

Bank and Capital Markets New Issue Review

6 - 10 August 2012

Markets

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- Section 2: US\$ public bond market
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Markets covered are those open to international corporate issuers – local markets such as Canadian Maple, Schuldscheine, Swiss, Scandinavian, Sukuk, Samurai, Hong Kong & Singaporean Dollar, Kangaroo, Kiwi and Yen markets et al. may offer finance for issuers with assets, revenues or brand recognition in those geographies, and further information on pricing and recent marketing activity is available on request.

Capital and Debt Advisory

- Bank facilities
- Target capital structure
- Credit ratings
- Capital market options and planning
- Transaction preparation and management
- Private placements
- Restructuring

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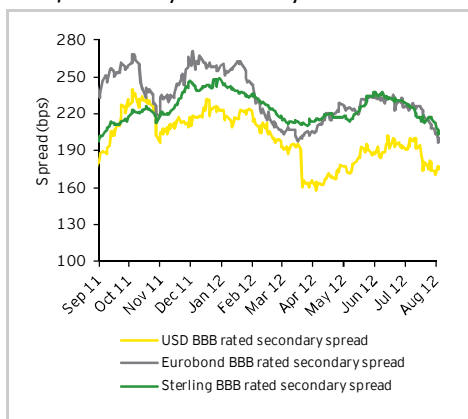
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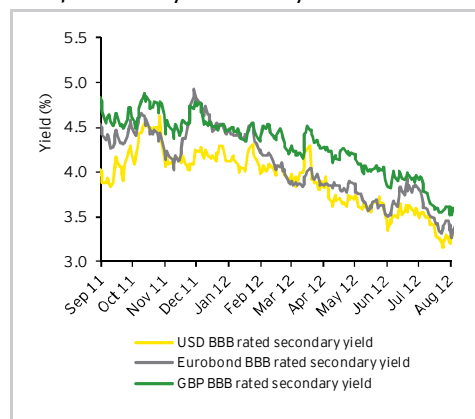
UK Inflation leads to speculation of further stimulus

- ▶ In the final week of the 2012 Olympic Games, early reports suggest the Games, which have inflated the mood of a nation, did not have had the same effect on the UK retail market. Furthermore, weak economic data from a number of markets including the UK, France, Italy, China and inevitably, Greece, drove yields in the US high yield debt market lower.
- ▶ The BoE released its Quarterly Inflation Report on Wednesday and signalled slower than expected economic recovery, with growth forecasts for the next 24 months revised down to 2.1% from a forecast of 3.4% made only six months ago. Increased speculation of further economic stimulus from additional Quantitative Easing in the autumn and a reduction to the base rate was partly quashed by the Governor of the BoE, Sir Mervin King, saying that a cut in the base rate could be “counterproductive”.
- ▶ France’s Central Bank has warned that the country is likely to return to recession for the second time in three years after their predictions of a 0.1% contraction in GDP for Q3 2012. The construction and automobile industries in France have been hit particularly hard due to consumers and investors holding back on significant spending. The weak data was not restricted to the Eurozone, with Chinese export data showing that monthly growth was 1.0% from a year earlier, and not the widely anticipated 8.0%.

BBB rated secondary public bond spread composites 10-year maturity



BBB rated secondary public bond yield composites 10-year maturity



Source: Datastream; Bloomberg

- ▶ Jean-Claude Juncker, leader of the eurozone finance ministers’ group stated in the week that an exit from the Euro by Greece would be “manageable but that does not mean it is desirable”. S&P lowered its outlook on Greece to negative based on concerns that the country will not meet its deficit targets. Italy’s economy proved to be more fragile than expected after GDP fell 0.7% in the second quarter, a slightly larger fall than many economists’ predictions.

- ▶ Tensions between Germany and Italy escalated this week after warnings by Italian Prime Minister, Mario Monti, that Bundestag control over EU debt policies threatens to bring about the “disintegration” of the European project. The outburst leaves it unclear whether Germany will agree to activate the eurozone rescue fund (EFSF) on acceptable terms if Spain and Italy request bail-outs. The yield on Italian and Spanish bonds fell on Thursday, with 10-year debt paying 5.9% and 6.8% respectively.
- ▶ Issuance of unsecured European debt by banks in Europe has fallen to below 50% for the first time in five years suggesting banks are holding more of their assets to access funding. Unsecured debt, seen as the foundation of bank funding, fell to 43% of total debt issued. A report by rating agency Fitch warns that there is a risk of senior unsecured debt becoming less attractive, reducing supply in the long term.
- ▶ The week saw multiple jumbo issuances across the debt capital markets, with a notable 14 issuers accessing the market for US\$1 billion or more. PepsiCo (Aa3, A-, A) was one such issuer, taking advantage of yields on US corporate debt falling to the lowest levels for a year. The US beverage manufacturer issued US\$2.5 billion in three tranches; a US\$900 million 3-year tranche issued at 0.70% (T+33bps), a US\$1 billion 5-year tranche issued at 1.25% (T+63bps) and a US\$600 million 30-year tranche, finding support at 3.60% (T+95bps). Another jumbo issue was from US corporate Altria (Baa1, BBB, BBB+) who successfully issued US\$2.8 billion across 10- and 30-years at the tighter end of pricing, with the issues over 2.5 times oversubscribed.
- ▶ Deal activity was not limited to the US, although European volumes were much lower, continuing the slow summer for Euro issuance. Procter & Gamble (Aa3, AA-, NR) issued €1 billion of 10-year bonds at MS+25bps; this was the company’s first Euro issuance since October 2007, and attracted an order book of €6 billion. The company also raised US\$1 billion in 10-years at T+38bps. Activity was also seen in the Sterling market, including German car manufacturer and capital market favourite, Volkswagen (A3, A-, NR), issuing £250 million at G+110bps.
- ▶ There was high yield appetite in the Euro market as Netherlands based Stork Technical Services (B3, B-, NR) relaunched a reduced offering on the Eurobond market after failing to issue €315 million in July 2012. The company sold €273 million of five year senior secured notes at a coupon of 11.00%.

Section 1

Bank loan market

Completed transactions greater than US\$250 million

Signing date	Issuer	Tranche rating	Form	Ccy	Amount	Maturity*	Sector	Ctry	Margin*	Leads
10 Aug	Hillenbrand	NR, NR	RCF	USD	600	2017	Funeral home	US	-	JPM, RBS
08 Aug	PTTEP	NR, NR	TL	GBP	950	2013	Oil & Gas	KY	L+85	UBS, BOTM, MIZ, SUM
08 Aug	Windstream	Baa3, BB+	TL	USD	300	2017	Telecoms	US	L+225	JPM
08 Aug	Windstream	Baa3, BB+	TL	USD	600	2019	Telecoms	US	L+300	JPM
07 Aug	Biomet	B1, BB-	RCF	USD	600	2017	Healthcare	US	-	BASML
07 Aug	Blue Buffalo	B1, NR	RCF	USD	40	2017	Pet Food	US	L+50	Citi, MS
07 Aug	Blue Buffalo	B1, NR	TL	USD	350	2019	Pet Food	US	L+525	Citi, MS
07 Aug	Constellation Brands	NR, NR	TL	USD	575	2017	Beverage	US	L+200	Various (25+)
07 Aug	Essential Energy	Ba2, NR	RCF	USD	100	2017	Oil & Gas	CA	-	BAR, CS, RBC, Union Bank
07 Aug	Essential Energy	Ba2, NR	TL	USD	565	2019	Oil & Gas	CA	L+425	BAR, CS, RBC, Union Bank
07 Aug	Nan Ya Printed Circuit Boards	NR, NR	TL	USD	391	2017	Technology	CN	L+110	Bank of Taiwan, MIZ, Chang Hwa Bank, E Sun Bank, Mega Bank, Taipei Bank
06 Aug	Aenova	NR, NR	OTH	EUR	250	-	Healthcare	DE	-	JPM
06 Aug	CDC Consona	NR, NR	RCF	USD	10	2017	Technology	US	-	BMO, Golub Capital
06 Aug	CDC Consona	NR, NR	TL	USD	100	2018	Technology	US	L+550	BMO, Golub Capital
06 Aug	CDC Consona	NR, NR	TL	USD	150	2018	Technology	US	L+600	BMO, Golub Capital
06 Aug	CNOOC	NR, NR	TL	USD	15,100	2013	Oil & Gas	CN	L+150	-
06 Aug	Home Shopping	NR, NR	RCF	EUR	15	-	Retail	DE	E+500	Citi, DZ Bank, ING, UBS, UNI
06 Aug	Home Shopping	NR, NR	TL	EUR	100	-	Retail	DE	E+500	Citi, DZ Bank, ING, UBS, UNI
06 Aug	Home Shopping	NR, NR	TL	EUR	150	-	Retail	DE	E+550	Citi, DZ Bank, ING, UBS, UNI
06 Aug	Husky	NR, NR	TL	USD	920	2018	Engineering	CA	L+450	GS, MS, RBC, Toronto Dominion Bank
06 Aug	Reliance Industries	NR, NR	TL	USD	1,000	2017	Oil & Gas	IN	L+220	Various (15+)
06 Aug	Reliance Industries	NR, NR	TL	USD	500	2018	Oil & Gas	IN	L+240	Various (15+)
06 Aug	Sonic Healthcare	NR, NR	TL	USD	585	-	Healthcare	AU	-	-

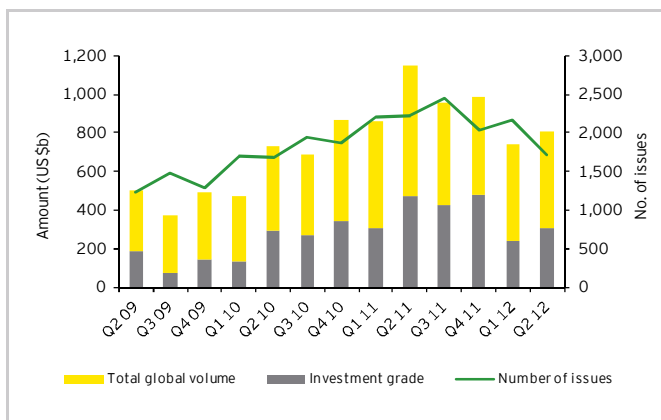
Section 1

Bank loan market (cont.)

Completed transactions greater than US\$250 million

Signing date	Issuer	Tranche rating	Form	Ccy	Amount	Maturity*	Sector	Ctry	Margin*	Leads
06 Aug	Tom Tailor	NR, NR	TL	EUR	20	2013	Retail	DE	-	BNP, CZB, DZ, IKB, UNI
06 Aug	Tom Tailor	NR, NR	TL	EUR	80	2013	Retail	DE	-	BNP, CZB, DZ, IKB, UNI
06 Aug	Tom Tailor	NR, NR	RCF	EUR	138	2015	Retail	DE	-	BNP, CZB, DZ, IKB, UNI
06 Aug	Tom Tailor	NR, NR	TL	EUR	100	2015	Retail	DE	-	BNP, CZB, DZ, IKB, UNI
06 Aug	Tom Tailor	NR, NR	OTH	EUR	138	2015	Retail	DE	-	BNP, CZB, DZ, IKB, UNI
06 Aug	Westfield	NR, NR	TL	USD	1,000	-	Real Estate	AU	-	-

Bank debt issuance volumes



Source: Thomson ONE Banker

Pricing grid (Europe) – multiyear drawn



Source: LoanConnector

Market requirements

Min loan size	None	Listing	None	Change of control	Typical
Maturities	Min 364 days	Roadshow	Recommended	Lenders fees	Typical
Ratings required	None	Financial covenants	Typical	Margin step-up	Occasional
Legal opinions	Required	Lender relationship	Yes		



Section 2

US\$ public bond market (RegS, 144a)

Domestic

Date	Issuer	Ratings (M,S&P,F)	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp)	Spread (Libor+bp)	Sector	Ctry	Leads
10 Aug	H&E Equipment	B3, B+, NR	SN	530	7.000%	2022	+536	+527	Industrials	US	BASML, CS, DB
09 Aug	Energy Future	Caa3, NR, B	SSN	250	6.875%	2017	+614	+595	Energy & Power	US	Citi, GS, CS, JPM, MS
09 Aug	Exelixis	NR, NR, NR	SN	288	4.250%	2019	-	-	Healthcare	US	GS, Citi, CS, MS
09 Aug	Hospitality Properties	Baa2, BBB-, NR	OTH	500	5.000%	2022	+355	+342	Real Estate	US	RBC, Wells, Citi, BASML
09 Aug	Lennar	B2, B+, NR	SN	50	4.750%	2017	-	-	Industrials	US	Citi
09 Aug	Nuance Communications	Ba3, BB-, NR	SN	700	5.375%	2020	+406	+388	Technology	US	BAR, MS
09 Aug	Olin	Ba1, BB-, NR	SN	200	5.500%	2022	+382	+369	Materials	US	BASML, Citi, Wells
09 Aug	Procter & Gamble	Aa3, AA-, NR	SN	1,000	2.000%	2022	+38	+25	Consumer Products	US	MS, HSBC, DB
09 Aug	Sprint Nextel	B3, B+, NR	SN	1,500	7.000%	2020	+568	+550	Telecoms	US	JPM, DB, Barclays, GS, BASML, Citi
09 Aug	Wavedivision	Caa1, B-, NR	SN	250	8.125%	2020	+679	+661	Marketing	US	DB, Wells, RBC, SUN
09 Aug	Williams Partners	Baa2, BBB, BBB-	SN	750	3.350%	2022	+170	+157	Energy & Power	US	UBS, RBS, Wells, CA, RBC
08 Aug	Baxter	A3, A+, A	SN	700	2.400%	2022	+80	+64	Healthcare	US	DB, GS, RBS, UBS
08 Aug	Baxter	A3, A+, A	SN	300	3.650%	2042	+95	+120	Healthcare	US	DB, GS, RBS, UBS
08 Aug	Charter Communications	B1, BB, NR	SN	1,250	5.250%	2022	+373	+357	Media & Entertainment	US	Citi, BASML, CS, JPM, UBS, DB, Barcap, MS
08 Aug	Community Health Systems	Ba3, BB, NR	SSN	1,600	5.125%	2018	+423	+404	Healthcare	US	CS, BASML, Citi, CA, GS, JPM, MS, RBC, SUN, Robinson Humphrey, Wells
08 Aug	EP Energy	B2, B, NR	SN	350	7.750%	2022	+611	+595	Energy & Power	US	Citi, DB, JPM, NOM, Wells
08 Aug	Essex Portfolio	Baa2, BBB, BBB	OTH	300	3.625%	2022	+210	+194	Real Estate	US	Citi, JPM, Wells
08 Aug	Frontier Communications	Ba2, BB, NR	SN	600	7.125%	2023	+549	+526	Telecoms	US	CS, JPM
08 Aug	Kinder Morgan Energy	Baa2, BBB, BBB	SN	625	3.450%	2023	+185	+162	Energy & Power	US	Citi, RBS, Wells, DB, MIS
08 Aug	Kinder Morgan Energy	Baa2, BBB, BBB	SN	625	5.000%	2042	+230	+255	Energy & Power	US	Citi, RBS, Wells, DB, MIS
08 Aug	Leggett & Platt	Baa1, BBB+, NR	SN	300	3.400%	2022	+180	+164	Consumer Products	US	JPM, Wells, USB
08 Aug	PepsiCo	Aa3, A-, A	OTH	900	0.700%	2015	+33	+13	Beverage	US	Citi, MS, RBS
08 Aug	PepsiCo	Aa3, A-, A	OTH	1,000	1.250%	2017	+63	+43	Beverage	US	Citi, MS, RBS
08 Aug	PepsiCo	Aa3, A-, A	OTH	600	3.600%	2042	+95	+120	Beverage	US	Citi, MS, RBS
08 Aug	Servicemaster	B3, B-, NR	SN	1,000	6.125%	2020	+482	+464	Consumer Products	US	JPM, CS, MS, Barcap, DB, GS, Citi, NAT

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Section 2 US\$ public bond market (RegS, 144a) (Cont.)

Domestic

Date	Issuer	Ratings (M,S&P,F)	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp)	Spread (Libor+bp)	Sector	Ctry	Leads
08 Aug	SiriusXM Radio	B1, BB, NR	SN	400	5.250%	2022	+362	+346	Media & Entertainment	US	JPM, BASML
08 Aug	Winthrop Realty	NR, NR, NR	SN	75	7.750%	2022	-	-	Real Estate	US	Barc, Stifel Nicolaus, Jefferies
07 Aug	Centerpoint Energy	A3, A-, A	OTH	300	2.250%	2022	+65	+50	Energy & Power	US	Barcap, BD, UBS, RBS
07 Aug	Centerpoint Energy	A3, A-, A	OTH	500	3.550%	2042	+85	+108	Energy & Power	US	Barcap, DB, UBS, RBS
07 Aug	Georgia Power	A3, A, A+	SN	400	0.750%	2015	+42	+22	Energy & Power	US	BASML, GS
07 Aug	Ingram Micro	Baa3, BBB-, BBB-	SN	300	5.000%	2022	+345	+330	Retail	US	MS, RBS
07 Aug	Iron Mountain	B1, B+, NR	SN	1,000	5.750%	2024	+390	+355	Technology	US	MS, JPM, BASML, RBS, SCA, Barcap, CA, PNC, TDS, Wells
07 Aug	National Retail Properties	Baa2, BBB, BBB	SN	325	3.800%	2022	+235	+220	Real Estate	US	BASML, Citi, Wells
07 Aug	Time Warner	Baa2, BBB, BBB	SN	1,250	4.500%	2042	+183	+206	Media & Entertainment	US	BNP, Citi, MS, RBC
06 Aug	Advanced Micro Devices	Ba3, BB-, NR	SN	500	7.500%	2022	+594	+578	Technology	US	JPM, BASML
06 Aug	Altria	Baa1, BBB, BBB+	SN	1,900	2.850%	2022	+130	+114	Tobacco	US	Citi, JPM, DB
06 Aug	Altria	Baa1, BBB, BBB+	SN	900	4.250%	2042	+168	+189	Tobacco	US	Citi, JPM, DB
06 Aug	BRE Properties	Baa2, BBB, BBB	SN	300	3.375%	2023	+190	+167	Real Estate	US	JPM, RBS, Wells
06 Aug	Celgene	Baa2, BBB+, NR	SN	500	1.900%	2017	+130	+109	Healthcare	US	BASML, JPM, MS
06 Aug	Celgene	Baa2, BBB+, NR	SN	1,000	3.250%	2022	+170	+154	Healthcare	US	BASML, JPM, MS
06 Aug	Constellation Brands	Ba1, BB+, NR	SN	650	4.625%	2023	+309	+286	Consumer Products	US	BASML, JPM, RAB, Barcap, Wells
06 Aug	Ecolab	Baa1, BBB+, NR	SN	500	1.000%	2015	+75	+53	Consumer Products	US	BASML, CS
06 Aug	Enterprise Products	Baa2, BBB, BBB	SN	650	1.250%	2015	+95	+73	Energy & Power	US	Barcap, Citi, SUN, BASML, DB, MIZ
06 Aug	Enterprise Products	Baa2, BBB, BBB	SN	1,100	4.450%	2043	+185	+206	Energy & Power	US	Barcap, Citi, Sun, Robinson Humphrey, BASML, DB, MIZ
06 Aug	Markwest Energy Partners	Ba3, BB, NR	SN	750	5.500%	2023	+404	+381	Energy & Power	US	Wells, BASML, Barc, Citi, GS, JPM, RBC, UBS, USB
06 Aug	Northern States Power	A1, A, A+	OTH	300	2.150%	2022	+63	+47	Energy & Power	US	JPM, UBS, Wells, Barcap, KeyBanc
06 Aug	Northern States Power	A1, A, A+	OTH	500	3.400%	2042	+83	+104	Energy & Power	US	JPM, UBS, Wells, Barcap, KeyBanc
06 Aug	Omnicom	Baa1, BBB+, NR	SN	500	3.625%	2022	+145	+129	Media & Entertainment	US	Citi, JPM
06 Aug	Sandridge Energy	B2, B, NR	SN	275	7.500%	2021	-	-	Oil & Gas	US	Barcap, Citi, DB, RBC
06 Aug	Sandridge Energy	B2, B, NR	SN	825	7.500%	2023	-	-	Oil & Gas	US	Barcap, Citi, DB, RBC

For the avoidance of doubt, all financial transactions can be executed on a bilateral, club or syndicated basis. It is the intention of this document to reflect transaction information solely where it is in the public domain.

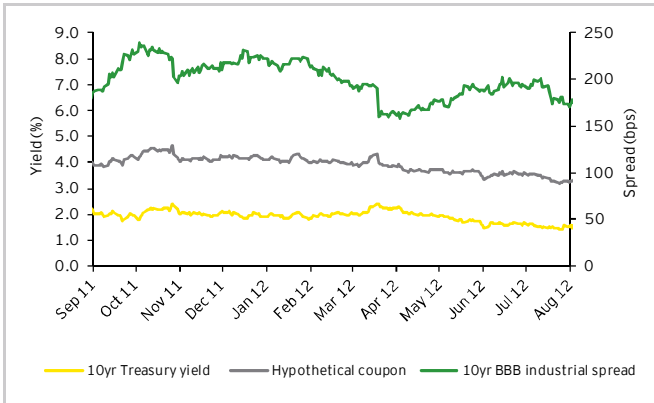


Section 2 US\$ public bond market (RegS, 144a) (cont.)

Crossborder (Yankee)

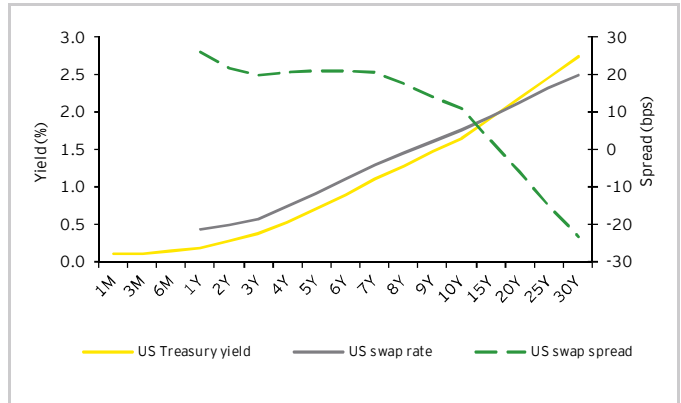
Date	Issuer	Ratings (M,S&P,F)	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp)	Spread (Libor+bp)	Sector	Ctry	Leads
06 Aug	Sinopec	Aa3, A+, NR	SN	500	3.900%	2022	+145	+129	Oil & Gas	CN	GS, MS

US 10yr Treasury yield, credit spread and implicit coupon (-1yr)



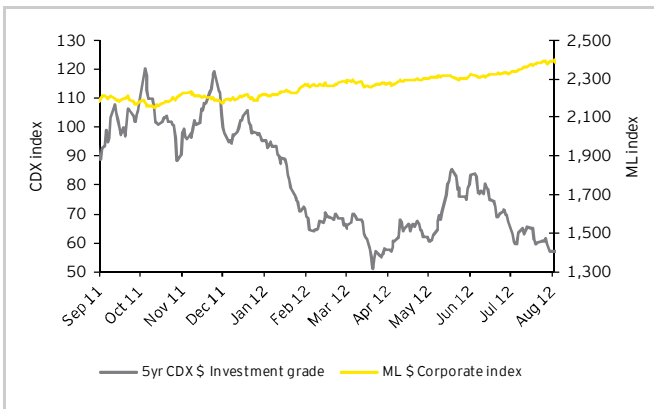
Source: Datastream; Bloomberg

US Treasury yield, swap and swap spread curves



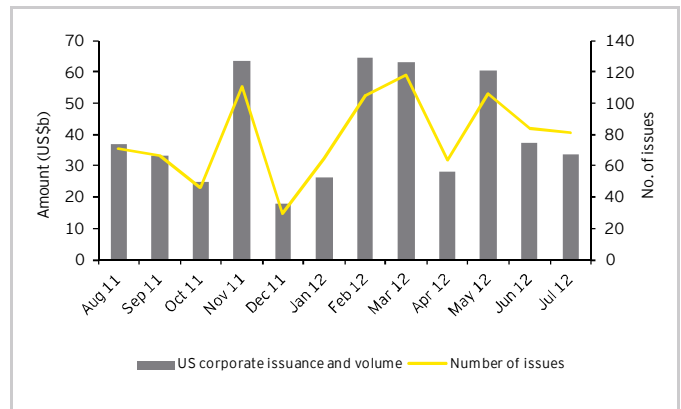
Source: Datastream; Bloomberg

Bond and credit indices (-1yr)



Source: Datastream; Bloomberg

US corporate issuance volumes (-1yr)



Source: Thomson ONE Banker

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Section 2

US\$ public bond market (RegS, 144a) (cont.)

Benchmarks

	5 year	7 year	10 year	30 year
US Treasury yield (%)	0.70	1.10	1.61	2.72
US dollar swap spread (bp)	20	20	14	-21

Market requirements

Min loan size	US\$250m	Listing	Required	Change of control	Typical
Maturities	3-30 years	Roadshow	Recommended	Upfront fees	None
Ratings required	Typically two	Financial covenants	Typically none	Coupon step-up	For lower investment grade and below
Legal opinions	10b-5	Lender relationship	None		



Section 3 Sterling public bond market

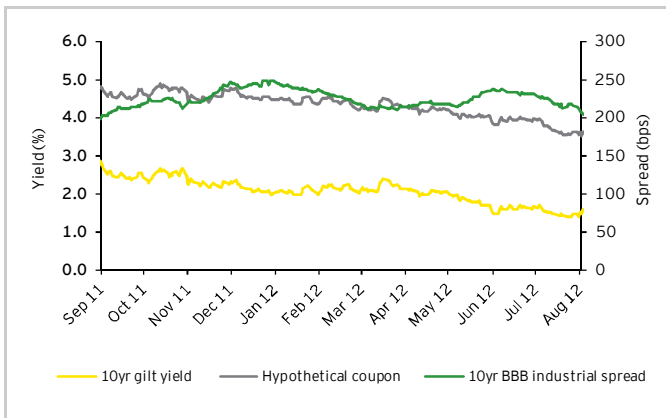
Domestic

Date	Issuer	Ratings (M,S&P,F)	Form	Amount (GBPm)	Coupon	Maturity	Spread (G+bp)	Spread (Libor+bp)	Sector	Ctry	Leads
No significant issuance in the week											

Cross-border (Bulldog)

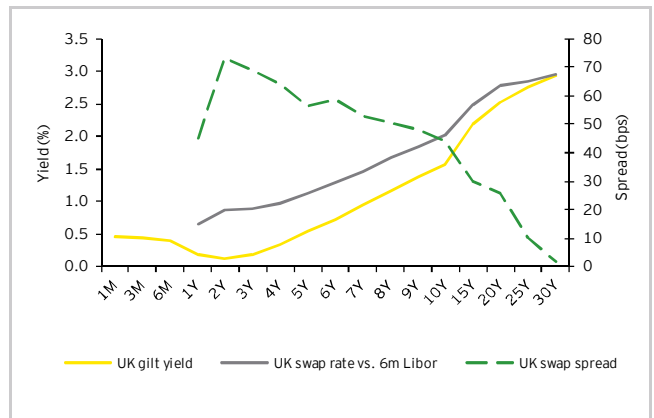
Date	Issuer	Ratings (M,S&P,F)	Form	Amount (GBPm)	Coupon	Maturity	Spread (G+bp)	Spread (Libor+bp)	Sector	Ctry	Leads
09 Aug	Volkswagen	A3, A-, NR	SN	250	1.250%	2015	+110	+93	Automotive	DE	HSBC, RBC

UK 10yr gilt yield, credit spread and implicit coupon



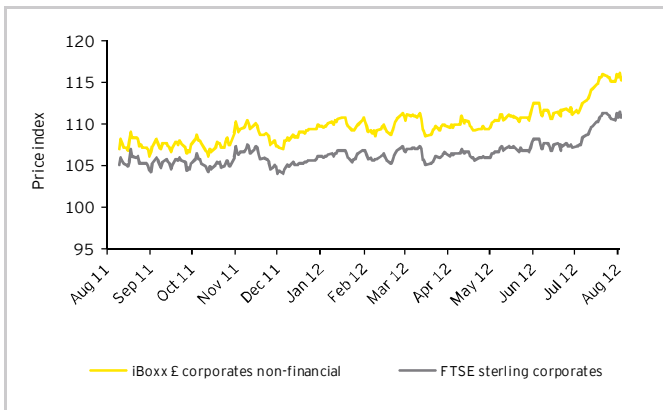
Source: Datastream; Bloomberg

UK gilt yield, swap and swap spread curves



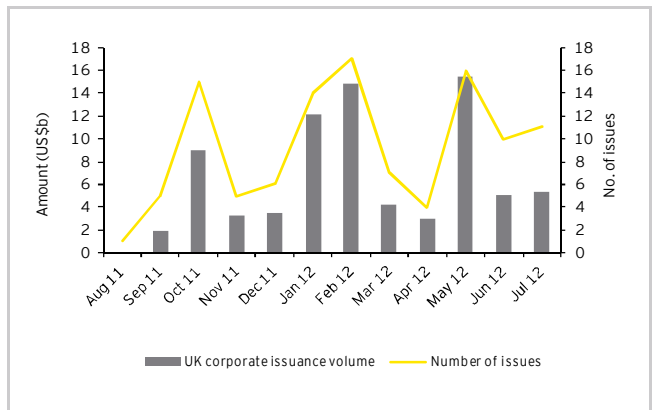
Source: Datastream; Bloomberg

Bond and credit indices (-1yr)



Source: Datastream; Bloomberg

UK corporate issuance volumes (-1yr)



Source: Thomson ONE Banker

Benchmarks

	5 year	7 year	10 year	30 year
UK gilt yield (%)	0.56	0.89	1.54	2.90
Sterling swap spread (bp)	53	56	42	-3

Market requirements

Min loan size	GBP200m	Listing	Required	Change of control	Typical
Maturities	5-30 years	Roadshow	Recommended	Upfront fees	None
Ratings required	Minimum one	Financial covenants	Typically none	Coupon step-up	Occasional
Legal opinions	Required	Lender relationship	None		

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Section 4 Eurobond market

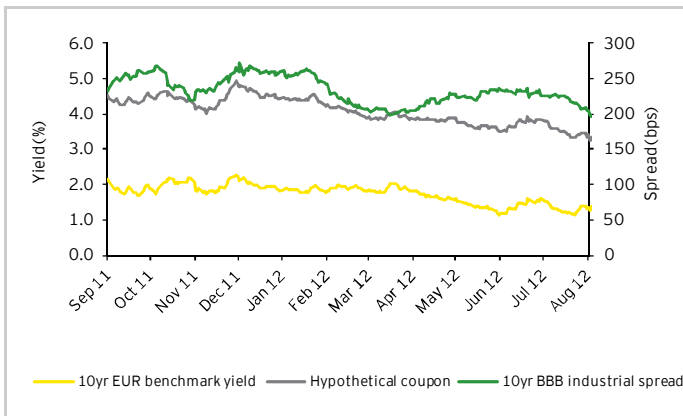
Domestic

Date	Issuer	Ratings (M,S&P,F)	Form	Amount (EURm)	Coupon	Maturity	Spread (B+bp)	Spread (Euribor+bp)	Sector	Ctry	Leads
07 Aug	Stork Technical Services	B3, B-, NR	SSN	273	11.00%	2017	+1,156	+1,087	Professional Services	NT	GS, Jefferies, RAB, KKR, CZB, DnB, NORD, KBC

Cross-border

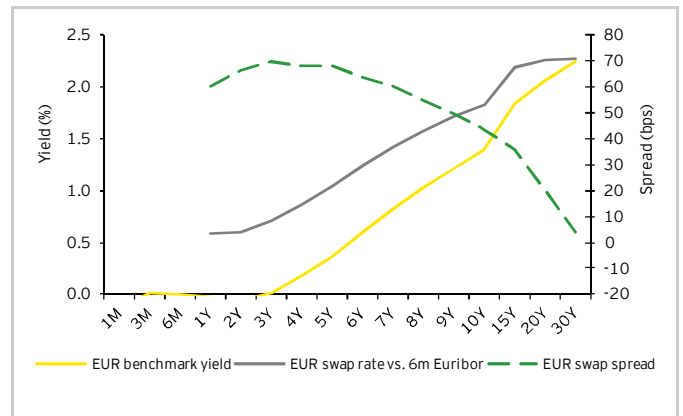
Date	Issuer	Ratings (M,S&P,F)	Form	Amount (EURm)	Coupon	Maturity	Spread (B+bp)	Spread (Euribor+bp)	Sector	Ctry	Leads
09 Aug	Procter & Gamble	Aa3, AA-, NR	SN	1,000	2.000%	2022	+63	+25	Consumer Products	US	DB, HSBC, MS

Euro 10yr yield, credit spread and implicit coupon



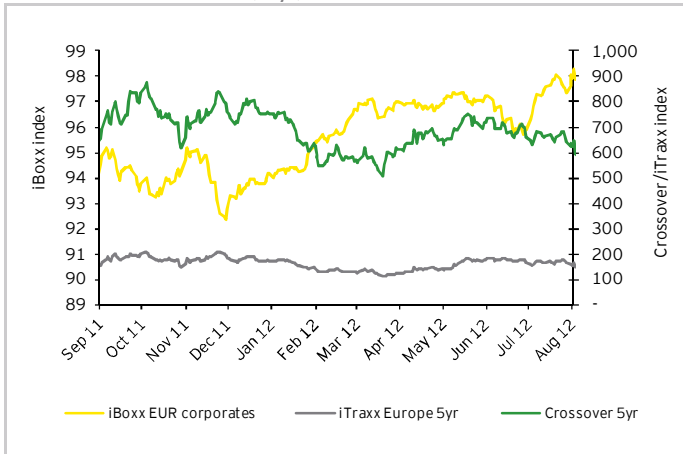
Source: Datastream; Bloomberg

Government yield, swap and swap spread curves



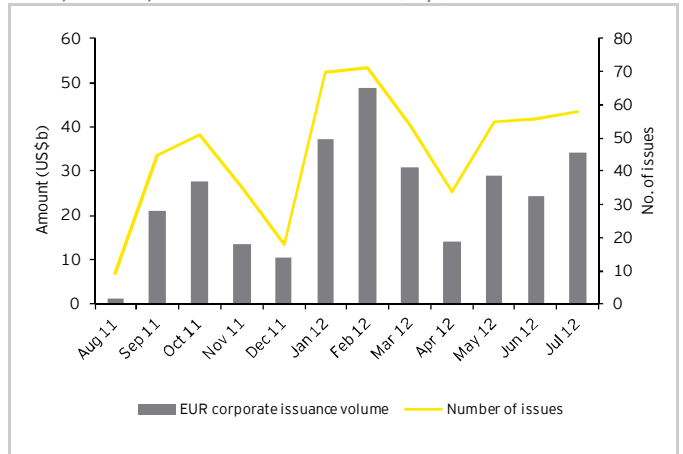
Source: Datastream; Bloomberg

Bond and credit indices (-1yr)



Source: Datastream; Bloomberg

European corporate issuance volumes (-1yr)



Source: Thomson ONE Banker



Section 4

Eurobond market (cont.)

Benchmarks

	5 year	7 year	10 year	30 year
Euro (bund) yield (%)	0.35	0.81	1.38	2.18
Euro swap spread (bp)	68	60	43	8

Market requirements

Min loan size	EUR300m	Listing	Required	Change of control	Typical
Maturities	3-15 years	Roadshow	Recommended	Upfront fees	None
Ratings required	Minimum one	Financial covenants	Typically none	Coupon step-up	Occasional
Legal opinions	Required	Lender relationship	None		

Section 5 US private placement market (USPP)

 Find us on
USPPdirectory
www.usppdirectory.com

In the market

Date	Issuer	Ratings	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp) guidance	Sector	Ctry	Leads
Aug 12	Mid-America Apartment Communities	NAIC-2 (Baa2/BBB)	SN	125		7yr and 10yr	+230-240	Real Estate	US	Jefferies
Aug 12	CoServ Electric	NAIC-1 (AA-)	FMB	475	-	28f/15avg	+200/10yr	Utilities	US	GS
Aug 12	Qiagen	NAIC-2	SN	250	-	7yr, 10yr and 12yr	-	Biotech	NT	DB
Aug 12	EverPower Wind	NAIC-2 (BBB-)	SSN	245.2	-	23.25f/13.6avg	-	Energy & Power	US	JPM, RBS, KeyBanc
Aug 12	Intrepid Potash	NAIC-2	SN	150	-	7yr, 10yr and 12yr	-	Materials	US	USB

Domestic

Date	Issuer	Ratings	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp)	Sector	Ctry	Leads
Aug 12	Worthington Industries	NAIC-2	SN	150	4.600%	12yr	-	Industrials	US	-
Aug 12	Essex Property	NAIC-2 (Baa2/BBB)	SN	300	3.625%	10yr	+210	REIT	US	Citi, JPM, Wells
Aug 12	The National Football League	NAIC-1 (A)	SSN	195	3.410%	12yr	+190/10yr	Sport	US	BASML
Aug 12	DCT Industrial Trust	NAIC-2	SN	90	4.210%	10yr	+280	Real Estate	US	DB
Jul 12	Automotive Rentals	NAIC-2	SN	50	3.250%	10f/7avg	+230	Automotive	US	USB
Jul 12	Apple	NAIC-1	CLT	50	-	25f/15avg	-	Technology	US	Mesirow
Jul 12	Laclede Gas Co	NAIC-1 (A2/A)	FMB	55	3.000%	10yr	-	Oil & Gas	US	JPM, USB
Jul 12	Laclede Group	NAIC-1 (A/A-)	SN	45	3.400%	15yr	-	Oil & Gas	US	JPM, USB
Jul 12	Reyes	NAIC-1 (A)	SN	25	3.310%	10yr	+185	Oil & Gas	US	JPM, USB
Jul 12	Reyes	NAIC-3	SSN	500	5.130%	10f/8avg	+400	Food	US	BASML, JPM
Jul 12	Union Pacific Railroad	NAIC-1	SN	218	3.000%	15f/7.75avg	+187	Transport	US	Wells
Jul 12	LTC Properties	NAIC-2	SN	54	3.050%	15f/7.75avg	+192	Real Estate	US	RBC, Wells
Jul 12	LTC Properties	NAIC-2	SN	85	-	12f/10avg	+340	Real Estate	US	RBC, Wells
Jul 12	Nordson	NAIC-1	SN	20	2.270%	5yr	+165	Materials	US	Wells
Jul 12	Nordson	NAIC-1	SN	37	2.620%	9f/7avg	+165	Materials	US	Wells
Jul 12	Nordson	NAIC-1	SN	75	3.130%	12/10avg	+165	Materials	US	Wells
Jul 12	Nordson	NAIC-1	SN	68	3.070%	13f/9.5avg	+165	Materials	US	Wells

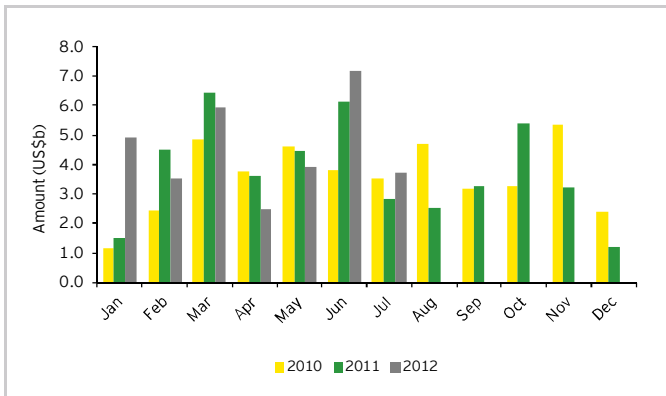
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Date	Issuer	Ratings	Form	Amount (US\$m)	Coupon	Maturity	Spread (T+bp)	Sector	Ctry	Leads
Jul 12	Bromford Housing Association	NAIC-1 (AA)	SSN	61 (GBP)	-	25yr	-	Housing	UK	LBG
Jul 12	Allseas Group	NAIC-2	SN	34	4.090%	5yr	+350	Oil & Gas	NT	ING, RBS
Jul 12	Allseas Group	NAIC-2	SN	64	4.450%	7yr	+350	Oil & Gas	NT	ING, RBS
Jul 12	Allseas Group	NAIC-2	SN	137	4.970%	10yr	+350	Oil & Gas	NT	ING, RBS
Jul 12	Allseas Group	NAIC-2	SN	25 (EUR)	3.670%	5yr	+265	Oil & Gas	NT	ING, RBS
Jul 12	Agnico-Eagle	NAIC-2 (BBB-)	SN	100	4.870%	10yr	+325	Mining	CA	BASML, BAR
Jul 12	Agnico-Eagle	NAIC-2 (BBB-)	SN	100	5.020%	12yr	+340	Mining	CA	BASML, BAR
Jul 12	Arc Resources	NAIC-2	SN	60	3.310%	9f/7avg	+230	Oil & Gas	CA	Citi
Jul 12	Arc Resources	NAIC-2	SN	300	3.810%	12f/10avg	+230	Oil & Gas	CA	Citi
Jul 12	Arc Resources	NAIC-2	SN	40 (CAD)	4.490%	12f/10avg	+277	Oil & Gas	CA	Citi
Jul 12	CitiPower	NAIC-1 (A-)	SN	72	2.520%	7yr	+160	Energy & Power	AU	JPM
Jul 12	CitiPower	NAIC-1 (A-)	SN	103	2.890%	9yr	+160	Energy & Power	AU	JPM
Jul 12	CitiPower	NAIC-1 (A-)	SN	25 (AUD)	5.650%	9yr	-	Energy & Power	AU	JPM
Jul 12	WorleyParsons	NAIC-2	SN	300	3.090%	5yr	+250	Professional Services	AU	BASML
Jul 12	WorleyParsons	NAIC-2	SN	300	3.450%	7yr	+251	Professional Services	AU	BASML
Jul 12	WorleyParsons	NAIC-2	SN	300	4.000%	10yr	+254	Professional Services	AU	BASML
Jul 12	Brisbane Airport	NAIC-2 (Baa2/BB)	SSN	215	-	10yr	+240	Airports	AU	CBA
Jul 12	Brisbane Airport	NAIC-2 (Baa2/BB)	SSN	30 (AUD)	6.750%	10yr	-	Airports	AU	CBA
Jul 12	Brisbane Airport	NAIC-2 (Baa2/BB)	SSN	30 (AUD)	-	12yr	+255	Airports	AU	CBA
Jul 12	Brisbane Airport	NAIC-2 (Baa2/BB)	SSN	30 (AUD)	-	15yr	+270	Airports	AU	CBA
Jul 12	Grosvenor	NAIC-1	SN	60 (GBP)	3.380%	10yr	+190	Real Estate	UK	RBS
Jul 12	Grosvenor	NAIC-1	SN	30 (GBP)	4.970%	25yr	+220	Real Estate	UK	RBS
Jul 12	Royal Imtech	NAIC-2	SN	50 (EUR)	-	7yr	-	Engineering	NT	Direct
Jul 12	Royal Imtech	NAIC-2	SN	50 (EUR)	-	9yr	-	Engineering	NT	Direct

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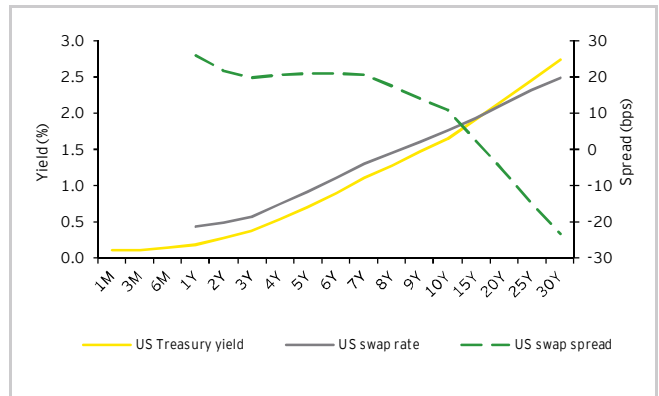
Section 5 US private placement market (USPP) (cont.)

Private placement transaction volumes



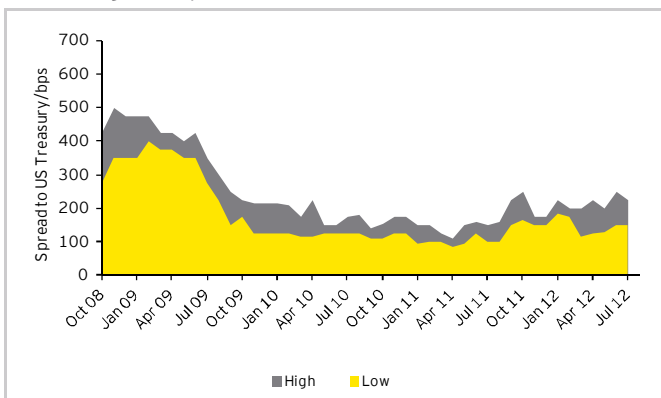
Source: Private Placement Monitor; Private Placement Letter; Ernst & Young

US Treasury yield, swap and swap spread curves



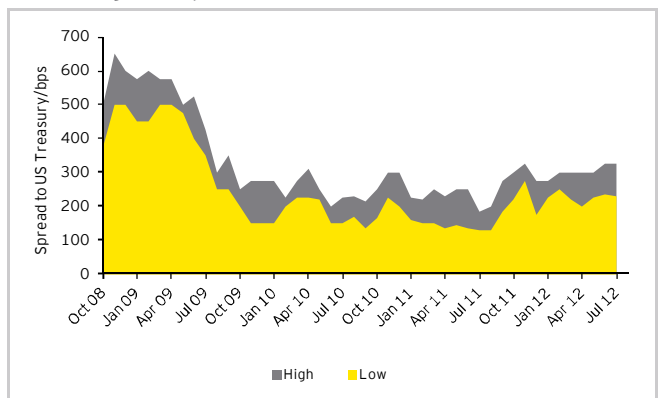
Source: Datastream; Bloomberg

NAIC-1 high/low spreads to US Treasuries



Source: Private Placement Monitor; Private Placement Letter; Ernst & Young

NAIC-2 high/low spreads to US Treasuries



Source: Private Placement Monitor; Private Placement Letter; Ernst & Young

Benchmarks

	5 year	7 year	10 year	30 year
US Treasury yield (%)	0.70	1.10	1.61	2.72
US dollar swap spread (bp)	20	20	14	-21

Pricing indicator

Credit rating	Spread to US Treasuries (bp)				Spread to US dollar Libor (bp)				Fixed coupon (%)			
	Maturity		Maturity		Maturity		Maturity		Maturity		Maturity	
	5 year	10 year	5 year	10 year	5 year	10 year	5 year	10 year	5 year	10 year		
NAIC-1	Low: 150, High: 225	Low: 150, High: 225	Low: 130, High: 205	Low: 136, High: 211	Low: 2.20, High: 2.95	Low: 3.11, High: 3.86	Low: 2.20, High: 2.95	Low: 3.11, High: 3.86	Low: 2.20, High: 2.95	Low: 3.11, High: 3.86	Low: 2.20, High: 2.95	Low: 3.11, High: 3.86
NAIC-2	Low: 200, High: 350	Low: 200, High: 350	Low: 180, High: 330	Low: 186, High: 336	Low: 2.70, High: 4.20	Low: 3.61, High: 5.11	Low: 2.70, High: 4.20	Low: 3.61, High: 5.11	Low: 2.70, High: 4.20	Low: 3.61, High: 5.11	Low: 2.70, High: 4.20	Low: 3.61, High: 5.11

Market requirements

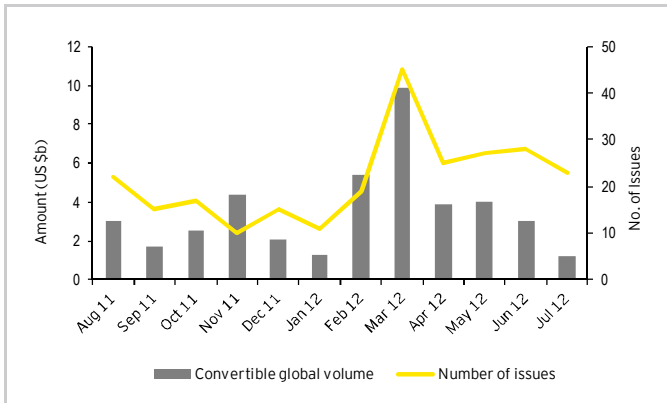
Min loan size	US\$25m	Listing	Not required	Change of control	Typical
Maturities	3-30 years	Roadshow	Recommended	Upfront fees	None
Ratings required	None	Financial covenants	Typically	Coupon step-up	Occasional
Legal opinions	Required	Lender relationship	None		

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Section 6 Equity linked (convertible) bond market

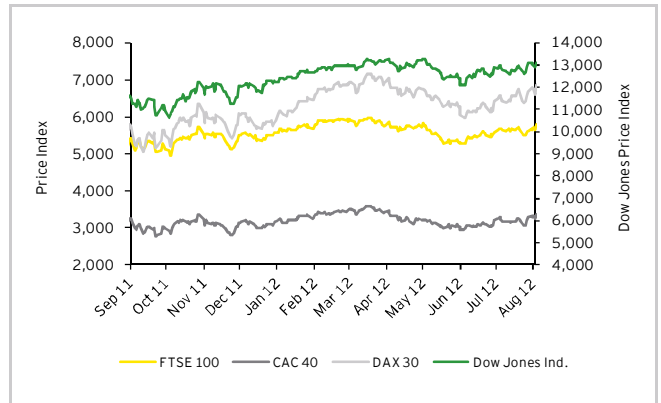
Date	Issuer	Ratings (M,S&P,F)	Ccy	Amount (m)	Maturity	Conversion Premium	Sector	Ctry	Leads
09 Aug	Exelixis	NR. NR. NR	USD	288	2019	-	Healthcare	US	GS, Cowen, Citi, CS, MS
08 Aug	ISIS Pharma	NR, NR, NR	USD	201	2019	-	Pharma	US	GS, JPM, BMO
08 Aug	Hornbeck	NR, BB-, NR	USD	260	2019	-	Oil & Gas	US	-

Convertible bond volumes



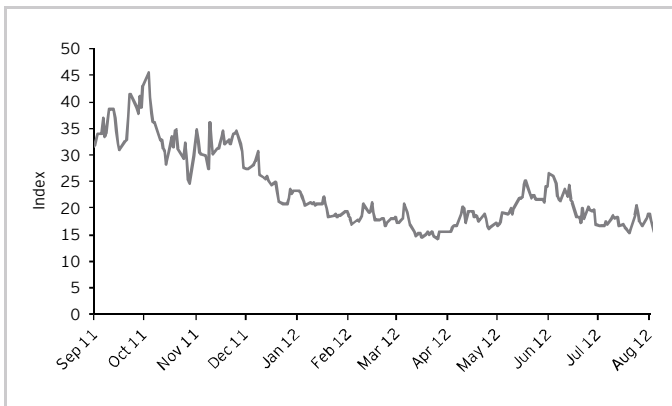
Source: Thomson ONE Banker

Equity indices



Source: Datastream; Bloomberg

VIX volatility index



Source: Datastream

Market requirements

Min issue size	US\$25m	Listing	Required	Lender relationship	None
Ratings required	None	Roadshow	Not required	Upfront fees	Typical

Glossary

Technical abbreviations

Asset-backed securitization	ABS	Not rated	NR
Commercial mortgage-backed securitization	CMBS	Other loan	OTH
Credit tenant lease	CTL	Project bond (non-recourse)	PB
Deep discount bond	DDB	Revolving credit facility	RCF
Energy savings performance contract	ESPC	Senior note	SN
First mortgage bonds	FMB	Senior secured note	SSN
London interbank offered rate	LIBOR	Subordinated note	SUB
Medium-term note	MTN	Term loan	TL

Financial institution abbreviations

ABN Amro	ABN	JP Morgan	JPM
Bank of America Merrill Lynch	BASML	KBC Capital Markets	KBC
Bank of Tokyo Mitsubishi UFJ	BOTM	Landesbank Baden-Wuerttemberg	LBBW
Banco Santander SA	SANT	Lloyds Capital Services Ltd	LCS
Bank of New York	BNY	Lloyds Banking Group	LBG
Bank of Nova Scotia	BNS	Banca March	MAR
Barclays Bank	BAR	Mitsubishi UFJ Financial	MIS
Barclays Capital	Barcap	Mizuho Financial Group Inc	MIZ
BayernLB	BLB	Morgan Stanley	MS
BMO Capital Markets	BMO	Natixis	NAT
BNP Paribas Group	BNP	Norddeutsche Landesbank GZ	NLB
Calyon	CAL	Nomura	NOM
Citi	Citi	PNC Capital Markets	PNC
Commonwealth Bank of Australia	CBA	Rabobank	RAB
Commerzbank AG	CZB	RBC Capital Markets	RBC
Crédit Agricole	CA	RBS	RBS
Credit Suisse	CS	Société Générale	SG
Deutsche Bank	DB	Scotia Capital Inc	SCA
DnB NOR	DnB	Standard Bank Plc	SB
European Investment Group	EIG	Standard Chartered Bank	STA
Fortis Securities Inc	FOR	Sumitomo	SUM
Goldman Sachs & Co	GS	SunTrust Bank	SUN
HSBC	HSBC	UBS	UBS
ING Groep NV	ING	UniCredit Group	UNI
Intesa Sanpaolo SA	ISP	U.S. Bank	USB
Incapital LLC	INC	Wells Fargo	Wells
Banca IMI	IMI	WestLB	WLB

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