

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 21 / 02



CHANIN CAPITAL PARTNERS
A SPECIALTY INVESTMENT BANK

WEEK OF OCTOBER 18, 2002
PAGE 1

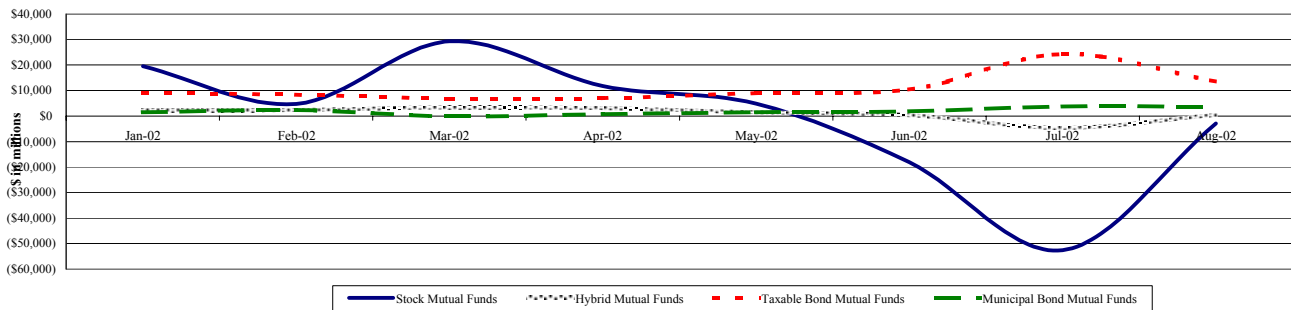
Key Market Indicators

	October 18, 2002		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,275.04	8,322.40	8,322.40	7,286.27	899.56	12.12%	-1,699.10	-20.42%
Nasdaq	1,272.29	1,287.76	1,287.76	1,114.11	168.36	15.04%	-662.64	-51.46%
S&P 500	879.20	884.38	884.38	776.76	99.10	12.62%	-263.70	-29.82%
Russell 2000	362.57	363.38	363.38	327.04	25.09	7.42%	-125.12	-34.43%
OEX Volatility Index	40.16	39.82	49.48	39.74	-9.36	-19.03%	16.60	41.69%
Prime Rate	4.75%							
LIBOR	1 month	3 months	6 months	1 Year				
	1.83%	1.84%	1.84%	2.00%				

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

	Aug-02	Jul-02	Jun-02	May-02	Apr-02	Mar-02	YTD 2002
Stock Mutual Funds	(\$2,905)	(\$52,628)	(\$18,045)	\$4,828	\$11,756	\$29,275	(\$3,429)
Hybrid Mutual Funds	\$531	(\$4,690)	\$395	\$1,448	\$3,155	\$3,392	\$8,806
Taxable Bond Funds	\$13,582	\$24,374	\$10,428	\$9,062	\$7,040	\$6,923	\$88,880
Municipal Bond Funds	\$3,792	\$3,765	\$1,801	\$1,538	\$774	(\$118)	\$15,353

Net New Cash Flow of Long-Term Funds



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

Index	Aug-02 Level	Jul-02 Level	Jun-02 Level	Aug-02 Month Return	YTD 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
Amount of DIP Loans Approved By Courts Surged In Third Quarter	n/a	10/7/02	DBR
Agway Gets OK On DIP Loan	\$80.0	10/7/02	DBR
Midsize Telecom Carriers Oppose WorldCom DIP Loan Terms	n/a	10/10/02	DBR
Integrated Health Wants Court To Amend DIP Loan	\$40.0	10/11/02	DBR
Viasystems Gets Interim OK To Borrow \$10 Million Under DIP Loan	\$10.0	10/11/02	DBR
e.spire Wants Court OK To Amend DIP Loan, Creditor Objects	\$80.0	10/14/02	DBR
Ames Department Stores Seeks Court OK For New \$100 Million DIP Loan	\$100.0	10/15/02	DBR
Peregrine Systems DIP Funding, Sale Rules Face Opposition	\$60.0	10/15/02	DBR
WorldCom Gets Final Court Approval For \$1.1 Billion In DIP Financing	\$1,100.0	10/16/02	DBR
Owens Corning Seeks Court OK To Extend, Modify DIP Loan	\$50.0	10/16/02	DBR
EOTT Energy To Seek Interim DIP Loan Approval In Court Thursday	n/a	10/17/02	DBR



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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.



Issue 21/02

Week of October 18, 2002

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Elan Corp Plc-Abelcet Rights	Enzon Inc	\$370.00	10/2/02	Drugs
Colonial Pipeline Co	Buckeye Pipe Line Co	\$295.00	10/3/02	Oil and Gas; Petroleum Refining
Empire State Pipeline	National Fuel Gas Co	\$240.00	10/3/02	Oil and Gas; Petroleum Refining
ERoom Technology Inc	Documentum Inc	\$110.01	10/3/02	Prepackaged Software
FloridaFirst Bancorp Inc,FL	BB&T Corp,Winston-Salem,NC	\$138.94	10/3/02	Savings and Loans, Mutual Savings Banks
Garden State Plaza	Prudential PLC	\$193.80	10/3/02	Real Estate; Mortgage Bankers and Brokers
CS Integrated-Certain US Asts	Atlas Cold Storage USA Inc	\$137.50	10/4/02	Transportation and Shipping (except air)
JDN Realty Corp	Developers Diversified Realty	\$1,020.53	10/4/02	Investment & Commodity Firms,Dealers,Exch.
Precor Inc	Amer Group Ltd	\$177.61	10/4/02	Miscellaneous Manufacturing
ProLogis Trust-Temperature	Investor Group	\$272.00	10/4/02	Transportation and Shipping (except air)
Baptist Health System	Vanguard Health Systems	\$295.00	10/8/02	Health Services
Accordant Health Services Inc	AdvancePCS	\$100.00	10/9/02	Health Services
Enron Center South Office	Intell Management & Investment	\$102.00	10/9/02	Real Estate; Mortgage Bankers and Brokers
Illinois Power-High Voltage	Trans-Elect Inc	\$239.00	10/9/02	Electric, Gas, and Water Distribution
Maple Leaf Foods-US & UK Ops	Canada Bread Co	\$166.00	10/9/02	Food and Kindred Products
Best Access Systems	Stanley Works	\$310.00	10/10/02	Business Services
Office Building,1177 Avenue	WestWind Capital Partners	\$409.20	10/10/02	Real Estate; Mortgage Bankers and Brokers
Centre Square,Philadelphia,PA	Health & Retirement Properties	\$183.50	10/11/02	Real Estate; Mortgage Bankers and Brokers
Monmouth Mall,Eatontown,NJ	Vornado Realty Trust	\$164.70	10/11/02	Real Estate; Mortgage Bankers and Brokers
Quintiles Transnational Corp	Pharma Services Co	\$1,331.95	10/11/02	Business Services
Tempur World Inc	Investor Group	\$350.00	10/11/02	Textile and Apparel Products
LTV Corp-Tubular Division	Maverick Tube Corp	\$110.00	10/15/02	Metal and Metal Products
Resonex Communications Inc	RF Micro Devices Inc	\$133.00	10/15/02	Electronic and Electrical Equipment
Crow Holdings Industrial Trust	Clarion Partners(ING Vastgoed)	\$1,500.00	10/16/02	Investment & Commodity Firms,Dealers,Exch.
Health Midwest	HCA Inc	\$1,125.00	10/16/02	Health Services
Ingersoll-Rand Co-Engineered	Timken Co	\$840.00	10/16/02	Machinery
North Carolina Natural Gas	Piedmont Natural Gas Co Inc	\$425.00	10/16/02	Electric, Gas, and Water Distribution
Southern Union Co-Texas	ONEOK Inc	\$420.00	10/16/02	Electric, Gas, and Water Distribution
United States Steel-Businesses	Apollo Management LP	\$500.00	10/16/02	Metal and Metal Products

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Alliance Laundry Systems LLC	10/2/02	LT Foreign Issuer Credit	S&P	B *+	B	Machinery-Electrical
Alliance Laundry Systems LLC	10/2/02	LT Local Issuer Credit	S&P	B *+	B	Machinery-Electrical
Alliance Laundry Corp	10/2/02	LT Foreign Issuer Credit	S&P	B *+	B	Rental Auto/Equipment
Alliance Laundry Corp	10/2/02	LT Local Issuer Credit	S&P	B *+	B	Rental Auto/Equipment
Caiua Servicos de Eletricidade	10/2/02	Senior Unsecured Debt	Moody	B2	B2 *	Electric-Integrated
Conseco Inc	10/4/02	LT Local Issuer Credit	S&P	D	SD	Life/Health Insurance
Doman Industries Ltd	10/11/02	LT Foreign Issuer Credit	S&P	CC *-	D	Paper & Related Products
Doman Industries Ltd	10/11/02	LT Local Issuer Credit	S&P	CC *-	D	Paper & Related Products
Gala Group Holdings PLC	10/9/02	LT Foreign Issuer Credit	S&P	BB-	B+	N.A.
Gala Group Holdings PLC	10/9/02	LT Local Issuer Credit	S&P	BB-	B+	N.A.
GenTek Inc	10/14/02	LT Foreign Issuer Credit	S&P	D	SD	Diversified Manufact Op
GenTek Inc	10/14/02	LT Local Issuer Credit	S&P	D	SD	Diversified Manufact Op
Hard Rock Hotel Inc	10/16/02	Bank Loan Debt	Moody	B1	B2	Leisure & Rec/Games
Hard Rock Hotel Inc	10/16/02	Senior Implied Issuer	Moody	B2	B3	Leisure & Rec/Games
Hard Rock Hotel Inc	10/16/02	Senior Subordinate	Moody	Caa1	Caa2	Leisure & Rec/Games
Huntsman Co LLC	10/9/02	LT Foreign Issuer Credit	S&P	B+	WR	Chemicals-Diversified
Huntsman Co LLC	10/9/02	LT Local Issuer Credit	S&P	B+	WR	Chemicals-Diversified
Irkutsk Oblast	10/4/02	LT Foreign Issuer Credit	S&P	B-	CCC+	N.A.
Japan Air System Co Ltd	10/2/02	LT Local Issuer Credit	S&P	BB-pi	B+pi	Airlines
JDN Realty Corp	10/9/02	LT Foreign Issuer Credit	S&P	BB- *+	BB-	REITS-Shopping Centers
JDN Realty Corp	10/9/02	LT Local Issuer Credit	S&P	BB- *+	BB-	REITS-Shopping Centers
JDN Realty Corp	10/7/02	Senior Unsecured Debt	Moody	B1 *+	B1	REITS-Shopping Centers
JDN Realty Corp	10/7/02	Subordinated Debt	Moody	B3 *+	B3	REITS-Shopping Centers
MDM-Bank	10/14/02	LT Foreign Issuer Credit	S&P	B-	CCC+	Commer Banks Non-US
MDM-Bank	10/14/02	LT Local Issuer Credit	S&P	B-	CCC+	Commer Banks Non-US
Michaels Stores Inc	10/8/02	Senior Implied Issuer	Moody	Ba1	Ba2 *+	Retail-Arts&Crafts
Michaels Stores Inc	10/8/02	Senior Unsecured Debt	Moody	Ba1	Ba2 *+	Retail-Arts&Crafts
Orbital Sciences Corp	10/3/02	LT Foreign Issuer Credit	S&P	B	CCC+ **	Aerospace/Defense-Equip
Orbital Sciences Corp	10/3/02	LT Local Issuer Credit	S&P	B	CCC+ **	Aerospace/Defense-Equip
Transwestern Pipeline Co	10/4/02	LT Foreign Issuer Credit	S&P	BB *+	CC *	Oil-Field Services
Transwestern Pipeline Co	10/4/02	LT Local Issuer Credit	S&P	BB *+	CC *	Oil-Field Services
Trump Atlantic City Associates	10/2/02	Senior Implied Issuer	Moody	Caa1	Caa3 *+	Casino Hotels



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Issue 21/02

Week of October 18, 2002

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Trump Atlantic City Associates	10/2/02	Senior Secured Debt	Moody	Caa1	Caa3 **	Casino Hotels
Trump Hotels & Casino Resorts I	10/2/02	Senior Implied Issuer	Moody	Caa3	Ca **	Finance-Other Services
Trump Hotels & Casino Resorts I	10/2/02	Senior Secured Debt	Moody	Caa3	Ca **	Finance-Other Services
Trumps Castle Funding Inc	10/2/02	Senior Implied Issuer	Moody	Caa1	Caa3 **	Finance-Other Services
Trumps Castle Funding Inc	10/2/02	Senior Secured Debt	Moody	Caa1	Caa3 **	Finance-Other Services
Venetian Casino Resort LLC	10/16/02	Bank Loan Debt	Moody	B2 **	B2	Casino Hotels
Venetian Casino Resort LLC	10/16/02	Senior Implied Issuer	Moody	B3 **	B3	Casino Hotels
Venetian Casino Resort LLC	10/16/02	Senior Secured Debt	Moody	Caa1 **	Caa1	Casino Hotels
Viasystems Group Inc	10/3/02	LT Foreign Issuer Credit	S&P	D	SD	Circuit Boards
Viasystems Group Inc	10/3/02	LT Local Issuer Credit	S&P	D	SD	Circuit Boards

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
AES China Generating Co	10/7/02	LT Foreign Issuer Credit	S&P	B+ **	BB-	Independ Power Producer
AES China Generating Co	10/7/02	LT Local Issuer Credit	S&P	B+ **	BB-	Independ Power Producer
AES China Generating Co Ltd	10/7/02	LT Foreign Issuer Credit	S&P	B+ **	BB-	N.A.
AES China Generating Co Ltd	10/7/02	LT Local Issuer Credit	S&P	B+ **	BB-	N.A.
AES Corp/The	10/11/02	JR Subordinated Debt	Moody	Caa2	B2 **	Electric-Generation
AES Corp/The	10/3/02	LT Foreign Issuer Credit	S&P	B+ **	BB-	Electric-Generation
AES Corp/The	10/3/02	LT Local Issuer Credit	S&P	B+ **	BB-	Electric-Generation
AES Corp/The	10/11/02	Senior Implied Issuer	Moody	B2	Ba3 **	Electric-Generation
AES Corp/The	10/11/02	Senior Subordinate	Moody	Caa1	B2 **	Electric-Generation
AES Corp/The	10/11/02	Senior Unsecured Debt	Moody	B3	Ba3 **	Electric-Generation
AES Drax Energy Ltd	10/14/02	Senior Secured Debt	Moody	Ca **	Caa2 **	Independ Power Producer
AES Drax Holdings Ltd	10/14/02	Senior Secured Debt	Moody	Caa1 **	Ba2 **	Electric-Integrated
AES Ironwood LLC.	10/7/02	Senior Secured Debt	Moody	Ba2 **	Baa3 **	Special Purpose Entity
AES Red Oak LLC	10/7/02	Senior Secured Debt	Moody	Ba2 **	Baa3 **	Special Purpose Entity
Aes Sul Distribuidora Gaucha	10/7/02	Senior Secured Debt	Moody	B3	B1 **	Electric-Distribution
Alcatel SA	10/4/02	LT Foreign Issuer Credit	S&P	B+	BB+ **	Telecommunication Equip
Alcatel SA	10/4/02	LT Local Issuer Credit	S&P	B+	BB+ **	Telecommunication Equip
Allegheny Energy Inc	10/9/02	LT Foreign Issuer Credit	S&P	BB **	BBB	Electric-Integrated
Allegheny Energy Inc	10/9/02	LT Local Issuer Credit	S&P	BB **	BBB	Electric-Integrated
Allegheny Energy Supply	10/9/02	LT Foreign Issuer Credit	S&P	BB **	BBB	Electric-Generation
Allegheny Energy Supply	10/9/02	LT Local Issuer Credit	S&P	BB **	BBB	Electric-Generation
Allegheny Generating Co	10/9/02	LT Foreign Issuer Credit	S&P	BB **	BBB	Electric-Generation
Allegheny Generating Co	10/9/02	LT Local Issuer Credit	S&P	BB **	BBB	Electric-Generation
Amerco Inc	10/10/02	LT Foreign Issuer Credit	S&P	BB- **	BB+ **	Trucking & Leasing
Amerco Inc	10/4/02	LT Foreign Issuer Credit	S&P	BB+ **	BBB **	Trucking & Leasing
Amerco Inc	10/10/02	LT Local Issuer Credit	S&P	BB- **	BB+ **	Trucking & Leasing
Amerco Inc	10/4/02	LT Local Issuer Credit	S&P	BB+ **	BBB **	Trucking & Leasing
Amerco Inc	10/16/02	Senior Implied Issuer	Moody	Caa2	Ba3 **	Trucking & Leasing
Amerco Inc	10/11/02	Senior Implied Issuer	Moody	Ba3 **	Ba2	Trucking & Leasing
Amerco Inc	10/16/02	Senior Unsecured Debt	Moody	Caa2	Ba3 **	Trucking & Leasing
Amerco Inc	10/11/02	Senior Unsecured Debt	Moody	Ba3 **	Ba2	Trucking & Leasing
American Tower Corp	10/11/02	LT Foreign Issuer Credit	S&P	B+ **	B+	Wireless Equipment
American Tower Corp	10/11/02	LT Local Issuer Credit	S&P	B+ **	B+	Wireless Equipment
Annuity and Life Re Holdings	10/7/02	LT Local Issuer Credit	S&P	BB+	BBB- **	Reinsurance
Aspen Technology Inc	10/10/02	LT Foreign Issuer Credit	S&P	B	B+	Computer Aided Design
Aspen Technology Inc	10/10/02	LT Local Issuer Credit	S&P	B	B+	Computer Aided Design
Attala Generating Co LLC	10/16/02	Senior Secured Debt	Moody	Ba3 **	Baa3 **	Electric-Integrated
Avalon Cable Holding Finance	10/2/02	Senior Unsecured Debt	Moody	B2 **	B2	Cable TV
Avalon Cable LLC.	10/2/02	Senior Unsecured Debt	Moody	B2 **	B2	N.A.
Bayou Steel Corp	10/15/02	Senior Implied Issuer	Moody	Caa2	B3	Steel-Producers
Bayou Steel Corp	10/15/02	Senior Secured Debt	Moody	Caa2	B3	Steel-Producers
Borden Inc	10/4/02	Senior Unsecured Debt	Moody	B2	B1	Miscellaneous Manufactur
Broadwing Communications Inc	10/7/02	Senior Subordinate	Moody	B3 **	B3	Telecom Services
Broadwing Inc	10/7/02	Bank Loan Debt	Moody	Ba3 **	Ba3	Telephone-Integrated
Broadwing Inc	10/7/02	Senior Implied Issuer	Moody	Ba3 **	Ba3	Telephone-Integrated
Broadwing Inc	10/7/02	Senior Unsecured Debt	Moody	B1 **	B1	Telephone-Integrated
Broadwing Inc	10/7/02	Subordinated Debt	Moody	B2 **	B2	Telephone-Integrated
Buhrmann NV	10/8/02	Senior Implied Issuer	Moody	Ba3 **	Ba3	Distribution/Wholesale
Buhrmann US	10/8/02	Bank Loan Debt	Moody	Ba3 **	Ba3	Retail-Office Supplies
Buhrmann US	10/8/02	Senior Subordinate	Moody	B2 **	B2	Retail-Office Supplies



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Week of October 18, 2002

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Capstar Hotel Co	10/10/02	Subordinated Debt	Moody	B3 *-	B3	REITS-Hotels
CC VI Operating Co LLC	10/2/02	Bank Loan Debt	Moody	Ba3 *-	Ba3	Special Purpose Entity
CC VIII Operating	10/2/02	Bank Loan Debt	Moody	Ba3 *-	Ba3	Special Purpose Entity
Cenargo International Plc	10/2/02	Bank Loan Debt	Moody	Caa1	Ba3	Transport-Marine
Cenargo International Plc	10/2/02	Senior Implied Issuer	Moody	Caa1	Ba3	Transport-Marine
Cenargo International Plc	10/2/02	Senior Secured Debt	Moody	Caa1	Ba3	Transport-Marine
Charter Communications Holding	10/2/02	Senior Unsecured Debt	Moody	B2 *-	B2	Cable TV
Charter Communications Holding	10/2/02	Senior Unsecured Debt	Moody	B2 *-	B2	Cable TV
Charter Communications Inc	10/2/02	Senior Implied Issuer	Moody	Ba3 *-	Ba3	Cable TV
Charter Communications Inc	10/2/02	Senior Unsecured Debt	Moody	B3 *-	B3	Cable TV
Charter Communications Operati	10/2/02	Bank Loan Debt	Moody	Ba3 *-	Ba3	Cable TV
CIENA Corp	10/16/02	Senior Implied Issuer	Moody	B1	Ba3 *-	Telecom Eq Fiber Optics
Cincinnati Bell Tele Co	10/7/02	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Telecom Services
Cleco Evangeline LLC	10/2/02	Senior Secured Debt	Moody	Ba3 *-	Baa3 *-	Electric-Integrated
Coltec Industries	10/2/02	JR Subordinated Debt	Moody	Ba1	Baa2 *-	Electronics-Military
Consolidated Container Capital	10/7/02	LT Foreign Issuer Credit	S&P	B- *-	B-	N.A.
Consolidated Container Capital	10/7/02	LT Local Issuer Credit	S&P	B- *-	B-	N.A.
Consolidated Container Co LLC	10/7/02	LT Foreign Issuer Credit	S&P	B- *-	B-	N.A.
Consolidated Container Co LLC	10/7/02	LT Local Issuer Credit	S&P	B- *-	B-	N.A.
Cordova Funding Corp	10/3/02	Senior Secured Debt	Moody	Ba1 *-	Baa3 *-	N.A.
Courtyard By Marriott II LP	10/10/02	LT Foreign Issuer Credit	S&P	B+	BB-	N.A.
Courtyard By Marriott II LP	10/10/02	LT Local Issuer Credit	S&P	B+	BB-	N.A.
Crown Castle International Corp	10/11/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Wireless Equipment
Crown Castle International Corp	10/11/02	LT Local Issuer Credit	S&P	B+ *-	B+	Wireless Equipment
Cummins Inc	10/15/02	LT Foreign Issuer Credit	S&P	BB+	BBB- *-	Engines-Internal Combust
Cummins Inc	10/15/02	LT Local Issuer Credit	S&P	BB+	BBB- *-	Engines-Internal Combust
Dyckerhoff AG	10/2/02	LT Foreign Issuer Credit	S&P	BB	BBB- *-	Bldg Prod-Cement/Aggreg
Dyckerhoff AG	10/2/02	LT Local Issuer Credit	S&P	BB	BBB- *-	Bldg Prod-Cement/Aggreg
El Paso CGP Co	10/2/02	Subordinated Debt	Moody	Ba1 *-	Baa3 *-	Oil Comp-Integrated
El Paso Corp	10/2/02	Subordinated Debt	Moody	Ba1 *-	Baa3 *-	Pipelines
Encompass Services Corp	10/2/02	Bank Loan Debt	Moody	Caa1	B2	Building-Maint&Service
Encompass Services Corp	10/14/02	LT Foreign Issuer Credit	S&P	D	CCC- *-	Building-Maint&Service
Encompass Services Corp	10/14/02	LT Local Issuer Credit	S&P	D	CCC- *-	Building-Maint&Service
Encompass Services Corp	10/2/02	Senior Implied Issuer	Moody	Caa2	B2	Building-Maint&Service
Encompass Services Corp	10/2/02	Senior Subordinate	Moody	C	Caa2	Building-Maint&Service
Energy Group Overseas BV	10/16/02	LT Foreign Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
Energy Group Overseas BV	10/14/02	LT Foreign Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
Energy Group Overseas BV	10/16/02	LT Local Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
Energy Group Overseas BV	10/14/02	LT Local Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
Energy Group Overseas BV	10/14/02	Senior Unsecured Debt	Moody	Caa2 *-	Baa3 *-	Electric-Integrated
Falcon Cable Communications	10/2/02	Bank Loan Debt	Moody	Ba3 *-	Ba3	N.A.
Fertinro Finance Inc	10/9/02	Senior Secured Debt	Moody	Caa2	B2	Finance-Other Services
Fleming Cos Inc	10/7/02	Bank Loan Debt	Moody	Ba3	Ba2	Food-Wholesale/Distrib
Fleming Cos Inc	10/7/02	Senior Implied Issuer	Moody	B2	Ba3	Food-Wholesale/Distrib
Fleming Cos Inc	10/7/02	Senior Subordinate	Moody	B3	B2	Food-Wholesale/Distrib
Fleming Cos Inc	10/7/02	Senior Unsecured Debt	Moody	B2	Ba3	Food-Wholesale/Distrib
Getronics NV	10/8/02	Bank Loan Debt	Moody	B1 *-	Baa3 *-	Computer Services
Glencore Nickel Pty. Ltd	10/4/02	Senior Secured Debt	Moody	Ca	Caa1 *-	Diversified Minerals
Grupo TMM SA de CV	10/10/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Transport-Marine
Grupo TMM SA de CV	10/10/02	LT Local Issuer Credit	S&P	B+ *-	B+	Transport-Marine
Hines Horticulture Inc	10/2/02	LT Foreign Issuer Credit	S&P	B+	B+ *+	Agricultural Operations
Hines Horticulture Inc	10/2/02	LT Local Issuer Credit	S&P	B+	B+ *+	Agricultural Operations
Hornbeck Offshore Services Inc	10/14/02	LT Foreign Issuer Credit	S&P	B+	B+ *+	Oil-Field Services
Hornbeck Offshore Services Inc	10/14/02	LT Local Issuer Credit	S&P	B+	B+ *+	Oil-Field Services
ICO Inc	10/4/02	Senior Implied Issuer	Moody	B3	B1	Oil-Field Services
ICO Inc	10/4/02	Senior Unsecured Debt	Moody	B3	B1	Oil-Field Services
Independent Wireless One Corp	10/11/02	LT Foreign Issuer Credit	S&P	B *-	B	Cellular Telecom
Independent Wireless One Corp	10/11/02	LT Local Issuer Credit	S&P	B *-	B	Cellular Telecom
Indianapolis Power & Light	10/3/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB-	Electric-Integrated
Indianapolis Power & Light	10/3/02	LT Local Issuer Credit	S&P	BB+ *-	BBB-	Electric-Integrated
Inpower Ltd	10/14/02	Bank Loan Debt	Moody	Caa1 *-	Ba2 *-	Electric-Generation
Interface Inc	10/16/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	Office Furnishings-Orig



CHANIN CAPITAL PARTNERS

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Interface Inc	10/16/02	LT Local Issuer Credit	S&P	BB- *-	BB-	Office Furnishings-Orig
Ipalco Enterprises Inc	10/3/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB-	Electric-Integrated
Ipalco Enterprises Inc	10/3/02	LT Local Issuer Credit	S&P	BB+ *-	BBB-	Electric-Integrated
Iwo Holdings Inc	10/11/02	LT Foreign Issuer Credit	S&P	B *-	B	Cellular Telecom
Iwo Holdings Inc	10/11/02	LT Local Issuer Credit	S&P	B *-	B	Cellular Telecom
Jasmine Submarine Telecom	10/4/02	Senior Secured Debt	Moody	Ba3 *-	Ba3	Telecom Services
Klabin SA	10/9/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Paper&Related Products
Klabin SA	10/9/02	LT Local Issuer Credit	S&P	B+ *-	BB-	Paper&Related Products
Land O' Lakes Inc	10/14/02	Bank Loan Debt	Moody	B1	Ba2 *-	Food-Dairy Products
Land O' Lakes Inc	10/14/02	Senior Implied Issuer	Moody	B1	Ba2 *-	Food-Dairy Products
Land O' Lakes Inc	10/14/02	Senior Unsecured Debt	Moody	B2	Ba3 *-	Food-Dairy Products
Lucent Technologies Inc	10/11/02	LT Foreign Issuer Credit	S&P	B- *-	B	Telecommunication Equip
Lucent Technologies Inc	10/11/02	LT Local Issuer Credit	S&P	B- *-	B	Telecommunication Equip
Magellan Health Services Inc	10/9/02	Bank Loan Debt	Moody	Caa1	B3 *-	Medical-HMO
Magellan Health Services Inc	10/8/02	LT Foreign Issuer Credit	S&P	CCC	B- *-	Medical-HMO
Magellan Health Services Inc	10/8/02	LT Local Issuer Credit	S&P	CCC	B- *-	Medical-HMO
Magellan Health Services Inc	10/9/02	Senior Implied Issuer	Moody	Caa2	B3 *-	Medical-HMO
Magellan Health Services Inc	10/9/02	Senior Subordinate	Moody	Ca	Caa2 *-	Medical-HMO
Magellan Health Services Inc	10/9/02	Senior Unsecured Debt	Moody	Caa2	Caa1 *-	Medical-HMO
Massey Energy Co	10/2/02	Bank Loan Debt	Moody	Ba1 *-	Baa3 *-	Coal
Massey Energy Co	10/2/02	Senior Unsecured Debt	Moody	Ba1 *-	Baa3 *-	Coal
Meristar Hospitality Corp	10/4/02	LT Foreign Issuer Credit	S&P	B	B+	REITS-Hotels
Meristar Hospitality Corp	10/4/02	LT Local Issuer Credit	S&P	B	B+	REITS-Hotels
Meristar Hospitality Corp	10/10/02	Senior Subordinate	Moody	B3 *-	B3	REITS-Hotels
Meristar Hospitality Operating	10/10/02	Bank Loan Debt	Moody	B1 *-	B1	REITS-Hotels
Meristar Hospitality Operating	10/4/02	LT Foreign Issuer Credit	S&P	B	B+	REITS-Hotels
Meristar Hospitality Operating	10/4/02	LT Local Issuer Credit	S&P	B	B+	REITS-Hotels
Meristar Hospitality Operating	10/10/02	Senior Unsecured Debt	Moody	B1 *-	B1	REITS-Hotels
Mirant Americas Generation Inc	10/10/02	Bank Loan Debt	Moody	Ba3	Ba1 *-	Electric-Integrated
Mirant Americas Generation Inc	10/10/02	Senior Unsecured Debt	Moody	Ba3	Ba1 *-	Electric-Integrated
Mirant Corp	10/10/02	Bank Loan Debt	Moody	B1	Ba1 *-	Independ Power Producer
Mirant Corp	10/10/02	Senior Unsecured Debt	Moody	B1	Ba1 *-	Independ Power Producer
Mirant Mid Atlantic LLC	10/10/02	Senior Secured Debt	Moody	Ba3	Baa3 *-	Electric-Integrated
Monongahela Power Co	10/9/02	LT Foreign Issuer Credit	S&P	BB *-	BBB	Electric-Integrated
Monongahela Power Co	10/9/02	LT Local Issuer Credit	S&P	BB *-	BBB	Electric-Integrated
Murrin Murrin Holdings Pty	10/4/02	Senior Secured Debt	Moody	Ca	Caa3	Specified Purpose Acquis
NRG Energy Inc	10/8/02	LT Foreign Issuer Credit	S&P	D	CC *-	Independ Power Producer
Outsourcing Solutions Inc	10/16/02	Bank Loan Debt	Moody	Caa1	B2	Commercial Serv-Finance
Outsourcing Solutions Inc	10/16/02	Senior Implied Issuer	Moody	Caa1	B2	Commercial Serv-Finance
Outsourcing Solutions Inc	10/16/02	Senior Subordinate	Moody	Ca	Caa1	Commercial Serv-Finance
P-G Newco LLC	10/16/02	Bank Loan Debt	Moody	Caa1	B1	N.A.
P-G Newco LLC	10/16/02	Senior Implied Issuer	Moody	Caa1	B1	N.A.
PG&E Energy Trading Holdings (10/11/02	LT Foreign Issuer Credit	S&P	B- *-	BB+ *-	N.A.
PG&E Energy Trading Holdings (10/11/02	LT Local Issuer Credit	S&P	B- *-	BB+ *-	N.A.
PG&E Gas Transmission N/W	10/11/02	LT Foreign Issuer Credit	S&P	BB- *-	BBB+ *-	Pipelines
PG&E Gas Transmission N/W	10/11/02	LT Local Issuer Credit	S&P	BB- *-	BBB+ *-	Pipelines
PG&E National Energy Group	10/8/02	Bank Loan Debt	Moody	B1 *-	Ba2	Inactive/Unknown
PG&E National Energy Group	10/11/02	LT Foreign Issuer Credit	S&P	B- *-	BB+ *-	Inactive/Unknown
PG&E National Energy Group	10/11/02	LT Local Issuer Credit	S&P	B- *-	BB+ *-	Inactive/Unknown
PG&E National Energy Group	10/8/02	Senior Implied Issuer	Moody	Ba3 *-	Ba1	Inactive/Unknown
PG&E National Energy Group	10/8/02	Senior Unsecured Debt	Moody	B1 *-	Ba2	Inactive/Unknown
Pilgrims Pride Corp	10/16/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Poultry
Pilgrims Pride Corp	10/16/02	LT Local Issuer Credit	S&P	BB *-	BB	Poultry
Pinnacle One Partners LP	10/14/02	LT Foreign Issuer Credit	S&P	BB+	BBB-	N.A.
Pinnacle One Partners LP	10/14/02	LT Local Issuer Credit	S&P	BB+	BBB-	N.A.
Potomac Edison Co	10/9/02	LT Foreign Issuer Credit	S&P	BB *-	BBB	Electric-Integrated
Potomac Edison Co	10/9/02	LT Local Issuer Credit	S&P	BB *-	BBB	Electric-Integrated
Renaissance Media LLC	10/2/02	Senior Unsecured Debt	Moody	B2 *-	B2	Cable TV
Rohr Inc	10/2/02	Senior Unsecured Debt	Moody	Ba1	Baa2 *-	Aerospace/Defense-Equip
Samsonite Corp	10/7/02	LT Foreign Issuer Credit	S&P	B- *-	B	Miscellaneous Manufactur
Samsonite Corp	10/7/02	LT Local Issuer Credit	S&P	B- *-	B	Miscellaneous Manufactur
Sanmina-SCI Corp	10/7/02	Senior Implied Issuer	Moody	Ba2	Ba1 *-	Electronic Compo-Misc





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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
SBA Communications Corp	10/11/02	LT Foreign Issuer Credit	S&P	B *-	B	Wireless Equipment
SBA Communications Corp	10/11/02	LT Local Issuer Credit	S&P	B *-	B	Wireless Equipment
SBA Communications Corp	10/4/02	Senior Implied Issuer	Moody	B3 *-	B2	Wireless Equipment
SBA Communications Corp	10/4/02	Senior Unsecured Debt	Moody	Caa2 *-	B3	Wireless Equipment
SBA Telecommunications Inc	10/4/02	Bank Loan Debt	Moody	B2 *-	B1	Telecom Services
SCI Systems Inc	10/7/02	Subordinated Debt	Moody	Ba3	Ba2 *-	Electronic Compo-Misc
SCL Terminal Aereo Santiago B4	10/11/02	Senior Unsecured Debt	Moody	B3	Ba3 *-	Airport Develop/Maint
Sirius Satellite Radio Inc	10/14/02	LT Foreign Issuer Credit	S&P	D	CCC *	Radio
Sirius Satellite Radio Inc	10/14/02	LT Local Issuer Credit	S&P	D	CCC *-	Radio
Sun World International	10/11/02	LT Foreign Issuer Credit	S&P	B- *-	B-	Miscellaneous Manufactur
Sun World International	10/11/02	LT Local Issuer Credit	S&P	B- *-	B-	Miscellaneous Manufactur
Tesoro Petroleum Corp	10/3/02	LT Foreign Issuer Credit	S&P	BB-	BB *-	Oil Refining & Marketing
Tesoro Petroleum Corp	10/3/02	LT Local Issuer Credit	S&P	BB-	BB *-	Oil Refining & Marketing
Tiete Certificates Grantor Trust	10/7/02	Senior Secured Debt	Moody	Ba2 *-	Baa3 *-	N.A.
TXU Eastern Funding Co	10/14/02	Senior Unsecured Debt	Moody	Caa2 *-	Baa3 *-	Electronic Compo-Semicon
TXU Europe Group Plc	10/16/02	LT Foreign Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
TXU Europe Group Plc	10/14/02	LT Foreign Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
TXU Europe Group Plc	10/16/02	LT Local Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
TXU Europe Group Plc	10/14/02	LT Local Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
TXU Europe Ltd	10/14/02	Bank Loan Debt	Moody	Caa2 *-	Baa3 *-	Electric-Integrated
TXU Europe Ltd	10/16/02	LT Foreign Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
TXU Europe Ltd	10/14/02	LT Foreign Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
TXU Europe Ltd	10/16/02	LT Local Issuer Credit	S&P	CC *-	B+ *-	Electric-Integrated
TXU Europe Ltd	10/14/02	LT Local Issuer Credit	S&P	B+ *-	BBB- *-	Electric-Integrated
TXU Europe Ltd	10/14/02	Subordinated Debt	Moody	Caa3 *-	Ba1 *-	Electric-Integrated
TXU Europe Ltd	10/9/02	Subordinated Debt	Moody	Ba1 *-	Baa2 *-	Electric-Integrated
Ubiquitel Inc	10/14/02	LT Foreign Issuer Credit	S&P	CCC+ *-	B-	Cellular Telecom
Ubiquitel Inc	10/14/02	LT Local Issuer Credit	S&P	CCC+ *-	B-	Cellular Telecom
UbiquiTel Operating Co	10/14/02	LT Foreign Issuer Credit	S&P	CCC+ *-	B-	Cellular Telecom
UbiquiTel Operating Co	10/14/02	LT Local Issuer Credit	S&P	CCC+ *-	B-	Cellular Telecom
United Rentals (North America) I	10/10/02	LT Foreign Issuer Credit	S&P	BB+ *-	BB+	Rental Auto/Equipment
United Rentals (North America) I	10/10/02	LT Local Issuer Credit	S&P	BB+ *-	BB+	Rental Auto/Equipment
United Rentals Inc	10/10/02	LT Foreign Issuer Credit	S&P	BB+ *-	BB+	Rental Auto/Equipment
United Rentals Inc	10/10/02	LT Local Issuer Credit	S&P	BB+ *-	BB+	Rental Auto/Equipment
US Unwired Inc	10/11/02	LT Foreign Issuer Credit	S&P	B *-	B	Cellular Telecom
US Unwired Inc	10/11/02	LT Local Issuer Credit	S&P	B *-	B	Cellular Telecom
USGen New England Inc	10/16/02	Bank Loan Debt	Moody	Ba3 *-	Baa3 *-	Electric-Integrated
USGen New England Inc	10/11/02	LT Foreign Issuer Credit	S&P	B- *-	BB+ *-	Electric-Integrated
USGen New England Inc	10/11/02	LT Local Issuer Credit	S&P	B- *-	BB+ *-	Electric-Integrated
USGen New England Inc	10/16/02	Senior Secured Debt	Moody	Ba3 *-	Baa3 *-	Electric-Integrated
Venture Holdings Trust	10/7/02	Bank Loan Debt	Moody	Caa1	B2 *-	Consulting Services
Venture Holdings Trust	10/7/02	Senior Implied Issuer	Moody	Caa1	B2 *-	Consulting Services
Venture Holdings Trust	10/7/02	Senior Subordinate	Moody	Ca	Caa2 *-	Consulting Services
Venture Holdings Trust	10/7/02	Senior Unsecured Debt	Moody	Caa3	Caa1 *-	Consulting Services
Wellman Inc	10/8/02	Subordinated Debt	Moody	Ba1 *-	Ba1	Chemicals-Fibers
West Penn Power Co	10/9/02	LT Foreign Issuer Credit	S&P	BB *-	BBB	Electric-Integrated
West Penn Power Co	10/9/02	LT Local Issuer Credit	S&P	BB *-	BBB	Electric-Integrated

Chanin Capital Partners Energy Report

Over the last twelve months, Chanin has been focused on the energy sector and building its body of knowledge. We are prepared to assist companies and creditors recapitalize credits with highly leveraged balance sheets, limited liquidity, and looming debt maturities. To date Chanin has been actively engaged in PG&E's chapter 11 case as well as several other generation and energy related companies.

Chanin has made a strategic investment in Arctas Capital Group, a Houston-based energy and IPP investment specialists comprised of former senior energy executives. The expertise of the Chanin/Arctas team in the generation, integrated utility, energy, oil and gas sectors, relationships with the key players, and ability to structure and negotiate complex financial and restructuring transactions on behalf of clients will prove valuable during these tough times. As part of our focus on the energy sector, Chanin has prepared an Energy Report which we have made exclusively available for our select clients.

To obtain a copy of the report, please send a request to Leslie Brownstein at lbrownstein@chanin.com





Recently Featured Chanin Transactions

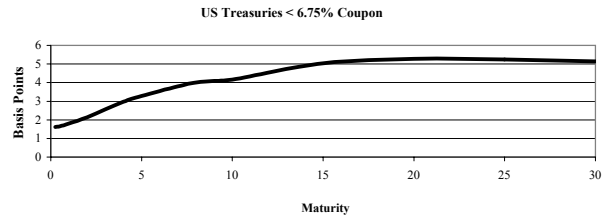
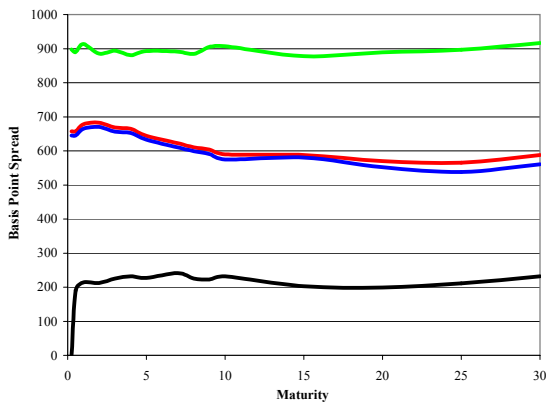


Chanin Capital Partners structured and negotiated the transaction and acted as financial advisor to the Official Committee of Unsecured Creditors in connection with a pre-negotiated chapter 11 reorganization of the Company



Chanin Capital Partners is acting as financial advisor to the Company in connection with the restructuring of its capital structure and subsequent business combination with Arrowhead, a Swedish network Company

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	20	198	282	73
B1	(5)	121	212	41
BB3	15	119	244	92
BBB3	10	43	55	16



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