

# Chart of the Day

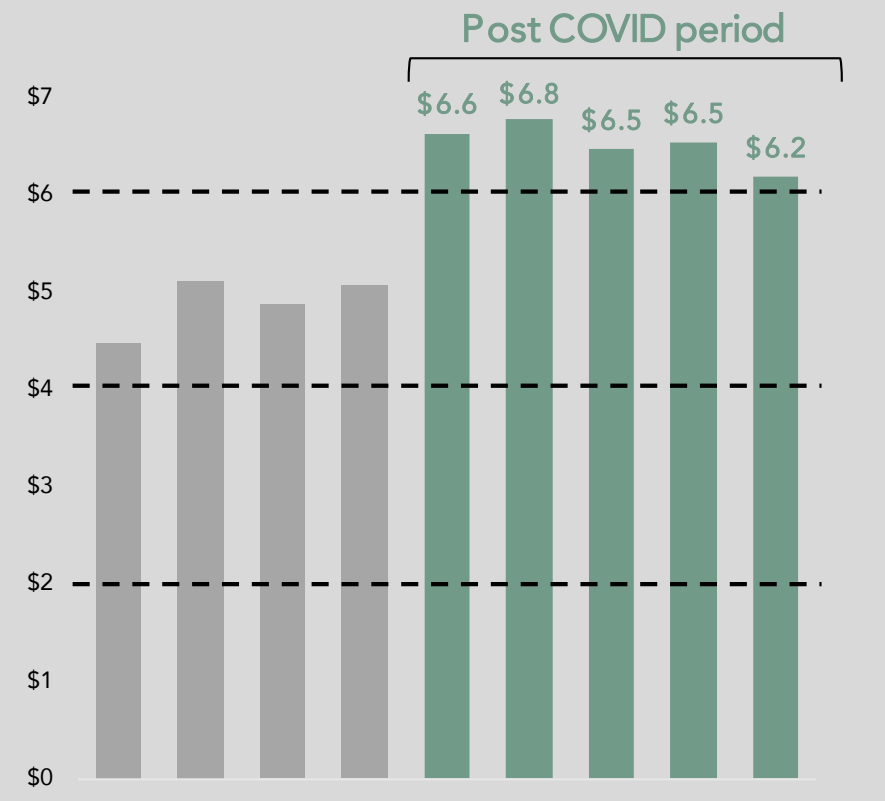
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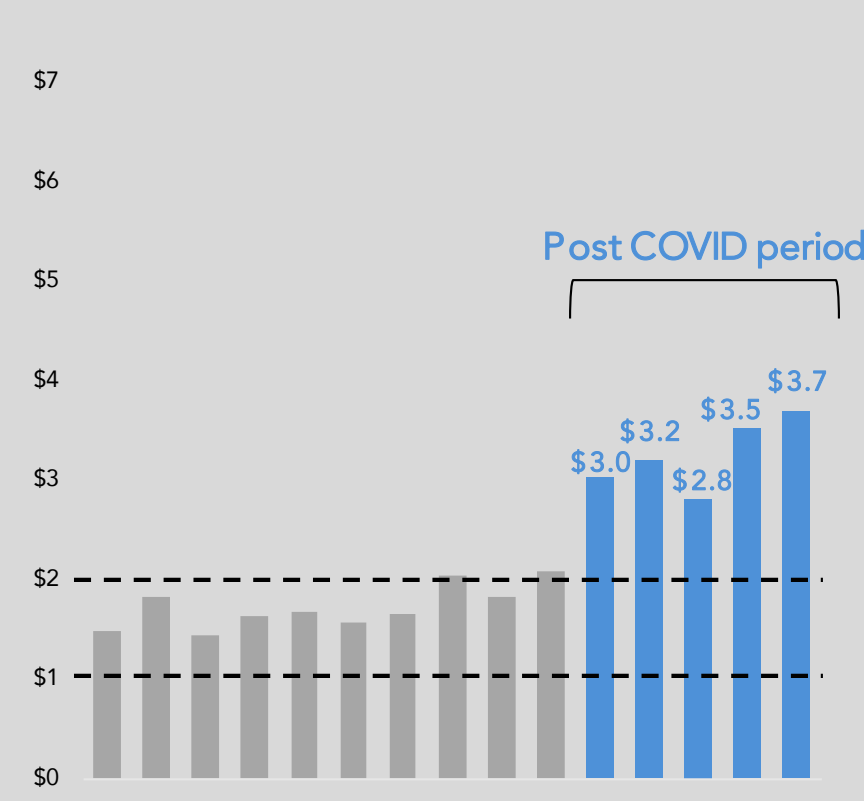
## Fortified Cash-Rich Balance Sheets

Corporates moved quickly (and impressively) after COVID to adjust business strategy to drive stronger operating performance as well as to fortify balance sheets with historically low cost capital.

Global cash and short-term investments on companies' balance sheets, USD tn



US corporate cash balances, USD tn



## Over \$120 Trillion of Global Equity Market Capitalization

At over \$120 trillion in size, global equity markets have risen considerably over the last decade, and provide formidable "acquisition currency" for deal-making activity.

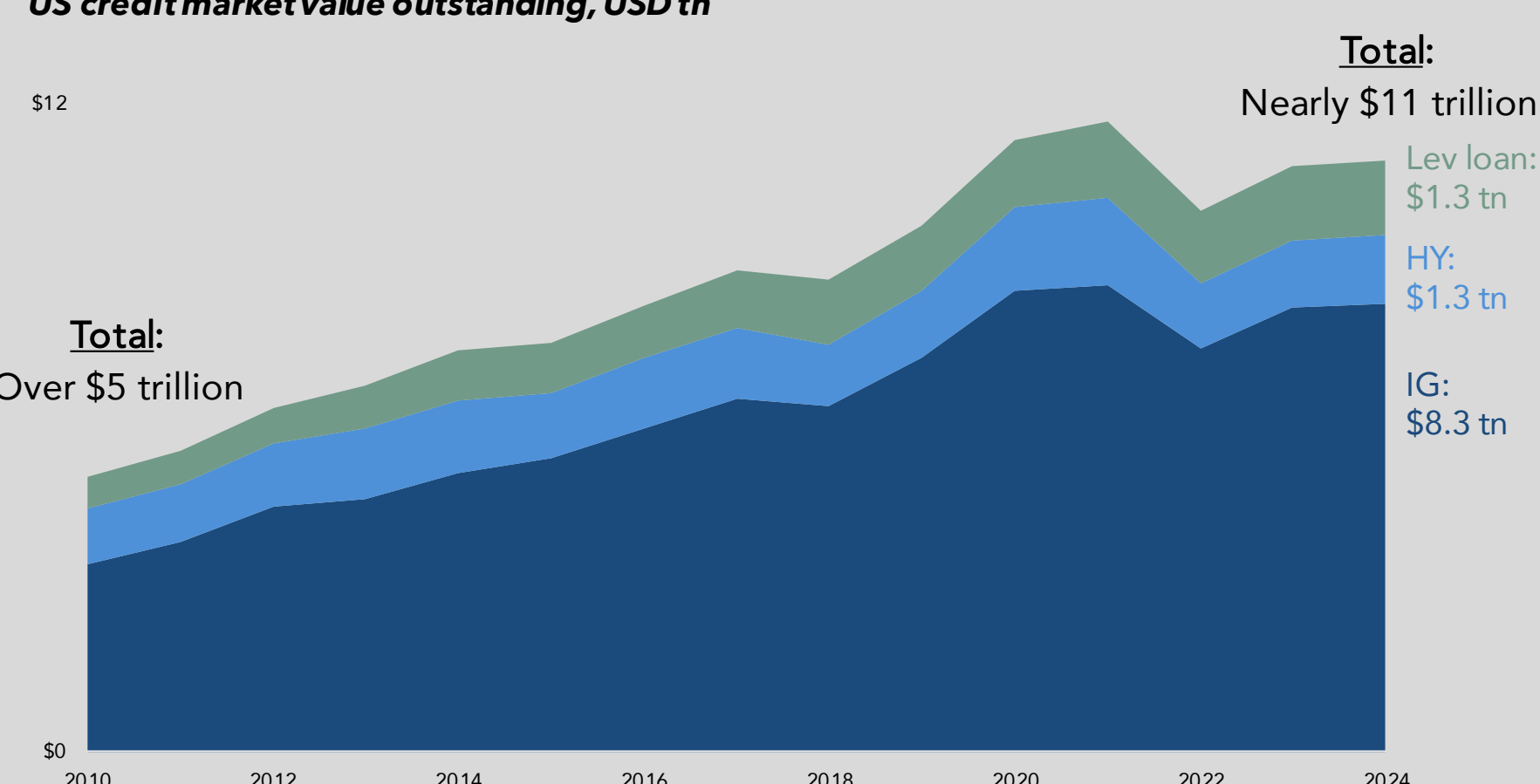
Global equity market cap share, USD tn



## Large, Liquid Corporate Debt Markets

US Dollar corporate credit markets, the largest in the world, have more than doubled in size since the Global Financial Crisis. In the first half of 2024, nearly 13% of IG issuance (\$107 bn) proceeds were directed toward M&A.

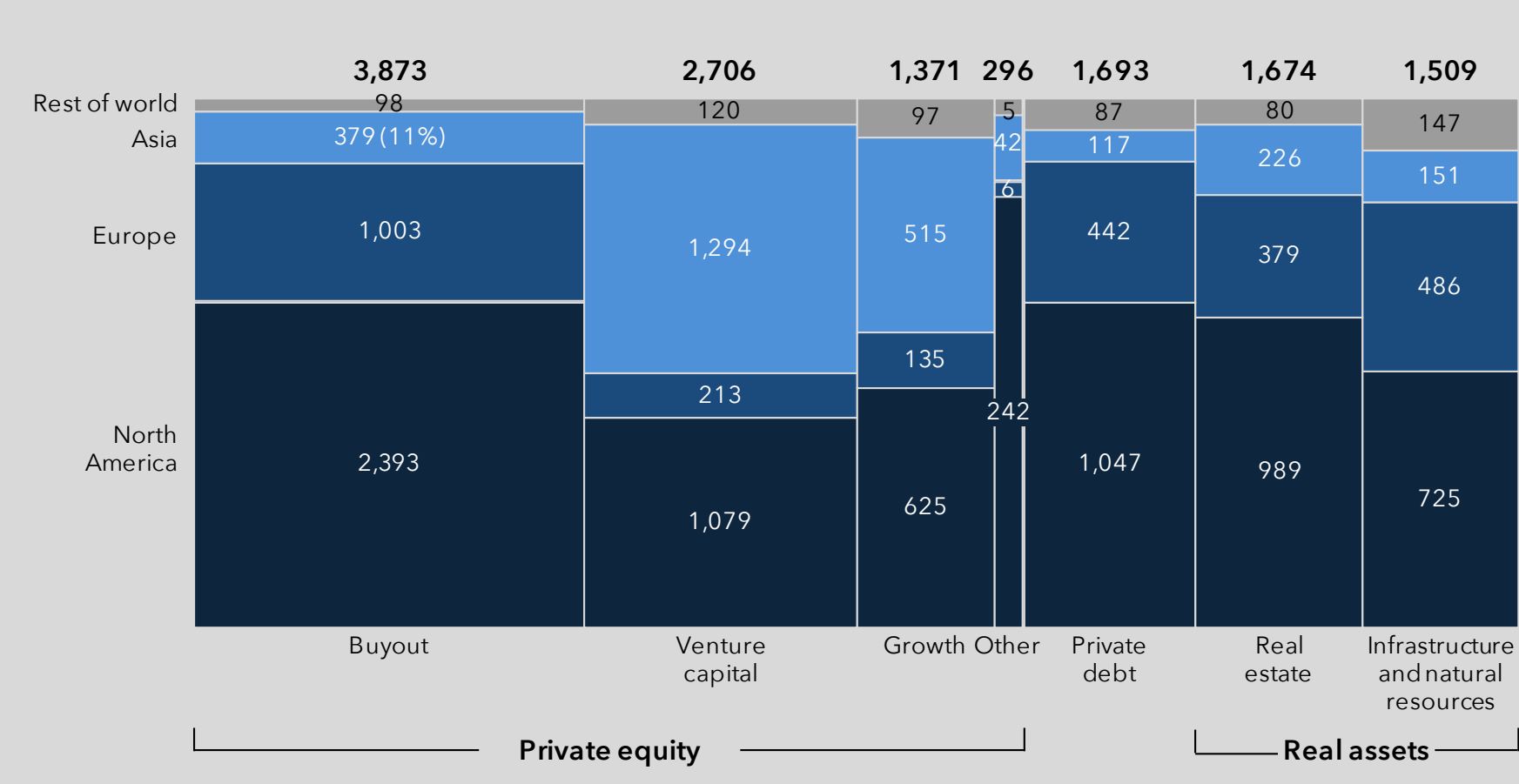
US credit market value outstanding, USD tn



## Over \$13 Trillion of Private Capital Globally

According to a recent study by McKinsey & Company, private market AUM has grown nearly 14% per year since 2013 and totaled \$13.1 tn in 1H 2023. Private debt AUM has nearly doubled since 1H 2020 while Private Equity funds, which have held assets longer than usual due to a more challenging exit market, have increased AUM by over 80% in the same time period.

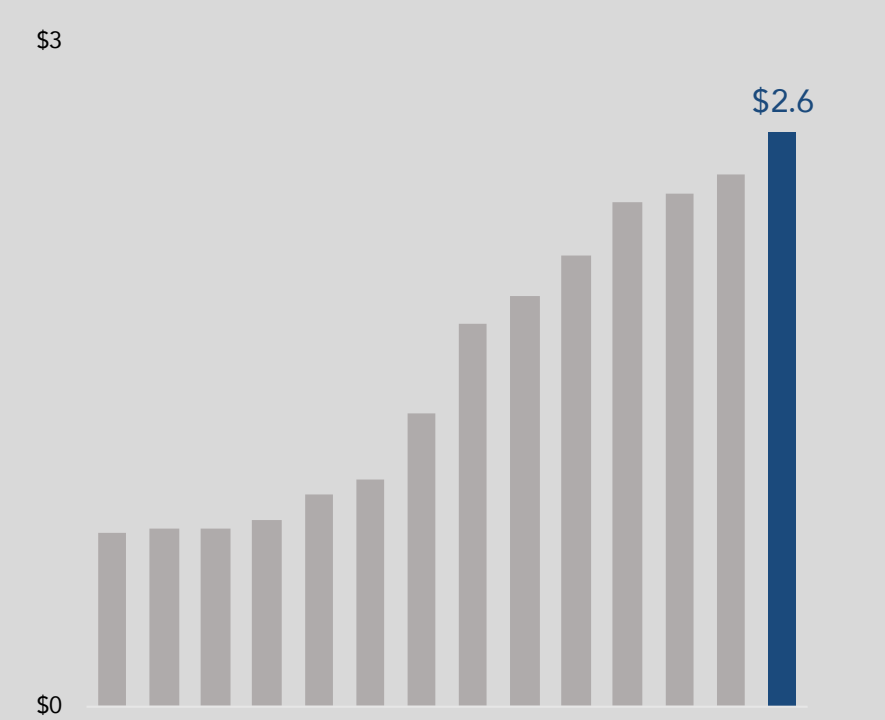
Private market assets under management, H1 2023, USD Billion



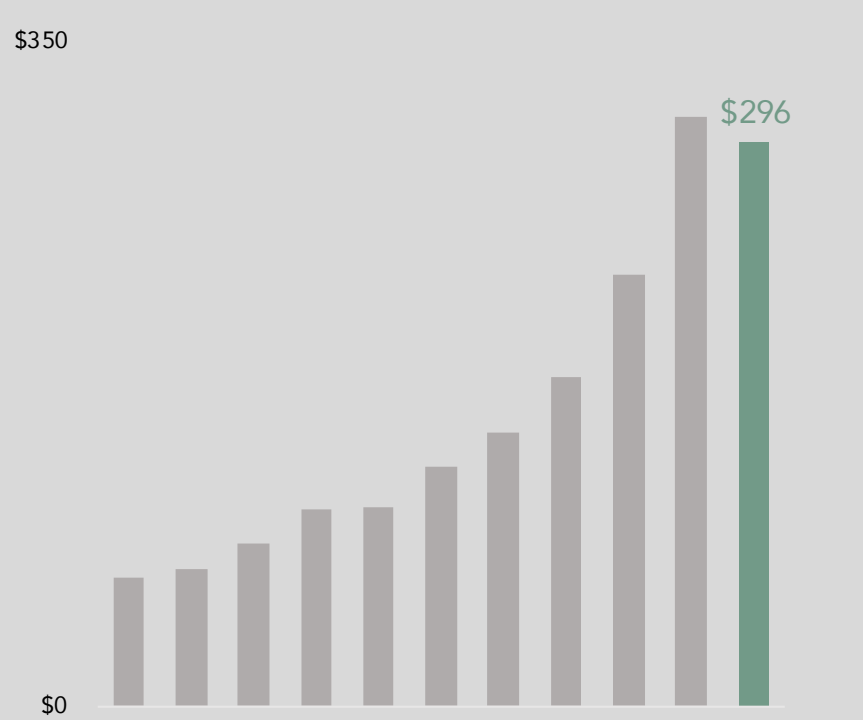
## Record Private Equity "Dry Powder"

Between 2021 and 2023, US Private Equity funds had their three strongest fundraising years on record. The trend continued in Q1 2024 as 63 PE funds raised \$77 bn in the first three months of the year. More cautious investment strategies over the same time period have driven PE dry powder to record levels. Record "dry powder" is likely to be an important source of deal activity in the years ahead.

Global private equity dry powder, USD tn



US VC dry powder, USD bn



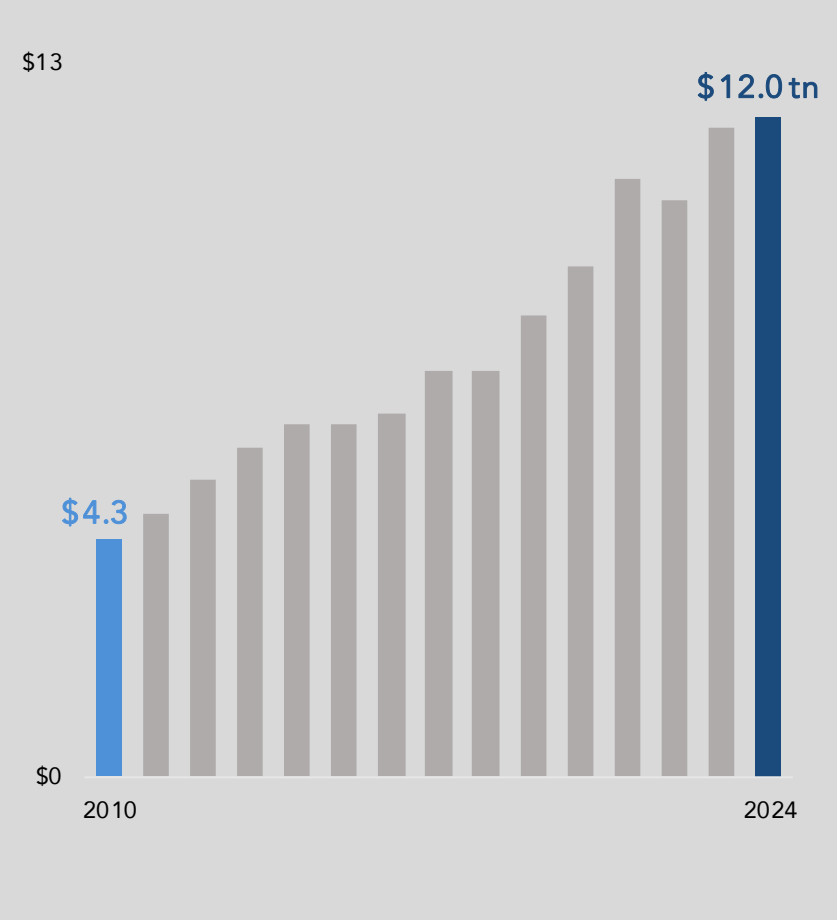
## Large Sovereign Wealth Funds Increasingly Active

Seeking higher returns and increased influence across international markets, global sovereign wealth funds have become increasingly prominent in global M&A in recent years. The resource-rich GCC funds have been notably active in cross-border M&A, while other SWFs have partnered with PE and venture funds with increased frequency.

Top 10 global sovereign wealth funds by AUM

|                                     |            |
|-------------------------------------|------------|
| 1. Norway Gov't Pension Fund Global | \$1,634 bn |
| 2. China Investment Corporation     | \$1,240 bn |
| 3. SAFE Investment Company          | \$1,098 bn |
| 4. Abu Dhabi Investment Authority   | \$993 bn   |
| 5. Public Investment Fund           | \$978 bn   |
| 6. Kuwait Investment Authority      | \$969 bn   |
| 7. GIC Private Limited              | \$769 bn   |
| 8. Qatar Investment Authority       | \$510 bn   |
| 9. Investment Corporation of Dubai  | \$360 bn   |
| 10. Mubadala Investment Company     | \$302 bn   |

Global sovereign wealth fund AUM, USD tn



Source: (1) S&P Global Market Intelligence, S&P Global Ratings. Data as of July 29, 2024. Refers to nonfinancial corporates rated by S&P Global Ratings globally. (2) Cortx. Dealogic. Data as of July 12, 2024. Includes rank eligible, M&A deals. Cash includes cash and internal funds. Stock includes convertible preferred stock, preferred shares, shares and open offer. Data excludes transactions where source of funds is unknown. (3) CreditSights. FactSet. ICE Data Indices. LLC. LFI, CFR. Data as of June 30, 2024. (4) World Federation of Exchanges. Data as of April 2024. UK is Statista. (5) Prequin. McKinsey & Company. "Private markets: A slower era" (March 2024). Figures may not sum precisely because of rounding. Other includes turnaround, private investments in public equity, balanced, hybrid funds, and funds with unspecified strategy. (6) S&P Global Market Intelligence. Data for 2023 is YTD. Analysis includes aggregate. (7) Pitchbook, "NVCA Venture Monitor - Q2 2024" Data as of December 31, 2023. (8-9) Global SWF. AUM is assets under management. Data as of June 2024.

## Global Corporate & Investment Banking Capital Markets Strategy Team

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"Macro stability isn't everything, but without it, you have nothing."