MUFG

Chart of the Day

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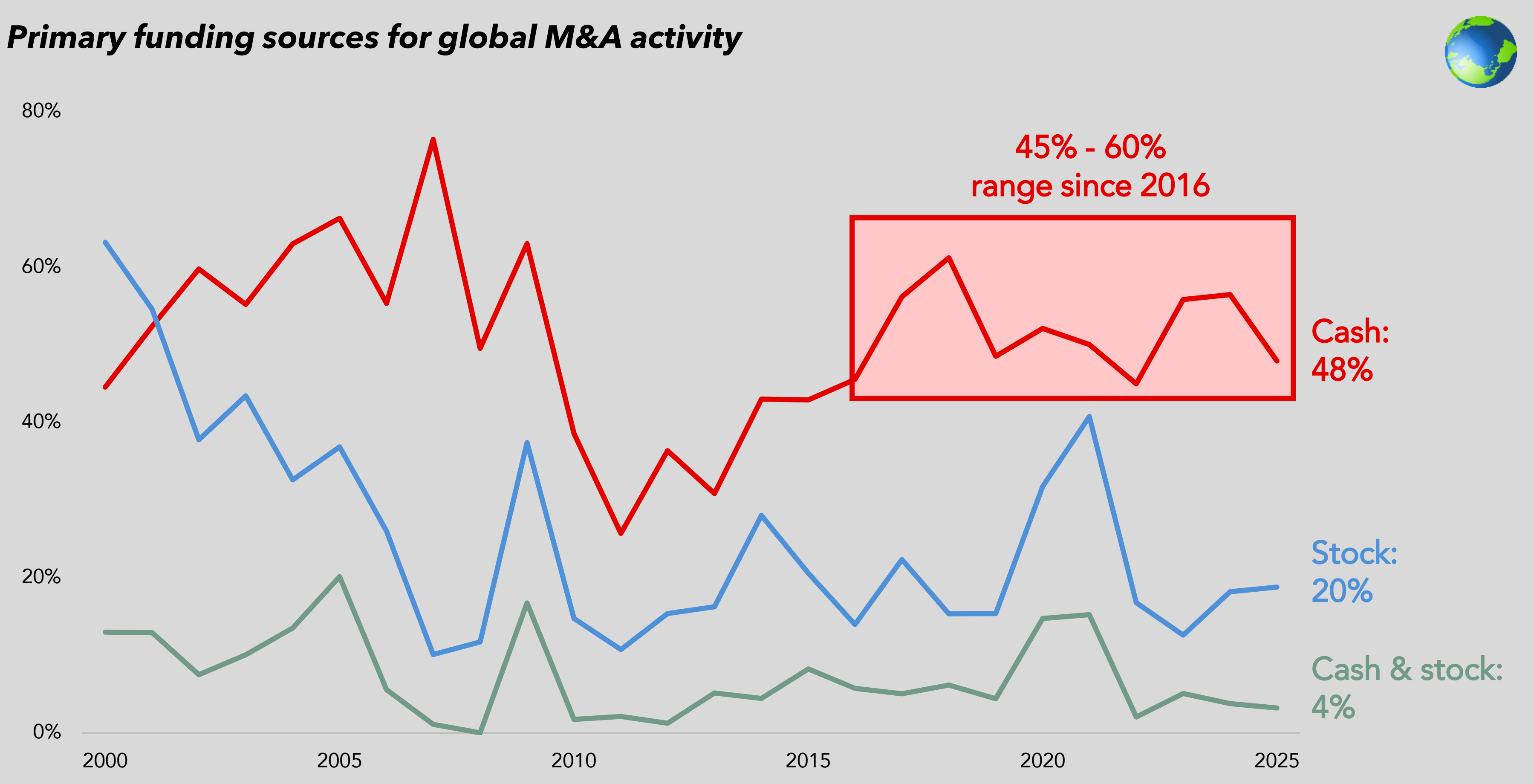
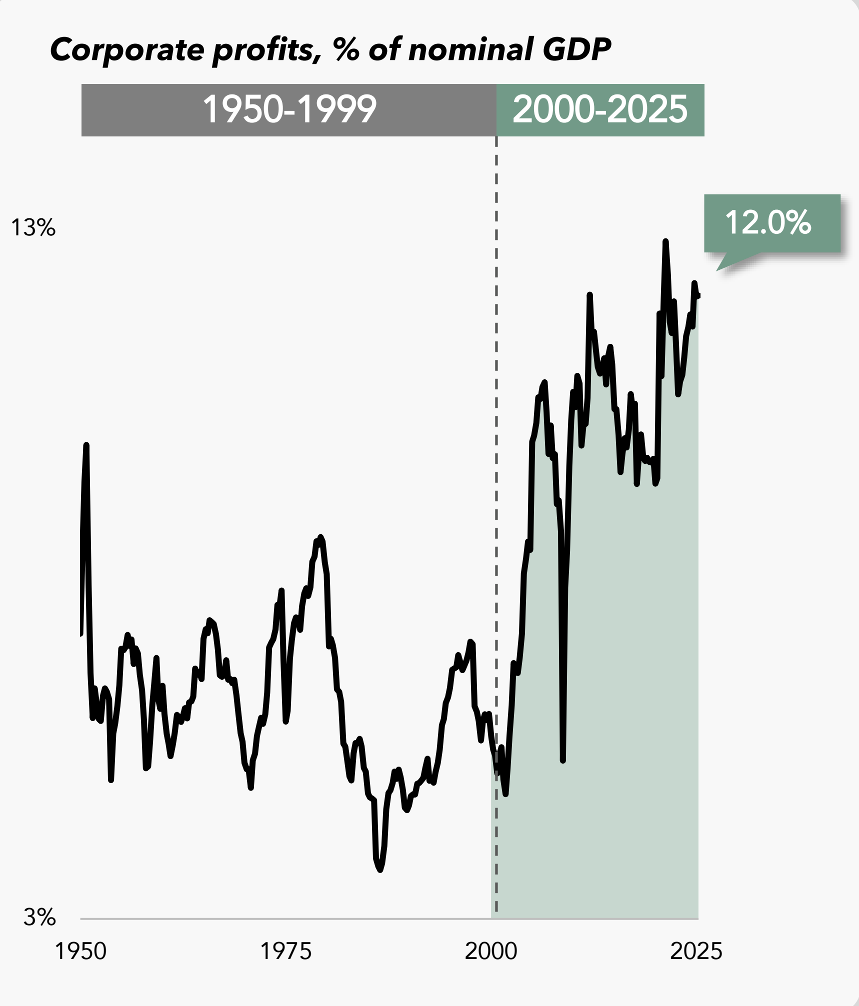
Abundant Cash as Critical Deal Currency

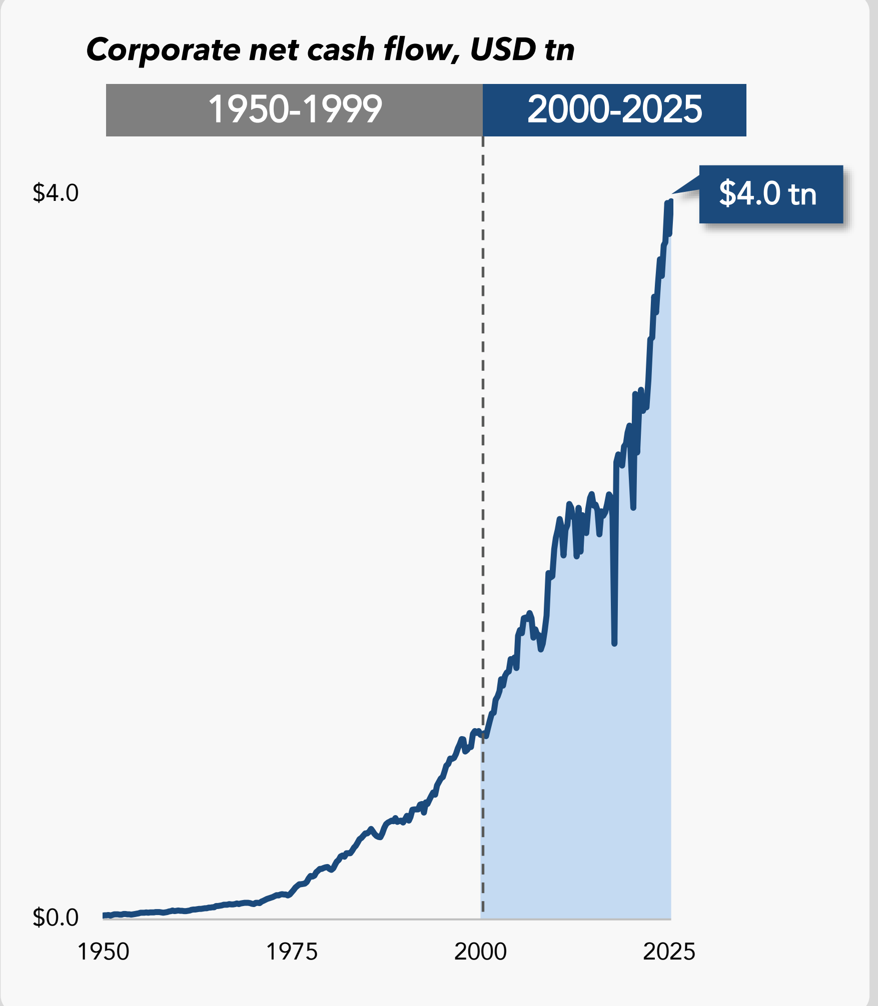
As companies fortified their balance sheets in recent years, and took advantage of attractive financing markets, cash has become a resilient source of "deal currency" for global M&A activity.

Primary funding sources for global M&A activity



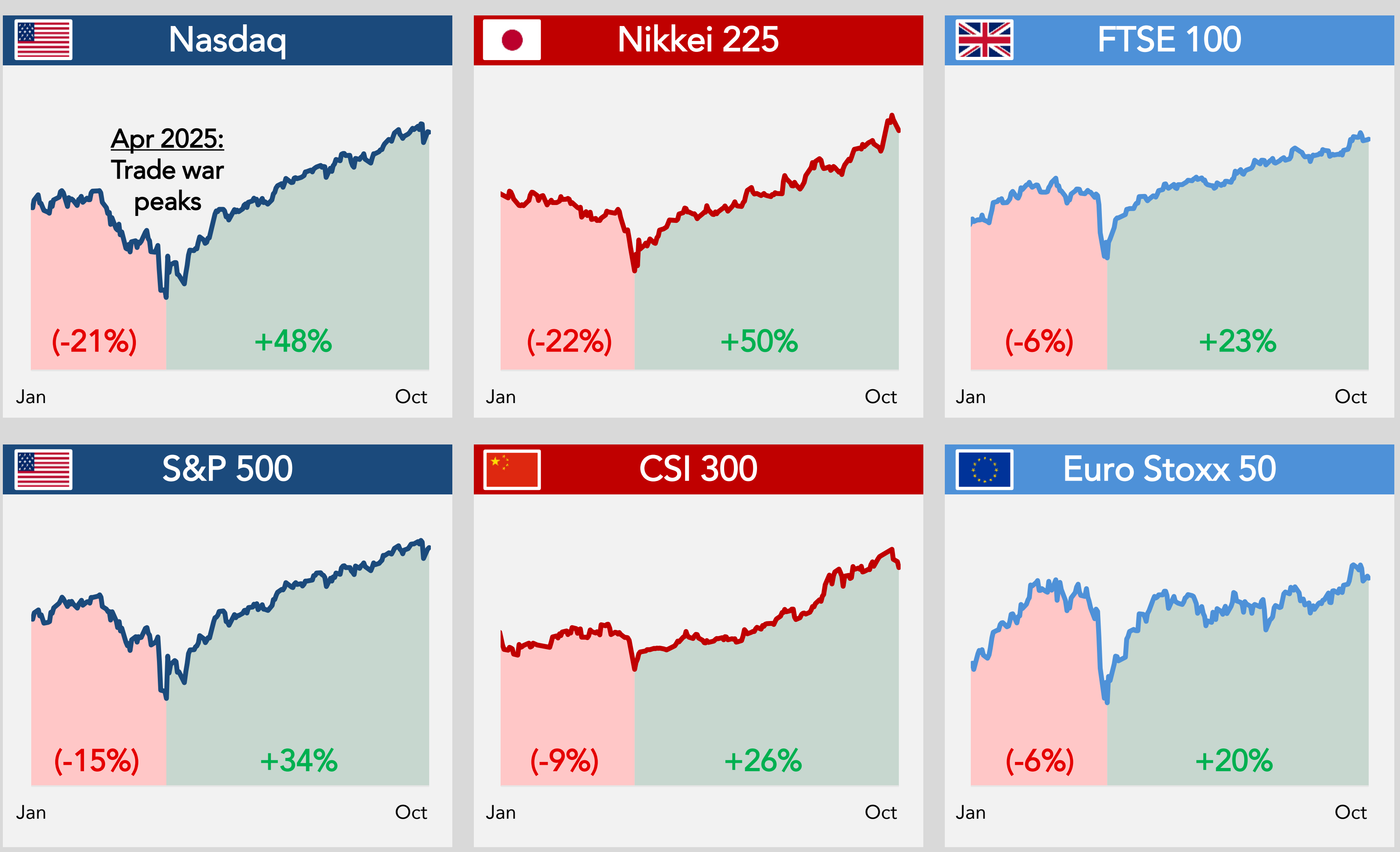
Cash Rich Balance Sheets Funding Deal Activity





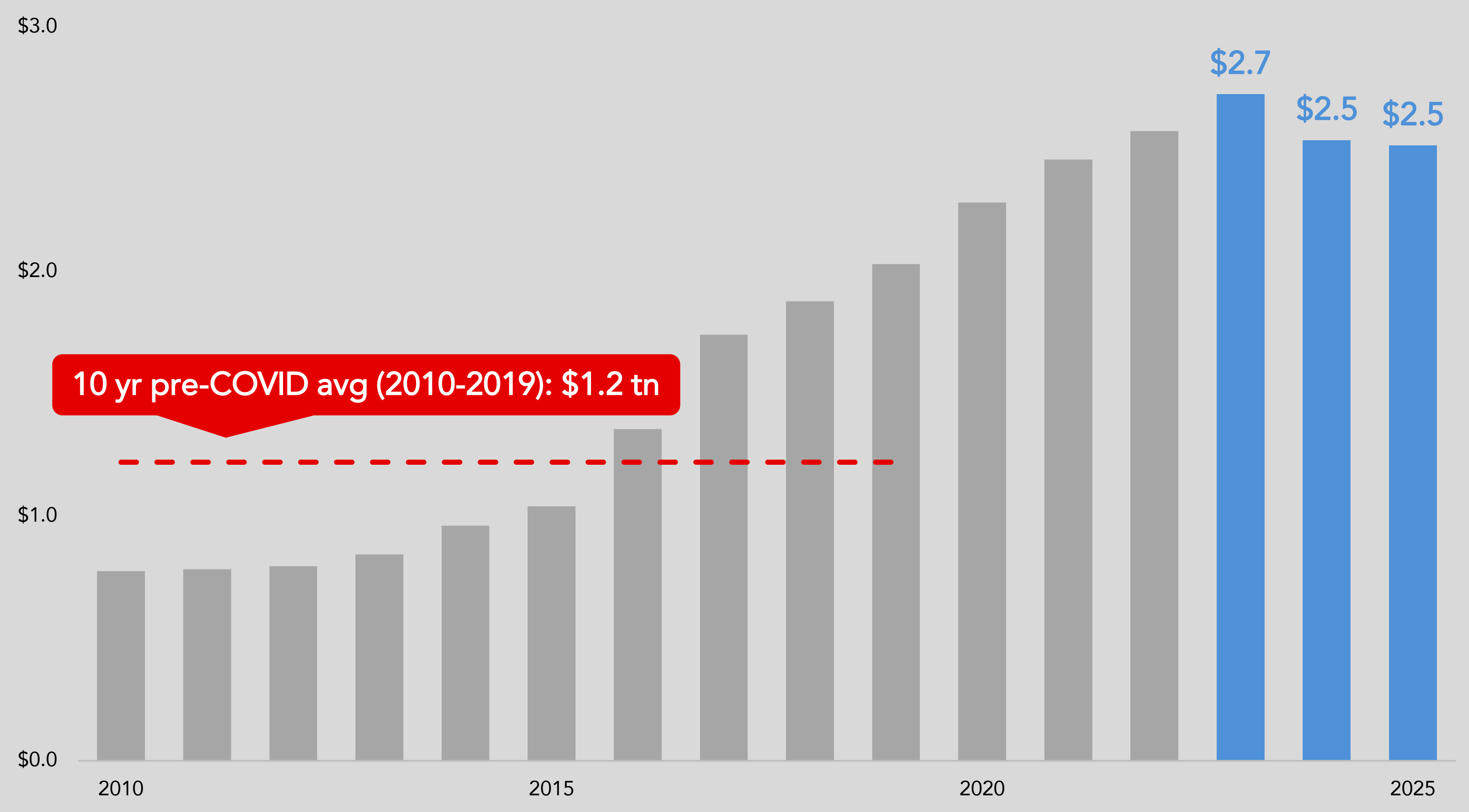
Stock Rally Provides Formidable Acquisition Currency

Equity market performance, 2025 YTD



$2.5 Trillion of Private Equity Dry Powder

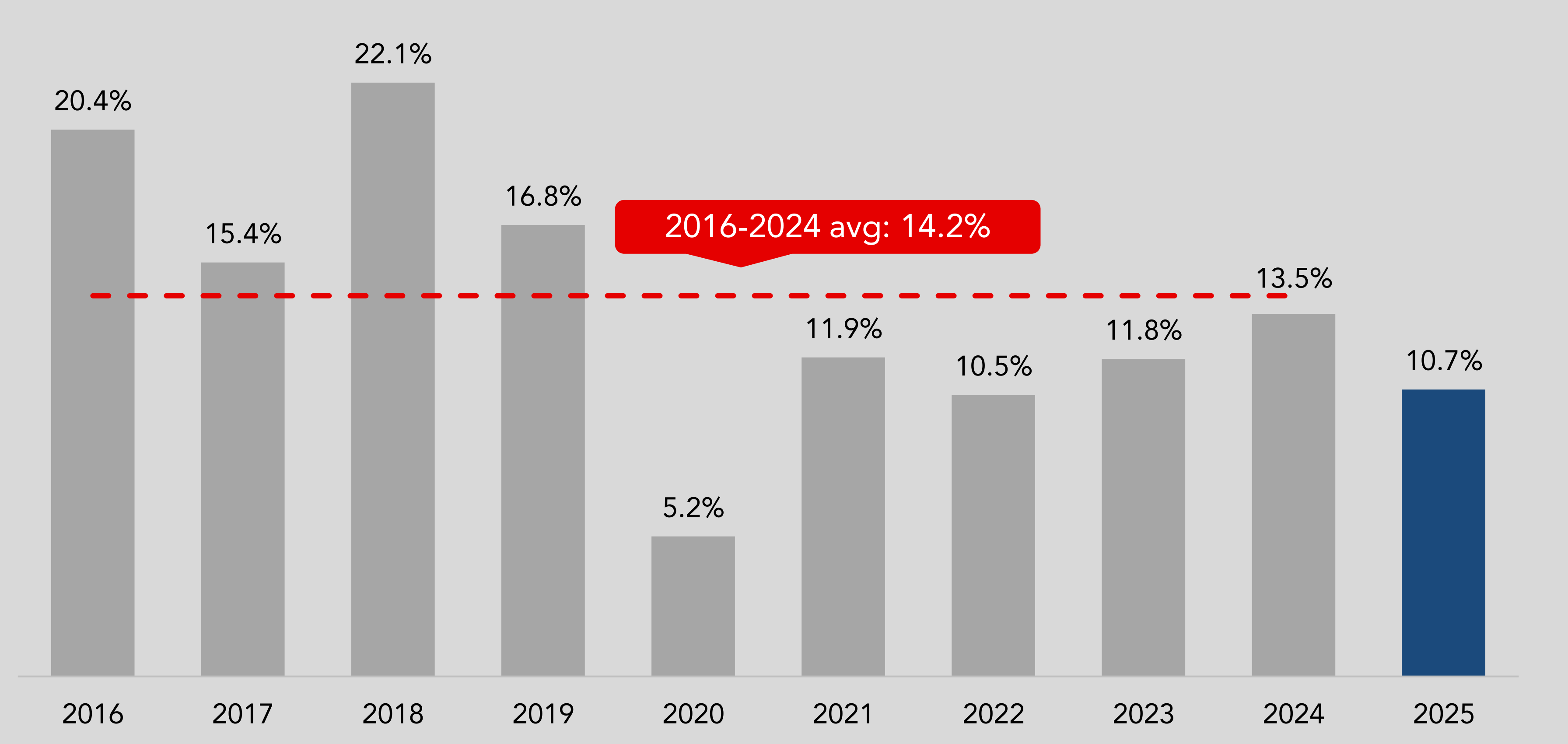
Global private equity dry powder, USD tn



Refinancings Still Dominate IG Issuance Activity

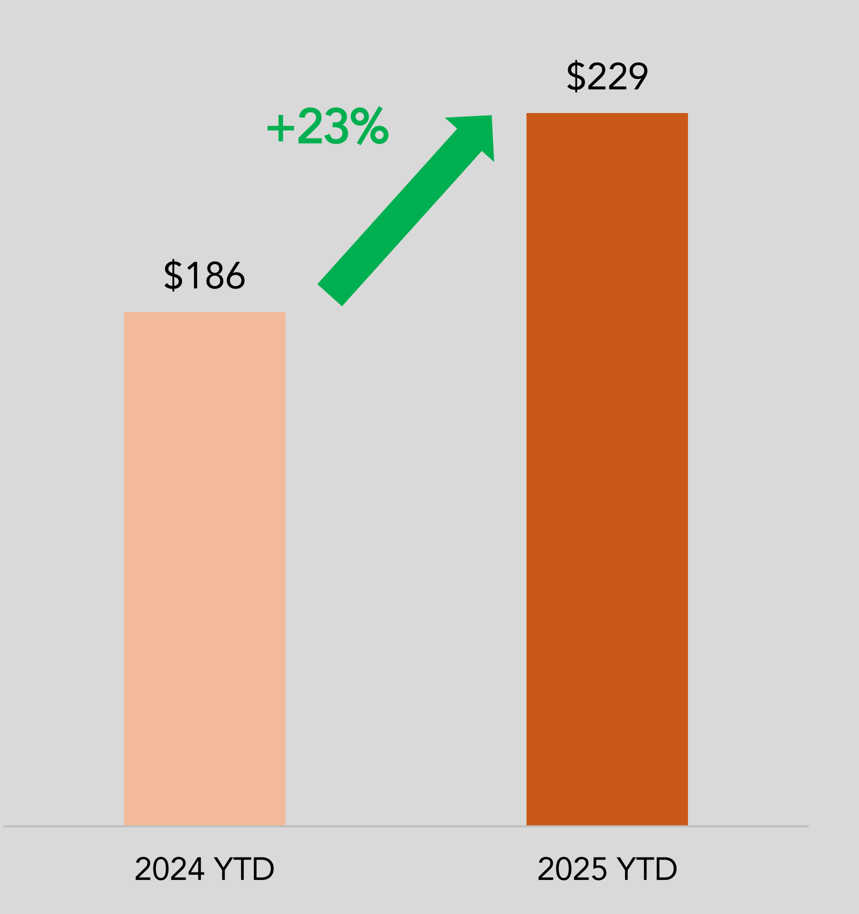
While 2025 USD IG issuance is on track for a new record, only 11% of total supply has supported M&A this year. Refinancings are still dominating new issue activity as higher rates have continued to curtail new M&A deal origination.

USD IG M&A issuance as a percent of total issuance

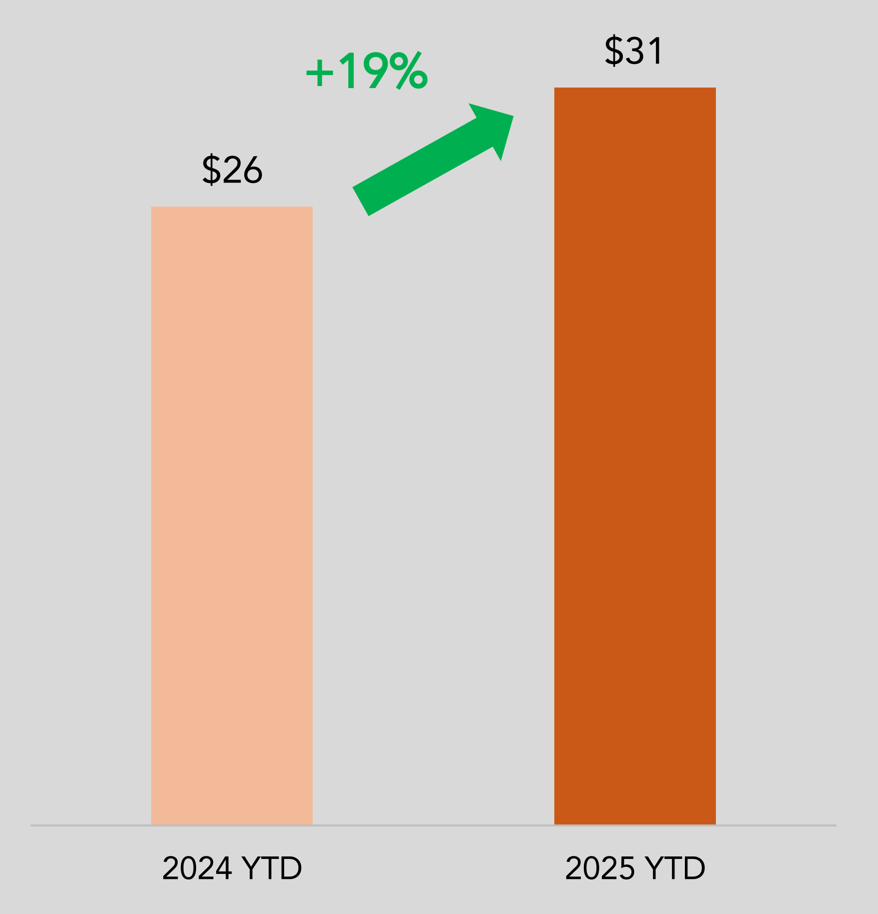


Equity Issuance Often Correlates with M&A

USD ECM issuance, bn



USD IPO issuance, bn



Source: (1) Cortex. Dealogic. 2025 YTD data is through September 30, 2025. Data as of October 9, 2025. Includes rank eligible, M&A deals. Cash includes cash and internal funds. Stock includes convertible preferred stock, preferred shares, shares and placing and open offer. Data excludes transactions where source of funds is unknown. (2-3) Federal Reserve Economic Data (FRED). Data through Q2 2025. (4-9) Bloomberg. Data as of October 14, 2025. (10)) S&P Global Market Intelligence. Data for 2025 is through June 2025. (11) CFR. 2025 data through October 2, 2025. (12-13) Dealogic. Excludes SPACs, close-end funds and deals less than $50mn. Data as of September 30, 2025.

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