

Senior Traditional Private Placement Market Update

Credit markets are thawing while the senior traditional private placement market is open after a brief lull

Commentary

- Credit markets are thawing as state economies around the country are reopening and production and services are returning to normalcy
- Credit spreads tightened since drastic dislocation during the months of March and April, though still remain wider than pre-COVID-19 levels
- Rates remain at all-time lows and are not expected to increase in the near term, presenting a favorable opportunity to lock-in long run permanent capital, especially for investment grade issuers
- Volumes are anticipated to increase monthly, year over year, materially on the heels of continued market stabilization

10-Year Treasury Rates



Volume Trends



Credit Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	May-2020	May-2019	May-2020	May-2019	May-2020	May-2019
3	165-220	100-125	350-375	170-225	450-475	350-450
5	165-220	100-125	350-375	170-225	400-450	350-450
7	165-220	100-125	190-320	150-225	400-450	350-450
10	165-250	90-125	220-325	110-190	400-450	325-450
12-14	200-260	105-125	225-300	130-190	450-475	350-450
15	210-275	130-150	220-265	130-200	450-500	375-450

About Chartwell

- Chartwell is a national leader in financial advisory, corporate finance, transaction opinions, and valuation, serving the unique needs of middle market companies
- Chartwell's Corporate Finance team excels at analyzing companies' optimal capital structure and recommending strategies to maximize shareholder value by determining the appropriate mix of debt and equity
- Hiring an independent financial advisor lends credibility to a capital raise process and creates competition among lenders/investors, achieves the lowest possible cost, and favorable terms
- Please contact any of the Chartwell contacts below to learn more about analyzing your optimal capital structure and how we can help your company most effectively execute against your financing needs

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