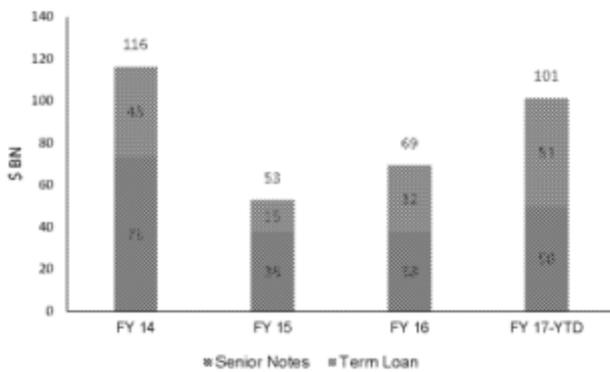




HY Energy debt market activity in FY 17

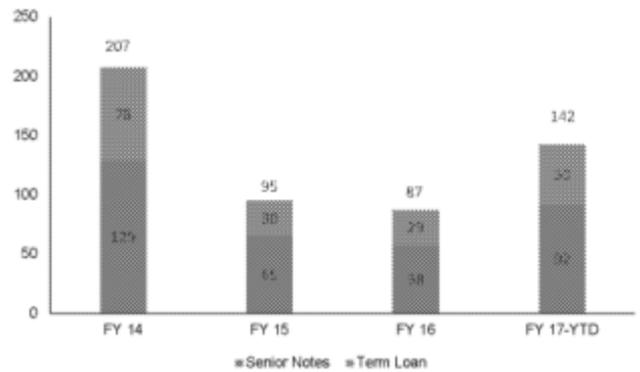
The HY Energy bond issuance market activity gained back momentum this year after a semi-hiatus over the last two years. The total issuance in the bond and TL markets have already crossed \$100BN by mid-December, comparable to \$116BN levels seen in FY 14 and well-above \$53BN in FY 15 and \$70BN in FY 16. However, in terms of deal count, the 2017 YTD count is 142 which is well below FY 14 levels of >200. The revival has been led by E&Ps (\$26BN, 25% of total) and midstream (\$28BN, 28%) with both sub-sectors recording a ~100% growth YoY. The quarterly cadence of issuance has therefore tracked the oil movement – i.e. strong in Q1 and Q4. Single-B and CCC issues accounted for half of the bond issuances in FY 17 YTD, up from 36% in the previous year.

Figure 26: Total HY Energy debt issuance



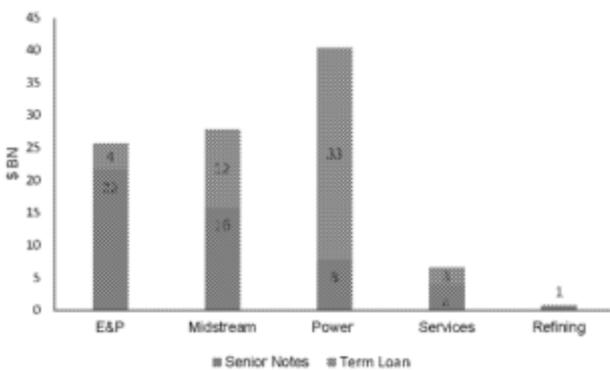
Source: Deutsche Bank

Figure 27: Total HY Energy deal count



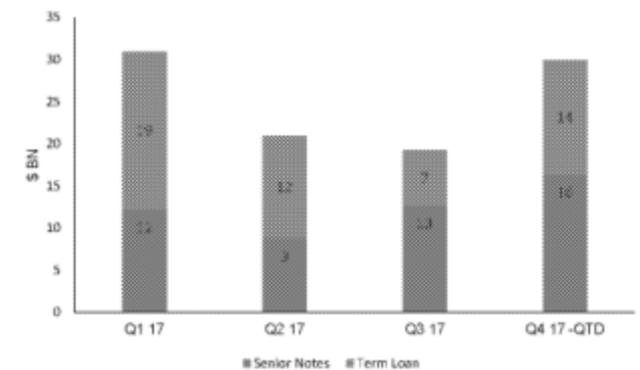
Source: Deutsche Bank

Figure 28: HY Energy issuance by sub-sector



Source: Deutsche Bank

Figure 29: HY Energy 2017 issuance by quarter



Source: Deutsche Bank