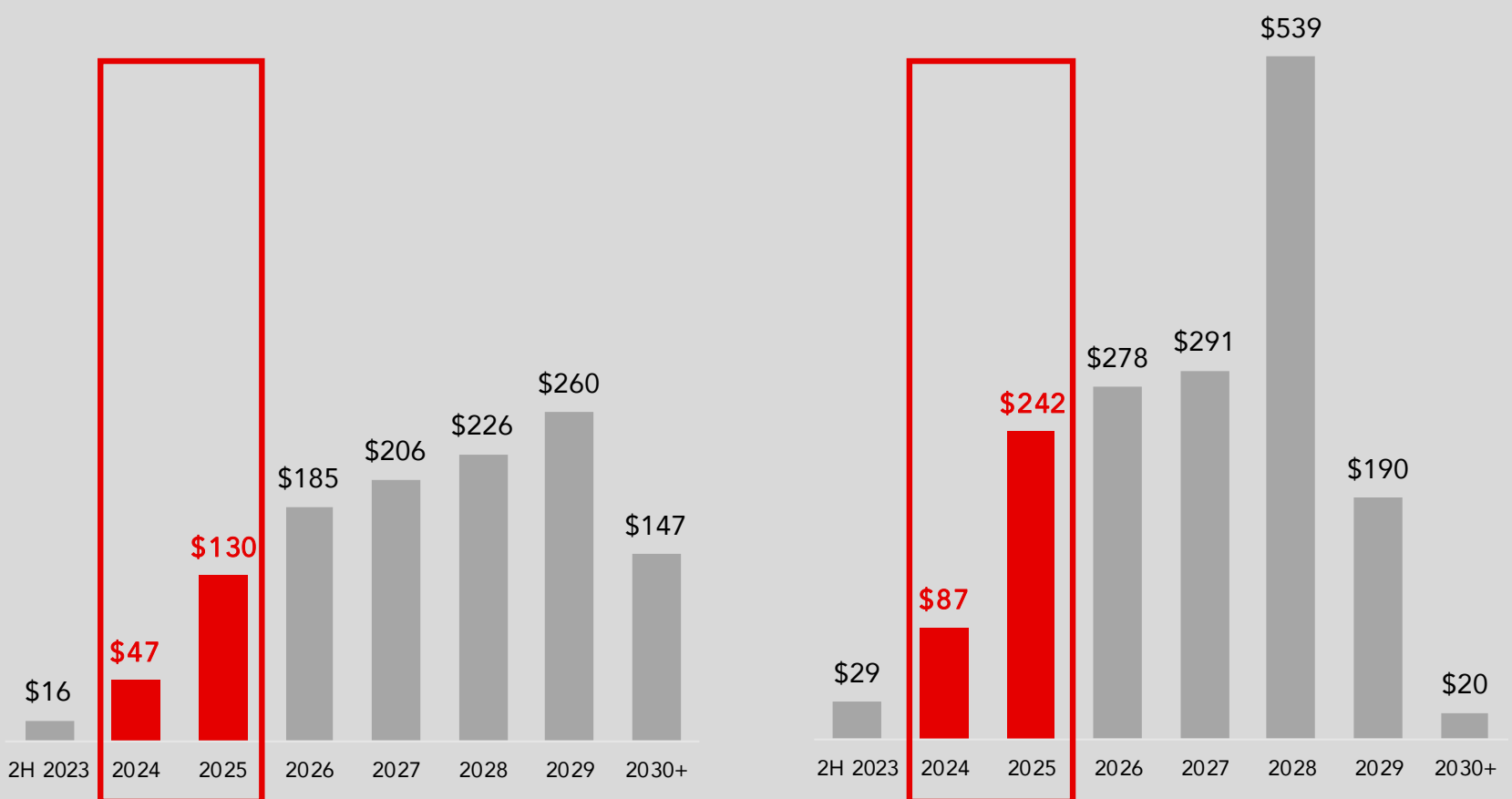


Chart of the Day

Over 2024 and 2025, the high yield and leverage loan markets face a maturity wall of approximately \$175 and \$300 billion, respectively. In the months ahead, look for companies to take advantage of resilient credit markets to opportunistically pre-fund their maturities before large debt burdens become current on corporate balance sheets. As the cycle progresses, corporates will have to navigate a more complicated economic and financing environment.

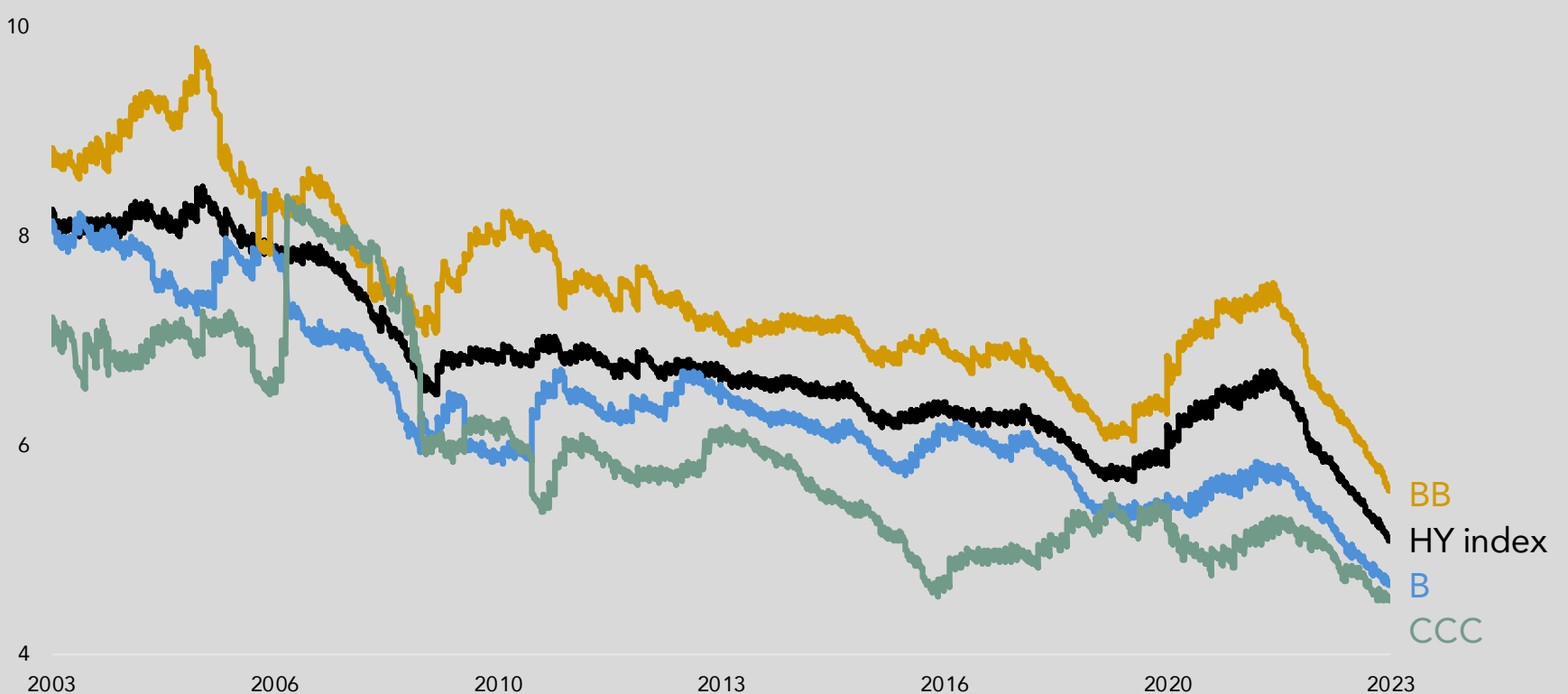
HY maturity profile, USD bn

Leveraged loan maturity profile, USD bn



By historic standards, the average debt maturity profile for the USD high yield market has been trending lower on a multi-year bases at a time when the credit cycle is increasingly mature. As credit progresses further toward late cycle, pressure on earnings, margins and credit metrics will weigh more heavily on refinancing obligations.

Years to final maturity, by rating



Source: (1-2) CreditSights, "US HY New Issues for 23 and a First Look at 24." (3) Oxford Economics. "Fixed Income - Conditions Ripen for a Rotation to US IG Credit." Bloomberg. Data as of June 28, 2023. ICE BofA data.

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"Macro stability isn't everything, but without it, you have nothing."