



Capital Markets Monthly-November 2014

TRANSACTION VOLUME			EQUITY INDICES		BENCHMARK RATES		DEBT INDICES		COMMODITIES/CURRENCY	
YTD	#	\$Value								
IPO	268	\$87.44B	DJIA	17,828.24	3-Mo Libor	0.234%	IV Grade YTW	2.10%	Gold	\$ 1,167.41
FO	463	\$104.05B	S&P 500	2,067.56	2-Yr UST	0.470%	HY Master	6.17%	Oil (WTI)	\$ 66.15
CVTS	123	\$42.49B	NASDAQ	4,791.63	10-Yr UST	2.165%	BB Index	4.79%	Nat Gas (HH)	\$ 4.090
IV Grade*	--	\$568.3B	VIX	13.33%	30-Yr UST	2.890%	B Index	6.19%	EUR-USD	\$ 1.245
HY Debt	583	\$316.96B								
Month	#	\$MM								
IPO	25	\$8.00B								
FO (\$B)	39	\$13.13B								
CVTS	11	\$3.77B								
IV Grade*	n/a	\$63.2B								
HY Debt	59	\$29.76B								

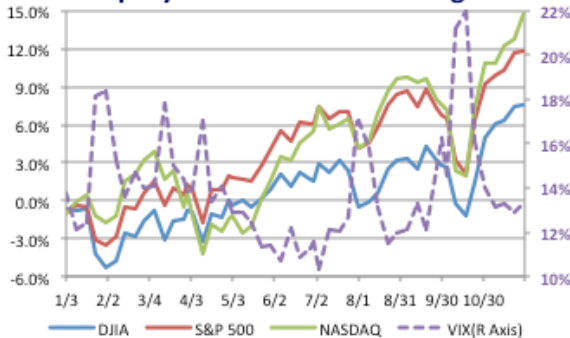
*Net Volume (new less redemptions)

Commentary: October's dramatic equity market performance – off sharply the first 2 weeks, then rebounding aggressively to close the month at YTD (all 3 major indices) and all-time highs (DJIA and S&P 500) – slowed to a rolling boil in November, but retained its upward bias. This resulted in another set of closing highs as the Dow, S&P & NASDAQ indices gained 2.5%, 2.4% and 3.5% in November, respectively – on the back of a string of positive news and economic data that appears to support the “Goldilocks” economic environment thesis currently espoused by some market professionals. Foremost among this data, and catching investors, economists, corporations and governments globally off guard with the severity of its move, has been the rapid decline in oil prices – down 18% for the month and 38% from June's YTD high to well below \$70/bbl, a 5-year low. This drop translates directly into lower gasoline prices (<\$3.00/gal for first time since 2010), supporting Retail Sales and Consumption (both were up in Oct reports), while simultaneously keeping inflation in check. Add to this an upward revision in Q3 GDP to 3.9% from 3.9%, capping the best 6-months of growth since 2003, the highest MI Consumer Confidence Report in 7 years and an October Employment Report marking the 9th straight month (and longest run since 1995) of >200k job gains, and the rationale for upward market momentum remains intact. Also noteworthy in November was continued strength of the USD (at multi-year highs vs EUR), subdued treasury price action until a modest flight to quality the final week pushed yields lower and gold falling to multi-year lows.

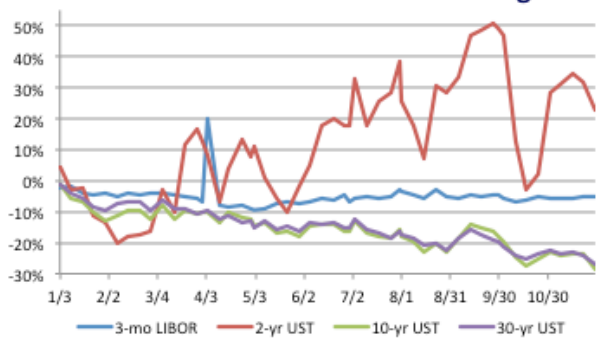
Equity/Convertibles: Historically a bit light on volume due to the Thanksgiving holiday, this November saw 25 US IPO's raise just over \$8B of proceeds, 39 Follow-On's for \$13.1B and 11 Convertible offerings raise nearly \$3.8B. The 2 largest IPO's were REIT offerings of \$500MM for Store Capital & \$2.5B for Paramount Group; the latter the largest REIT IPO to date. The convert market was led by financings of \$1.32B from LinkedIn, \$1B from NXP Semiconductor & \$500MM from ISIS Pharmaceuticals.

IV/HY Debt: Volatility in the treasury market was subdued throughout Nov until a flight to quality, fueled by global deflation concerns, pushed 2, 10 & 30-yr yields down the final week to near FY lows. Corporate spreads followed suit, remaining range-bound until month's end before widening out noticeably. IG volume was up materially MOM, while HY volume remained flat.

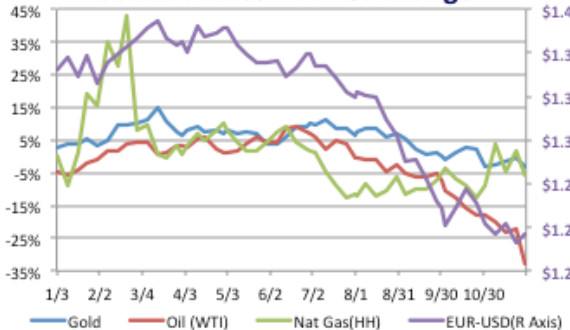
Equity Indices - YTD % Change



Benchmark Rates - YTD % Change



Commodities - YTD % Change



Corporate Spreads - YTD % Change

