

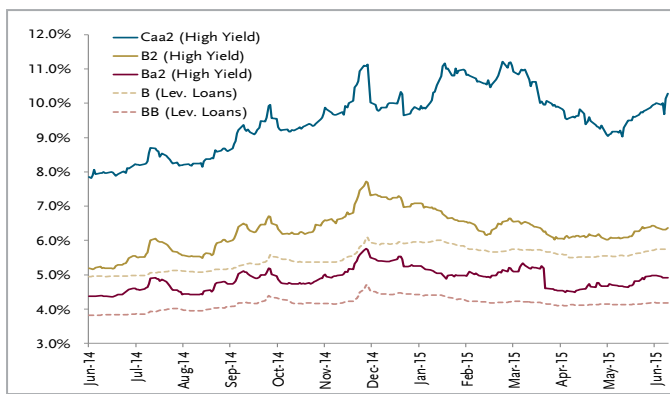
# Piper Jaffray Debt Capital Markets Update

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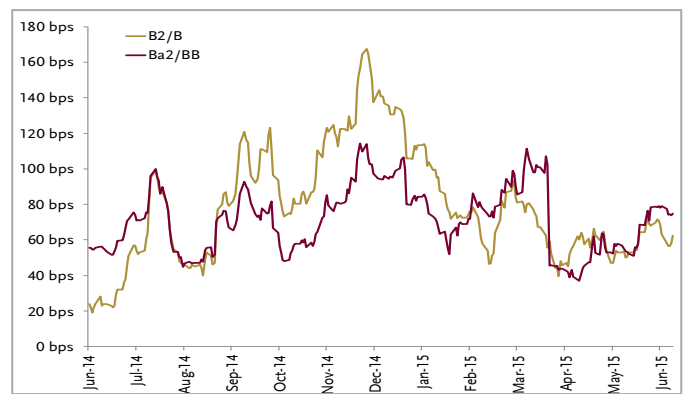
## LOAN & BOND YIELDS AND VOLUME

### Leveraged Loan & HY Yields by Rating



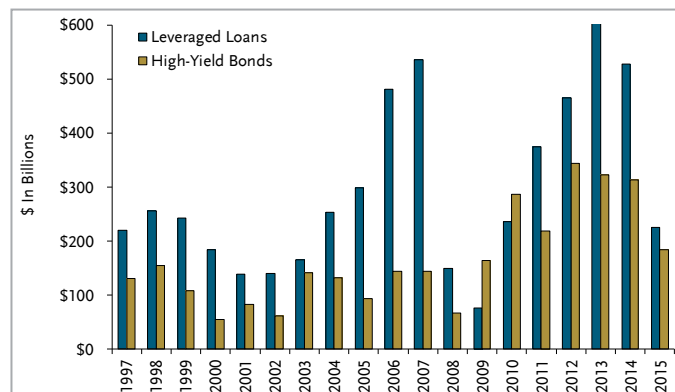
Source: AdvantageData, S&P LCD

### Leveraged Loan & HY Yield Spread



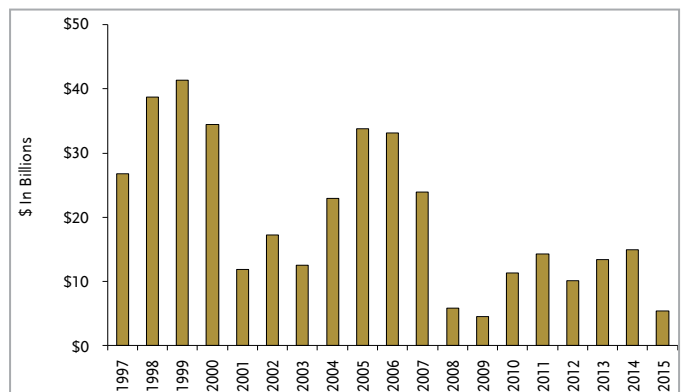
Source: AdvantageData, S&P LCD

### Leveraged Loan & HY Volume



Source: S&P LCD

### Middle Market Loan Volume



Source: S&P LCD

## MARKET COMMENTARY

The high-yield market priced 11 bonds last week, bringing weekly and year-to-date issuance to more than \$5.6 billion and \$166.0 billion, respectively. There were 10 new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$7.0 billion and \$179.3 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market decreased 1 bp, ending the week at 5.74%, while yields for the secondary high-yield bond market decreased 2 bps, ending the week at 6.36%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 62 bps.

This week, loan and high-yield funds saw \$174 million in outflows and \$668 million in outflows, respectively. Year-to-date, loan funds have seen \$3.8 billion in outflows, while high-yield funds have seen \$4.2 billion in inflows.

Note: Leveraged loans and high yield bonds include new money issues rated Ba1/BB+ or lower  
Source: AdvantageData, Piper Jaffray, S&P LCD

New High Yield Bond Issues<sup>(1)(2)</sup>

Company (New Issues)	Ratings		Industry	Amount (\$MM)	Maturity	Coupon	Yield	Price	Lead Bookrunner	Security	Sponsor	Purpose
	Moody's	S&P										
Ball	Ba1	BB+	Metals & Mining	\$1,000.0	7/1/25	5.3%	5.3%	100.0	BOA	Unsecured	Not Sponsored	Refinancing
CNH Industrial	Ba1	BB	Manufacturing	\$600.0	7/16/18	3.9%	4.0%	99.6	MS	Unsecured	Not Sponsored	Refinancing
AerCap	Ba2	BB+	Services & Leasing	\$500.0	7/1/20	4.3%	4.3%	100.0	CS	Unsecured	Cerberus	Refinancing
AerCap	Ba2	BB+	Services & Leasing	\$500.0	7/1/22	4.6%	4.6%	100.0	CS	Unsecured	Cerberus	Refinancing
Endo Pharmaceuticals	B1	B	Healthcare	\$1,635.0	7/15/23	6.0%	6.0%	100.0	Barclays	Unsecured	Not Sponsored	Acquisition
TI Automotive	Caa1	B	Automotive	\$450.0	7/15/23	8.8%	8.8%	100.0	Citigroup	Unsecured	Bain Capital	LBO
Univar	Caa1	B	Chemicals	\$400.0	7/15/23	6.8%	6.8%	100.0	BOA	Unsecured	Clay, Dub. & Rice	Refinancing
Summit Materials	Caa2	B	Building Materials	\$325.0	7/15/23	6.1%	6.1%	100.0	BOA	Unsecured	Blackstone Group	Acquisition
Intrepid Aviation	NR	NR	Aerospace	\$120.0	7/15/17	8.3%	8.3%	100.0	Jefferies	Unsecured	Centerbridge	Acquisition

Company (Tapped Issues)	Ratings		Industry	Amount (\$MM)	Maturity	Coupon	Yield	Price	Lead Bookrunner	Security	Sponsor	Purpose
	Moody's	S&P										
CyrusOne	B1	B+	Computers	\$100.0	11/15/22	6.4%	5.7%	103.0	RBC	Unsecured	Not Sponsored	Acquisition
Summit Materials	Caa2	B	Building Materials	\$25.0	7/15/23	6.1%	6.1%	100.0	BOA	Unsecured	Blackstone Group	Refinancing

New Leveraged Loan Issues<sup>(1)(2)</sup>

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
CGG (TLB)	Ba1	BB-	Oil & Gas	\$350.0	1.00%	L + 650	98.5	NA	CS	Not Sponsored	Refinancing
AVAST Software (TLB)	B1	BB-	Computers	\$274.0	1.00%	L + 300	100.0	NA	CS	Summit Partners	Refinancing
OCI Beaumont (TLB)	B1	B+	Chemicals	\$50.0	1.00%	L + 450	99.8	NA	BOA	Not Sponsored	Corp. Purpose
Jackson Hewitt Tax Service (RC)	B2	NR	Services & Leasing	\$30.0	TBD	TBD	TBD	NA	RBC	Bayside Capital	Dividend Recap
Jackson Hewitt Tax Service (TLB)	B2	NR	Services & Leasing	\$250.0	1.00%	L + 575	99.0	NA	RBC	Bayside Capital	Dividend Recap
Dayton Superior (TLB)	B3	B	Metals & Mining	\$185.0	1.00%	L + 475	99.0	NA	CS	Oaktree	Refinancing
Hamilton Lane Advisors (TLB)	NR	NR	Services & Leasing	\$260.0	0.75%	L + 350	99.0	NA	MS	Not Sponsored	Dividend Recap

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
SS&C Technologies (RC)	Ba3	BB	Computers	\$150.0	TBD	TBD	TBD	NA	DB	Not Sponsored	Acquisition
SS&C Technologies (TLA)	Ba3	BB	Computers	\$200.0	TBD	L + 275	99.8	NA	DB	Not Sponsored	Acquisition
SS&C Technologies (TLB)	Ba3	BB	Computers	\$460.0	0.75%	L + 325	99.5	NA	DB	Not Sponsored	Acquisition
SS&C Technologies (TLB)	Ba3	BB	Computers	\$1,082.0	0.75%	L + 325	99.5	NA	DB	Not Sponsored	Acquisition
First Data (TLB)	B1	BB-	Computers	\$725.0	TBD	L + 375	99.5	NA	BOA	KKR	Refinancing
Swift Energy (TLB)	B2	B+	Oil & Gas	\$640.0	TBD	TBD	TBD	NA	JPM	Not Sponsored	Refinancing
Constellation Brands (RC)	NR	NR	Food & Beverage	\$1,150.0	TBD	L + 150	TBD	4.0x	BOA	Not Sponsored	Refinancing
Constellation Brands (TLA)	NR	NR	Food & Beverage	\$1,271.0	TBD	L + 150	TBD	4.0x	BOA	Not Sponsored	Refinancing

## New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Northern States Power	Aa3	A	Utilities	\$100.0	6/15/24	+ 105	3.3%	3.4%	Senior Notes
Brown-Forman	A1	A-	Food & Beverage	\$500.0	7/15/45	+ 145	4.5%	4.6%	Senior Notes
BB&T	A2	A-	Financial	\$1,000.0	6/29/20	+ 98	2.6%	2.6%	Senior Notes
Huntington National Bank	A3	BBB+	Financial	\$750.0	6/30/18	+ 105	2.0%	2.1%	Senior Notes
Baidu	A3	NR	Computers	\$750.0	6/20/20	+ 135	3.0%	3.0%	Senior Notes
Baidu	A3	NR	Computers	\$500.0	6/30/25	+ 175	4.1%	4.1%	Senior Notes
National Fuel Gas	Baa2	BBB	Utilities	\$450.0	7/15/25	+ 288	5.2%	5.2%	Senior Notes
Pershing Square	NR	BBB	Financial	\$1,000.0	7/15/22	TBD	5.5%	5.5%	Senior Notes
Corporate Office Properties	Baa3	BBB-	Real Estate	\$300.0	7/1/25	+ 270	5.0%	5.1%	Senior Notes
Entergy International	Baa3	BBB-	Utilities	\$650.0	7/15/22	+ 190	4.0%	4.0%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$2,000.0	7/15/25	+ 155	4.0%	4.0%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$2,000.0	7/15/45	+ 200	5.2%	5.2%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$1,500.0	6/29/18	+ 100	2.0%	2.1%	Senior Notes

<sup>(1)</sup>Split-rated issues with an investment grade rating from either rating agency are not included/shown<sup>(2)</sup>Bold transactions denote Piper Jaffray arrangements

Source: Piper Jaffray, S&amp;P LCD

## New Investment Grade Bond Issues (Cont.)

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$1,500.0	6/30/20	+ 115	2.8%	2.8%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$1,000.0	6/20/17	+ 95	1.6%	1.6%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$1,000.0	7/15/22	+ 140	3.5%	3.5%	Senior Notes
H.J. Heinz	Baa3	BBB-	Food & Beverage	\$1,000.0	7/15/35	+ 185	5.0%	5.1%	Senior Notes

## Total Debt Volume

Bond Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$16,000	17	\$659,080	816	\$534,055	744	+23.4%	+9.7%
High-Yield <sup>(1)</sup>	\$5,655	11	\$166,010	267	\$172,970	316	(4.0%)	(15.5%)
<b>Total Bonds</b>	<b>\$21,655</b>	<b>28</b>	<b>\$825,090</b>	<b>1,083</b>	<b>\$707,025</b>	<b>1,060</b>	<b>+16.7%</b>	<b>+2.2%</b>

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
<b>Total Leveraged Loans<sup>(1)</sup></b>	<b>\$7,077</b>	<b>10</b>	<b>\$179,338</b>	<b>331</b>	<b>\$295,988</b>	<b>516</b>	<b>(39.4%)</b>	<b>(35.9%)</b>

## Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.68%	0.65%	3.0	0.46%	22.0
5 yr UST	1.70%	1.59%	11.0	1.64%	6.0
10 yr UST	2.40%	2.26%	14.0	2.53%	(13.0)
30 yr UST	3.16%	3.05%	11.0	3.35%	(19.0)
3M LIBOR	0.28%	0.28%	0.1	0.23%	4.8

<sup>(1)</sup>Split-rated issues with an investment grade rating from either rating agency are not included/shown  
Source: Piper Jaffray, S&P LCD

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