

Market Update Presentation – October 18, 2018
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Part 1: 2018 Market Update

1. USD Fixed Income Market Overview
2. Economic & Interest Rate Environment
3. Credit Market Conditions
4. Market Snapshot
 - a. Volatile Markets
 - b. Q3 Started with Good Technicals
 - c. Flattening Yield Curve
5. Primary Market Update
 - a. Investment Grade Issuance Volumes
 - b. New Issue Concessions
6. Market Outlook
 - a. Global Recovery with US Benefiting from a Taming Dollar
 - b. Tight Valuations Amidst Stable Credit Fundamentals & Leverage
 - c. Technical Conditions Remain Constructive
 - d. Corrections and Recoveries Happening Quickly
 - e. The Great Tax Divide
 - f. Spread Limbo: How Low Can We Go

Part 2: Brexit & Market Impact

1. Introduction: What is Brexit?

2. Summary of the current status of Brexit negotiations:
 - a. Between the EU and the UK
 - b. Within the UK
3. Possible outcomes on the Brexit date (31 March 2019) and consequences of those outcomes:
 - a. Brexit with a deal and transition period (UK Government's current proposal)
 - b. No deal (a "hard" Brexit) and trading on WTO terms or "Canada Plus"
 - c. Application to remain temporarily in EEA (like Norway) pending a later free trade agreement
 - d. Postponement of Brexit date
4. Key events between 18 October 2018 and 31 March 2019.
5. Key legal/business impacts and considerations relating to Brexit, including effects on:
 - a. Contractual continuity:
 - i. choice of law
 - ii. jurisdiction of courts
 - iii. recognition of judgments
 - b. Recognition of English law restructuring and insolvency procedures
 - c. Derivatives
 - d. Writing insurance contracts in the EU
 - e. Passporting
 - f. English legal opinions
 - g. Others

6. Conclusions:
 - a. Dispelling certain myths and hyperbole
 - b. Whether practical realities, such as the need for stability in unstable times and domestic political concerns, both in the EU and the UK, may overcome political agendas
 - c. Some EU perspectives
 - d. The strength of English law and the judicial system