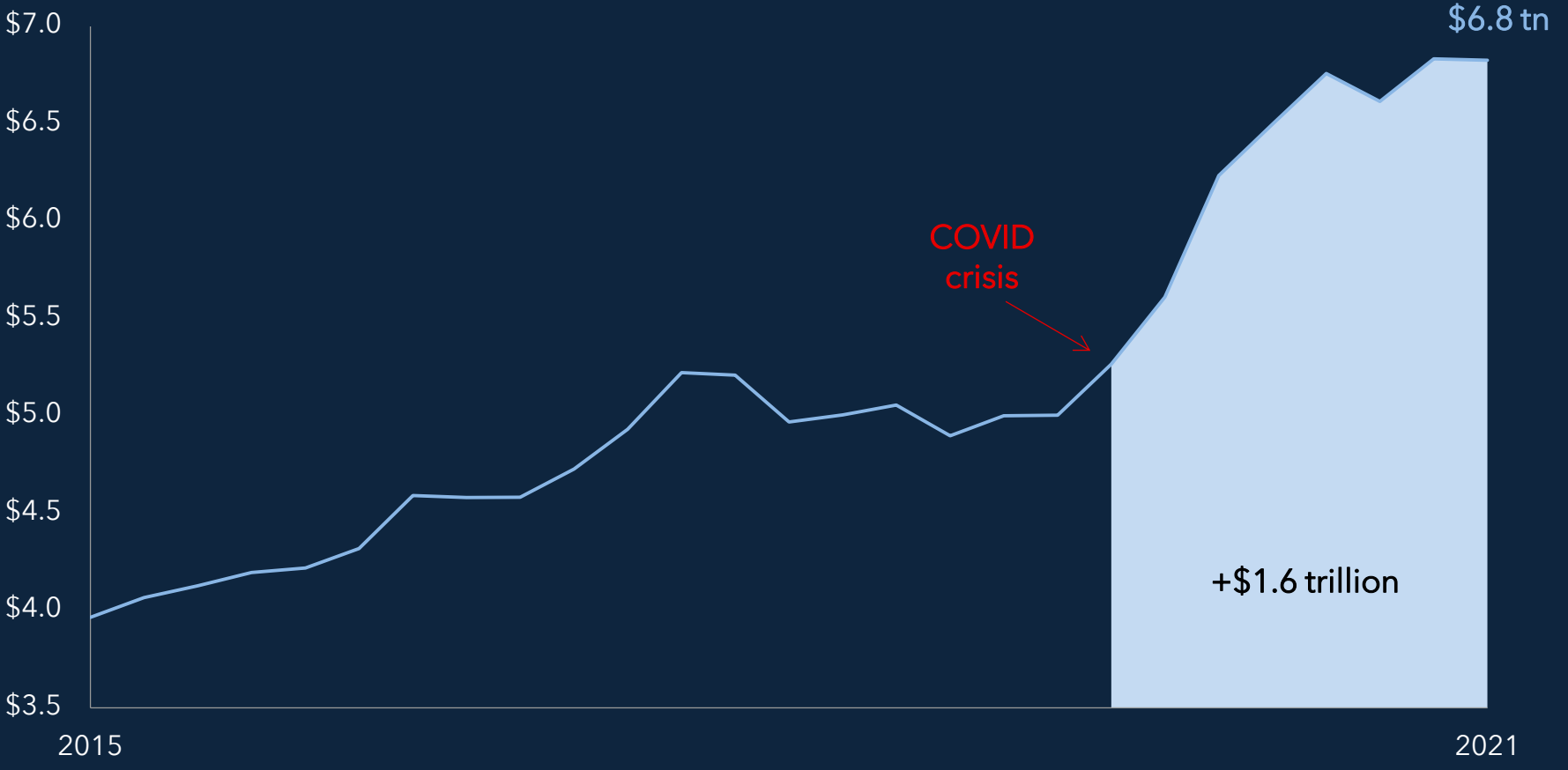


Chart of the Day

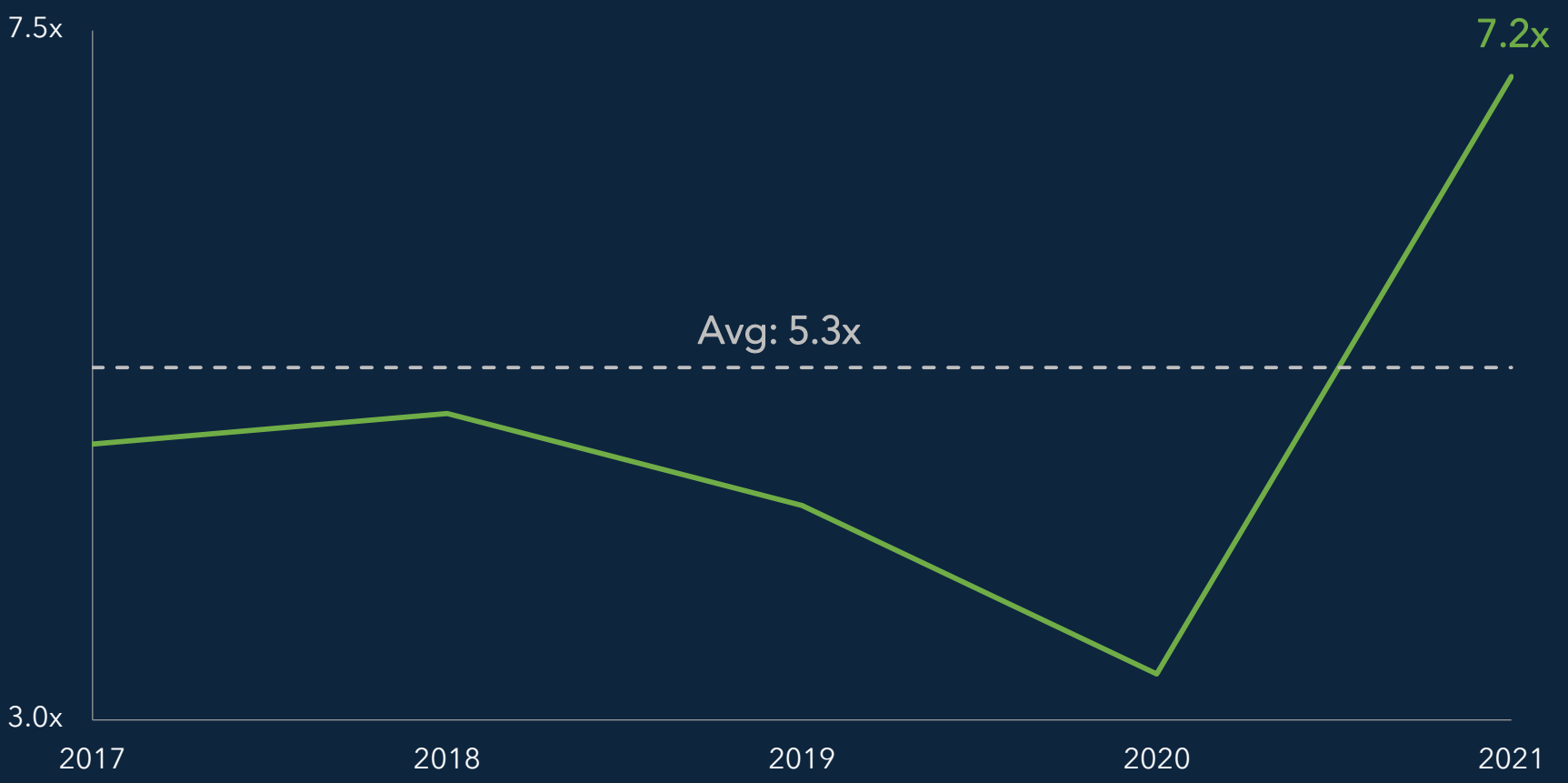
Corporate balance sheets entered the Russia-Ukraine crisis in a position of strength, with corporate cash globally having risen by \$1.6 trillion over the COVID period to nearly \$7 trillion globally. Profitability, cash flows and debt interest coverage ratios also remain strong.

Cash and short-term investments on companies' balance sheets, USD tn



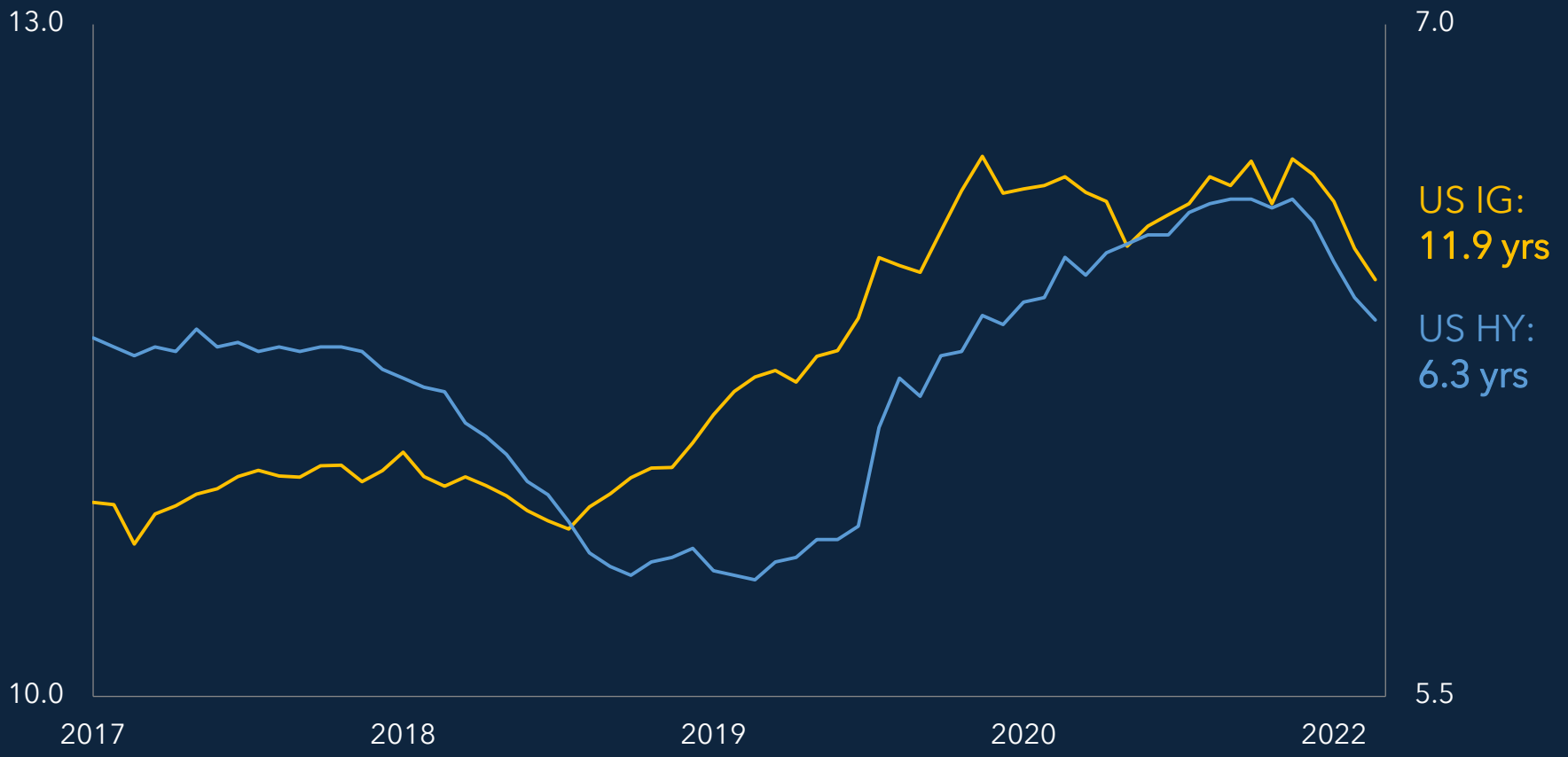
Profitability, cash flow & interest coverage ratios remain strong

US ex financials interest cover ratio



Corporate refinancing risk also remains low on pre-funding and extended maturities in both the high yield and investment grade market

Average years to maturity



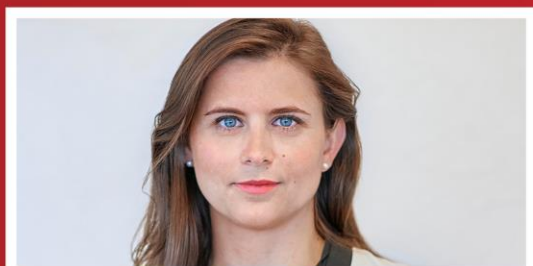
Source: (1) S&P "Global Credit Outlook 2022: Aftershocks, future shocks, and transitions." WSJ, "Companies are hoarding record cash amid delta fears" (August 2021). 2021 data through Q3. Non-financial corporates. (2-3) Oxford Economics, "Equities: US corporates can withstand higher rates" (March 11, 2022).

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