Capital Markets Monthly – April 2015

AEQUITAS Advisors LLC

TRANSACTION VOLUME		
YTD	**#**	**$Value**
IPO	51	$8.24B
FO	198	$53.22B
CVTS	29	$13.94B
IV Grade*	--	$223.4B
HY Debt	193	$132.52B
Month	**#**	**$MM**
IPO	17	$2.84B
FO ($B)	47	$9.10B
CVTS	6	$664.0MM
IV Grade*	n/a	$53.5B
HY Debt	64	$39.10B

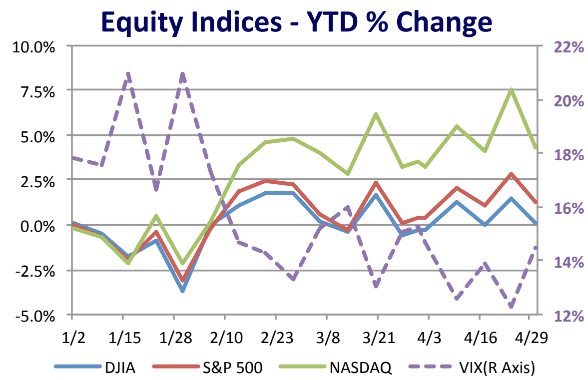
*Net Volume (new less redemptions)

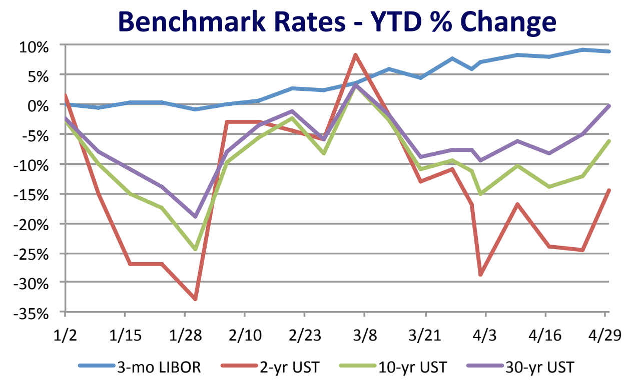
EQUITY INDICES		BENCHMARK RATES		DEBT INDICES		COMMODITIES/CURRENCY	
DJIA	17,840.52	3-Mo Libor	0.278%	IV Grade YTW	2.07%	Gold	$ 1,183.83
S&P 500	2,085.51	2-Yr UST	0.573%	HY Master	6.04%	Oil (WTI)	$ 59.68
NASDAQ	4,941.43	10-Yr UST	2.037%	BB Index	4.63%	Nat Gas (HH)	$ 2.740
VIX	14.48%	30-Yr UST	2.746%	B Index	6.23%	EUR-USD	$ 1.122

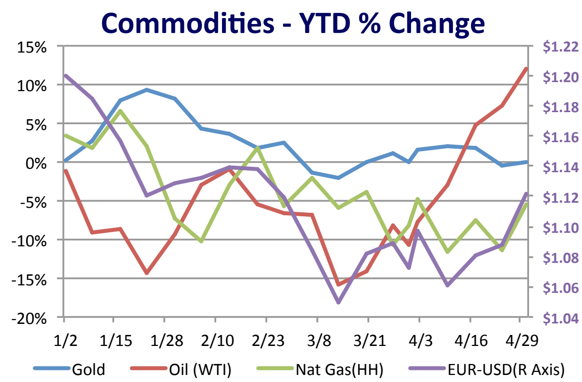
Commentary: US equity markets fought their way to several new milestones the last full week of April – most notably, a new NASDAQ Composite Index high almost 15 years to the day after its prior tech-bubble peak was followed by a nearly 80% sell off – but could not hold these levels the final few days. A key data point behind the month ending "risk-off" trade was the Commerce Department's initial Q1 GDP report, which came in at .2%, down significantly from Q4's 2.2% growth and well below Wall Street estimates of over 1%. The market initially viewed the report as likely to delay Fed movement on interest rates, but a subsequent FOMC statement characterizing the weakness as reflective of "transitory factors" left traders and economists scratching their heads. And since markets like uncertainty least of all, equities traded off. Meanwhile, a host of other variables – including strong US employment date, a significant sell-off in European debt, which reduced the relative attractiveness of US sovereign & corporate bonds, the first USD decline in 10 months, a 25% rally in oil to $59.68 from a 6-yr low in March & a gold selloff that erased its YTD gains – impacted performance across every asset class. They also appear to represent a significant reassessment of risk/asset prices globally – look no further than a >50%, 2-day move in the German 10-yr yield – and merit ongoing attention. For the month, the Dow, S&P 500 & NASDAQ indices gained .36%, .85% & .83%, respectively, while 2, 10 & 30-yr US Treasury yields rose 2.9%, 5.9% & 8.2%.

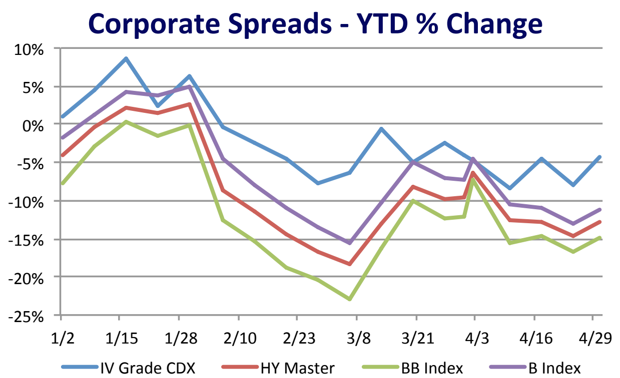
Equity/Convertibles: April IPO volume handily outpaced the prior month, with 17 market debuts raising over $2.8B in proceeds. (Notable were GoDaddy and Party City raising $460MM and $372MM, respectively.) Meanwhile, FO volume of 47 deals/$9.1B was well below March's 52 deals/$17B and Convertible volume of 6 deals/$664MM is the lowest by proceeds raised of the year.

IV/HY Debt: IV-Grade corporate debt volume broke its upward trend in April, w/ the month's $53.5B of net new issuance falling below March's $76.7B. This was due in part to volatile fixed-income markets overseas, which pushed US benchmark rates higher, but countered by further tightening of credit spreads. HY volume of 64 deals/$39.1B was in line with the prior month and remains biased in favor of issuers. Notable was a 12-yr offering (NC6, the 1st since 2013) by Charter Communications pricing at 5.875%.









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