

## Piper Jaffray Debt Capital Markets Update

Issue No. 347: February 9, 2015

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](http://www.piperjaffray.com/dcmupdate)

## MARKET COMMENTARY

The high-yield market priced 16 bonds last week, bringing year-to-date issuance to more than \$35.3 billion. The middle market launched five new loan transactions last week for Arctic Glacier, BATS Global Markets, DBRS Limited, Phoenix Services and Sabre Industries.

This week, loan and high-yield funds saw \$511 million in outflows and \$2.7 billion in inflows, respectively. Year-to-date, loan funds have seen \$2.7 billion in outflows, while inflows from high-yield funds total \$5.2 billion.

The secondary high-yield market was up this week, closing at 101.48% of par to yield 5.99%.

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
Arctic Glacier (TLB)	\$35.0	1.00%	L + 500	99.0	Feb-15	Jefferies	HIG Capital	Food & Beverage	Refinancing
BATS Global Markets (TLB)	\$128.0	1.00%	L + 475	99.0	Feb-15	JPM	Not Sponsored	Services & Leasing	Acquisition
BATS Global Markets (TLB)	\$250.0	TBD	L + 375	99.5	Feb-15	JPM	Not Sponsored	Services & Leasing	Acquisition
DBRS Limited (RC)	\$50.0	TBD	TBD	TBD	Feb-15	Credit Suisse	Carlyle Group	Services & Leasing	LBO
DBRS Limited (TLB)	\$250.0	1.00%	L + 525	99.0	Feb-15	Credit Suisse	Carlyle Group	Services & Leasing	LBO
Phoenix Services (TLB)	\$50.0	1.00%	L + 500	99.5	Feb-15	Credit Suisse	Olympus Partners	Metals & Mining	Corp Purpose
Sabre Industries (RC)	\$65.0	TBD	TBD	TBD	Feb-15	BNP Paribas	Kohlberg & Co.	Metals & Mining	Acquisition
Sabre Industries (TLB)	\$255.0	1.00%	L + 500	99.0	Feb-15	BNP Paribas	Kohlberg & Co.	Metals & Mining	Acquisition

Large Cap	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Date	Lead Arranger	Sponsor	Company Focus	Purpose
Veresen Midstream (RC)	\$75.0	TBD	TBD	TBD	Feb-15	Toronto-Dom.	KKR	Oil & Gas	Acquisition
Veresen Midstream (TLA)	\$1,275.0	TBD	TBD	TBD	Feb-15	Toronto-Dom.	KKR	Oil & Gas	Acquisition
Veresen Midstream (TLB)	\$600.0	1.00%	L + 500	98.0	Feb-15	RBC	KKR	Oil & Gas	Acquisition
Waste Industries USA (RC)	\$250.0	TBD	TBD	TBD	Feb-15	BOA	Macquarie	Environmental	Refinancing
Waste Industries USA (TLB)	\$700.0	1.00%	L + 350	99.0	Feb-15	BOA	Macquarie	Environmental	Refinancing

## 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 2/2/2015

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Landwirtsch. Rentenbank	Aaa	AAA	Financial	\$500	1/12/22	+ 4	FRN	FRN	Senior Unsecured
New York Life Global	Aaa	NR	Financial	\$750	2/11/20	+ 65	2.0%	2.0%	Senior Unsecured
Oekb Oest. Kontrollbank	Aaa	NR	Financial	\$1,000	2/10/20	+ 20	1.4%	1.4%	Senior Unsecured
Apple	Aa1	AA+	Technology	\$2,000	2/9/45	+ 125	3.5%	3.5%	Senior Unsecured
Apple	Aa1	AA+	Technology	\$1,500	2/9/25	+ 85	2.5%	2.5%	Senior Unsecured
Apple	Aa1	AA+	Technology	\$1,250	2/7/20	+ 42	1.6%	1.6%	Senior Unsecured
Apple	Aa1	AA+	Technology	\$1,250	2/9/22	+ 67	2.2%	2.2%	Senior Unsecured
Apple	Aa1	AA+	Technology	\$500	2/7/20	+ 25	FRN	FRN	Senior Unsecured
IBM	Aa3	AA-	Technology	\$1,500	2/6/18	+ 40	1.1%	1.2%	Senior Unsecured
IBM	Aa3	AA-	Technology	\$500	2/6/18	+ 19	FRN	FRN	Senior Unsecured
RBC	Aa3	AA-	Financial	\$1,750	2/3/17	+ 26	FRN	FRN	Senior Unsecured
Memorial Sloan-Kettering	Aa3	NR	Healthcare	\$550	7/1/55	+ 185	4.2%	4.2%	Senior Unsecured
Trinity Health Credit	Aa3	NR	Healthcare	\$350	12/1/45	+ 170	4.1%	4.1%	Senior Unsecured
Costco	A1	A+	Super Centers	\$500	2/15/20	+ 47	1.8%	1.8%	Senior Unsecured
Costco	A1	A+	Super Centers	\$500	2/15/22	+ 67	2.3%	2.3%	Senior Unsecured
Jackson National Life Ins.	A1	NR	Financial	\$125	8/9/16	+ 40	FRN	FRN	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$2,500	2/10/25	+ 95	2.8%	2.8%	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$2,000	2/10/45	+ 130	3.7%	3.7%	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$1,250	2/10/20	+ 55	1.9%	1.9%	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$1,250	2/10/22	+ 75	2.4%	2.4%	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$700	2/10/20	+ 38	FRN	FRN	Senior Unsecured
Merck & Co.	A2	AA	Healthcare	\$300	2/10/17	+ 13	FRN	FRN	Senior Unsecured
Reliance Standard Life	A2	A+	Financial	\$550	1/15/20	+ 110	2.5%	2.6%	Senior Unsecured
Manufacturers & Traders	A2	A	Financial	\$750	2/6/20	+ 83	2.1%	2.1%	Senior Unsecured
Manufacturers & Traders	A2	A	Financial	\$750	2/6/25	+ 113	2.9%	2.9%	Senior Unsecured
Mizuho Securities	A2	NR	Financial	\$20	12/10/15	+ 35	FRN	FRN	Senior Unsecured
MUFG Americas Holdings	A3	A	Financial	\$1,000	2/10/20	+ 95	2.3%	2.3%	Senior Unsecured
MUFG Americas Holdings	A3	A	Financial	\$500	2/10/25	+ 125	3.0%	3.1%	Senior Unsecured
MUFG Americas Holdings	A3	A	Financial	\$450	2/9/18	+ 80	1.6%	1.6%	Senior Unsecured
MUFG Americas Holdings	A3	A	Financial	\$250	2/9/18	+ 57	FRN	FRN	Senior Unsecured
Tencent Holdings	A3	A-	Communications	\$1,100	2/11/20	+ 163	2.9%	2.9%	Senior Unsecured
Tencent Holdings	A3	A-	Communications	\$900	2/11/25	+ 205	3.8%	3.8%	Senior Unsecured
Capital One	A3	BBB+	Financial	\$1,600	2/5/18	+ 90	1.7%	1.7%	Senior Unsecured
Capital One	A3	BBB+	Financial	\$400	2/5/18	+ 68	FRN	FRN	Senior Unsecured
Capital One	Baa1	BBB	Financial	\$1,000	2/5/25	+ 157	3.2%	3.2%	Senior Unsecured
Reliance Industries	Baa2	BBB+	Energy	\$750	2/10/45	+ 263	4.9%	4.9%	Senior Unsecured
GATX	Baa2	BBB	Industrial	\$350	3/30/20	+ 120	2.6%	2.7%	Senior Unsecured
GATX	Baa2	BBB	Industrial	\$300	3/30/25	+ 160	3.3%	3.4%	Senior Unsecured
GATX	Baa2	BBB	Industrial	\$250	3/30/45	+ 215	4.5%	4.5%	Senior Unsecured
Northrop Grumman	Baa2	BBB	Industrial	\$600	4/15/45	+ 148	3.9%	3.9%	Senior Unsecured
Cencosud	Baa3	NR	Super Centers	\$650	2/12/25	+ 338	5.2%	5.2%	Senior Unsecured
Cencosud	Baa3	NR	Super Centers	\$350	2/12/45	+ 420	6.6%	6.6%	Senior Unsecured
Türkiye Halk Bankasi	Baa3	NR	Financial	\$500	2/11/21	+ 336	4.8%	4.8%	Senior Unsecured
H&R REIT	NR	NR	Financial	\$125	2/9/18	+ 108	FRN	FRN	Senior Unsecured
PNC Bank	NR	NR	Financial	\$600	1/26/17	+ 30	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 2/2/2015

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
DR Horton	Ba1	BB	Homebuilding	\$500	2/15/20	+ 270	4.0%	4.0%	Senior Unsecured
Eskom Holdings	Ba1	NR	Utilities	\$1,250	2/11/25	+ 556	7.1%	7.4%	Senior Unsecured
James Hardie	Ba2	BB-	Diversified	\$325	2/15/23	+ 430	5.9%	6.0%	Senior Unsecured
Intercorp Peru	Ba2	NR	Financial	\$250	2/12/25	+ 399	5.9%	5.9%	Senior Unsecured
Netflix	B1	B+	Communications	\$800	2/15/25	+ 426	5.9%	5.9%	Senior Unsecured
Netflix	B1	B+	Communications	\$700	2/15/22	+ 404	5.5%	5.5%	Senior Unsecured
XPO Logistics	B1	B-	Industrial	\$900	9/1/19	+ 553	7.9%	7.9%	Senior Unsecured
Western Refining	B3	B	Energy	\$300	2/15/23	+ 572	7.5%	7.5%	Senior Unsecured
Acadia Healthcare	B3	B-	Healthcare	\$375	2/15/23	+ 393	5.6%	5.6%	Senior Unsecured
CrownRock	Caa1	B	Energy	\$350	2/15/23	+ 635	7.8%	8.0%	Senior Unsecured
Midas International	Caa1	NR	Commercial Printing	\$300	10/1/22	+ 545	7.9%	7.9%	Senior Unsecured
YPF Sociedad Anonima	Caa1	NR	Energy	\$1,325	4/4/24	+ 679	8.8%	8.8%	Senior Unsecured
YPF Sociedad Anonima	Caa1	NR	Energy	\$762	12/19/18	+ 801	8.9%	9.0%	Senior Unsecured
Atlas IX Capital	NR	NR	Financial	\$150	1/7/19	+ 700	FRN	FRN	Senior Unsecured
Family Tree Escrow	NR	NR	Support Services	\$2,500	3/1/23	+ 391	5.8%	5.8%	Senior Unsecured
Family Tree Escrow	NR	NR	Support Services	\$750	3/1/20	+ 377	5.3%	5.3%	Senior Unsecured

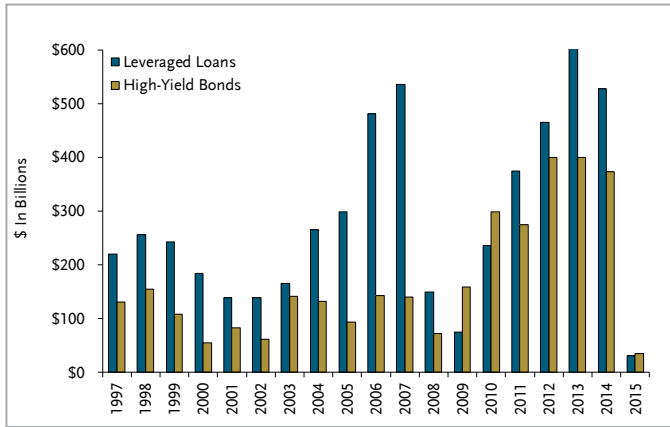
Total Bond Volume	Week of 2/2/2015		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$36,270	45	\$134,101	211	\$135,876	193	(1.3%)	+9.3%
High-Yield	\$11,537	16	\$35,378	50	\$32,838	60	+7.7%	(16.7%)
Total Corporates	\$47,807	61	\$169,478	261	\$168,714	253	+0.5%	+3.2%

<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&amp;P LCD

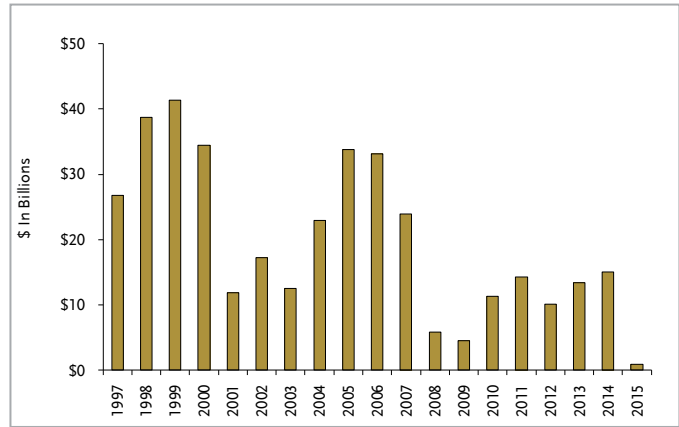
## LOAN & BOND VOLUME

### Leveraged Loan & HY Volume



Source: S&P LCD

### Middle Market Loan Volume



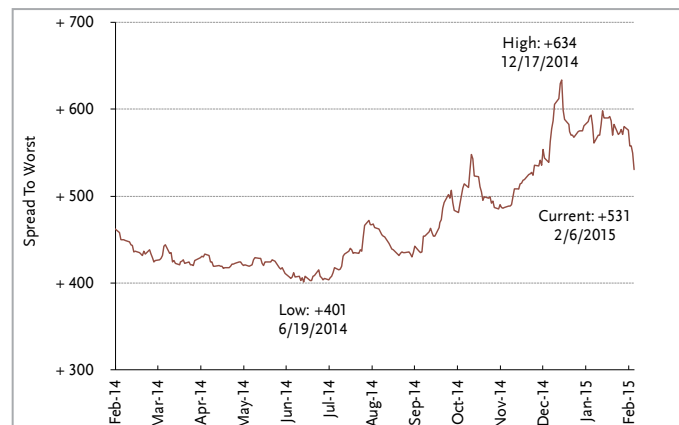
## HIGH-YIELD INDEX SPREADS

### Moody's Rating: Ba2



Source: AdvantageData

### Moody's Rating: B2



## DEBT CAPITAL MARKETS CONTACTS

Theodore Christianson  
Head of Equity Private Placements & Debt Capital Markets

+1 612 303-6282  
theodore.j.christianson@pjc.com

James Chiarelli  
Managing Director, Co-Head of Debt Capital Markets

+1 312 267-5122  
james.d.chiarelli@pjc.com

Bob Lauria  
Principal

+1 212 284-9347  
robert.j.lauria@pjc.com

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision.

PIPER JAFFRAY IS A LEADING INVESTMENT BANK AND ASSET MANAGEMENT FIRM.

Piper Jaffray Companies (NYSE: PJC) is an investment bank and asset management firm headquartered in Minneapolis with offices across the U.S. and in London, Hong Kong\* and Zurich. Securities brokerage and investment banking services are offered in the United States through Piper Jaffray & Co., member NYSE and SIPC, and in Europe through Piper Jaffray Ltd., authorized and regulated by the Financial Conduct Authority. Asset management products and services are offered through three separate investment advisory affiliates registered with the U.S. Securities and Exchange Commission: Advisory Research Inc., Piper Jaffray Investment Management LLC and PJC Capital Partners LLC.

© 2015 Piper Jaffray Companies  
800 Nicollet Mall, Minneapolis, Minnesota 55402-1702

Additional information is available upon request. [www.piperjaffray.com](http://www.piperjaffray.com)

\* License pending