

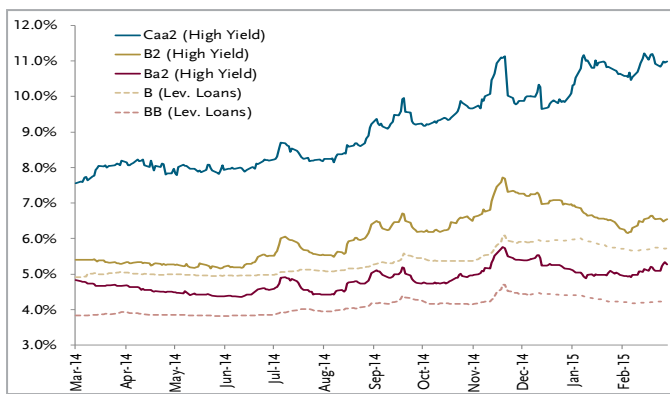
# Piper Jaffray Debt Capital Markets Update

Issue No. 354: March 30, 2015

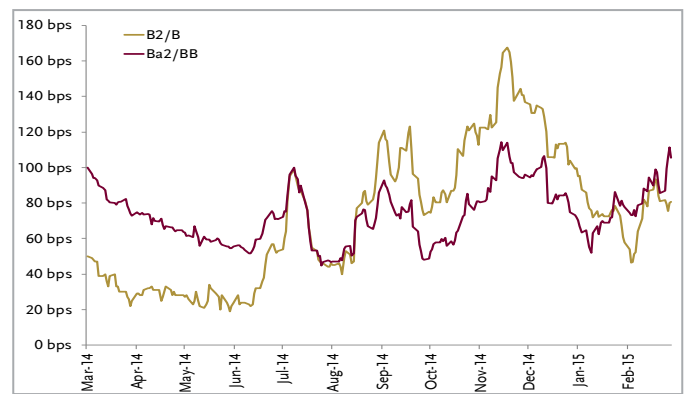
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## LOAN & BOND YIELDS AND VOLUME

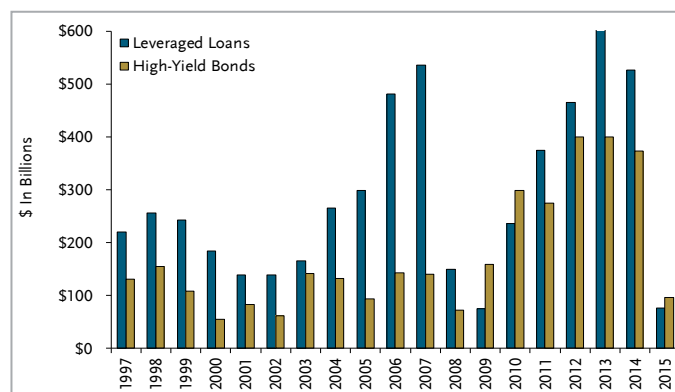
Leveraged Loan & HY Yields by Rating



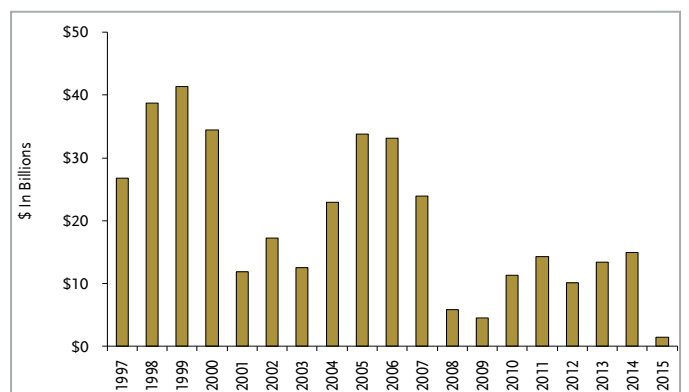
Leveraged Loan & HY Yield Spread



Leveraged Loan & HY Volume



Middle Market Loan Volume



## MARKET COMMENTARY

The high-yield market priced 17 bonds last week, bringing weekly and year-to-date issuance to more than \$9.0 billion and \$105.5 billion, respectively. There were nine new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$2.6 billion and \$56.6 billion, respectively.

For B2/B-rated issues, yields for the secondary leveraged loan market decreased 1 bp, ending the week at 5.73%, while yields for the secondary high-yield bond market decreased 1 bp, ending the week at 6.54%. The yield spread between B2/B-rated high yield bonds and leveraged loans finished the week at 81 bps.

This week, loan and high-yield funds saw \$288 million in outflows and \$856 million in inflows, respectively. Year-to-date, loan funds have seen \$3.4 billion in outflows, while high-yield funds have seen \$9.0 billion in inflows.

Note: Leveraged loans are comprised of Ba2/BB or lower rated facilities  
Source: Piper Jaffray, S&P LCD, AdvantageData, Bloomberg

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

Company	Ratings		Industry	Amt (\$MM)	Maturity	Coupon	Yield	Transaction Type
	Moody's	S&P						
VeriSign	Ba1	BB+	Communications	\$500	4/1/25	5.3%	5.3%	Senior Unsecured
Whiting Petroleum	Ba2	BB	Energy	\$750	4/1/23	6.3%	6.3%	Senior Unsecured
Cliffs Natural Resources	Ba2	BB-	Basic Materials	\$540	3/31/20	8.3%	9.7%	Senior Secured
Schaeffler Finance	Ba2	BB-	Automotive	\$600	5/15/23	4.8%	4.8%	Senior Secured
Navient	Ba3	BB	Financial	\$500	3/25/21	5.9%	6.0%	Senior Unsecured
CONSOL Energy	B1	BB	Energy	\$500	4/1/23	8.0%	8.2%	Senior Unsecured
Credit Acceptance	B1	BB	Financial	\$250	3/15/23	7.4%	7.5%	Senior Unsecured
Outfront Media	B1	NR	Communications	\$100	2/15/24	5.6%	5.2%	Senior Unsecured
Calumet Specialty Products	B2	B+	Energy	\$325	4/15/23	7.8%	7.9%	Senior Unsecured
GCI	B3	B+	Communications	\$450	4/15/25	6.9%	7.0%	Senior Unsecured
Rice Energy	B3	B-	Energy	\$400	5/1/23	7.3%	7.4%	Senior Unsecured
Townsquare Media	B3	B-	Communications	\$300	4/1/23	6.5%	6.5%	Senior Unsecured
HC2 Holdings	Caa1	B	Communications	\$300	12/1/19	11.0%	11.2%	Senior Secured
Ally Financial	NR	BB+	Financial	\$750	3/30/20	4.1%	4.3%	Senior Unsecured
Ally Financial	NR	BB+	Financial	\$500	3/30/25	4.6%	4.8%	Senior Unsecured
Deutsche Bank	NR	NR	Financial	\$1,500	4/1/25	4.5%	4.5%	Senior Unsecured
Sunoco	NR	NR	Energy	\$800	4/1/23	6.4%	6.4%	Senior Unsecured

## New Leveraged Loan Issues

Leveraged Loans (<\$500MM)	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Leverage	Date	Lead Arranger	Sponsor	Company Focus	Purpose
Advantage Sales (TLB)	\$150.0	1.00%	L + 325	99.0	NA	Mar-15	Jefferies	Apax Partners	Services & Leasing	Acquisition
Allison Transmission (TLB)	\$470.0	1.00%	L + 250	99.8	NA	Mar-15	Citigroup	Carlyle Group	Automotive	Refinancing
Longview Power (RC)	\$25.0	TBD	TBD	TBD	NA	Mar-15	MS	Not Sponsored	Utilities	Exit Financing
Longview Power (TLB)	\$250.0	1.00%	L + 625	98.0	NA	Mar-15	MS	Not Sponsored	Utilities	Exit Financing
Men's Wearhouse (TLB)	\$300.0	TBD	TBD	99.8	NA	Mar-15	JPM	Not Sponsored	Retail	Refinancing
Monitronics Intl. (TLB)	\$350.0	TBD	TBD	TBD	NA	Mar-15	BOA	Not Sponsored	Services & Leasing	Refinancing
Natel Engineering (TLB)	\$280.0	1.00%	L + 575	99.0	2.6x	Mar-15	GS	Not Sponsored	Computers	Acquisition
Nortek (TLB)	\$250.0	0.75%	L + 275	98.3	NA	Mar-15	Wells Fargo	Not Sponsored	Manufacturing	Refinancing
SeaWorld (TLB)	\$280.0	0.75%	L + 350	99.5	NA	Mar-15	BOA	Not Sponsored	Entertainment	Refinancing
Top Right Group (TLB)	\$325.0	1.00%	L + 475	99.0	NA	Mar-15	DB	Apax Partners	Radio	Refinancing

New Investment Grade Bond Issues<sup>(1)(2)</sup>

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Columbia University	Aaa	NR	Education	\$75	10/1/45	+ 90	3.5%	3.5%	Senior Unsecured
Toronto-Dominion Bank	Aaa	NR	Financial	\$1,750	4/2/20	+ 52	2.0%	2.0%	Senior Unsecured
Anz New Zealand	Aa3	AA-	Financial	\$750	3/29/18	+ 85	1.8%	1.8%	Senior Unsecured
Franklin Resources	A1	AA-	Financial	\$400	3/30/25	+ 95	2.9%	2.9%	Senior Unsecured
Credit Suisse	A2	BBB+	Financial	\$2,500	3/26/25	+ 188	3.8%	3.8%	Senior Unsecured
Credit Suisse	A2	BBB+	Financial	\$1,500	3/26/20	+ 138	2.8%	2.8%	Senior Unsecured
Bank Of America	A2	NR	Financial	\$300	4/4/16	+ 11	FRN	FRN	Senior Unsecured
Bank Of America	A2	NR	Financial	\$250	4/4/16	+ 21	FRN	FRN	Senior Unsecured
UBS	A2	NR	Financial	\$2,500	3/26/18	+ 92	1.8%	1.8%	Senior Unsecured
UBS	A2	NR	Financial	\$1,000	3/26/18	+ 70	FRN	FRN	Senior Unsecured
UBS	A2	NR	Financial	\$750	3/26/20	+ 97	2.4%	2.4%	Senior Unsecured
UBS	A2	NR	Financial	\$600	9/26/16	+ 50	FRN	FRN	Senior Unsecured

<sup>(1)</sup>Bold transactions denote Piper Jaffray underwriting participation. Does not include Supranational, Foreign Denominations, Sovereign, Special Purpose Entities or Piper Jaffray issues.<sup>(2)</sup>Includes all split-rated issues

Source: Piper Jaffray, Bloomberg, S&amp;P LCD

New Investment Grade Bond Issues<sup>(1)(2)</sup> (Cont.)

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Potash Corp. Saskatchewan	<b>A3</b>	<b>A-</b>	<b>Basic Materials</b>	<b>\$500</b>	<b>4/1/25</b>	<b>+ 115</b>	<b>3.0%</b>	<b>3.0%</b>	<b>Senior Unsecured</b>
Goldman Sachs	Baa1	A-	Financial	\$2,500	1/23/25	+ 145	3.5%	3.5%	Senior Unsecured
Goldman Sachs	Baa1	A-	Financial	\$1,700	4/23/20	+ 112	2.6%	2.6%	Senior Unsecured
Hyundai Capital Services	Baa1	A-	Financial	\$400	9/29/20	+ 125	2.6%	2.6%	Senior Unsecured
Kimco Realty	Baa1	BBB+	Financial	\$350	4/1/45	+ 180	4.3%	4.3%	Senior Unsecured
Southwestern Electric Power	Baa2	BBB	Utilities	\$400	4/1/45	+ 145	3.9%	3.9%	Senior Unsecured
XLIT	Baa3	BBB	Financial	\$500	3/31/25	+ 263	4.5%	4.5%	Senior Unsecured
XLIT	Baa3	BBB	Financial	\$500	3/31/45	+ 310	5.5%	5.6%	Senior Unsecured
Ford Motor Credit	Baa3	BBB-	Financial	\$650	3/27/17	+ 90	1.5%	1.5%	Senior Unsecured
Ford Motor Credit	Baa3	BBB-	Financial	\$600	3/27/20	+ 110	2.5%	2.5%	Senior Unsecured
Ford Motor Credit	Baa3	BBB-	Financial	\$500	3/27/17	+ 63	FRN	FRN	Senior Unsecured
BOC Aviation	NR	NR	Financial	\$750	3/30/20	+ 170	3.0%	3.1%	Senior Unsecured

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Source: Piper Jaffray, Bloomberg, S&amp;P LCD

## Total Bond Volume

Bond Issue	Week of 3/23/2015		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$21,725	24	\$368,697	548	\$321,038	447	+14.8%	+22.6%
High-Yield	\$9,065	17	\$105,571	142	\$81,824	157	+29.0%	(9.6%)
Total Corporates	\$30,790	41	\$474,269	690	\$402,862	604	+17.7%	+14.2%

## Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.61%	0.60%	1.0	0.45%	16.0
5 yr UST	1.47%	1.42%	5.0	1.70%	(23.0)
10 yr UST	2.01%	1.93%	8.0	2.69%	(68.0)
30 yr UST	2.60%	2.50%	10.0	3.52%	(92.0)
3M LIBOR	0.28%	0.27%	0.9	0.23%	4.2

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Source: Piper Jaffray, Bloomberg, S&P LCD