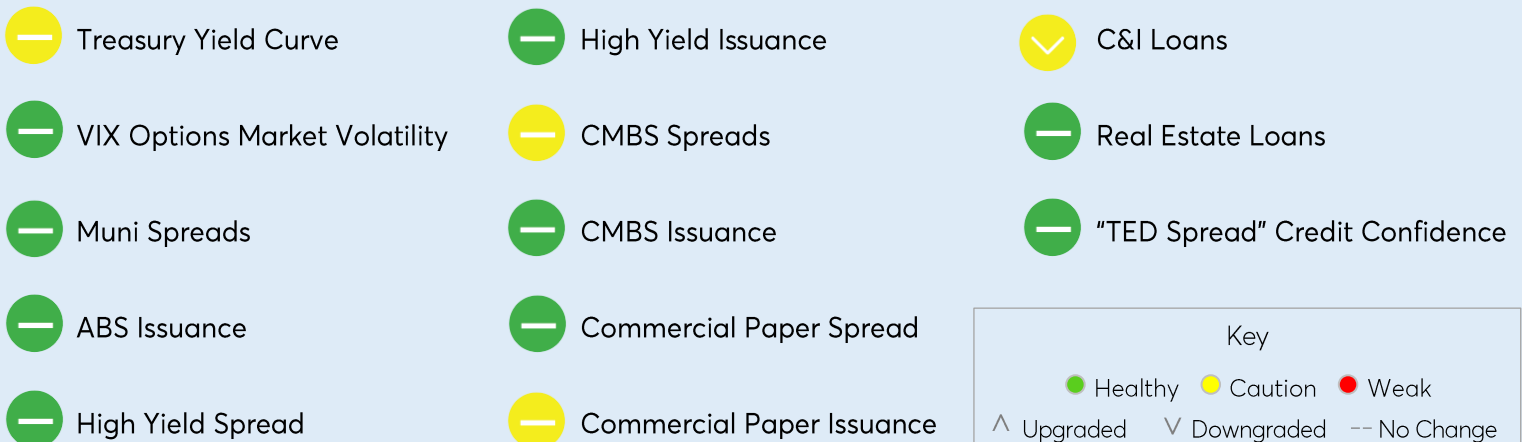


Current Liquidity/Credit Trends

The Ten-X research team is monitoring a number of credit and liquidity indicators that are available on a high frequency basis, and will help signal any potential disruption to the economic and real estate cycles emanating out of the capital markets. This table provides a short hand monitor of current market conditions. Despite facing uncertainty in a number of realms both domestically and abroad, the US financial and credit markets are standing firm. Following September's disappointing jobs report that was disrupted by Hurricanes Harvey and Irma, employment data bounced back in October. Wage growth disappointed with 2.4% year-over-year growth, but the Fed continues to signal another rate hike in December amid the unwinding of its balance sheet. Some pending changes were recently announced in the Fed leadership, as Trump has tapped Jerome Powell to become the next Fed chief, though this has not created many ripples as Powell is widely expected to maintain course with many of Yellen's current policies. NY Fed president Bill Dudley also intends to step down in mid-

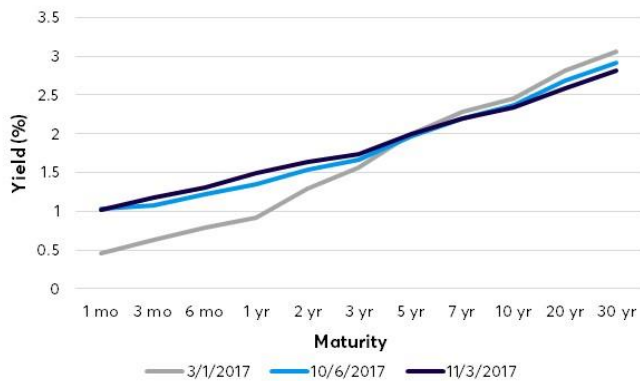
2018, though his replacement has not yet been announced. More notably, in the aftermath of the House releasing its tax reform plan, the yield curve flattened again this past week. While the debt limit is not an immediate threat, it continues to loom without much suggestion of a long term solution. Despite these and other geopolitical and policy risks abound, the VIX managed to fall to a cyclical low. C&I loan growth continues to lag the pace seen earlier in the cycle, with volume barely higher than a year ago and declining in recent months. High yield bond issuance remains robust, while spreads sit near cyclical lows despite a minor uptick this past week. ABS issuance rebounded this month to its highest reading in more than two years, and should continue to be monitored amid heightened risk in subprime autos. CMBS issuance has been strong in recent months, and spreads dipped this month but remain near their highest level since early 2016 as record high CRE prices, a tumultuous retail sector, and the rise of alternative lending are creating some uncertainty.

Capital Markets Dashboard



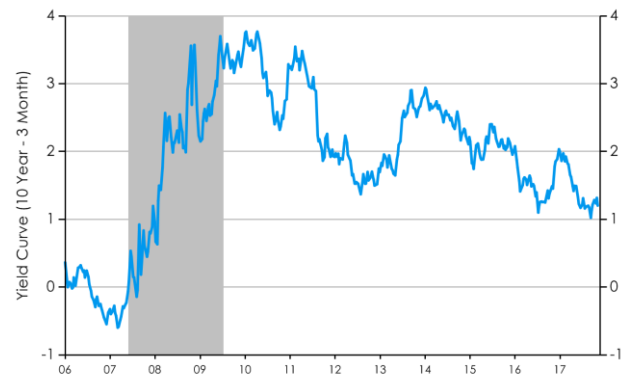
Treasury Yield Curve

Treasury Yield Curve Comparison



Sources: US Department of Treasury, Ten-X Research

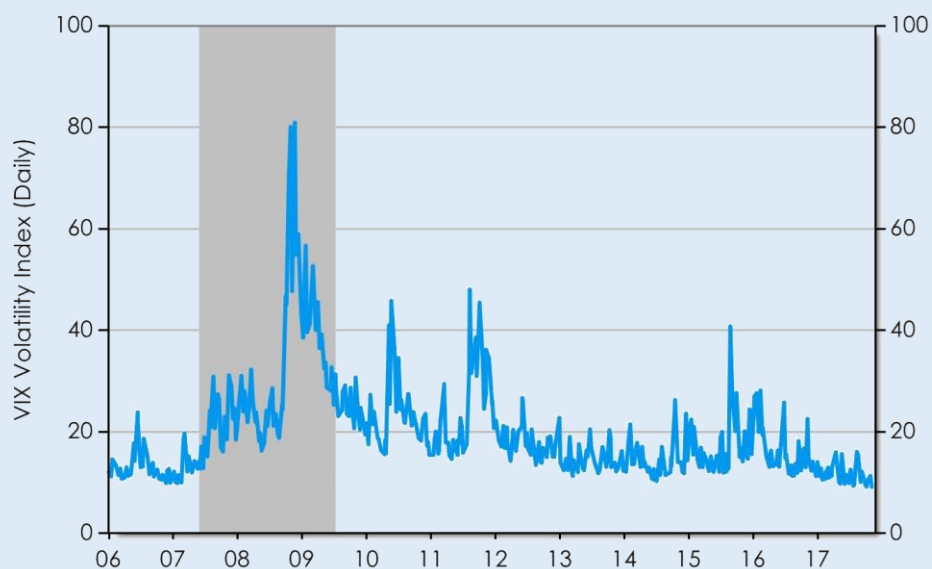
Treasury Yield Curve Spread



Sources: Federal Reserve, Ten-X Research

Options Market Volatility

VIX: CBOE Market Volatility Index

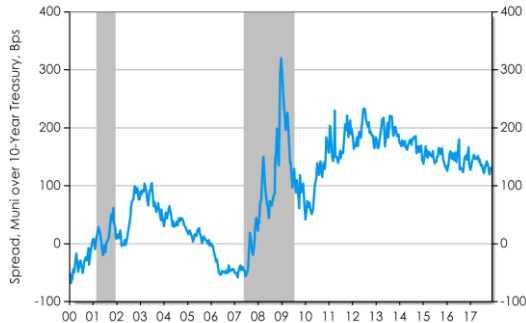


Sources: FRED, CBOE, Ten-X Research

Municipal Bond Market and ABS Issuance

Municipal Bond Spread Over Treasuries

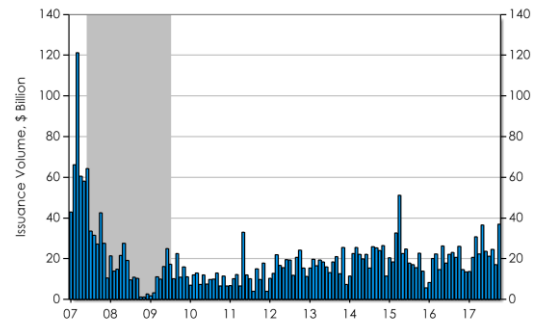
14.4 bps
YoY



Sources: Bond Buyer, FRB, Ten-X Research

ABS Issuance

41.4%
YoY



Sources: Bloomberg, Ten-X Research

High Yield Bond Market

BofA Merrill Lynch US High Yield Master II
Option-Adjusted Spread®

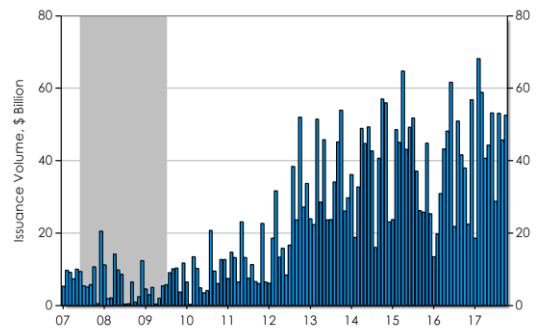
163 bps
YoY



Sources: FRED, BofA, Merrill Lynch, Ten-X Research

High Yield Bond Issuance

38.3%
YoY

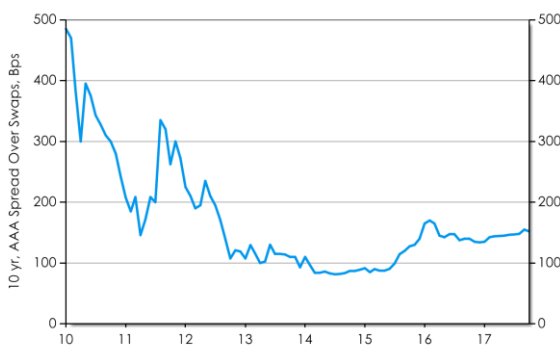


Sources: Bloomberg, Ten-X Research

CMBS Market

CMBS Spreads

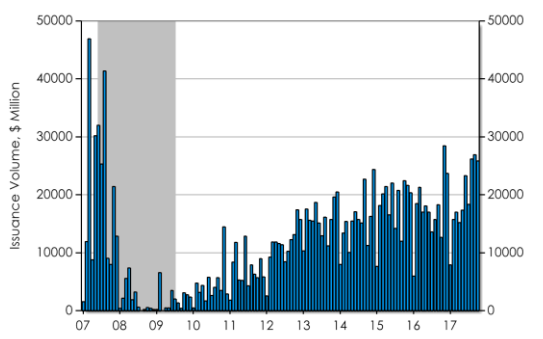
12 bp
YoY



Sources: Bloomberg, Ten-X Research

CMBS Issuance

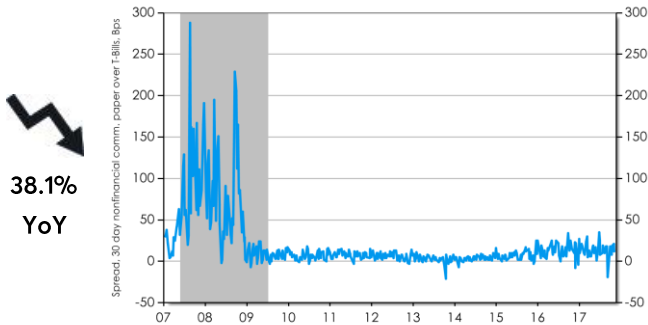
103.6%
YoY



Sources: Bloomberg, Ten-X Research

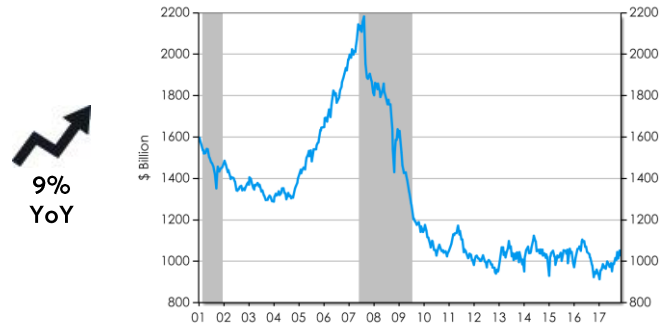
Commercial Paper Market

Commercial Paper Spread Over T-Bills



Sources: FRB, Ten-X Research

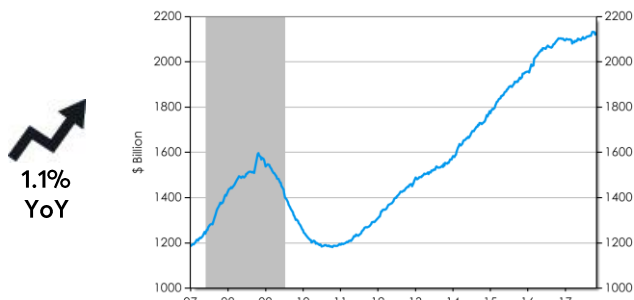
Commercial Paper Outstanding



Sources: FRB, Ten-X Research

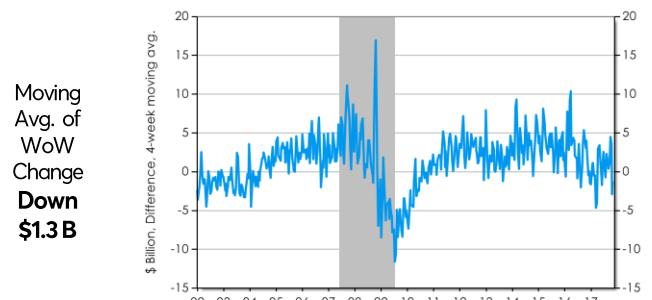
C&I Loans

C&I Loans



Sources: FRB, Ten-X Research

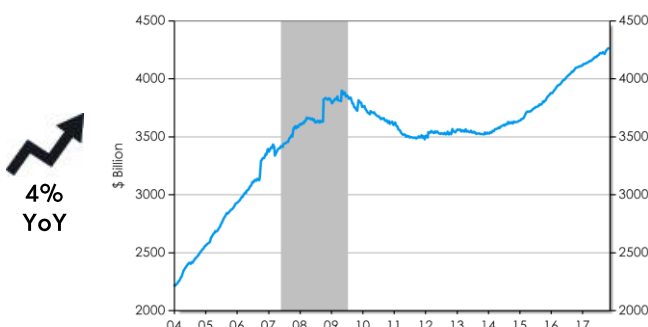
Growth in C&I Loans



Sources: FRB, Ten-X Research

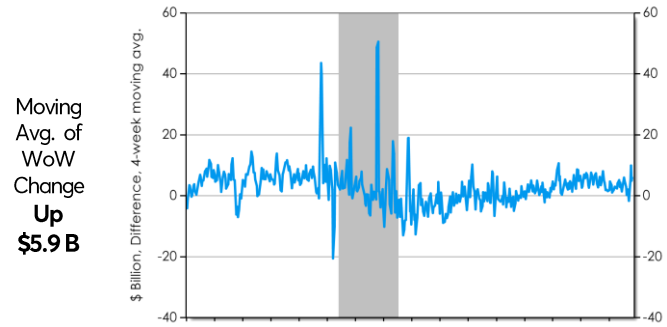
Real Estate Loans at Large Commercial Banks

Real Estate Loans at Large Commercial Banks



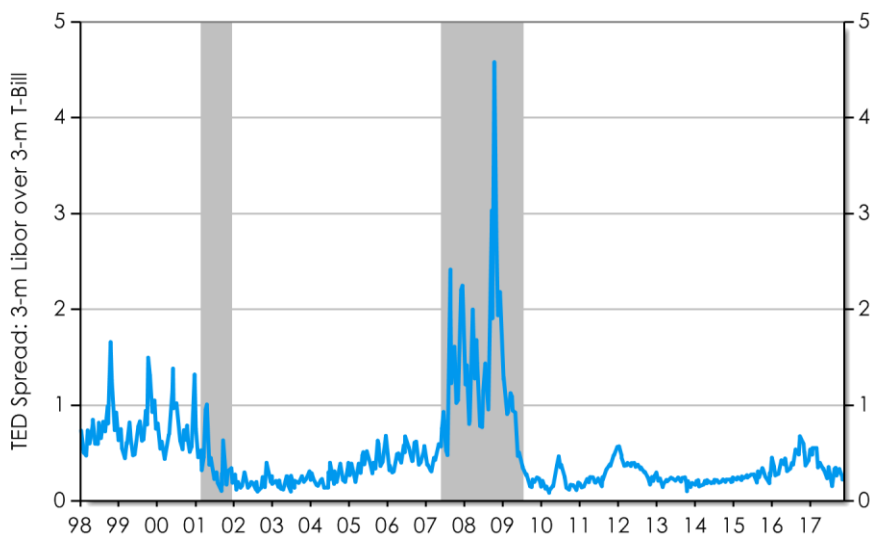
Sources: FRB, Ten-X Research

Growth in Real Estate Loans at Large Commercial Banks



Sources: FRB, Ten-X Research

"TED Spread" Credit Confidence



Sources: Federal Reserve, Ten-X Research

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