

ISSUE DATE:
JANUARY 12, 2023



FULCRUM



Weekly
NEWSLETTER

DISTRESSED & SPECIAL SITUATIONS

Retail Developments

North America & Europe



+5.3%



Redbook Sales Increase

Redbook US Index same-store sales increased by 5.3% from the prior year in the week, following two weeks of increases totaling 10.2%. The expected growth is 5.1% in Jan 2023. Despite the ongoing holiday deal, shopping, gift card swaps and redemptions helped boost sales, Some retailers announced they will be closing stores while others are preparing to introduce Valentine's Day and even spring merchandise by mid-month.

\$1.7B



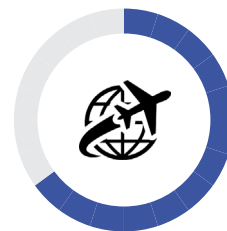
US HIGH YIELD RETAIL BONDS MATURE

Bonds issued by US retail companies Albertsons, Kohl's and QVC are among the \$1.7 bn of US high yield retail bonds maturing this year.

Travel & Leisure

Bullish COVID-19 Recovery

During the week, CEO of the World Travel and Tourism Council is bullish about the sector's recovery from the COVID-19 pandemic and expects exponential growth over the next decade mainly thanks to a boost from Chinese outbound travelers and foreign visitors to China.



+5.8%

Travel & Tourism GDP is set to **grow on average by 5.8% annually between 2022 and 2032**

Power Generation

United Kingdom

£675



Power prices have surged to a record high as the cold snap and a lack of wind prompts a scramble for electricity among suppliers. Day ahead UK power prices jumped to an **all-time high of £675 a megawatt hour** on Sunday as snow and sub-zero temperatures swept across Britain.

25%



Almost **1/4 of the UK's small companies could be forced to close**, downsize or restructure their operations after the government slashed subsidies for companies' energy bills.



High energy prices and inflation are taking a toll on U.K. businesses.

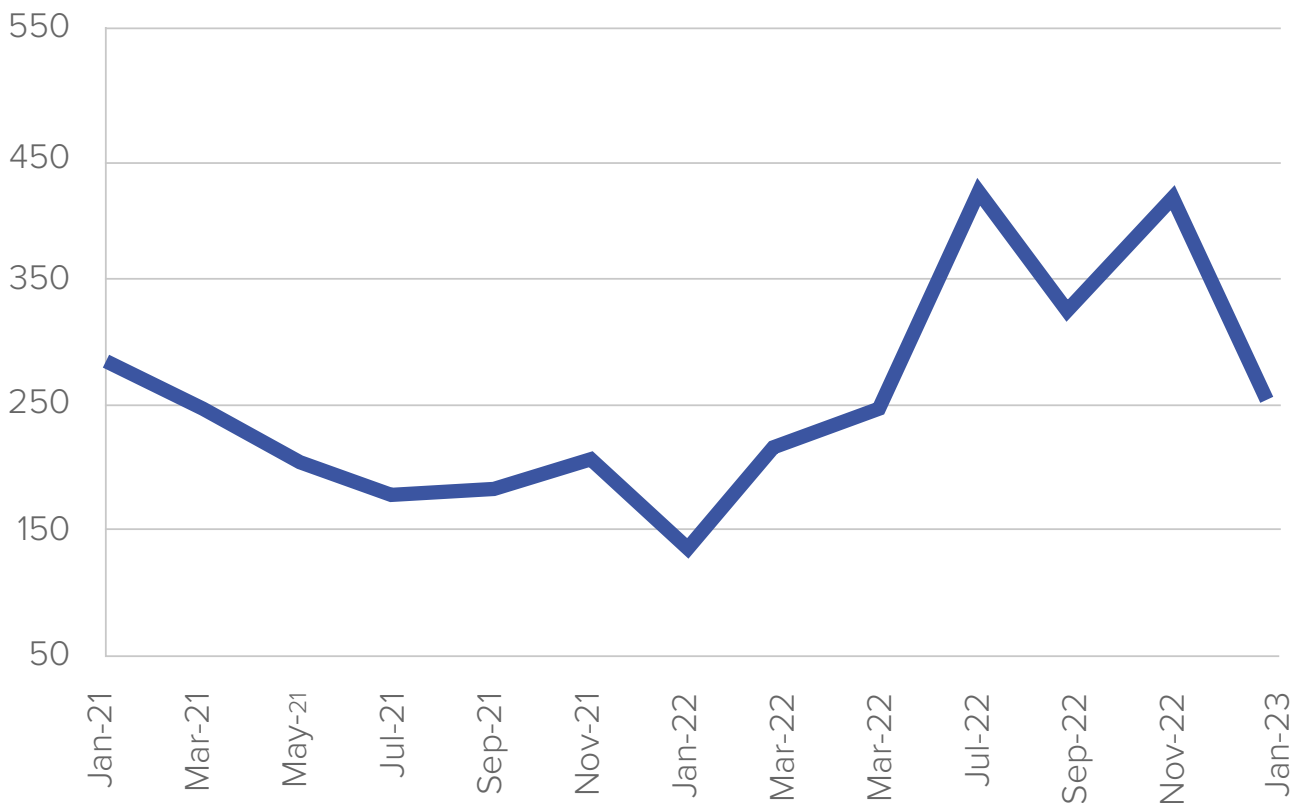
However, The fall in gas prices in recent weeks represents a rare upside risk to the UK economy's 2023 outlook. The reason for fall seems to be the recent mild weather in the UK and Europe.

Britain this week scaled back its energy bill support for businesses after warning that the current aid level was unsustainable.

Distressed Debt Supply

Number of distressed bonds traded distressed. Distressed is defined as any bond that trades at greater than 1000 basis points over the benchmark treasury.

“ *Orro venihit, qudiam, sa custiis restrum quatam eveniutur rest estis eos rest hit aborro omnistiis emo lorrovidici que ne poreria vollabo. Ut undiam, sa custiis restrum quatur rest estis eos rest hit aborro omnistiis eate reperunt volupti simporum* ”



Large Defaults & Insolvencies



Forma Obtains \$33 mn in DIP Financing

Forma Brands, the parent company of Morphe, Morphe 2 and Lipstick Queen, is filing for Chapter 11 bankruptcy. Forma obtained roughly \$33 mn in DIP financing from those investors, pending court approval.

Nautical Solutions is Restructuring

Nautical Solutions filed for bankruptcy on Jan 09, 2023, armed with a prepacked plan, based on a restructuring support agreement (RSA) backed by 68% of its first lien claims and 100% of its equity holders, that will include the issuance of new senior notes. The company is using cash collateral to fund the case and will not need DIP Financing.



Company	Type	Total Assets	Country	Total Liabilities
Forma Brands	Bankruptcy	\$500mn—\$1 bn	USA	\$500mn—\$1 bn
Nautical Solutions LLC	Bankruptcy	\$500mn—\$1 bn	USA	\$500mn—\$1 bn

Note: Liabilities >= 1 bn, Figures in USD mn

Large Defaults & Insolvencies



\$500mn—\$1 bn 

FORMA OBTAINS \$33 MN IN DIP FINANCING

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\$500mn—\$1 bn 

NAUTICAL SOLUTIONS IS RESTRUCTURING

Nautical Solutions filed for bankruptcy on Jan 09, 2023, armed with a prepackaged plan, based on a restructuring support agreement (RSA) backed by 68% of its first lien claims and 100% of its equity holders, that will include the issuance of new senior notes. The company is using cash collateral to fund the case and will not need DIP Financing.



Weekly Leaders

Name	Today Price	Last Week Px	Change	% Change	Bond Type	ISIN ID
Times China Holdings Limited	22.187	15.249	6.94	45.50%	1st Lien USD 6.75%	XS2198851482
Yuzhou Group	13.143	9.796	3.35	34.18%	1st Lien USD 7.375%	XS2100653778
Greenland Global Investment Ltd	50.653	37.862	12.79	33.78%	Sr Unsec USD 5.875%	XS1081321595
Fortune Star BVI Ltd	76.427	60.053	16.37	27.26%	Sr Unsec EUR 3.95%	XS2357132849

Weekly Laggards

Name	Today Price	Last Week Px	Change	% Change	Bond Type	ISIN ID
Bed Bath & Beyond Inc	10.059	22.541	-12.48	-55.38%	Sr Unsec. USD 3.749%	US075896AA80
Diamond Sports Group	0.457	0.920	-0.46	-50.29%	Sr Unsec. USD 6.625%	US25277LAC00
Party City Holdings Inc	20.887	30.622	-9.73	-31.79%	1st Lien USD 8.75%	US702150AG84
Tacora Resources Inc	62.770	72.048	-9.28	-12.88%	Sec. USD 8.25%	US87356LAA89
Altera Infra	3.030	3.441	-0.41	-11.93%	Sr Unsec. USD 8.50%	US87901BAB80

Rating Downgrades

Name	Today Price	Last Week Px	Change	% Change	Bond Type	ISIN ID

