

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 19 / 02



CHANIN CAPITAL PARTNERS
A SPECIALTY INVESTMENT BANK

WEEK OF SEPTEMBER 20, 2002
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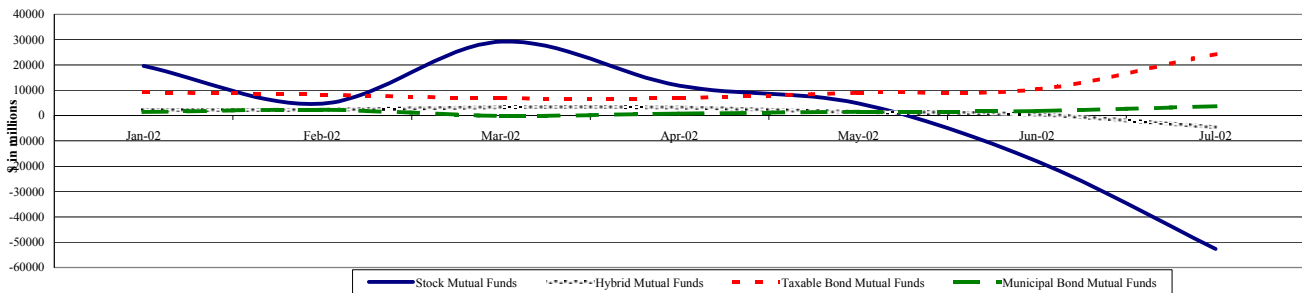
Key Market Indicators

	September 20, 2002		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,519.38	7,986.02	8,602.61	7,942.39	-533.36	-6.26%	-2,035.48	-20.31%
Nasdaq	1,304.60	1,221.09	1,320.09	1,216.45	-83.51	-6.40%	-729.31	-37.39%
S&P 500	902.96	845.39	909.58	843.32	-57.57	-6.38%	-302.69	-26.36%
Russell 2000	392.47	367.28	394.16	365.54	-25.19	-6.42%	-121.22	-24.81%
OEX Volatility Index	38.40	44.55	46.16	36.96	6.15	16.02%	21.33	91.86%
Prime Rate	4.75%							
LIBOR	1 month	3 months	6 months	1 Year				
	1.82%	1.82%	1.81%	1.91%				

Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)

	Jul-02	Jun-02	May-02	Apr-02	Mar-02	Feb-02	Jan-02	YTD 2002
Stock Mutual Funds	(\$52,628)	(\$18,045)	\$4,828	\$11,756	\$29,275	\$4,690	\$19,600	(\$524)
Hybrid Mutual Funds	(\$4,690)	\$395	\$1,448	\$3,155	\$3,392	\$2,335	\$2,240	\$8,275
Taxable Bond Funds	\$24,374	\$10,428	\$9,062	\$7,040	\$6,923	\$8,331	\$9,140	\$75,298
Municipal Bond Funds	\$3,765	\$1,801	\$1,538	\$774	(\$118)	\$2,340	\$1,461	\$11,561

Net New Cash Flow of Long-Term Funds



Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)

Index	Aug-02	Jul-02	Jun-02	Aug-02	YTD
	Level	Level	Level	Month Return	Return
Altman-NYU Defaulted Bank Loans Index	115.3	120.6	126.0	-4.37%	-1.41%
Altman-NYU Defaulted Public Bonds Index	63.0	59.4	67.8	6.05%	-9.16%
Combined Bank Loan-Public Bond Index	92.9	93.4	100.3	-0.54%	-4.45%
S&P 500 (Dividends Reinvested)	156.2	155.2	168.3	0.66%	-19.39%
Salomon Smith Barney High Yield Index	128.6	123.9	129.7	3.81%	-7.48%

Distressed Lending News

Story Description	Size (\$mil)	Date	Source
Consolidated Freightways Gets Interim Court OK For DIP Loan	\$225.0	9/9/02	DBR
Harvard Industries Gets Interim Nod For DIP Loan Extension	\$35.0	9/9/02	DBR
Judge Will OK SLI's \$20M Interim DIP Loan If Fees Are Cut	\$20.0	9/12/02	DBR
SLI Inc. Wins Interim Approval Of \$20 Million DIP Loan	\$20.0	9/13/02	DBR

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Zolfo Cooper LLC	Kroll Inc	\$168.00	9/5/02	Investment & Commodity Firms,Dealers,Exch.
Three World Financial Center	Brookfield Properties Corp	\$158.00	9/6/02	Real Estate; Mortgage Bankers and Brokers
Healthcare, Well Care,Comprehen	WellCare Acquisition Co	\$103.00	9/9/02	Insurance



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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



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M&A Announced Transactions (continued)

Target	Acquirer	Value (\$mil)	Date	Industry
Total Information Services Inc	US Investigations Services Inc	\$245.00	9/10/02	Business Services
West Essex Bancorp Inc	Kearny Financial Corp, Kearny	\$175.27	9/11/02	Savings and Loans, Mutual Savings Banks
United Dominion Realty-Apts	Undisclosed Acquiror	\$182.50	9/12/02	Real Estate; Mortgage Bankers and Brokers
Waterworks Distribution Group	Investor Group	\$620.00	9/12/02	Wholesale Trade-Durable Goods
BAE Systems-Advanced Sys Ops	Integrated Defense Tech	\$146.00	9/13/02	Measuring, Medical, Photo Equipment; Clocks
El Paso-Manchief Power Plant	TransCanada Pipelines Ltd	\$127.00	9/13/02	Electric, Gas, and Water Distribution
MCI WorldCom-Real Estate Asts	TST/Pentagon City LLC	\$101.40	9/13/02	Real Estate; Mortgage Bankers and Brokers
Deutsche Fin Svcs-Commercial	GE Vendor Financial Services	\$450.00	9/16/02	Credit Institutions
National Golf Properties Inc	Investor Group	\$765.45	9/16/02	Investment & Commodity Firms, Dealers, Exch.
Williams Gas Pipelines Central	Southern Star Central Corp	\$555.00	9/16/02	Oil and Gas; Petroleum Refining
Amerada Hess Corp-US Flag Tank	United States Shipping	\$200.00	9/17/02	Transportation and Shipping (except air)
Advantage Payroll Services	Paychex Inc	\$240.00	9/18/02	Business Services
Athanor Resources Inc	Nuevo Energy Co	\$102.78	9/18/02	Oil and Gas; Petroleum Refining

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Acterna Corp	9/13/02	LT Foreign Issuer Credit	S&P	CCC+	SD	Telecommunication Equip
Acterna Corp	9/13/02	LT Local Issuer Credit	S&P	CCC+	SD	Telecommunication Equip
Al-Ahram Beverages Co	9/12/02	LT Foreign Issuer Credit	S&P	BB **	BB	Brewery
Al-Ahram Beverages Co	9/12/02	LT Local Issuer Credit	S&P	BB **	BB	Brewery
Alto Palermo SA	9/11/02	LT Foreign Issuer Credit	S&P	CC	SD	Real Estate Mgmt/Service
Alto Palermo SA	9/11/02	LT Local Issuer Credit	S&P	CC	SD	Real Estate Mgmt/Service
Amazon.Com Inc	9/4/02	Senior Implied Issuer	Moody	B2	B3	E-Commerce/Products
Ameristar Casinos Inc	9/9/02	LT Foreign Issuer Credit	S&P	BB-	B+	Casino Hotels
Ameristar Casinos Inc	9/9/02	LT Local Issuer Credit	S&P	BB-	B+	Casino Hotels
Autonation Inc	9/16/02	Senior Implied Issuer	Moody	Ba1	Ba2	Retail-Automobile
Bank Indonesia	9/6/02	LT Foreign Issuer Credit	S&P	CCC+	SD	Money Center Banks
Brand Services Inc	9/18/02	LT Foreign Issuer Credit	S&P	B+	B *	Building-Maint & Service
Brand Services Inc	9/18/02	LT Local Issuer Credit	S&P	B+	B *	Building-Maint & Service
Brand Services Inc	9/6/02	Senior Implied Issuer	Moody	B1	B2	Building-Maint & Service
Brand Services Inc	9/6/02	Senior Unsecured Debt	Moody	B2	B3	Building-Maint & Service
Champion Enterprises Inc	9/6/02	Senior Implied Issuer	Moody	B1	B1 *-	Bldg-Mobil Home/Mfd House
Champion Enterprises Inc	9/6/02	Senior Unsecured Debt	Moody	B3	B3 *-	Bldg-Mobil Home/Mfd House
Champion Home Builders Co	9/6/02	Senior Unsecured Debt	Moody	B2	B2 *-	Bldg-Mobil Home/Mfd House
Choice One Communications	9/16/02	LT Foreign Issuer Credit	S&P	CCC-	CCC- *-	Telecom Services
Choice One Communications	9/16/02	LT Local Issuer Credit	S&P	CCC-	CCC- *-	Telecom Services
Doman Industries Ltd	9/6/02	LT Foreign Issuer Credit	S&P	CCC-	CC *-	Paper & Related Products
Doman Industries Ltd	9/6/02	LT Local Issuer Credit	S&P	CCC-	CC *-	Paper & Related Products
Empresa Distribuidora Y Com.	9/17/02	LT Foreign Issuer Credit	S&P	D	SD	Electric-Distribution
Group 1 Automotive Inc	9/5/02	Senior Implied Issuer	Moody	Ba2	Ba3 **	Retail-Automobile
Group 1 Automotive Inc	9/5/02	Senior Subordinate	Moody	B1	B2 **	Retail-Automobile
Intrawest Corp	9/9/02	LT Foreign Issuer Credit	S&P	BB-	BB- *-	Resorts/Theme Parks
Intrawest Corp	9/9/02	LT Local Issuer Credit	S&P	BB-	BB- *-	Resorts/Theme Parks
LCI International Inc	9/6/02	LT Foreign Issuer Credit	S&P	B-	B- *-	Telephone-Integrated
LCI International Inc	9/6/02	LT Local Issuer Credit	S&P	B-	B- *-	Telephone-Integrated
Plains All American Pipeline LP	9/17/02	Senior Implied Issuer	Moody	Ba1	Ba2	Pipelines
Qwest Communications Intl	9/6/02	LT Foreign Issuer Credit	S&P	B-	B- *-	Telephone-Integrated
Qwest Communications Intl	9/6/02	LT Local Issuer Credit	S&P	B-	B- *-	Telephone-Integrated
Qwest Corp	9/6/02	LT Foreign Issuer Credit	S&P	B-	B- *-	Telecom Services
Qwest Corp	9/6/02	LT Local Issuer Credit	S&P	B-	B- *-	Telecom Services
Tatra Banka	9/5/02	LT Local Issuer Credit	S&P	BB+	BB	Commer Banks Non-US
Tatra Banka	9/5/02	Senior Secured Debt	S&P	BB+	BB	Commer Banks Non-US
Vseobecna Uverova Banka AS	9/5/02	LT Foreign Issuer Credit	S&P	BB	BB-	Commer Banks Non-US
Vseobecna Uverova Banka AS	9/5/02	LT Local Issuer Credit	S&P	BB	BB-	Commer Banks Non-US
Williams Gas Pipelines Central	9/17/02	LT Foreign Issuer Credit	S&P	B+ *	B+ *-	Gas-Transportation
Williams Gas Pipelines Central	9/17/02	LT Local Issuer Credit	S&P	B+ *	B+ *-	Gas-Transportation

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Advanced Lighting Technologies	9/17/02	LT Foreign Issuer Credit	S&P	CCC *-	CCC+	Lighting Products & Sys



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High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Advanced Lighting Technologies	9/17/02	LT Local Issuer Credit	S&P	CCC *-	CCC+	Lighting Products & Sys
AirGate PCS Inc	9/6/02	LT Foreign Issuer Credit	S&P	CCC+	B- *	Cellular Telecom
AirGate PCS Inc	9/6/02	LT Local Issuer Credit	S&P	CCC+	B- *	Cellular Telecom
American Airlines Inc	9/9/02	Bank Loan Debt	Moody	B2	B1	Airlines
American Airlines Inc	9/9/02	Senior Secured Debt	Moody	Ba3	Ba2	Airlines
American Buildings Co	9/13/02	Bank Loan Debt	Moody	B3 *-	Ba3	Building-Heavy Construct
American Buildings Co	9/12/02	LT Foreign Issuer Credit	S&P	CC *	B+	Building-Heavy Construct
American Buildings Co	9/12/02	LT Local Issuer Credit	S&P	CC *	B+	Building-Heavy Construct
American Buildings Co	9/13/02	Senior Subordinate	Moody	Ca *-	B2	Building-Heavy Construct
American Healthcare Indemnity	9/9/02	LT Local Issuer Credit	S&P	Bpi	BBBpi	N.A.
American Healthcare Specialt	9/9/02	LT Local Issuer Credit	S&P	Bpi	BBBpi	N.A.
AmeriCredit Corp	9/12/02	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Finance-Auto Loans
AMR Corp/Del	9/9/02	Senior Unsecured Debt	Moody	B2	B1	Airlines
Applied Extrusion Technologies I	9/12/02	Bank Loan Debt	Moody	B1	Ba3 *-	Chemicals-Plastics
Applied Extrusion Technologies I	9/18/02	LT Foreign Issuer Credit	S&P	B *	B+ *	Chemicals-Plastics
Applied Extrusion Technologies I	9/18/02	LT Local Issuer Credit	S&P	B *	B+ *	Chemicals-Plastics
Applied Extrusion Technologies I	9/12/02	Senior Implied Issuer	Moody	B2	B1 *-	Chemicals-Plastics
Applied Extrusion Technologies I	9/12/02	Senior Unsecured Debt	Moody	Caa1	B2 *-	Chemicals-Plastics
Asahi Mutual Life Insurance Co	9/9/02	LT Local Issuer Credit	S&P	CCC	B-	Mutual Insurance
AT&T Canada Inc	9/16/02	LT Foreign Issuer Credit	S&P	D	CC *-	Telecom Services
AT&T Canada Inc	9/16/02	LT Local Issuer Credit	S&P	D	CC *-	Telecom Services
Bahrain International Bank	9/18/02	Long Term Bank Deposits	Moody	B3	Ba2	Commer Banks Non-US
Bahrain International Bank	9/18/02	Senior Unsecured Debt	Moody	B3	Ba2	Commer Banks Non-US
Bayou Steel Corp	9/12/02	LT Foreign Issuer Credit	S&P	CCC+	B-	Steel-Producers
Bayou Steel Corp	9/12/02	LT Local Issuer Credit	S&P	CCC+	B-	Steel-Producers
Bonlac Foods Ltd	9/16/02	LT Foreign Issuer Credit	S&P	B+	BB	Food-Dairy Products
Bonlac Foods Ltd	9/16/02	LT Local Issuer Credit	S&P	B+	BB	Food-Dairy Products
British Energy Plc	9/17/02	LT Foreign Issuer Credit	S&P	B *	BB *	Electric-Generation
British Energy Plc	9/6/02	LT Foreign Issuer Credit	S&P	BB *	BBB	Electric-Generation
British Energy Plc	9/17/02	LT Local Issuer Credit	S&P	B *	BB *	Electric-Generation
British Energy Plc	9/6/02	LT Local Issuer Credit	S&P	BB *	BBB	Electric-Generation
British Energy Plc	9/16/02	Senior Unsecured Debt	Moody	B2 *-	Ba3 *-	Electric-Generation
British Energy Plc	9/6/02	Senior Unsecured Debt	Moody	Ba3 *-	Baa2	Electric-Generation
Cable Satisfaction International	9/10/02	LT Foreign Issuer Credit	S&P	B- *-	B-	Cable TV
Cable Satisfaction International	9/10/02	LT Local Issuer Credit	S&P	B- *-	B-	Cable TV
Cablevision Systems Corp	9/16/02	LT Foreign Issuer Credit	S&P	BB	BB+ *-	Cable TV
Cablevision Systems Corp	9/16/02	LT Local Issuer Credit	S&P	BB	BB+ *-	Cable TV
Cenargo International Plc	9/18/02	LT Foreign Issuer Credit	S&P	B- *-	B+ *-	Transport-Marine
Cenargo International Plc	9/13/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Transport-Marine
Cenargo International Plc	9/18/02	LT Local Issuer Credit	S&P	B- *-	B+ *-	Transport-Marine
Cenargo International Plc	9/13/02	LT Local Issuer Credit	S&P	B+ *-	B+	Transport-Marine
CF Cable TV Inc	9/16/02	LT Foreign Issuer Credit	S&P	B+ *-	BB	Cable TV
CF Cable TV Inc	9/16/02	LT Local Issuer Credit	S&P	B+ *-	BB	Cable TV
Cia Riograndense de Saneament	9/17/02	Senior Unsecured Debt	Moody	B1	Ba2 *-	Water Treatment Systems
Columbus McKinnon Corp/NY	9/9/02	LT Foreign Issuer Credit	S&P	B	B+ *-	Machinery-Material Handl
Columbus McKinnon Corp/NY	9/9/02	LT Local Issuer Credit	S&P	B	B+ *-	Machinery-Material Handl
Comverse Technology Inc	9/12/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Telecommunication Equip
Comverse Technology Inc	9/12/02	LT Local Issuer Credit	S&P	BB *-	BB	Telecommunication Equip
CSC Holdings Inc	9/16/02	LT Foreign Issuer Credit	S&P	BB	BB+ *-	Cable TV
CSC Holdings Inc	9/16/02	LT Local Issuer Credit	S&P	BB	BB+ *-	Cable TV
DDI Corp /CA	9/6/02	Subordinated Debt	Moody	Caa3	Caa1	Circuit Boards
Details Holding Corp	9/6/02	Senior Unsecured Debt	Moody	Caa3	Caa1	Circuit Boards
Doman Industries Ltd	9/16/02	LT Foreign Issuer Credit	S&P	D	CC *-	Paper & Related Products
Doman Industries Ltd	9/11/02	LT Foreign Issuer Credit	S&P	CC *-	CCC-	Paper & Related Products
Doman Industries Ltd	9/16/02	LT Local Issuer Credit	S&P	D	CC *-	Paper & Related Products
Doman Industries Ltd	9/11/02	LT Local Issuer Credit	S&P	CC *-	CCC-	Paper & Related Products
Dynamic Details	9/6/02	Bank Loan Debt	Moody	B3	B1	Inactive/Unknown
Dynamic Details	9/6/02	Senior Implied Issuer	Moody	B3	B1	Inactive/Unknown
Dynegy Holdings Inc	9/5/02	Bank Loan Debt	Moody	B3	B1	Pipelines



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High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Dynege Holdings Inc	9/5/02	JR Subordinated Debt	Moody	Caa2	B3	Pipelines
Dynege Holdings Inc	9/5/02	Senior Implied Issuer	Moody	B3	B1	Pipelines
Dynege Holdings Inc	9/5/02	Senior Unsecured Debt	Moody	B3	B1	Pipelines
Dynege Holdings Inc	9/5/02	Subordinated Debt	Moody	Caa2	B3	Pipelines
Dynege Inc	9/5/02	Senior Unsecured Debt	Moody	Caa2	B3	Pipelines
Dynege Inc	9/5/02	Subordinated Debt	Moody	Ca	Caa2	Pipelines
EES Coke Battery Inc	9/6/02	Senior Secured Debt	Moody	Caa2	Caa1	Miscellaneous Manufacturer
Empresa Distribuidora Y Comer.	9/17/02	LT Local Issuer Credit	S&P	D	CC	Electric-Distribution
Empresa Electrica del Norte	9/17/02	LT Foreign Issuer Credit	S&P	D	CC *	Electric-Integrated
Empresa Electrica del Norte	9/17/02	LT Local Issuer Credit	S&P	D	CC *	Electric-Integrated
Encompass Services Corp	9/12/02	LT Foreign Issuer Credit	S&P	B *	B	Building-Maint & Service
Encompass Services Corp	9/12/02	LT Local Issuer Credit	S&P	B *	B	Building-Maint & Service
Gemstar-TV Guide International I	9/5/02	LT Foreign Issuer Credit	S&P	BB *	BB+ *	Multimedia
Gemstar-TV Guide International I	9/5/02	LT Local Issuer Credit	S&P	BB *	BB+ *	Multimedia
GT Group Telecom Inc	9/5/02	Senior Implied Issuer	Moody	Ca	Caa2	Telecom Services
GT Group Telecom Inc	9/5/02	Senior Unsecured Debt	Moody	C	Ca	Telecom Services
GT Group Telecom Services	9/5/02	Bank Loan Debt	Moody	Ca	Caa2	Telecom Services
Holley Performance Products	9/17/02	LT Foreign Issuer Credit	S&P	CCC *	CCC	Miscellaneous Manufacturer
Holley Performance Products	9/17/02	LT Local Issuer Credit	S&P	CCC *	CCC	Miscellaneous Manufacturer
Illinois Power Co	9/5/02	Senior Secured Debt	Moody	B1	Ba2	Electric-Integrated
Illinois Power Co	9/5/02	Senior Unsecured Debt	Moody	B2	Ba3	Electric-Integrated
Illinova Corp	9/5/02	Senior Unsecured Debt	Moody	B3	B1	Electric-Integrated
Ipes Inc	9/6/02	LT Foreign Issuer Credit	S&P	CCC *	B- *	Telecom Services
Ipes Inc	9/6/02	LT Local Issuer Credit	S&P	CCC *	B- *	Telecom Services
iPCS Wireless Inc	9/6/02	LT Foreign Issuer Credit	S&P	CCC *	B- *	Telecom Services
iPCS Wireless Inc	9/6/02	LT Local Issuer Credit	S&P	CCC *	B- *	Telecom Services
Israel Discount Bank Ltd	9/18/02	LT Local Issuer Credit	S&P	BBpi	BBBpi	Commer Banks Non-US
Jefferson Smurfit Group PLC	9/17/02	LT Foreign Issuer Credit	S&P	BB-	BB+ *	Paper & Related Products
Jefferson Smurfit Group PLC	9/17/02	LT Local Issuer Credit	S&P	BB-	BB+ *	Paper & Related Products
Key3Media Group Inc	9/18/02	Bank Loan Debt	Moody	Caa1	B3	Direct Marketing
Key3Media Group Inc	9/18/02	Senior Implied Issuer	Moody	Ca	Caa1	Direct Marketing
Key3Media Group Inc	9/18/02	Senior Subordinate	Moody	Ca	Caa3	Direct Marketing
LCI International Inc	9/5/02	Senior Unsecured Debt	Moody	Caa1 *	B2 *	Telephone-Integrated
Leap Wireless International Inc	9/9/02	LT Foreign Issuer Credit	S&P	CC *	CCC- *	Telecom Services
Leap Wireless International Inc	9/9/02	LT Local Issuer Credit	S&P	CC *	CCC- *	Telecom Services
LSP Energy LP	9/5/02	Senior Secured Debt	Moody	B1 *	Baa3	N.A.
Lucent Technologies Inc	9/13/02	LT Foreign Issuer Credit	S&P	B	B+	Telecommunication Equip
Lucent Technologies Inc	9/13/02	LT Local Issuer Credit	S&P	B	B+	Telecommunication Equip
Lucent Technologies Inc	9/13/02	Senior Implied Issuer	Moody	B2 *	B2	Telecommunication Equip
Lucent Technologies Inc	9/13/02	Senior Unsecured Debt	Moody	B2 *	B2	Telecommunication Equip
Magellan Health Services Inc	9/16/02	Bank Loan Debt	Moody	B3 *	B2 *	Medical-HMO
Magellan Health Services Inc	9/16/02	Senior Implied Issuer	Moody	B3 *	B2 *	Medical-HMO
Magellan Health Services Inc	9/16/02	Senior Subordinate	Moody	Caa2 *	Caa1 *	Medical-HMO
Magellan Health Services Inc	9/16/02	Senior Unsecured Debt	Moody	Caa1 *	B3 *	Medical-HMO
Magnatrx Corp	9/13/02	Senior Implied Issuer	Moody	B3 *	Ba3	Building-Heavy Construct
Matria Healthcare Inc	9/10/02	LT Foreign Issuer Credit	S&P	B+ *	B+	Medical-Outpnt/Home Med
Matria Healthcare Inc	9/10/02	LT Local Issuer Credit	S&P	B+ *	B+	Medical-Outpnt/Home Med
Metallurg Holdings Inc	9/12/02	LT Foreign Issuer Credit	S&P	B-	B	Diversified Operations
Metallurg Holdings Inc	9/12/02	LT Local Issuer Credit	S&P	B-	B	Diversified Operations
Metallurg Inc	9/12/02	LT Foreign Issuer Credit	S&P	B-	B	Steel-Specialty
Metallurg Inc	9/12/02	LT Local Issuer Credit	S&P	B-	B	Steel-Specialty
Microcell Telecommunications	9/5/02	Senior Implied Issuer	Moody	Ca	Caa2	Telecom Services
Microcell Telecommunications	9/5/02	Senior Unsecured Debt	Moody	C	Caa3	Telecom Services
Mississippi Chemical Corp	9/10/02	Senior Implied Issuer	Moody	B3	B2	Agricultural Chemicals
Mississippi Chemical Corp	9/10/02	Senior Unsecured Debt	Moody	Caa2	B3	Agricultural Chemicals
Mitsui Mutual Life Insurance Co	9/9/02	LT Local Issuer Credit	S&P	B+	BB-	Mutual Insurance
Nortel Networks Ltd	9/18/02	LT Foreign Issuer Credit	S&P	B	BB-	Telecommunication Equip
Nortel Networks Ltd	9/18/02	LT Local Issuer Credit	S&P	B	BB-	Telecommunication Equip
Northland Cable Television Inc	9/11/02	LT Foreign Issuer Credit	S&P	CCC	B+	Cable TV
Northland Cable Television Inc	9/11/02	LT Local Issuer Credit	S&P	CCC	B+	Cable TV



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High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
NRG Energy Inc	9/16/02	LT Foreign Issuer Credit	S&P	CC *-	CCC *-	Independ Power Producer
NRG Energy Inc	9/16/02	LT Local Issuer Credit	S&P	D	CCC *-	Independ Power Producer
NRG Energy Inc	9/16/02	Senior Implied Issuer	Moody	Caa3	B3 *-	Independ Power Producer
NRG Energy Inc	9/5/02	Senior Implied Issuer	Moody	B3 *-	Ba3 *-	Independ Power Producer
NRG Energy Inc	9/16/02	Senior Unsecured Debt	Moody	Ca	Caa1 *-	Independ Power Producer
NRG Energy Inc	9/5/02	Senior Unsecured Debt	Moody	Caa1 *-	B1 *-	Independ Power Producer
NRG Northeast Generating LLC	9/16/02	LT Foreign Issuer Credit	S&P	CC *-	CCC *-	Electric-Integrated
NRG Northeast Generating LLC	9/16/02	LT Local Issuer Credit	S&P	CC *-	CCC *-	Electric-Integrated
NRG Northeast Generating LLC	9/13/02	Senior Secured Debt	Moody	Caa1	B3 *-	Electric-Integrated
NRG Northeast Generating LLC	9/5/02	Senior Secured Debt	Moody	B3 *-	Baa3 *-	Electric-Integrated
NRG South Central LLC	9/16/02	LT Foreign Issuer Credit	S&P	D	CCC *-	Independ Power Producer
NRG South Central LLC	9/16/02	LT Local Issuer Credit	S&P	D	CCC *-	Independ Power Producer
NRG South Central LLC	9/13/02	Senior Secured Debt	Moody	Caa1	B3 *-	Independ Power Producer
NRG South Central LLC	9/5/02	Senior Secured Debt	Moody	B3 *-	Baa2 *-	Independ Power Producer
Orion Power Holdings Inc	9/13/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB- *-	Independ Power Producer
Orion Power Holdings Inc	9/13/02	LT Local Issuer Credit	S&P	BB+ *-	BBB- *-	Independ Power Producer
Pac-West Telecomm Inc	9/10/02	LT Foreign Issuer Credit	S&P	CCC- *-	CCC *-	Telecom Services
Pac-West Telecomm Inc	9/10/02	LT Local Issuer Credit	S&P	CCC- *-	CCC *-	Telecom Services
Panda Funding Corp	9/17/02	Senior Secured Debt	Moody	Ba3 *-	Ba3	Finance-Other Services
PolyOne Corp	9/18/02	LT Foreign Issuer Credit	S&P	BB+	BBB-	Chemicals-Plastics
PolyOne Corp	9/18/02	LT Local Issuer Credit	S&P	BB+	BBB-	Chemicals-Plastics
Quebecor Media Inc	9/16/02	LT Foreign Issuer Credit	S&P	B+ *-	BB	Multimedia
Quebecor Media Inc	9/16/02	LT Local Issuer Credit	S&P	B+ *-	BB	Multimedia
Qwest Capital Funding Inc	9/5/02	Senior Unsecured Debt	Moody	Caa1 *-	B2 *-	Telephone-Integrated
Qwest Communications Intl	9/5/02	Senior Unsecured Debt	Moody	Caa1 *-	B2 *-	Telephone-Integrated
Reliant Energy Capital (Europe) I	9/13/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB *-	Electric-Transmission
Reliant Energy Capital (Europe) I	9/13/02	LT Local Issuer Credit	S&P	BB+ *-	BBB *-	Electric-Transmission
Power Holdings LLC	9/13/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB- *-	Finance-Leasing Company
Power Holdings LLC	9/13/02	LT Local Issuer Credit	S&P	BB+ *-	BBB- *-	Finance-Leasing Company
Reliant Resources Inc	9/13/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB- *-	Independ Power Producer
Reliant Resources Inc	9/13/02	LT Local Issuer Credit	S&P	BB+ *-	BBB- *-	Independ Power Producer
Res-Care Inc	9/6/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Medical-Outptnt/Home Med
Res-Care Inc	9/6/02	LT Local Issuer Credit	S&P	B+ *-	B+	Medical-Outptnt/Home Med
Riverwood International Corp	9/12/02	LT Foreign Issuer Credit	S&P	B	B +*	Containers-Paper/Plastic
Riverwood International Corp	9/12/02	LT Local Issuer Credit	S&P	B	B +*	Containers-Paper/Plastic
Royster-Clark Inc	9/10/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Consumer Products-Misc
Royster-Clark Inc	9/10/02	LT Local Issuer Credit	S&P	B+ *-	B+	Consumer Products-Misc
Sanmina-SCI Corp	9/11/02	LT Foreign Issuer Credit	S&P	BB	BB+	Electronic Compo-Misc
Sanmina-SCI Corp	9/11/02	LT Local Issuer Credit	S&P	BB	BB+	Electronic Compo-Misc
Saskatchewan Wheat Pool	9/17/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Agricultural Operations
Saskatchewan Wheat Pool	9/17/02	LT Local Issuer Credit	S&P	B+ *-	B+	Agricultural Operations
SCPIE Indemnity Co	9/9/02	LT Local Issuer Credit	S&P	Bpi	BBBpi	N.A.
Smurfit Capital Funding Plc	9/17/02	Senior Unsecured Debt	Moody	Ba3	Baa2 *-	Containers-Paper/Plastic
Softbank Corp	9/11/02	Senior Unsecured Debt	Moody	B1 *-	B1	Internet Incubators
Sun Media Corp	9/16/02	LT Foreign Issuer Credit	S&P	B+ *-	BB	Publishing-Newspapers
Sun Media Corp	9/16/02	LT Local Issuer Credit	S&P	B+ *-	BB	Publishing-Newspapers
TelefonaktiebolagetLM Ericsson	9/12/02	Bank Loan Debt	Moody	Ba2	Ba1 *-	Telecommunication Equip
TelefonaktiebolagetLM Ericsson	9/12/02	Senior Unsecured Debt	Moody	Ba2	Ba1 *-	Telecommunication Equip
Titanium Metals Corp	9/10/02	LT Foreign Issuer Credit	S&P	B-	B	Non-Ferrous Metals
Titanium Metals Corp	9/10/02	LT Local Issuer Credit	S&P	B-	B	Non-Ferrous Metals
Titanium Metals Corp	9/9/02	Senior Implied Issuer	Moody	B3	B1	Non-Ferrous Metals
Tranz Rail Holdings Ltd	9/16/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB *-	Transport-Rail
Tranz Rail Holdings Ltd	9/16/02	LT Local Issuer Credit	S&P	BB+ *-	BBB *-	Transport-Rail
Trenwick America Corp	9/17/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba2	Property/Casualty Ins
Vanguard Health Systems Inc	9/13/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Medical-Hospitals
Vanguard Health Systems Inc	9/13/02	LT Local Issuer Credit	S&P	B+ *-	B+	Medical-Hospitals
Videotron LTEE	9/16/02	LT Foreign Issuer Credit	S&P	B+ *-	BB	Television
Videotron LTEE	9/16/02	LT Local Issuer Credit	S&P	B+ *-	BB	Television
Windsor Woodmont BlackHawk	9/18/02	LT Foreign Issuer Credit	S&P	D	CC *-	Casino Hotels
Windsor Woodmont BlackHawk	9/18/02	LT Local Issuer Credit	S&P	D	CC *-	Casino Hotels





Recently Featured Transaction



FRD Acquisition Co.,

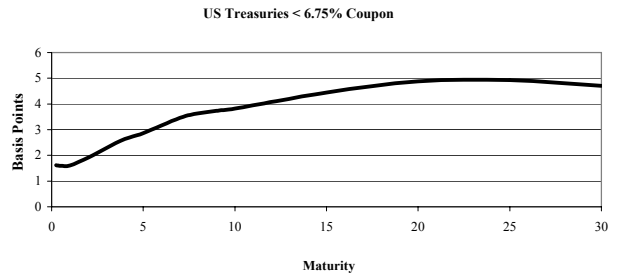
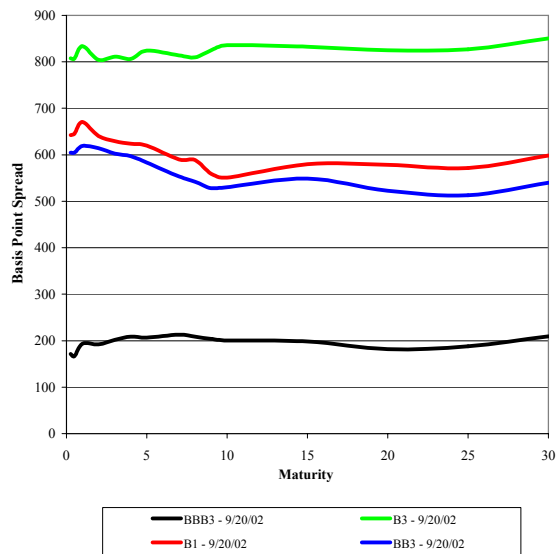
has successfully confirmed a Plan of Reorganization and restructured aggregate liabilities of approximately

\$275,000,000



Chanin Capital Partners acted as financial advisor to the Official Committee of Unsecured Creditors

Corporate Bond Spreads to US Treasury notes with Coupons <6.75%



Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B3	(5)	176	209	81
B1	(16)	146	187	79
BB3	(24)	119	189	85
BBB3	(8)	23	24	(24)



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