

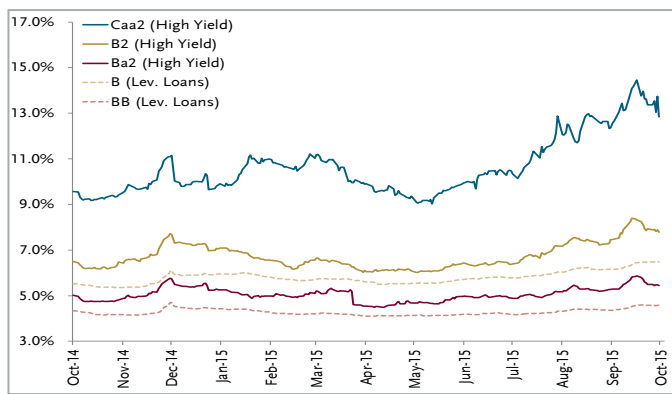
Piper Jaffray Debt Capital Markets Update

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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

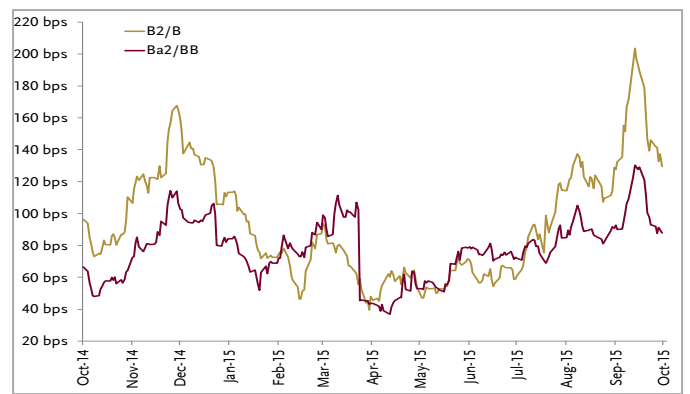
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



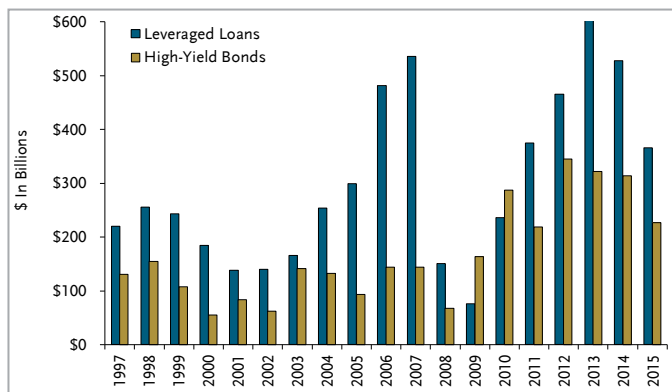
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



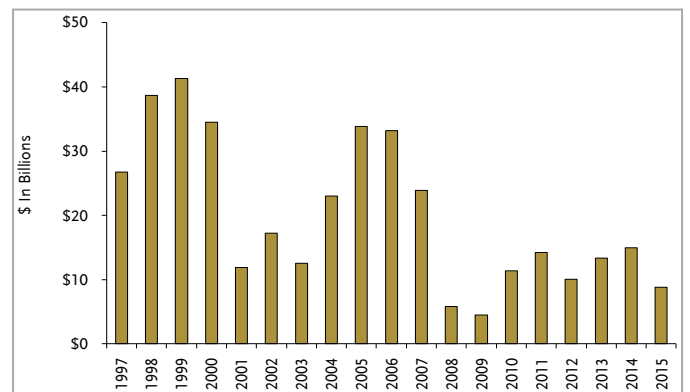
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced one bond last week, bringing weekly and year-to-date issuance to \$1.0 billion and more than \$207.5 billion, respectively. There were eight new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$8.2 billion and \$280.7 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market increased 1 bp, ending the week at 6.48%, while yields for the secondary high-yield bond market decreased 15 bps, ending the week at 7.78%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 130 bps.

This week, loan and high-yield funds saw \$61.0 million in outflows and \$1.5 billion in inflows, respectively. Year-to-date, loan funds have seen \$9.3 billion in outflows, while high-yield funds have seen \$2.8 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 High Yield Bond Issues⁽¹⁾⁽²⁾

Company (New Issues)	Ratings		Industry	Amount (\$MM)	Maturity	Coupon	Yield	Price	Lead Bookrunner	Security	Sponsor	Purpose
	Moody's	S&P										
AerCap/AeroTurbine	Ba2	BB+	Services & Leasing	\$1,000.0	10/30/20	4.6%	4.6%	100.0	Citigroup	Unsecured	Cerberus Capital	Corp Purpose

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Service King (2nd)	Ba3	B+	Services & Leasing	\$125.0	1.00%	L + 350	99.0	NA	BOA	Blackstone	Refinancing
Plaskolite (RC)	B1	B+	Chemicals	\$40.0	TBD	TBD	TBD	NA	Antares	Charlesbank Capital	LBO
Plaskolite (TLB)	B1	B+	Chemicals	\$305.0	1.00%	L + 450	99.0	NA	Antares	Charlesbank Capital	LBO

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
First Eagle Investment (RC)	Ba1	BB+	Services & Leasing	\$150.0	TBD	L + 325	TBD	NA	MS	Blackstone	LBO
First Eagle Investment (TLB)	Ba1	BB+	Services & Leasing	\$1,350.0	0.75%	L + 350	99.0	NA	MS	Blackstone	LBO
XPO Logistics (TLB)	Ba1	BB-	Transportation	\$1,750.0	1.00%	L + 400	98.5	5.0x	MS	Not Sponsored	Acquisition
Computer Sciences Gov't (TLB)	Ba2	BB+	Computers	\$1,250.0	0.75%	L + 300	TBD	NA	RBC	Providence Equity	Merger
Lannett Company (RC)	B1	NR	Healthcare	\$125.0	TBD	TBD	TBD	3.3x	MS	Not Sponsored	Acquisition
Lannett Company (TLB)	B1	NR	Healthcare	\$1,160.0	1.00%	L + 425	98.5	3.3x	MS	Not Sponsored	Acquisition
Numericable (TLB)	B1	B+	Cable	\$1,251.1	0.75%	L + 400	99.0	4.0x	JPM	Not Sponsored	Dividend Recap
eBay (RC)	B2	NR	Services & Leasing	\$60.0	0.00%	L + 425	TBD	NA	MS	Sterling Investment	LBO
eBay (TLB)	B2	NR	Services & Leasing	\$540.0	1.00%	L + 575	98.0	NA	MS	Sterling Investment	LBO
eBay (2nd)	Caa2	NR	Services & Leasing	\$100.0	1.00%	L + 975	98.0	NA	MS	Sterling Investment	LBO

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Bank of Nova Scotia	Aa2	A+	Services & Leasing	\$1,000.0	10/21/20	+ 107	2.4%	2.4%	Senior Notes
Mitsubishi UFJ Trust & Banking	A1	A+	Services & Leasing	\$1,250.0	10/19/20	+ 132	2.7%	2.7%	Senior Notes
Mizuho Corporate Bank	A1	A+	Services & Leasing	\$1,000.0	10/20/20	+ 135	2.7%	2.7%	Senior Notes
Mizuho Corporate Bank	A1	A	Services & Leasing	\$500.0	10/20/18	FRN	FRN	FRN	Senior Notes
Mizuho Corporate Bank	A1	A	Services & Leasing	\$500.0	10/20/18	+ 125	2.2%	2.2%	Senior Notes
S.C. Johnson & Son	NR	A	Chemicals	\$850.0	10/15/46	+ 188	4.8%	4.8%	Senior Notes
Sumitomo Mitsui	A1	A	Services & Leasing	\$500.0	10/20/20	+ 120	2.5%	2.5%	Bank Guaranteed
Reliance Standard Life Insurance	A2	A	Insurance	\$400.0	10/15/18	+ 125	2.2%	2.2%	Funding Agreement
LeasePlan	A3	BBB	Services & Leasing	\$500.0	1/22/19	+ 205	2.9%	2.9%	Senior Notes
Bank of America	Baa1	A-	Services & Leasing	\$2,250.0	10/19/20	+ 135	2.6%	2.6%	Senior Notes
Bank of America	Baa1	A-	Services & Leasing	\$1,000.0	8/1/25	+ 167	3.9%	3.7%	Senior Notes
Banco Bilbao Vizcaya Argentaria	Baa1	BBB+	Services & Leasing	\$1,000.0	10/20/20	+ 175	3.0%	3.1%	Senior Notes
CSX	Baa1	BBB+	Transportation	\$600.0	11/1/25	+ 135	3.4%	3.4%	Senior Notes
Mizuho Corporate Bank	NR	BBB+	Services & Leasing	\$750.0	10/20/25	+ 230	4.4%	4.4%	Sub Notes
National Retail Properties	Baa1	BBB+	Real Estate	\$400.0	11/15/25	+ 205	4.0%	4.0%	Senior Notes
Twenty-First Century Fox	Baa1	BBB+	Entertainment	\$600.0	10/15/25	+ 175	3.7%	3.7%	Sub Notes
Twenty-First Century Fox	Baa1	BBB+	Entertainment	\$400.0	10/15/45	+ 215	5.0%	5.0%	Sub Notes
Santander	Baa1	BBB	Services & Leasing	\$1,000.0	10/16/20	+ 155	2.9%	2.9%	Senior Notes
DDR	Baa2	BBB-	Real Estate	\$400.0	1/1/26	+ 238	4.3%	4.4%	Senior Notes
Dollar General	Baa3	BBB	Retail	\$500.0	11/1/25	+ 215	4.2%	4.2%	Senior Notes
Fidelity National Information	Baa3	BBB	Computers	\$1,750.0	10/15/20	+ 230	3.6%	3.7%	Senior Notes
Fidelity National Information	Baa3	BBB	Computers	\$1,500.0	10/15/25	+ 300	5.0%	5.0%	Senior Notes
Fidelity National Information	Baa3	BBB	Computers	\$750.0	10/15/18	+ 195	2.9%	2.9%	Senior Notes
Fidelity National Information	Baa3	BBB	Computers	\$500.0	10/15/22	+ 280	4.5%	4.5%	Senior Notes
Newell Rubbermaid	Baa3	BBB-	Chemicals	\$300.0	10/19/18	+ 130	2.2%	2.2%	Senior Notes
Newell Rubbermaid	Baa3	BBB-	Chemicals	\$300.0	11/1/25	+ 195	3.9%	3.9%	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	\$20,500	26	\$968,985	1,181	\$805,624	1,124	+20.3%	+5.1%
High-Yield ⁽¹⁾	\$1,000	1	\$207,550	330	\$268,797	496	(22.8%)	(33.5%)
Total Bonds	\$21,500	27	\$1,176,535	1,511	\$1,074,421	1,620	+9.5%	(6.7%)

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$8,206	8	\$280,754	472	\$445,152	756	(36.9%)	(37.6%)

Benchmark Yields

Benchmark	Current	Previous Week	Δ (bps)	Previous Year	Δ (bps)
2 yr UST	0.61%	0.65%	(4.0)	0.35%	26.0
5 yr UST	1.34%	1.41%	(7.0)	1.39%	(5.0)
10 yr UST	2.04%	2.12%	(8.0)	2.17%	(13.0)
30 yr UST	2.87%	2.94%	(7.0)	2.94%	(7.0)
3M LIBOR	0.32%	0.32%	(0.3)	0.23%	8.6

⁽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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