



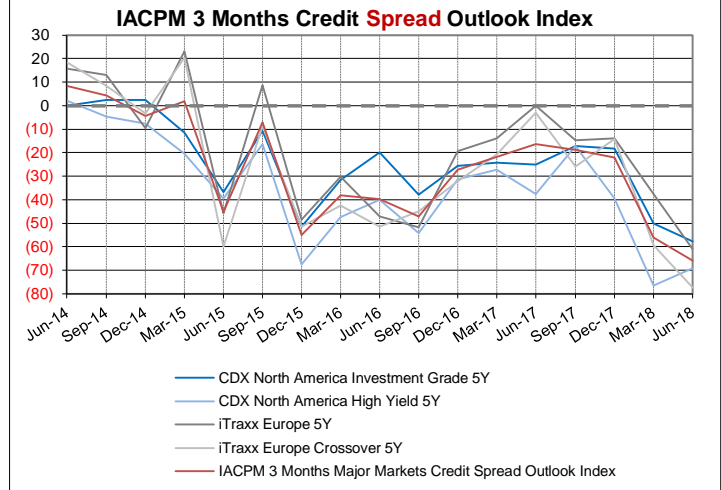
Second Quarter 2018 Credit Outlook

Expected direction Credit Spreads will move over the course of the next 3 months

Percent of total respondents selecting the option.	Up (widen)	Unchanged	Down (narrow)	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
	Jun-18	Jun-18	Jun-18	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
CDX North America Investment Grade 5Y	58%	42%	0%	(57.7)	(50.0)	(18.2)	(17.2)	(25.0)
CDX North America High Yield 5Y	69%	31%	0%	(69.2)	(76.5)	(39.4)	(17.2)	(37.5)
iTraxx Europe 5Y	74%	13%	13%	(60.9)	(37.5)	(13.8)	(14.8)	0.0
iTraxx Europe Crossover 5Y	82%	14%	4%	(77.3)	(59.4)	(14.3)	(25.9)	(3.1)

IACPM 3 Months Major Markets Credit Spread Outlook Index (weighted average based on number of responses)

(66.0) (56.2) (22.0) (18.8) (16.4)



Expected direction Credit Default Rates will move over the course of the next 12 months (annual twelve month trailing)

Percent of total respondents selecting the option.	Up	Unchanged	Down	IACPM 12 Months Credit Default Outlook Index (positive numbers indicate credit improvement)				
	Jun-18	Jun-18	Jun-18	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
Average Corporate	56%	44%	0%	(55.9)	(48.7)	(24.0)	(33.9)	(31.1)
North America Corporate	66%	34%	0%	(65.5)	(57.9)	(26.5)	(41.7)	(41.2)
Europe Corporate	56%	44%	0%	(55.6)	(45.7)	(8.8)	(21.9)	(30.3)
Asia Corporate	52%	48%	0%	(52.2)	(40.7)	(42.1)	(47.8)	(27.3)
Australia Corporate	43%	57%	0%	(42.9)	(46.7)	(29.4)	(22.2)	(17.6)
Average Retail/ Consumer Mortgage	52%	47%	1%	(50.6)	(52.9)	(38.3)	(41.1)	(42.3)
Average Commercial Real Estate	46%	54%	0%	(46.4)	(39.2)	(29.2)	(34.0)	(41.3)

IACPM Aggregate Credit Default Outlook Index (weighted average based on number of responses)

(51.1) (47.2) (30.3) (36.3) (38.0)

IACPM 12 Months Corporate Credit Default Outlook Index

