

## Piper Jaffray Debt Capital Markets Update

Issue No. 346: February 2, 2015

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## MARKET COMMENTARY

The high-yield market priced 11 bonds last week, bringing year-to-date issuance to more than \$23.8 billion. The middle market launched four new loan transactions last week for Acadia Healthcare, Altice, AssuredPartners and Targa Resources.

This week, loan and high-yield funds saw \$443 million in outflows and \$2.8 billion in inflows, respectively. Year-to-date, loan funds have seen \$2.1 billion in outflows, while inflows from high-yield funds total \$2.5 billion.

The secondary high-yield market was up this week, closing at 100.66% of par to yield 6.14%.

Source: Piper Jaffray, S&P LCD, Bloomberg

## New Leveraged Loans – In the Market

Middle Market	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Date	Lead Arranger	Sponsor	Company Focus	Purpose
Acadia Healthcare (TLB)	\$500.0	0.75%	L + 400	99.0	Jan-15	BOA	Not Sponsored	Healthcare	Acquisition
Altice (TLB)	\$500.0	1.00%	L + 425	99.0	Jan-15	GS	Not Sponsored	Telecom	Acquisition
AssuredPartners (TLB)	\$125.0	1.00%	L + 350	97.5	Jan-15	BOA	GTCR	Services & Leasing	Acquisition
Targa Resources (TLB)	\$430.0	1.00%	L + 450	98.5	Jan-15	BOA	Not Sponsored	Oil & Gas	Acquisition

Large Cap	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Date	Lead Arranger	Sponsor	Company Focus	Purpose
Dollar Tree (RC)	\$1,250.0	TBD	L + 225	TBD	Jan-15	JPM	Not Sponsored	Retail	Acquisition
Dollar Tree (TLA)	\$500.0	TBD	L + 225	TBD	Jan-15	JPM	Not Sponsored	Retail	Acquisition
Dollar Tree (TLB)	\$5,200.0	0.75%	L + 375	99.0	Jan-15	JPM	Not Sponsored	Retail	Acquisition

## Benchmark Yields

Benchmark	Current	Previous Week	Δ (bps)	Previous Year	Δ (bps)
2 yr UST	0.52%	0.49%	3.0	0.39%	13.0
5 yr UST	1.33%	1.29%	4.0	1.62%	(29.0)
10 yr UST	1.81%	1.83%	(2.0)	2.79%	(98.0)
30 yr UST	2.38%	2.44%	(6.0)	3.68%	(130.0)
3M LIBOR	0.26%	0.26%	(0.1)	0.24%	1.8

Source: Piper Jaffray, S&P LCD, CIQ

Weekly Corporate New Issue Activity<sup>(1)</sup>Investment Grade<sup>(2)</sup> – Week of 1/26/2015

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Royal Bank Of Canada	Aaa	NR	Financial	\$2,000	2/5/20	+ 60	1.9%	1.9%	Senior Unsecured
Metropolitan Museum of Art	Aaa	NR	Leisure Facilities	\$250	7/1/45	+ 105	3.4%	3.4%	Senior Unsecured
Caisse Centrale Desjardins	Aa2	A+	Financial	\$750	1/29/18	+ 88	1.8%	1.8%	Senior Unsecured
Caisse Centrale Desjardins	Aa2	A+	Financial	\$250	1/29/18	+ 35	FRN	FRN	Senior Unsecured
Colby College	Aa2	NR	Education Services	\$101	7/1/55	+ 198	4.3%	4.3%	Senior Unsecured
N.Y. & Presbyterian Hospital	Aa3	NR	Healthcare	\$750	8/1/45	+ 170	4.0%	4.0%	Senior Unsecured
Credit Suisse	A1	A	Financial	\$2,000	1/29/18	+ 90	1.8%	1.8%	Senior Unsecured
Credit Suisse	A1	A	Financial	\$810	1/29/18	+ 49	FRN	FRN	Senior Unsecured
Wells Fargo	A2	A+	Financial	\$2,000	1/30/20	+ 85	2.2%	2.2%	Senior Unsecured
Wells Fargo	A2	A+	Financial	\$650	1/30/20	+ 68	FRN	FRN	Senior Unsecured
Praxair	A2	A	Basic Materials	\$675	11/7/42	+ 125	3.6%	3.6%	Senior Unsecured
Praxair	A2	NR	Basic Materials	\$400	2/5/25	+ 95	2.7%	2.7%	Senior Unsecured
Praxair	A2	NR	Basic Materials	\$150	2/3/17	+ 33	FRN	FRN	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$9	8/15/23	+ 115	2.9%	2.9%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$7	8/15/22	+ 120	2.8%	2.8%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$7	8/15/20	+ 105	2.3%	2.3%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$7	8/15/21	+ 100	2.6%	2.6%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$7	8/15/19	+ 75	2.0%	2.0%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$7	8/15/31	+ 195	3.7%	3.7%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/30	+ 190	3.6%	3.6%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/29	+ 185	3.6%	3.6%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/28	+ 175	3.5%	3.5%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/27	+ 165	3.4%	3.4%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/26	+ 150	3.2%	3.2%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$6	8/15/25	+ 135	3.1%	3.1%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$5	8/15/17	+ 72	1.2%	1.2%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$5	8/15/24	+ 130	3.0%	3.0%	Senior Unsecured
Medstar Health	A2	NR	Healthcare	\$5	8/15/18	+ 90	1.7%	1.7%	Senior Unsecured
Union Pacific	A3	A	Industrial	\$450	2/1/35	+ 100	3.4%	3.4%	Senior Unsecured
Union Pacific	A3	A	Industrial	\$450	2/1/55	+ 150	3.9%	3.9%	Senior Unsecured
Union Pacific	A3	A	Industrial	\$250	2/1/20	+ 50	1.8%	1.8%	Senior Unsecured
SVB Financial Group	A3	BBB	Financial	\$350	1/29/25	+ 170	3.5%	3.5%	Senior Unsecured
Canadian Pacific Railway	Baa1	NR	Industrial	\$700	2/1/25	+ 113	2.9%	2.9%	Senior Unsecured
TTX	Baa1	NR	Industrial	\$350	2/1/45	+ 157	3.9%	3.9%	Senior Unsecured
Citigroup	Baa2	A-	Financial	\$2,000	2/5/18	+ 97	1.8%	1.8%	Senior Unsecured
Select Income REIT	Baa2	BBB-	Financial	\$400	2/1/20	+ 250	3.6%	3.7%	Senior Unsecured
Select Income REIT	Baa2	BBB-	Financial	\$400	2/1/25	+ 300	4.5%	4.7%	Senior Unsecured
Select Income REIT	Baa2	BBB-	Financial	\$350	2/1/18	+ 215	2.9%	2.9%	Senior Unsecured
Select Income REIT	Baa2	NR	Financial	\$300	2/1/22	+ 280	4.2%	4.3%	Senior Unsecured
Penske Truck Leasing	Baa3	BBB-	Industrial	\$900	2/1/22	+ 189	3.4%	3.4%	Senior Unsecured
Synchrony Financial	NR	BBB-	Financial	\$750	2/3/20	+ 140	2.7%	2.7%	Senior Unsecured
Synchrony Financial	NR	BBB-	Financial	\$250	2/3/20	+ 123	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

Weekly Corporate New Issue Activity<sup>(1)</sup> (Cont.)

High Yield – Week of 1/26/2015

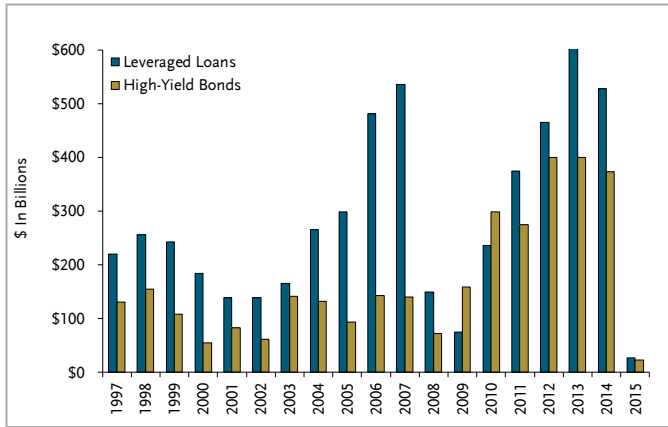
Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
China Auto Rental	Ba1	BB+	Automotive	\$500	2/4/20	+ 516	6.1%	6.3%	Senior Unsecured
Micron Technology	Ba3	BB	Technology	\$1,000	8/1/23	+ 356	5.3%	5.3%	Senior Unsecured
Banque Centrale De Tunisie	Ba3	NR	Financial	\$1,000	1/30/25	+ 412	5.8%	TBD	Senior Unsecured
Turkiye Vakiflar Bankasi	Ba3	NR	Financial	\$500	2/3/25	+ 561	FRN	FRN	Senior Unsecured
H.J. Heinz	B1	BB	Food Products	\$2,000	2/15/25	+ 317	4.9%	4.9%	Senior Unsecured
Altice Financing	B1	NR	Communications	\$2,060	2/15/23	+ 506	6.6%	6.6%	Senior Secured
PSPC Escrow	B2	BB-	Basic Materials	\$1,100	2/1/22	+ 488	6.5%	6.5%	Senior Unsecured
Kindred Healthcare	B2	B-	Healthcare	\$500	4/15/22	+ 389	6.4%	6.4%	Senior Unsecured
Altice Finco	B3	B-	Communications	\$385	2/15/25	+ 596	7.6%	7.6%	Senior Unsecured
Calpine	B3	NR	Utilities	\$650	2/1/24	+ 378	5.5%	5.5%	Senior Unsecured
Altice	NR	NR	Communications	\$1,480	2/15/25	+ 596	7.6%	7.6%	Senior Unsecured

Total Bond Volume	Week of 1/26/2015		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$18,781	42	\$97,831	166	\$116,117	165	(15.7%)	+0.6%
High-Yield	\$11,175	11	\$23,841	34	\$25,685	46	(7.2%)	(26.1%)
Total Corporates	\$29,956	53	\$121,672	200	\$141,802	211	(14.2%)	(5.2%)

<sup>(1)</sup>Bold transactions denote Piper Jaffray underwriting participation. Does not include Supranational, Foreign Denominations, Sovereign, Special Purpose Entities or Piper Jaffray issues.  
Source: Piper Jaffray, Bloomberg, S&P LCD

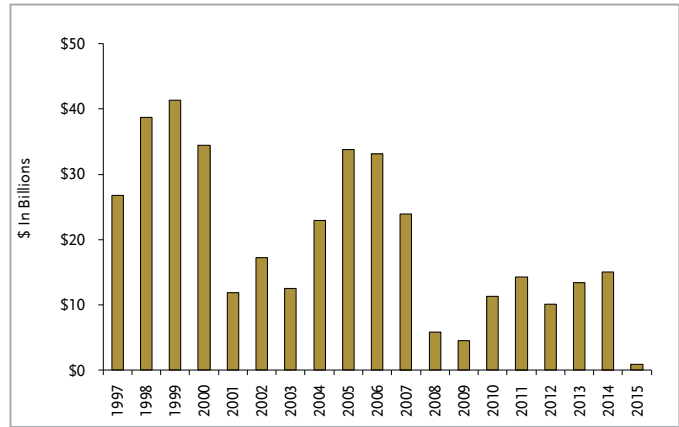
## LOAN & BOND VOLUME

### Leveraged Loan & HY Volume



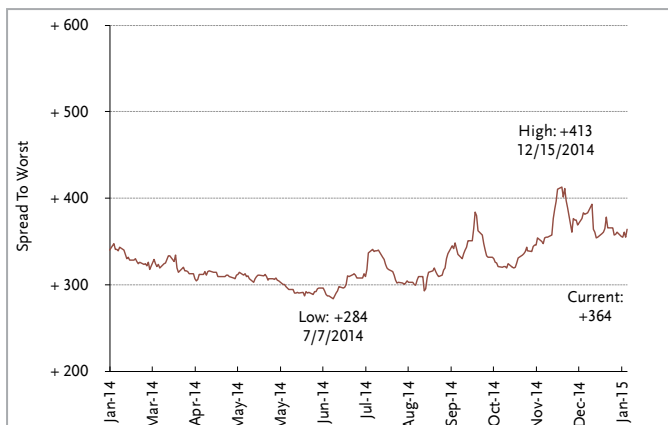
Source: S&P LCD

### Middle Market Loan Volume



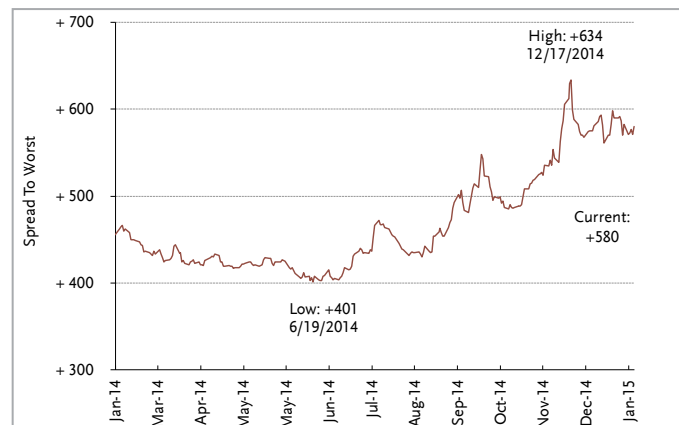
## HIGH-YIELD INDEX SPREADS

### Moody's Rating: Ba2



Source: AdvantageData

### Moody's Rating: B2



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