada funds the increase without deficits, higher taxes, or program cuts
- Trump's trade war and Middle East instability are catalyzing Canada's push to become an energy superpower by diversifying oil and LNG exports away from near-total U.S. dependence (90% of crude, nearly all natural gas), with new federal tax incentives allowing 100% write-offs on new wells and pipelines (up from 25-30%) and a shortened one-year permitting review process
- The opportunity is substantial but contingent — TD Economics estimates 6.8 million barrels/day of total pipeline capacity by 2034 if all major projects proceed, and LNG buildout could redirect 55% of gas exports to non-U.S. markets by the early-to-mid 2030s, but oil producers remain hesitant to commit capital until regulatory clarity emerges, with a key West Coast pipeline deal deadline set for November 15

Commodities

Oil Prices

- WTI: \$91.11 per barrel
 - (1.41%) WoW; +21.61% YTD; +47.47% YoY
- Brent: \$102.25 per barrel
 - (1.98%) WoW; +30.17% YTD; +59.49% YoY



U.S. Production

- U.S. oil production amounted to 14.0 million bpd for the week ended September 25, up 0.0 million bpd from the prior week

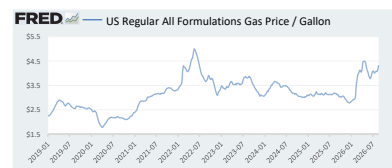
Rig Count

- The total number of oil rigs amounted to 598, down 1 from last week

Inventories

○ Crude Oil

- Total U.S. crude oil inventories now amount to 427.3 million barrels, up 2.6% YoY
- Refiners operated at a capacity utilization rate of 92.5% for the week, down from 94.0% in the prior week
- U.S. crude oil imports now amount to 5.877 million barrels per day, down (2.3%) YoY



○ Gasoline

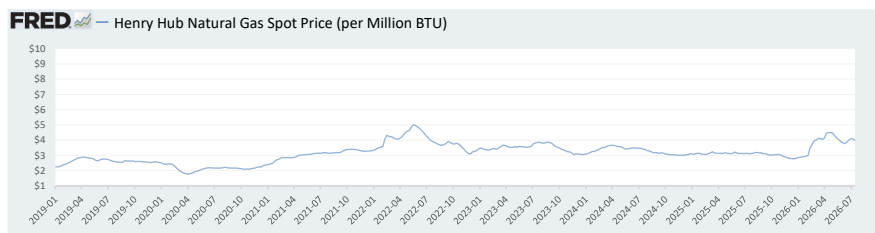
- Retail average regular gasoline prices amounted to \$4.38 per gallon in the week of October 2, up 39.0% YoY
 - Gasoline prices on the East Coast amounted to \$4.41, up 42.3% YoY
 - Gasoline prices in the Midwest amounted to \$4.38, up 45.5% YoY
 - Gasoline prices on the Gulf Coast amounted to \$4.03, up 45.3% YoY
 - Gasoline prices in the Rocky Mountain region amounted to \$4.62, up 42.7% YoY
 - Gasoline prices on the West Coast amounted to \$5.86, up 34.3% YoY
- Motor gasoline inventories were down by 1.7 million barrels from the prior week
- Motor gasoline inventories amounted to 204.4 million barrels, down (7.4%) YoY
- Production of motor gasoline averaged 9.47 million bpd, up 1.3% YoY
- Demand for motor gasoline amounted to 8.689 million bpd, up 2.0% YoY

○ Distillates

- Distillate inventories decreased by -2.3 million in the week of October 2
- Total distillate inventories amounted to 105.2 million barrels, down (14.9%) YoY
- Distillate production averaged 5.003 million bpd, up 0.9% YoY
- Demand for distillates averaged 3.948 million bpd in the week, up 9.2% YoY

○ Natural Gas

- Natural gas inventories increased by 64 billion cubic feet last week
- Total natural gas inventories now amount to 3,415 billion cubic feet, down (3.8%) YoY



Geopolitical Hotspots

Russia

- Russian businesses are increasingly forced to defend themselves against escalating Ukrainian drone strikes after a Kremlin decree warned companies risk temporary state seizure if they fail to arrange their own protection, with firms now leasing or building air-defense systems, hiring drone-shooting security guards (salaries up to \$3,000/month), and spending nearly sevenfold more on counterdrone measures in H1 2026 versus the prior year — Ukraine has hit at least 36 logistics centers and conducted roughly 200 refinery strikes since March, overwhelming Russia's thinly-spread military air defenses across its vast territory

UK

- Bank of England rate-setter Catherine Mann argued that rising bond yields alone won't sufficiently cool the UK economy to tame inflation — currently at 3.1%, well above the 2% target — signaling she'll likely back another rate hike when the MPC meets next month, with markets already pricing in a move to 4% from the current 3.75% in November

UAE/Israel

- UAE and Israeli officials formally characterized the near-downing of FlyDubai Flight 1073 as terrorism, with Netanyahu identifying the radicalized co-pilot as Omani and launching an Israeli investigation, while new passenger accounts reveal the stabbed captain deliberately opened the cockpit door mid-fight to let rescuers intervene before passengers subdued the attacker with headphone cables and zip ties — Trump suggested possible Iranian involvement, though no government has formally made that link and Saudi Arabia has stopped short of attributing a motive

South Korea

- Dunamu CEO Oh Kyoung-suk is urging South Korea to accelerate won-backed stablecoin development to compete with dollar-denominated alternatives on cost and speed, positioning the Upbit operator as a distributor (not issuer) once regulatory frameworks are finalized, as the company separately proceeds toward its December 31 acquisition by Naver Financial and continues testing a Hana Bank remittance partnership with no commercial launch timeline yet set

Ethiopia/Eritrea

- Ethiopia severed diplomatic relations with Eritrea and expelled its diplomats within 48 hours after drone strikes hit Ethiopian military facilities in Addis Ababa — including army headquarters — marking the first time Tigrayan rebels have struck the capital directly and raising fears that last week's renewed internal conflict could escalate into a full Ethiopia-

Eritrea war just four years after a truce ended the 2020-22 conflict that killed 600,000 people

- The stakes extend beyond the region given Eritrea's strategic 700-mile Red Sea coastline near the Bab al-Mandeb strait, with the U.S. caught between its close security ties to Ethiopia and its separate effort to restore relations with Eritrea, even as PM Abiy Ahmed has previously suggested he'd consider retaking Eritrea by force to restore Ethiopia's lost sea access

Credit News

High yield bond yields increased 16bps to 8.22% and spreads widened 5bps to 329bps. Leveraged loan yields increased 12bps to 9.60% and spreads increased 12bps to 485bps. WTD high yield bond returns were negative 59bps and WTD leveraged loan returns were negative 18bps. HY spreads widened amid Fed policy uncertainty and volatile rates, with fund outflows adding pressure. Softer inflation and payroll data, alongside dovish Fed comments, helped sentiment stabilize later in the week. Loans outperformed HY as their floating-rate structure reduced sensitivity to rising rates, while continued inflows supported demand.

High-yield:

Week ended 10/02/2026

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.22%	329	8.06%	325	16	5

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2025
\$93.90	\$94.43	-53	-0.59%	0.31%	0.59%	9.0%

- Fund Flows²

Total Flows (\$)
(\$1,900mm)

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
7	\$13.9bn	\$283.7bn	\$268.5bn	+6%

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

9-30-26	8-31-26	7-31-26
5.19%	4.78%	4.51%

- Total HY Defaults

Excluding Distressed Exchanges			Including Distressed Exchanges		
9-30-26	8-31-26	7-31-26	9-30-26	8-31-26	7-31-26
2.04%	1.98%	1.89%	2.68%	2.63%	2.70%

Leveraged loans:

Week ended 10/02/2026

- Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
9.60%	485	9.48%	473	12	12

- Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2025
\$94.31	\$94.64	-33	-0.18%	0.02%	3.38%	6.0%

- Fund Flows²

Total Flows (\$)
\$954mm

- New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
20	\$25.0bn	\$628.8bn	\$815.3bn	-23%

- Distressed Level (loan price below \$80)¹

9-30-26	8-31-26	7-31-26
9.08%	8.95%	9.40%

- Total Leveraged Loan Defaults

Excluding Distressed Exchanges			Including Distressed Exchanges		
9-30-26	8-31-26	7-31-26	9-30-26	8-31-26	7-31-26
0.93%	1.21%	1.29%	2.08%	2.33%	2.29%

Default activity:

- Most recent defaults include: Leslie's Poolmart (\$757mn, 9/30/2026), Brightline East (\$1.1bn, 9/24/2026), 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).

CLOs:

Week ended 10/02/2026

- New U.S. CLO Issuance²

# Priced	Total (\$)	New Issue	Refs/Resets
37	\$16.9bn	\$5.4bn	\$11.5bn

- New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refs/Resets	Prior Year YTD	CY vs. PY
816	\$363.5bn	\$128.8bn	\$234.7bn	\$404.0bn	-10%

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:

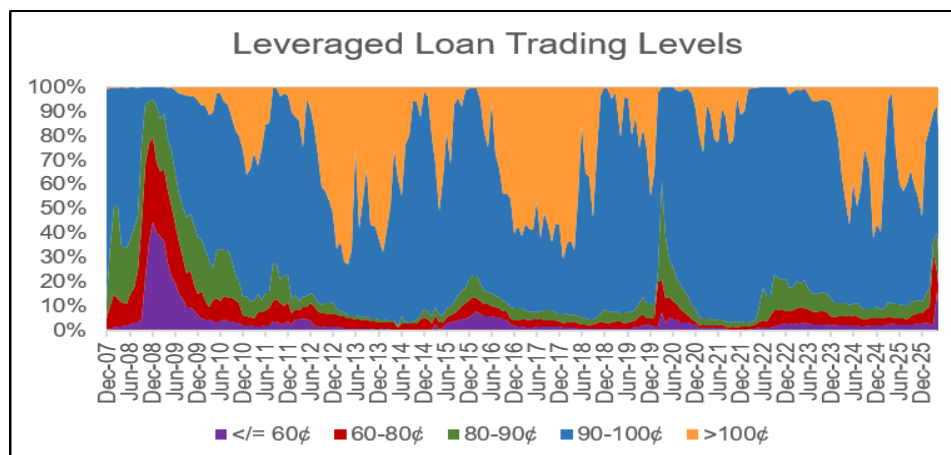
- S&P and Moody's High Yield Ratings

	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
Week Ending 08-28-26	5	5	1.0x	8	1	8.0x
Week Ending 09-04-26	5	7	0.7x	6	10	0.6x
Week Ending 09-11-26	14	7	2.0x	3	7	0.4x
Week Ending 09-18-26	3	8	0.4x	4	5	0.8x
Week Ending 09-25-26	9	7	1.3x	5	14	0.4x
Week Ending 10-02-26	9	5	1.8x	16	9	1.8x
YTD 2026	292	212	1.4x	281	244	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	96.8	98.1	93.7	4.4
Leveraged Loans	94.9	96.4	93.5	2.9

[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 10/3/25

[3] HY low price as of 10/1/26. 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	(0.18%)	(0.20%)	(0.59%)	(0.70%)
MTD Return	0.02%	(0.03%)	0.31%	(0.11%)
YTD Return	3.38%	3.26%	0.59%	(1.01%)

[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 10/02/2026

[2] Yield data as of 10/02/2026

Diagram D: Average Bid Price of High Yield Bonds & Loans

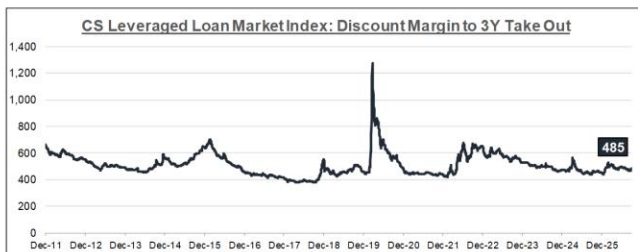


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.



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.

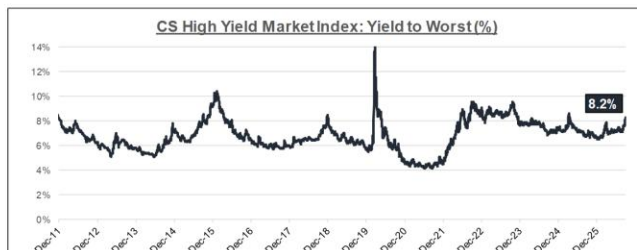


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

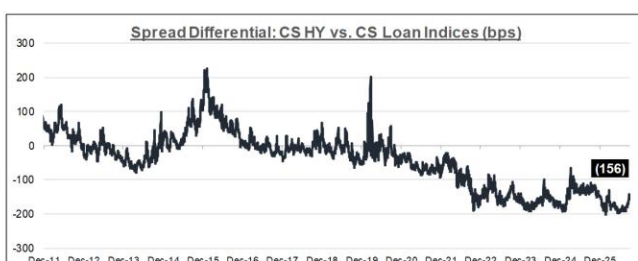


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



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

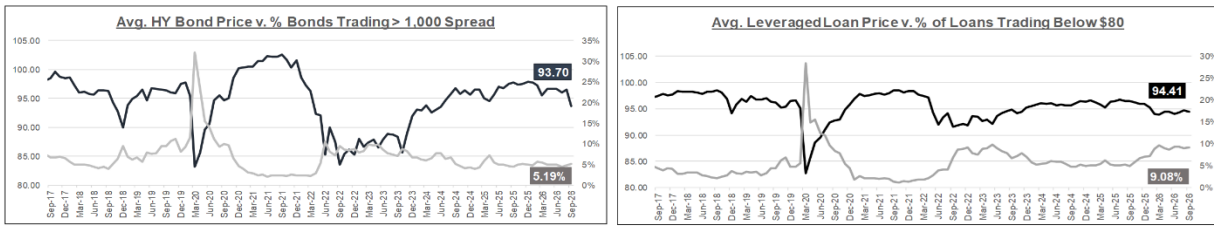


Diagram I: High Yield Upgrades and Downgrades

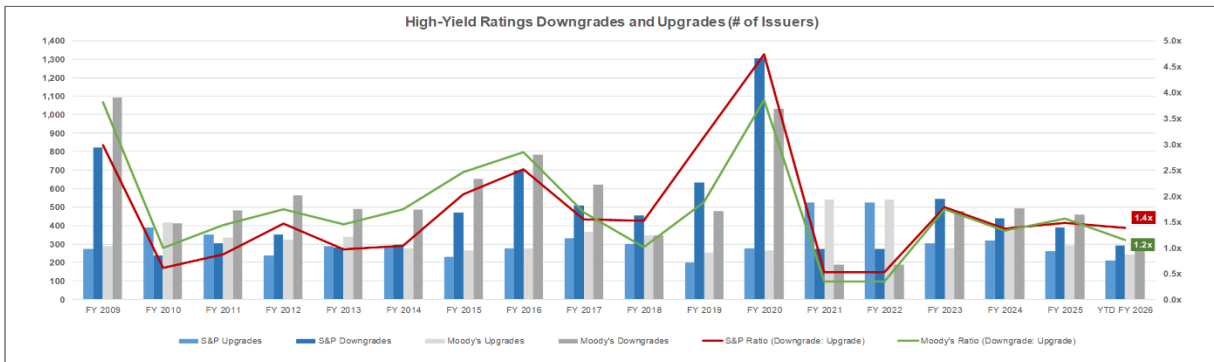


Diagram J: New Issue - Leveraged Loan and High Yield

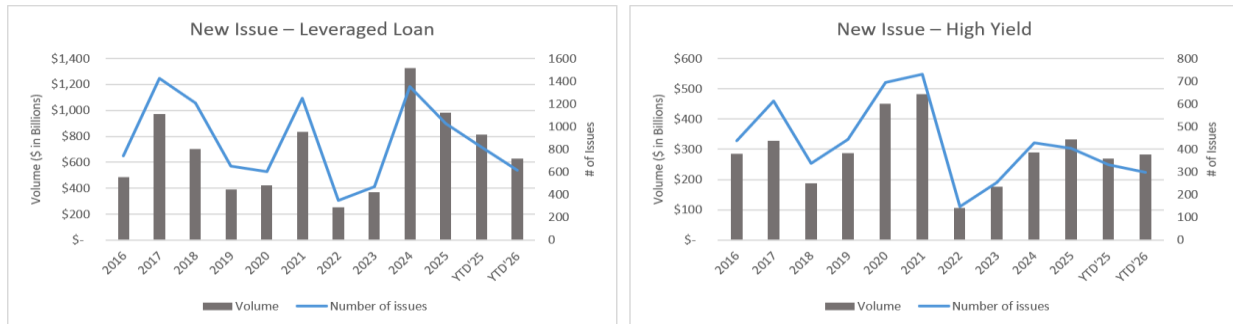
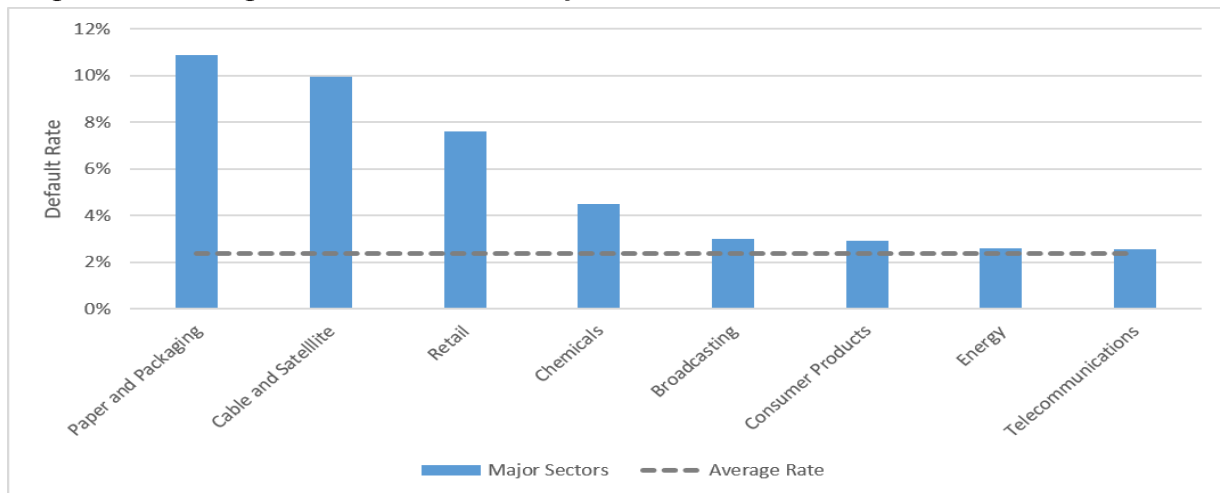


Diagram K: Leveraged Loan + HY Defaults by Sector - LTM



Source: JP Morgan Default Monitor

Diagram L: CLO Economics

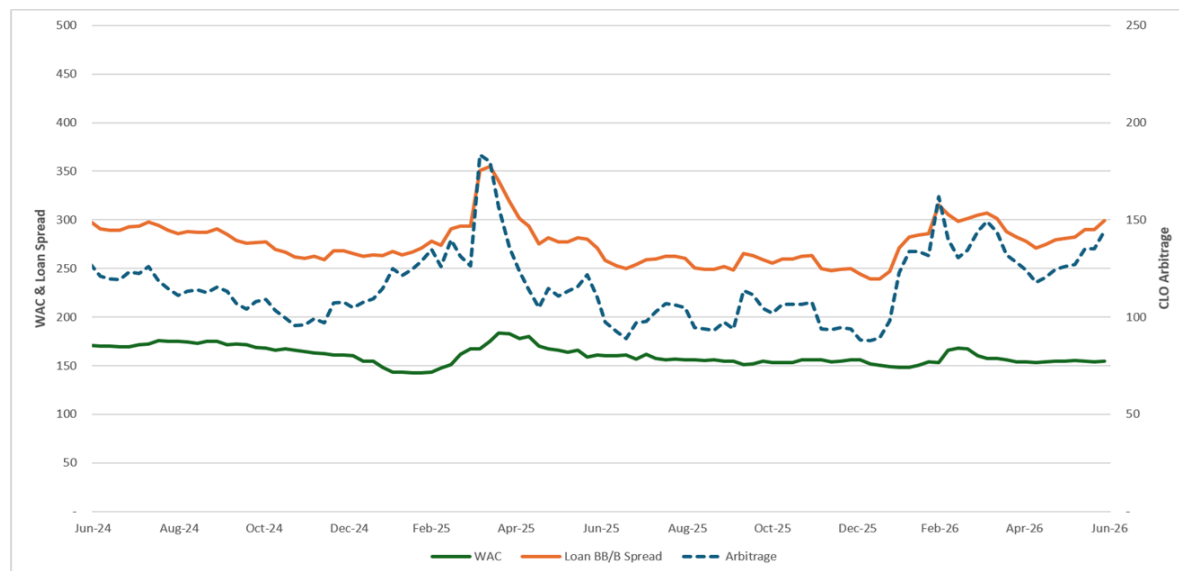
US CLO Economics										
CLO Arbitrage [1]			AAA Spread [2]			WAC Liabilities [2]			Asset WAS [3]	
2Q26	1Q26	2Q25	2Q26	1Q26	2Q25	2Q26	1Q26	2Q25	2Q26	1Q26
128	122	119	S+124	S+120	S+136	S+159	S+156	S+178	S+407	S+398
										S+417

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

[2] Source: LCD

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

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

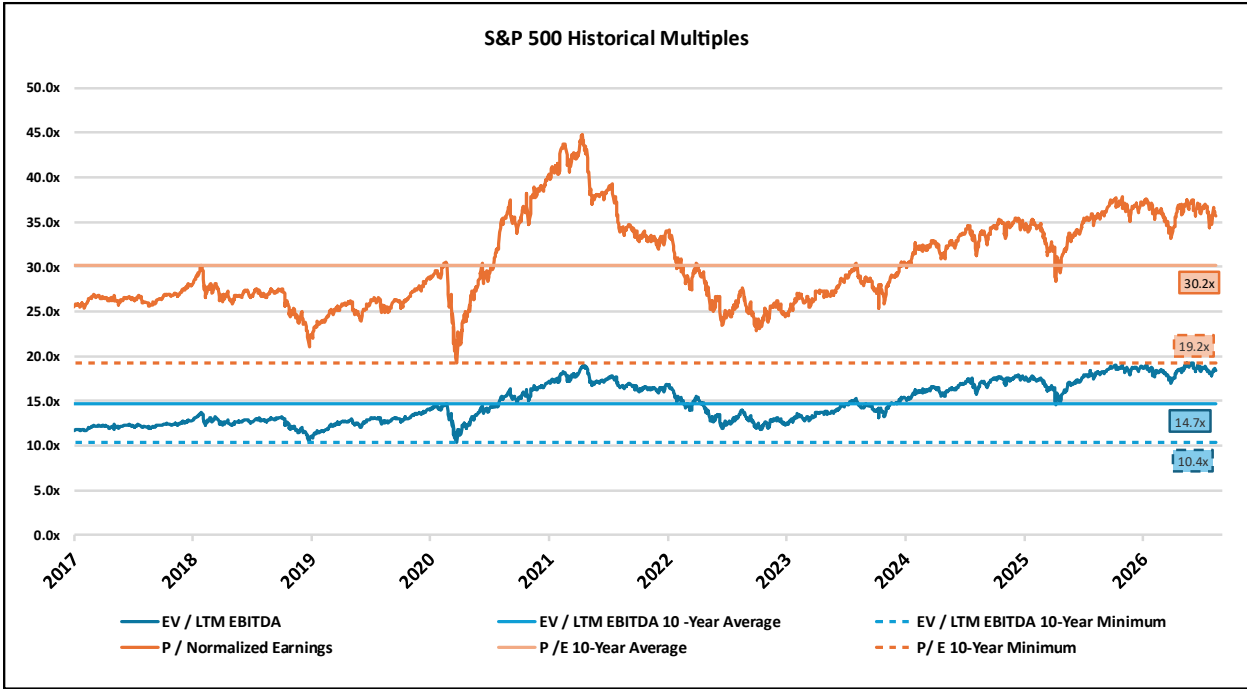


Source: JPM and BBG

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

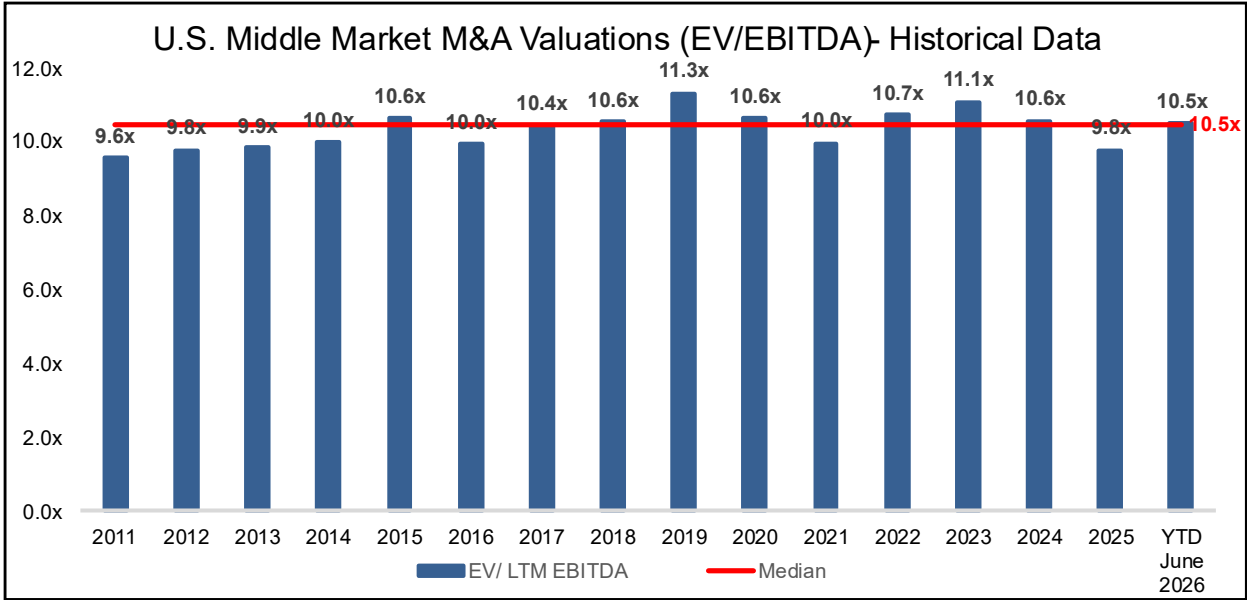
By					Change				
	9-11-26	9-18-26	9-25-26	10-2-26	Weekly	Q3 2026	Q2 2026	Q1 2026	Q4 2025
France - 10 year	4.45%	4.57%	4.69%	4.87%	18 bps	121 bps	(7 bps)	16 bps	3 bps
Germany - 10 year	3.50%	3.52%	3.60%	3.46%	(14 bps)	73 bps	(14 bps)	15 bps	14 bps
Italy - 10 year	4.35%	4.43%	4.51%	4.61%	10 bps	98 bps	(28 bps)	36 bps	2 bps
Japan - 10 year	2.99%	2.99%	3.08%	3.09%	1 bps	38 bps	37 bps	24 bps	41 bps
UK - 10 year	5.34%	5.30%	5.37%	5.37%	0 bps	71 bps	(26 bps)	49 bps	(26 bps)
US									
US - 2 year	4.63%	4.74%	4.85%	4.82%	(3 bps)	71 bps	38 bps	32 bps	(6 bps)
US - 5 year	4.78%	4.86%	4.99%	5.05%	7 bps	86 bps	28 bps	22 bps	5 bps
US - 10 year	4.97%	5.00%	5.16%	5.27%	11 bps	82 bps	15 bps	15 bps	7 bps
US - 30 year	5.35%	5.33%	5.49%	5.62%	13 bps	68 bps	4 bps	7 bps	13 bps

Diagram N: S&P 500 Historical Multiples



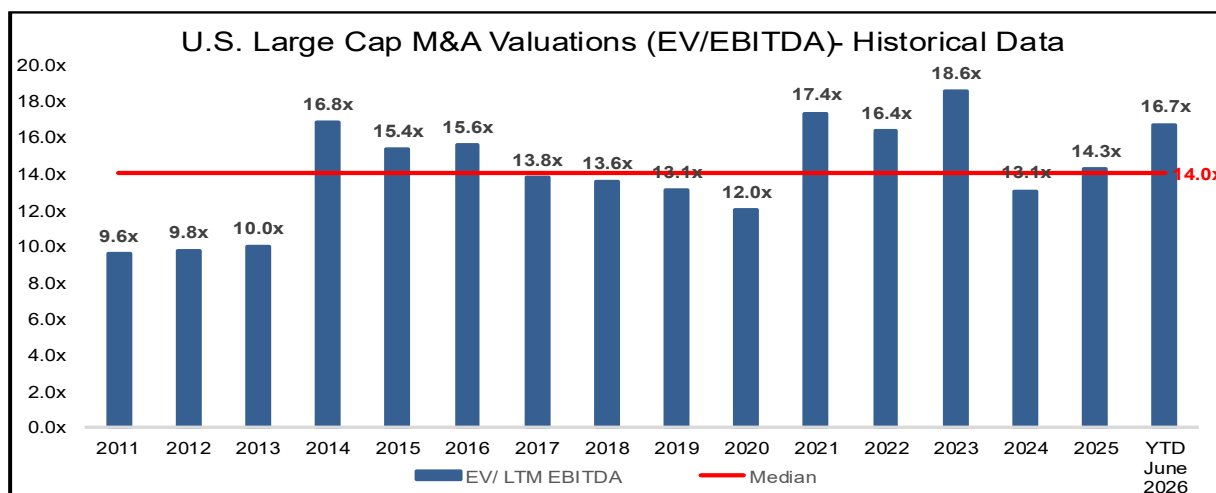
Source: S&P Capital IQ

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



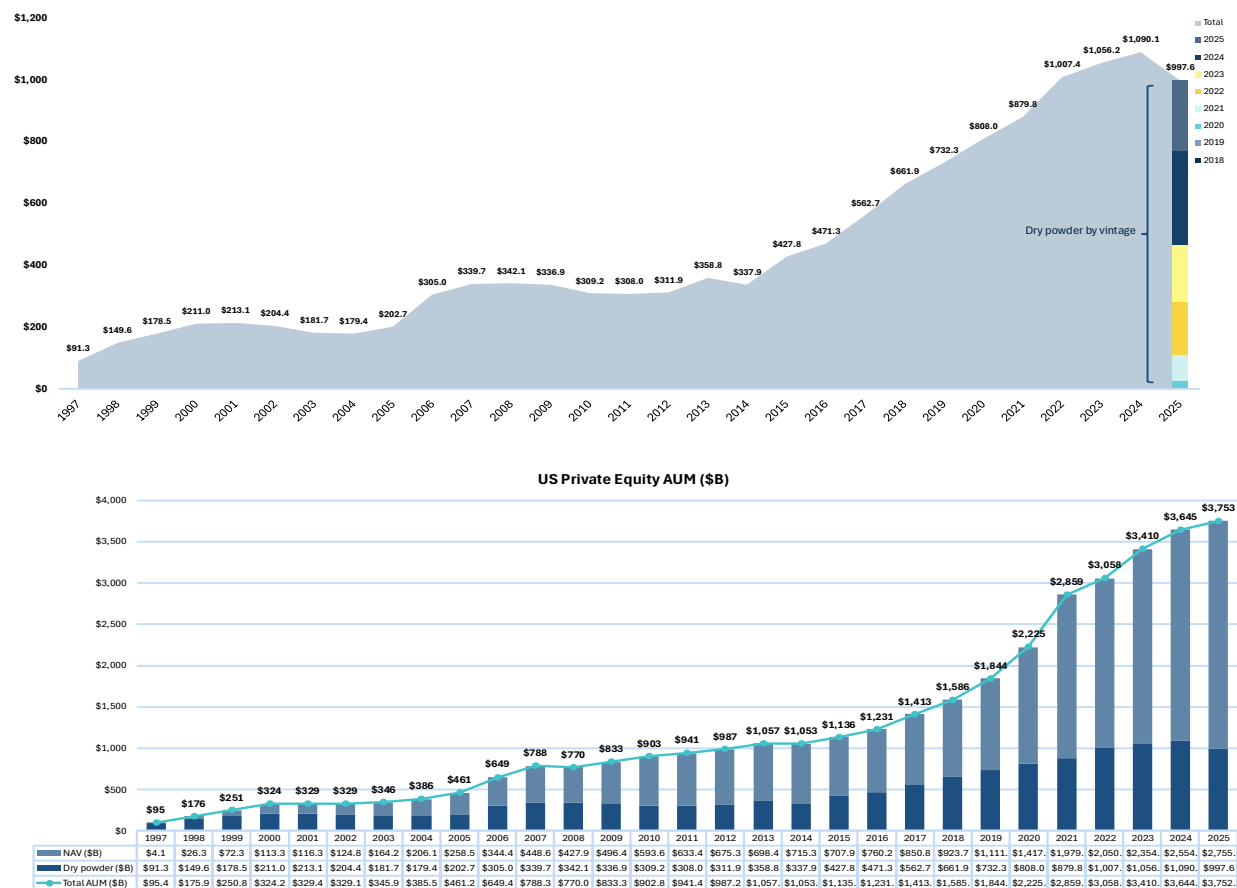
Source: Pitchbook

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



Source: Pitchbook

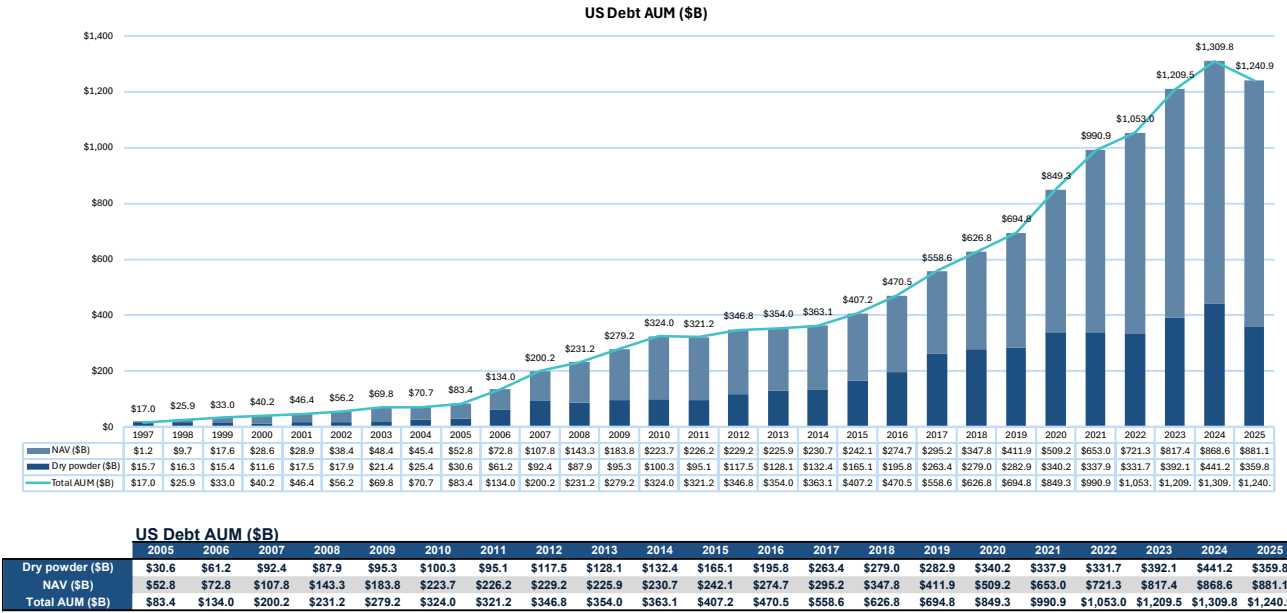
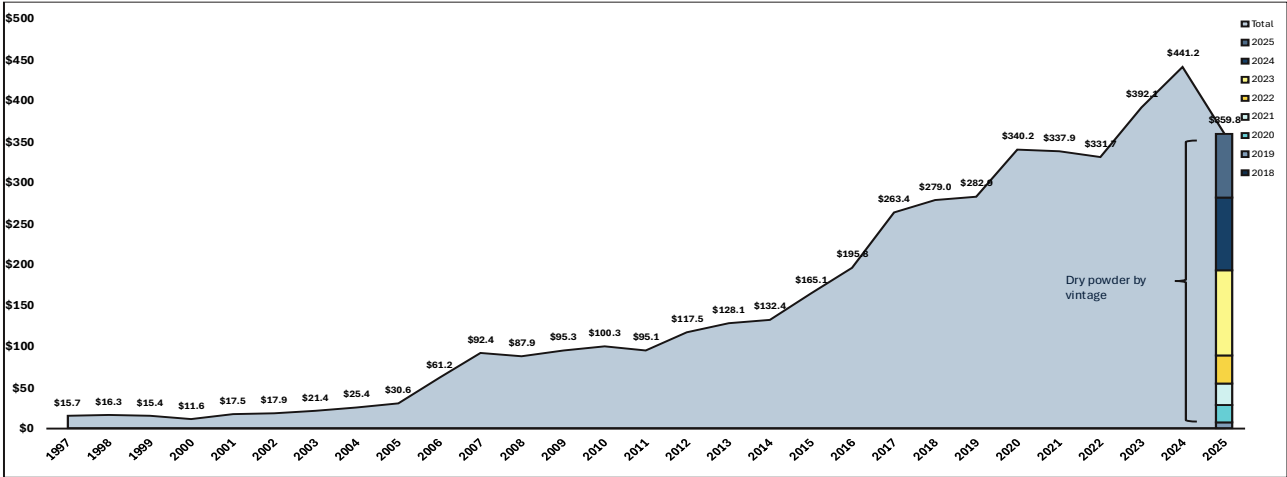
Diagram Q: Dry Powder for All Private Equity Buyouts (\$B)



US Private Equity 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)		\$202.7	\$305.0	\$339.7	\$342.1	\$336.9	\$309.2	\$308.0	\$311.9	\$358.8	\$337.9	\$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)		\$258.5	\$344.4	\$448.6	\$427.9	\$496.4	\$693.6	\$633.4	\$675.3	\$698.4	\$715.3	\$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)		\$461.2	\$649.4	\$788.3	\$770.0	\$833.3	\$902.8	\$941.4	\$987.2	\$1,057.2	\$1,053.2	\$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

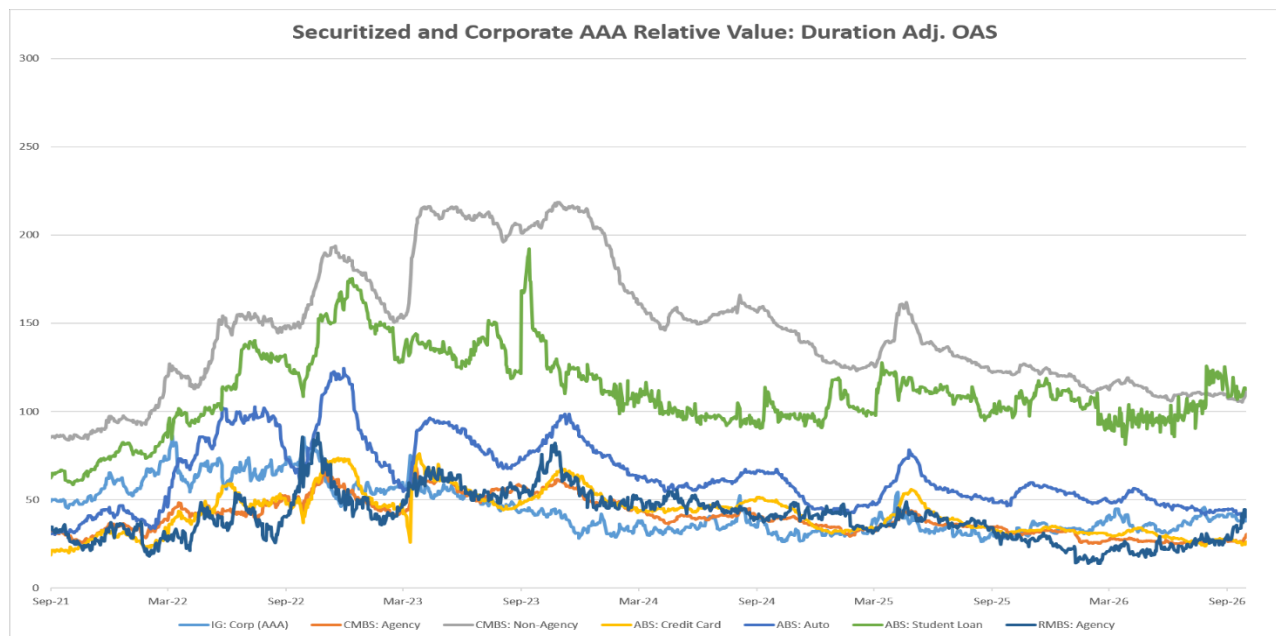
*As of 12/31/2025

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



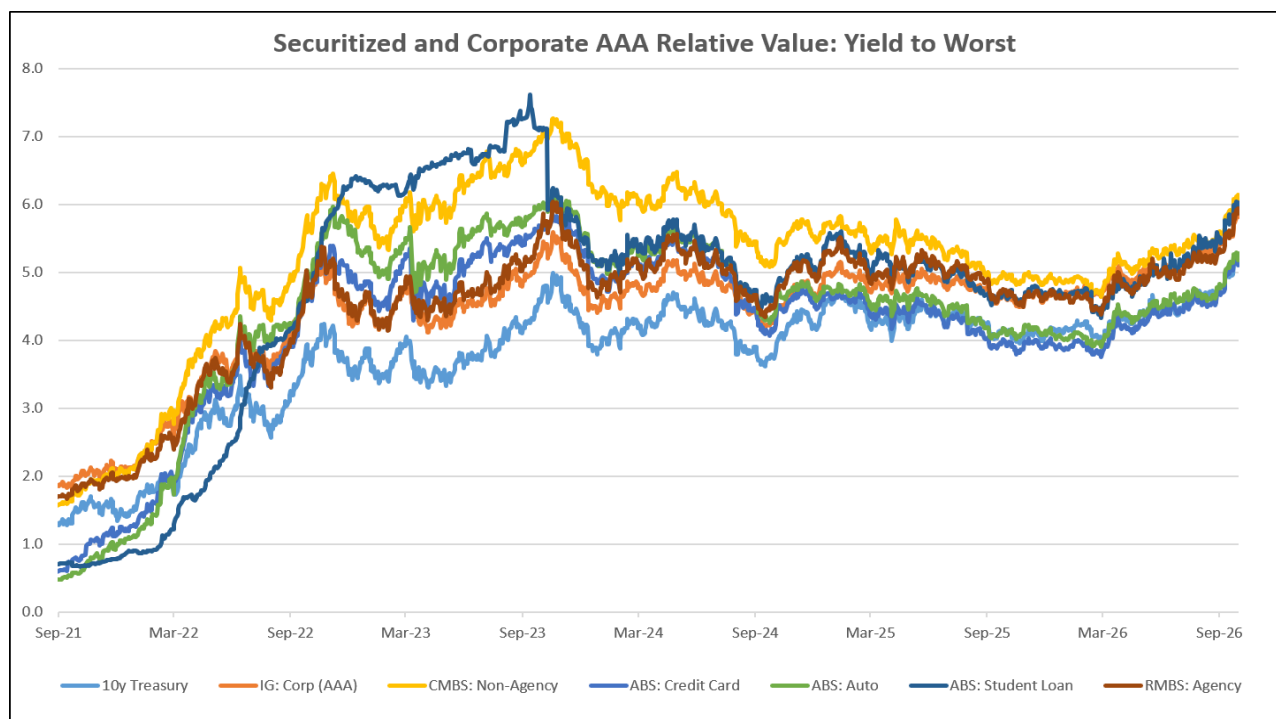
*As of 12/31/2025

Diagram S: Structured Credit Spreads



Source: Bloomberg

Diagram T: Structured Credit Yield



Source: Bloomberg

Diagram U: SOFR Curve

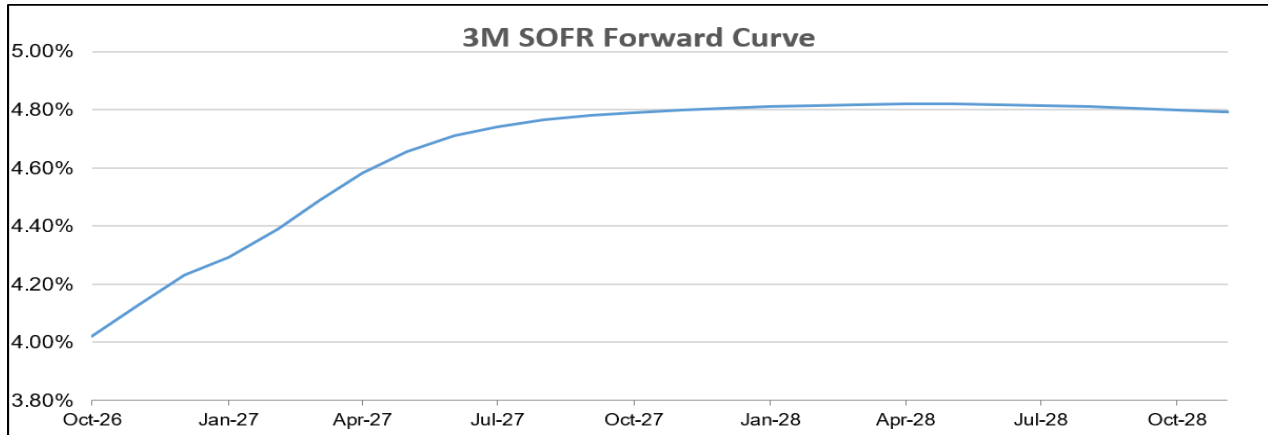
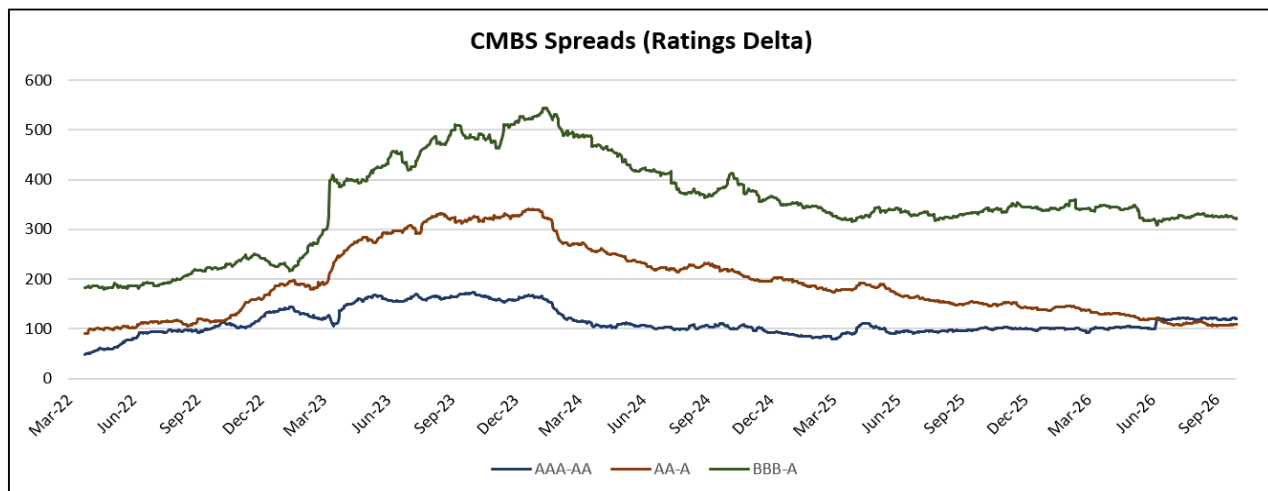
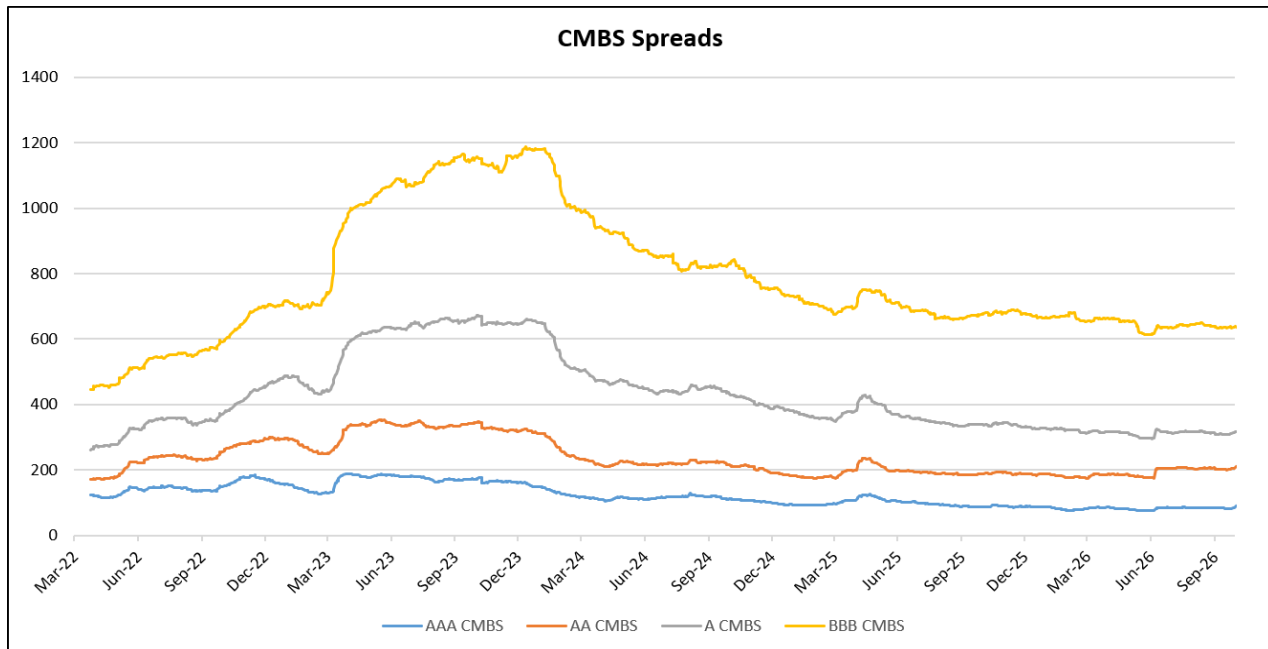


Diagram V: CMBS Spreads



Source: Bloomberg

About ZCG

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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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PERFORMANCE							Week Ending		2024-10-20					
Market Indices		2-Oct	25-Sep	WoW Change	YTD Change	YoY Change	Market Indices		2-Oct	25-Sep	WoW Change	YTD Change	YoY Change	
DJIA		51,176.96	51,828.62	(1.26%)	6.48%	10.01%	S&P/LSTA Leveraged Loan Index		4,442.08	4,450.99	(0.20%)	3.26%	4.54%	
S&P 500		7,722.72	7,743.41	(0.27%)	12.81%	15.00%	Barclays High Yield Index		2,918.69	2,937.78	(0.65%)	0.14%	1.34%	
NASDAQ		27,190.86	27,068.72	0.45%	16.99%	19.03%	Barclays Aggregate		2,281.68	2,295.37	(0.60%)	(2.86%)	(2.16%)	
MSCI - EAFE		3,095.35	3,148.63	(1.69%)	7.01%	11.03%	Loan Market Bids		2-Oct	25-Sep	WoW Change	YTD Change		
MSCI - Emerging Markets		1,708.91	1,732.35	(1.35%)	21.69%	24.95%	S&P Flow Name Index		94.31	94.64	(0.35%)	(1.68%)		
US Dollar Index		101.93	100.97	0.95%	3.67%	4.18%	S&P 100 Name Index		97.11	97.52	(0.42%)	(2.20%)		
Bitcoin		84,604.79	84,015.29	0.70%	(3.66%)	(30.05%)	S&P BB's Index		99.42	99.58	(0.16%)	(0.47%)		
VIX		15.31	14.87	2.96%	2.41%	(7.94%)	S&P B's Index		97.38	97.70	(0.33%)	(0.57%)		
							S&P CCC's Index		65.38	65.85	(0.71%)	(12.36%)		
High Yield & Loan Returns				WTD	MTD	YTD	2025	Loan Market Spreads		2-Oct	25-Sep	WoW Change	YTD Change	
High Yield Bond				(1.02%)	0.00%	0.28%	8.97%	S&P BB's Index		S+260	S+256	4 bps	13 bps	
Leveraged Loan				(0.20%)	0.00%	3.36%	5.99%	S&P B's Index		S+432	S+422	10 bps	22 bps	
								S&P CCC's Index		S+1913	S+1832	81 bps	442 bps	
Market Ratios		2-Oct	25-Sep	WoW Change	YTD Change	YoY Change	Credit Default Swap - Volatility Indices		Index	2-Oct	25-Sep	WoW Change	YTD Change	
CBOE Put/Call Ratio	Equities	0.58	0.52	11.54%	(36.96%)	23.40%	Investment Grade CDS		Markit	60.26	58.10	3.71%	20.50%	
							High Yield CDS		Markit	345.00	316.65	8.95%	9.01%	
Commodities (\$ USD)		Metric	2-Oct	25-Sep	WoW Change	YTD Change	YoY Change	Credit		2-Oct	25-Sep	WoW Change	YOY Change	
Core Commodity Index		CRY Index	410.09	418.54	(2.02%)	37.25%	37.46%	High Yield		OAS - YTW	T+306	T+294	12 bps	37 bps
Gasoline - Pump		Gallon	4.38	4.49	(2.36%)	54.64%	38.99%	Loan Index - S&P Flow Name		DM - 3 Year	S+485	S+473	12 bps	40 bps
Gasoline - Futures		Gallon	3.31	3.39	(2.39%)	94.23%	78.95%	US Treasury 2-Yr			4.82%	4.85%	(3 bps)	129 bps
Crude Oil - WTI		Barrel	91.11	92.41	(1.41%)	58.67%	50.64%	US Treasury 3-Yr			4.95%	4.93%	2 bps	140 bps
Crude Oil - Brent		Barrel	102.25	104.32	(1.98%)	68.04%	59.49%	US Treasury 5-Yr			5.05%	4.99%	7 bps	138 bps
Diesel		Gallon	6.37	6.47	(1.52%)	78.56%	71.66%	US Treasury 7-Yr			5.16%	5.07%	9 bps	130 bps
Natural Gas		MM BTU	3.04	3.20	(5.04%)	(17.66%)	(11.82%)	US Treasury 10-Yr			5.27%	5.16%	11 bps	119 bps
Coal (1 contract = 1,000 tons)		Contract	148.95	145.85	2.13%	38.56%	42.06%	US Treasury 30-Yr			5.62%	5.49%	13 bps	93 bps
Aluminum	Metric Ton	3,100.50	3,268.00	0.02%	3.51%	15.15%	US CLO Spreads - New Issue		31-Aug	31-Jul	MoM Change	YTD Change		
Copper	Metric Ton	14,258.50	14,622.50	(2.49%)	14.78%	35.92%	AAA		S+128	S+125	3 bps	1 bps		
Iron Ore	Metric Ton	91.35	97.06	(5.88%)	(14.73%)	(12.25%)	AA		S+158	S+160	(2 bps)	(7 bps)		
Steel - Hot Rolled Coil	Metric Ton	1,275.00	1,281.00	(0.47%)	44.07%	44.89%	A		S+184	S+183	1 bps	(11 bps)		
Steel - Cold Rolled Coil	Metric Ton	1,420.00	1,420.00	0.00%	33.33%	36.54%	BBB		S+274	S+280	(6 bps)	(16 bps)		
Ferrous Scrap	Metric Ton	421.00	439.00	(4.10%)	0.00%	(3.22%)	BB		S+575	S+645	(70 bps)	(25 bps)		
Ammonia	Metric Ton	545.00	555.00	(1.80%)	(16.15%)	0.93%	Market Rates		2-Oct	25-Sep	WoW Change	YTD Change		
Lumber	27.5k Board Ft	526.50	538.00	(2.14%)	(2.23%)	(14.18%)	Fed Fund Rate			4.31%	4.31%	0 bps	67 bps	
Gold	Troy Ounce	4,141.19	4,284.81	(3.35%)	(4.13%)	7.38%	Prime Rate			7.00%	7.00%	0 bps	25 bps	
Silver	Troy Ounce	60.36	64.30	(6.12%)	(15.77%)	28.45%	Broker Call Rate			5.75%	5.75%	0 bps	25 bps	
Corrugated Box Cost	Short Ton	131.61	131.61	0.00%	10.45%	7.03%	1M SOFR			3.91%	3.90%	1 bps	23 bps	
Cotton	Pound	75.51	80.81	(6.56%)	24.58%	(23.43%)	3M SOFR			4.08%	4.08%	1 bps	43 bps	
Butter	Pound	1.34	1.40	(4.29%)	(4.29%)	(23.43%)	6M SOFR			4.27%	4.26%	1 bps	69 bps	
Cheese	Pound	1.42	1.46	(2.75%)	(19.78%)	(22.25%)	Short Interest - Millions of shares		31-Aug	31-Jul	MoM Change	YTD Change		
Cocoa	Pound	2.57	2.55	0.91%	(6.84%)	(10.68%)	NYSE Mkt Short Interest			21,557.81	22,617.92	(4.69%)	11.07%	
Coffee	Pound	3.29	3.20	2.54%	7.23%	14.25%	Nasdaq Short Interest			22,585.92	22,597.85	(0.05%)	21.65%	
Corn	Bushel	4.98	5.28	(5.77%)	13.06%	18.02%	Fed Corp Primary Dealer Positions - \$ USD in Millions		31-Aug	31-Jul	MoM Change	YTD Change		
Milk, Non Fat Dry	Pound	2.00	1.79	11.46%	71.24%	70.95%	Net Outright Total Corp Securities			14,359.00	12,957.00	10.82%	125.98%	
Soybean	Bushel	12.78	13.19	(3.09%)	24.04%	24.86%	Margin Debt - \$ USD in Billions		31-Aug	31-Jul	MoM Change	YTD Change		
Sugar	Pound	0.20	0.18	13.89%	32.78%	21.52%	FINRA Margin Debt			1,453.83	1,417.23	2.58%	18.62%	
Wheat	Bushel	6.83	7.03	(2.88%)	34.71%	32.69%	Money Market Funds - \$ USD in Billions		30-Sep	23-Sep	WoW Change	YTD Change		
Live Cattle	Pound	2.19	2.19	(0.01%)	(5.67%)	(5.06%)	ICI Money Market Fund Assets			7,891.25	7,936.69	(0.57%)	2.04%	
Lean Hogs	Pound	0.78	0.78	(0.45%)	(8.49%)	(21.08%)	Leveraged Finance Primary Volume - \$ USD in Billions		Year To Date		Year End	YoY		
Beef, USDA Ground	Pound	3.74	3.79	(1.22%)	7.70%	3.02%	10/2/2026		2026	2025	2025	Change		
Chicken, Boneless & Skinless	Pound	1.23	1.23	0.00%	3.36%	5.13%	Bank Debt		628.8	815.3	984.3	(22.88%)		
Currencies		Metric	Spot Prices		Futures		10-Year Historicals		Default Rate by Total Amount of All Loans Outstanding		30-Sep <th>31-Aug</th> <th>YTD Change</th>	31-Aug	YTD Change	
			2-Oct	25-Sep	2025	2026	Low	High	Default Rate by Total Amount of All HY Bonds Outstanding					
Japanese Yen	USDJPY	157.850	157.280	150.000	155.500	100.090	163.990	Employment - Labor Participation Rates		30-Sep	31-Aug	YTD Change		
Chinese Renminbi	USDCNY	6.706	6.700	7.100	6.690	6.243	7.351	Civilian Employment as % of Total Labor Force		59.2%	59.1%	0.53pp		
Swiss Franc	USDCHF	0.829	0.828	0.800	0.810	0.761	1.034	Labor Force Participation Rate						
British Pound	GBPUSD	1.324	1.325	1.330	1.340	1.035	1.438	Government Assistance		30-Jun	31-May	YTD Change		
Euro Zone Euro	EURUSD	1.126	1.139	1.170	1.160	0.953	1.255	SNAP fka Food Stamps - # of Participants		in Millions	36.4	36.7	(7.27%)	
TECHNICALS (Supply / Demand)		Week Ending		Bank Loans		GDP		Freight Rates		2-Oct	25-Sep	WoW Change	YTD Change	YoY Change
								Baltic Exchange Dry Index		3,148	3,426	(8.11%)	67.71%	64.90%
								Shanghai - Los Angeles Spot Rates		7,835	7,838	(0.04%)	215.80%	256.79%
								Shanghai - NY Spot Rates		10,428	10,373	0.53%	215.81%	225.88%
								Shanghai Containerized Freight Index		3,662	3,687	(0.66%)	121.11%	228.60%
Key Economic Indicators:		Period Ending		Actual	Expected	Prior	Consumer Confidence		9/30/2026	81.9	89.2	88.6		
Initial Jobless Claims		9/26/2026		197K	201K	198K	GDP		QoQ-Annualized	6/30/2026	2.2%	1.5%	2.5%	
Continuing Claims		9/19/2026		1,701K	1,730K	1,712K								
Change in Non-Farm Payrolls		9/30/2026		29K	89K	133K								
Change in Private Payrolls		9/30/2026		46K	85K	89K								