

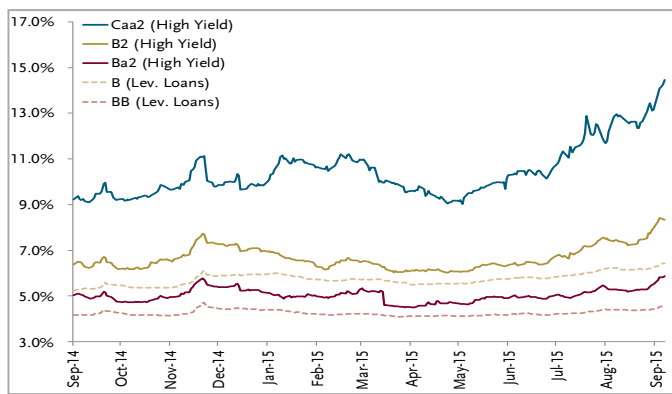
Piper Jaffray Debt Capital Markets Update

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The Piper Jaffray Debt Capital Markets Update is published weekly and provides a summary and analysis of debt capital markets activity. To subscribe/unsubscribe, visit www.piperjaffray.com/dcmupdate

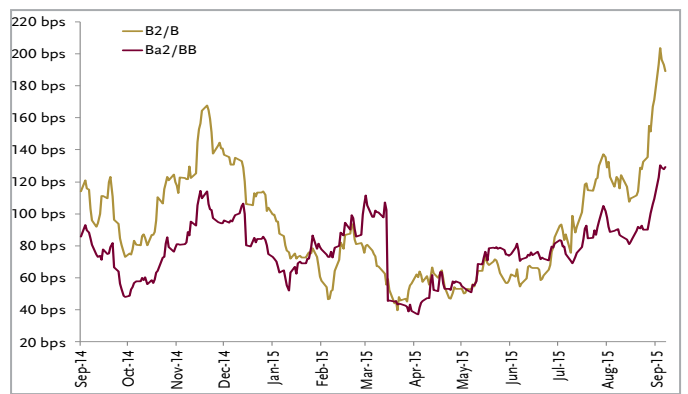
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



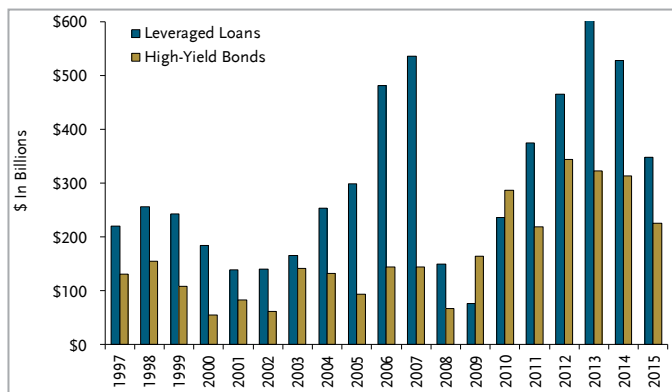
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



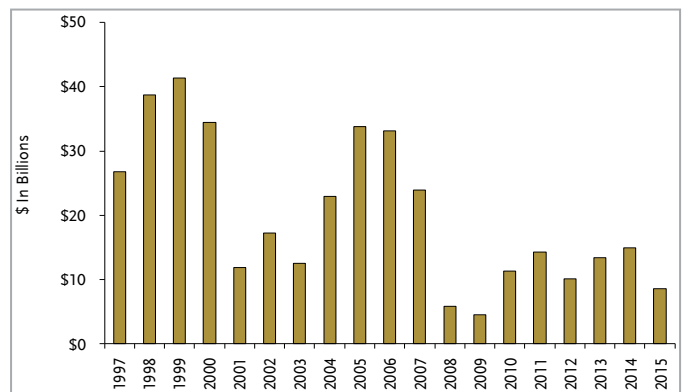
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market did not price any bonds this week, leaving year-to-date issuance at \$206.1 billion. There were seven new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$3.0 billion and \$267.3 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market increased 16 bps, ending the week at 6.44%, while yields for the secondary high-yield bond market increased 34 bps, ending the week at 8.33%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 189 bps.

This week, loan and high-yield funds saw \$786.0 million in outflows and \$2.2 billion in outflows, respectively. Year-to-date, loan funds have seen \$8.9 billion in outflows, while high-yield funds have seen \$5.0 billion in outflows.

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

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Quincy Newspapers (RC)	Ba2	BB	TV	\$30.0	TBD	TBD	TBD	NA	Wells Fargo	Not Sponsored	Acquisition
Quincy Newspapers (TLB)	B2	B+	TV	\$250.0	1.00%	L + 375	99.0	NA	Wells Fargo	Not Sponsored	Acquisition
AlliedBarton Security (TLB)	B1	B+	Services & Leasing	\$84.0	1.00%	L + 325	97.5	6.5x	CS	Wendel	LBO
AlliedBarton Security (2nd)	Caa2	CCC+	Services & Leasing	\$30.0	1.00%	L + 700	96.5	6.5x	CS	Wendel	LBO
MedImpact Healthcare Sys. (TLB)	NR	B	Insurance	\$350.0	1.00%	L + 425	99.0	NA	UBS	Not Sponsored	Refinancing
GTT Communications (RC)	NR	NR	Telecom	\$50.0	TBD	TBD	TBD	4.0x	Key Bank	Not Sponsored	Acquisition
GTT Communications (TLB)	NR	NR	Telecom	\$400.0	TBD	TBD	99.0	4.0x	Key Bank	Not Sponsored	Acquisition
Koninklijke TenCate (TLB)	NR	NR	Textile & Apparel	\$230.5	1.00%	L + 425	TBD	5.0x	ABN	Gilde Investments	LBO
Koninklijke TenCate (2nd)	NR	NR	Textile & Apparel	\$61.9	1.00%	L + 850	98.5	5.0x	ABN	Gilde Investments	LBO
Sucampo Pharmaceuticals (TLB)	NR	NR	Healthcare	\$250.0	1.00%	L + 700	98.0	2.9x	Jefferies	Not Sponsored	Acquisition

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Concordia Healthcare (RC)	B1	B+	Healthcare	\$200.0	TBD	TBD	TBD	6.0x	GS	Fulcrum Capital	Acquisition
Concordia Healthcare (TLB)	B1	B+	Healthcare	\$1,100.0	1.00%	L + 400	99.0	6.0x	CS	Fulcrum Capital	Acquisition

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
PECO Energy	Aa3	A-	Utilities	\$350.0	10/15/25	+ 110	3.2%	3.2%	Mortgage Bonds
PPL Electric Utilities	A1	A	Utilities	\$350.0	10/1/45	+ 132	4.2%	4.2%	Mortgage Bonds
WEA Finance	A3	BBB+	Services & Leasing	\$1,000.0	10/5/20	+ 190	3.3%	3.3%	Sub Notes
Hewlett-Packard	Baa2	BBB	Computers	\$3,000.0	10/15/20	+ 225	3.6%	3.6%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$2,650.0	10/5/18	+ 200	2.9%	2.9%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$2,500.0	10/15/25	+ 290	4.9%	4.9%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$2,250.0	10/5/17	+ 185	2.5%	2.5%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$1,500.0	10/15/45	+ 350	6.4%	6.4%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$1,350.0	10/15/22	+ 270	4.4%	4.4%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$750.0	10/15/35	+ 335	6.2%	6.2%	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$350.0	10/5/17	FRN	2.1%	FRN	Senior Notes
Hewlett-Packard	Baa2	BBB	Computers	\$250.0	10/5/18	FRN	2.3%	FRN	Senior Notes
Enbridge	Baa3	BBB	Oil & Gas	\$600.0	10/15/45	+ 463	7.4%	7.5%	Senior Notes
Enbridge	Baa3	BBB	Oil & Gas	\$500.0	10/15/20	+ 313	4.4%	4.5%	Senior Notes
Enbridge	Baa3	BBB	Oil & Gas	\$500.0	10/15/25	+ 388	5.9%	7.5%	Senior Notes

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

Source: Piper Jaffray, S&P LCD

Total Debt Volume

Bond Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$17,900	15	\$935,185	1,136	\$775,599	1,095	+20.6%	+3.7%
High-Yield ⁽¹⁾	\$0	0	\$206,150	328	\$255,997	475	(19.5%)	(30.9%)
Total Bonds	\$17,900	15	\$1,141,335	1,464	\$1,031,596	1,570	+10.6%	(6.8%)

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$3,036	7	\$267,381	457	\$430,773	730	(37.9%)	(37.4%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.64%	0.70%	(6.0)	0.53%	11.0
5 yr UST	1.37%	1.48%	(11.0)	1.70%	(33.0)
10 yr UST	2.05%	2.17%	(12.0)	2.44%	(39.0)
30 yr UST	2.85%	2.96%	(11.0)	3.15%	(30.0)
3M LIBOR	0.32%	0.33%	(0.2)	0.23%	9.3

⁽¹⁾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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