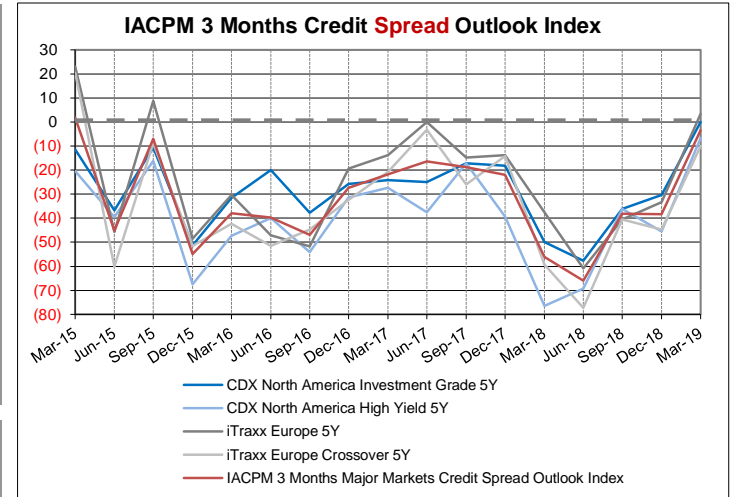




First Quarter 2019 Credit Outlook

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 <i>(positive numbers indicate credit improvement)</i>				
	Mar-19	Mar-19	Mar-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
CDX North America Investment Grade 5Y	23%	53%	23%	0.0	(30.3)	(36.1)	(57.7)	(50.0)
CDX North America High Yield 5Y	30%	47%	23%	(6.7)	(45.5)	(36.1)	(69.2)	(76.5)
iTraxx Europe 5Y	23%	50%	27%	3.3	(33.3)	(40.6)	(60.9)	(37.5)
iTraxx Europe Crossover 5Y	37%	37%	27%	(10.0)	(44.8)	(40.6)	(77.3)	(59.4)
IACPM 3 Months Major Markets Credit Spread Outlook Index <i>(weighted average based on number of responses)</i>				(3.3)	(38.4)	(38.2)	(66.0)	(56.2)



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 <i>(positive numbers indicate credit improvement)</i>				
	Mar-19	Mar-19	Mar-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
Average Corporate	51%	48%	1%	(50.0)	(72.3)	(49.5)	(55.9)	(48.7)
North America Corporate	50%	50%	0%	(50.0)	(75.7)	(43.2)	(65.5)	(57.9)
Europe Corporate	50%	47%	3%	(47.2)	(73.5)	(56.3)	(55.6)	(45.7)
Asia Corporate	52%	48%	0%	(52.2)	(78.3)	(59.1)	(52.2)	(40.7)
Australia Corporate	52%	48%	0%	(52.4)	(55.6)	(38.9)	(42.9)	(46.7)
Average Retail/ Consumer Mortgage	60%	40%	0%	(59.8)	(71.0)	(47.1)	(50.6)	(52.9)
Average Commercial Real Estate	59%	40%	1%	(58.0)	(69.7)	(44.7)	(46.4)	(39.2)
IACPM Aggregate Credit Default Outlook Index <i>(weighted average based on number of responses)</i>				(55.7)	(71.1)	(47.2)	(51.1)	(47.2)

