

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 08 / 03



CHANIN CAPITAL PARTNERS
A SPECIALTY INVESTMENT BANK

Week of April 11, 2003
PAGE 1

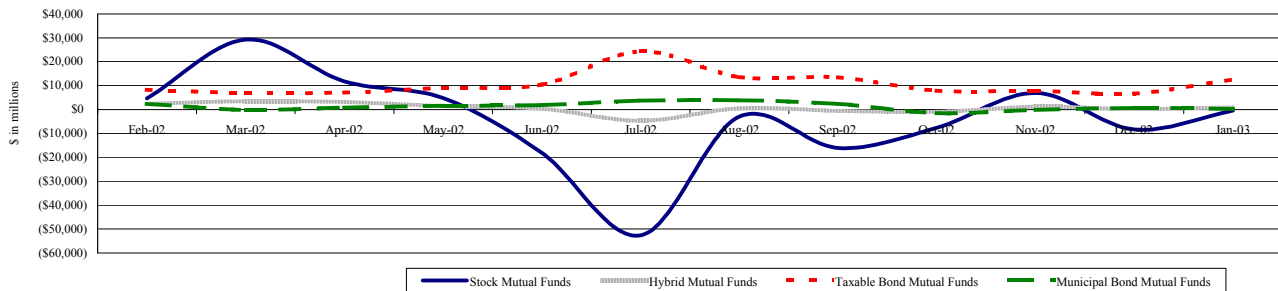
Key Market Indicators

	April 11, 2003		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %			Change	Change %
DJIA	8,221.33	8,203.41	8,300.41	7,992.13	57.64	0.71%	-404.11	-4.69%
Nasdaq	1,365.61	1,358.85	1,396.72	1,341.17	-10.75	-0.78%	-26.00	-1.88%
S&P 500	871.58	868.30	880.90	848.18	4.80	0.56%	-40.73	-4.48%
Russell 2000	372.69	371.30	376.57	364.54	2.60	0.71%	-21.28	-5.42%
OEX Volatility Index	28.96	28.27	33.37	28.27	-3.91	-12.15%	-0.25	-0.88%
Prime Rate	4.25%							
LIBOR	1 month		6 months	1 Year				
	1.30%		1.23%	1.30%				
	3 months							
	1.28%							

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

	Feb-03	Jan-03	Dec-02	Nov-02	Oct-02	Sep-02	Aug-02	YTD 2003
Stock Mutual Funds	(\$11,105)	(\$371)	(\$8,301)	\$6,953	(\$7,709)	(\$16,078)	(\$2,905)	(\$11,476)
Hybrid Mutual Funds	\$100	\$1,086	\$180	\$1,205	(\$1,024)	(\$623)	\$531	\$1,186
Taxable Bond Funds	\$17,876	\$12,801	\$6,620	\$7,823	\$7,816	\$13,555	\$13,582	\$30,677
Municipal Bond Funds	\$1,739	\$178	\$671	(\$196)	(\$1,518)	\$2,324	\$3,792	\$1,917

Net New Cash Flow of Long-Term Funds



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

Index	Mar-03	Feb-03	Jan-03	Dec-02	Nov-02	Mar-03	YTD
	Level	Level	Level	Level	Level	Month Return	Return
Altman-NYU Defaulted Bank Loans Index	125.5	124.7	124.4	120.5	117.6	0.66%	4.11%
Altman-NYU Defaulted Public Bonds Index	74.4	69.7	69.3	65.2	66.8	6.73%	14.07%
Combined Bank Loan-Public Bond Index	104.5	101.3	100.9	96.7	96.1	3.17%	8.06%
S&P 500 (Dividends Reinvested)	151.0	151.0	151.0	151.0	160.4	0.97%	-3.15%
Salomon Smith Barney High Yield Index	132.5	131.3	133.3	136.8	135.2	3.37%	8.65%

Distressed Lending News

Story Description	Size (\$mil)	Date	Source
Fleming Wins Cash Collateral Use Extension; Expects To Reach Deal On \$150M Loan.	NA	04/11/03	DBR
Worldcom To Be Renamed MCI After Leaving Chapter 11.	NA	04/11/03	DBR
Babcock & Wicox Sees Longer Stay In Chapter 11.	NA	04/11/03	DBR
AK Steel Reaffirms \$1.125 billion National Steel Bid Proposal.	\$1,125.0	04/11/03	DBR
Magellan Health Seeks To Sell New Mexico Hospital For \$1.8 Million.	NA	04/11/03	DBR
Key3Media Unsecured Creditors Reach Deal On Plan Terms.	NA	04/11/03	DBR
Spiegel Posts \$157.8 Million In Net Sales March.	NA	04/11/03	DBR

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
BP Exploration-Aspen Field, TX	Nexen Inc	\$136.0	03/27/03	Oil and Gas; Petroleum Refining
Fifth Third Bancorp, Cincinnati	Fifth Third Bancorp, Cincinnati	\$1,036.0	03/27/03	Commercial Banks, Bank Hldg Companies



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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.



M&A Announced Transactions (Continued)

Target	Acquirer	Value (\$mil)	Date	Industry
Intercall	West Corp	\$399.6	03/27/03	Business Services
Netro Corp	SR Telecom Inc	\$120.3	03/27/03	Telecommunications
THI Holdings Inc	Nationwide Mutual Insurance Co	\$138.0	03/27/03	Insurance
Holly Corp	Frontier Oil Corp	\$477.4	03/31/03	Oil and Gas; Petroleum Refining
Clayton Homes Inc	Berkshire Hathaway Inc	\$1,710.9	04/01/03	Wood Products, Furniture, and Fixtures
IntruVert Networks Inc	Network Associates Inc	\$100.0	04/01/03	Prepackaged Software
National Service Industries	California Investment Fund LLC	\$111.9	04/01/03	Personal Services
Concord EFS Inc	First Data Corp	\$6,935.9	04/02/03	Other Financial
Elite Information Group Inc	Thomson Corp	\$121.5	04/03/03	Business Services
Entercept Security Tech	Network Associates Inc	\$120.0	04/04/03	Prepackaged Software
Bruker AXS Inc	Bruker Daltonics Inc	\$104.6	04/07/03	Measuring, Medical, Photo Equipment; Clocks
INRANGE Technologies Corp	Computer Network Technology	\$172.7	04/07/03	Communications Equipment
Hughes Electronics Corp	News Corp Ltd	\$6,600.0	04/09/03	Telecommunications
Salix Pharmaceuticals Ltd	Axcan Pharma Inc	\$194.2	04/09/03	Drugs
Undisclosed Campus Style,CA	Mission West Properties Inc	\$110.0	04/09/03	Real Estate; Mortgage Bankers and Brokers
WaveSmith Networks Inc	CIENA Corp	\$168.8	04/09/03	Prepackaged Software
Williams Cos-Natural Gas	XTO Energy Inc	\$400.0	04/09/03	Electric, Gas, and Water Distribution
Woodcraft Industries Inc	Behrman Capital	\$145.0	04/09/03	Wood Products, Furniture, and Fixtures

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Hughes Electronics Corp	04/09/03	LT Local Issuer Credit	S&P	B+ **	B+ *	Cable TV
PanAmSat Corp	04/09/03	LT Local Issuer Credit	S&P	B+ **	B+ *	Satellite Telecom
US Airways Inc	04/09/03	LT Local Issuer Credit	S&P	B	WR	Airlines
Inter Auto Parts Italia Spa	04/08/03	LT Local Issuer Credit	S&P	B+	B	N.A.
Alfa Laval Special Finance AB	04/04/03	Senior Implied Issuer	Moody	Ba1 **	Ba1	Machinery-General Indust
Alfa Laval Special Finance AB	04/04/03	Senior Unsecured Debt	Moody	Ba2 **	Ba2	Machinery-General Indust
Alfa Laval Special Finance AB	04/04/03	Bank Loan Debt	Moody	Ba1 **	Ba1	Machinery-General Indust
Dixie Group Inc	04/04/03	LT Local Issuer Credit	S&P	B+	B-	Textile-Products
Inter Auto Parts Italia Spa	04/04/03	Senior Implied Issuer	Moody	Ba3	B1	N.A.
Rhiag SA	04/04/03	Senior Unsecured Debt	Moody	B2	B3	Auto/Trk Prts&Equip-Orig
Shoppers Drug Mart Corp	04/04/03	Bank Loan Debt	Moody	Ba1 **	Ba1	Retail-Drug Store
Shoppers Drug Mart Corp	04/04/03	Senior Implied Issuer	Moody	Ba1 **	Ba1	Retail-Drug Store
Cumulus Media Inc	04/03/03	Senior Implied Issuer	Moody	Ba3	B1	Radio
Minolta Co Ltd	04/03/03	Senior Unsecured Debt	Moody	B1 **	B2 **	Photo Equipment&Supplies
Venture Holdings Co LLC	04/03/03	LT Local Issuer Credit	S&P	D	SD	Rubber/Plastic Products
Waste Management Holdings Inc	04/03/03	Subordinated Debt	Moody	Ba1	Ba2 *-	N.A.
Waste Management Inc.-Old	04/03/03	Subordinated Debt	Moody	Ba1	Ba2 **	Health Care Cost Contain
CMS Energy Corp	04/02/03	Senior Implied Issuer	Moody	B2	B2 *-	Electric-Integrated
CMS Energy Corp	04/02/03	JR Subordinated Debt	Moody	Caa3	Caa3 *-	Electric-Integrated
CMS Energy Corp	04/02/03	Senior Unsecured Debt	Moody	B3	B3 *-	Electric-Integrated
CMS Energy Corp	04/02/03	Subordinated Debt	Moody	Caa2	Caa2 *-	Electric-Integrated
Consumers Energy Co	04/02/03	Bank Loan Debt	Moody	Ba1	Ba1 *-	Electric-Integrated
Consumers Energy Co	04/02/03	Subordinated Debt	Moody	Ba2	Ba2 *-	Electric-Integrated
Corrections Corp of America	04/02/03	Senior Unsecured Debt	Moody	B2 **	B2	Real Estate Oper/Develop
Corrections Corp of America	04/02/03	Bank Loan Debt	Moody	B1 **	B1	Real Estate Oper/Develop
Ethyl Corp	04/02/03	LT Local Issuer Credit	S&P	B+	WR	Chemicals-Specialty
Ethyl Corp	04/02/03	Senior Implied Issuer	Moody	B1	WR	Chemicals-Specialty
North-West Telecom	04/02/03	Foreign Currency LT Debt	S&P	B-	CCC	Telephone-Integrated
North-West Telecom	04/02/03	Local Currency LT Debt	S&P	B-	CCC	Telephone-Integrated
Orion Power Holdings Inc	04/02/03	LT Local Issuer Credit	S&P	B *	CCC *-	Independ Power Producer
Reliant Energy Capital Europe Inc	04/02/03	LT Local Issuer Credit	S&P	B *	CCC *-	Electric-Transmission
Reliant Energy Mid-Atlantic Pow	04/02/03	LT Local Issuer Credit	S&P	B *	CCC *-	Finance-Leasing Compan
Reliant Energy Power Generation	04/02/03	LT Local Issuer Credit	S&P	B+ **	B+ *	Electric-Transmission
Reliant Resources Inc	04/02/03	LT Local Issuer Credit	S&P	B *	CCC *-	Independ Power Producer
Renaissance Capital Holdings Ltd	04/02/03	LT Local Issuer Credit	S&P	B-	CCC+	N.A.
SASA Assicurazioni Riassicurazi	04/02/03	LT Local Issuer Credit	S&P	Bpi	CCCpi	N.A.
Southern Telecommunication Co	04/02/03	LT Local Issuer Credit	S&P	B-	CCC+	Telecom Services
Uralsvyazinform	04/02/03	LT Local Issuer Credit	S&P	B	B-	Telecom Services
Frontier Oil Corp	04/01/03	Senior Unsecured Debt	Moody	B2 **	B2	Oil Refining&Marketing
Frontier Oil Corp	04/01/03	Senior Implied Issuer	Moody	B1 **	B1	Oil Refining&Marketing
Merrill Corp	04/01/03	Subordinated Debt	Moody	Caa2	Caa3	Printing-Commercial
Merrill Corp	04/01/03	Senior Implied Issuer	Moody	B3	Caa1	Printing-Commercial
Di Giorgio Corp	03/31/03	Senior Unsecured Debt	Moody	B2	B3	Food-Wholesale/Distrib





Issue 08 / 03

Week of April 11, 2003

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Di Giorgio Corp	03/31/03	Senior Implied Issuer	Moody	B1	B2	Food-Wholesale/Distrib
Doane Pet Care Co	03/31/03	LT Local Issuer Credit	S&P	B+	B+ *	Veterinary Products
Elgin National Industries	03/31/03	LT Local Issuer Credit	S&P	CCC+	CCC+ *	Diversified Manufact Op
Frontier Oil Corp	03/31/03	LT Local Issuer Credit	S&P	B+ **	B+	Oil Refining&Marketing
Getronics NV	03/31/03	LT Local Issuer Credit	S&P	B- *	CC *	Computer Services
Trump Atlantic City Associates	03/31/03	LT Local Issuer Credit	S&P	CCC+	CCC+ *	Casino Hotels
EchoStar Broadband Corp	03/28/03	LT Local Issuer Credit	S&P	BB-	B+ **	Satellite Telecom
EchoStar Communications Corp	03/28/03	LT Local Issuer Credit	S&P	BB-	B+ **	Cable TV
Echostar DBS Corp	03/28/03	LT Local Issuer Credit	S&P	BB-	B+ **	Cable TV
JSC kazkommertsbank	03/28/03	LT Local Issuer Credit	S&P	BB-	B+	Commer Banks Non-US
Leslie's Poolmart	03/28/03	Senior Unsecured Debt	Moody	B2	B3	Leisure&Rec Products
Leslie's Poolmart	03/28/03	Senior Implied Issuer	Moody	B1	B2	Leisure&Rec Products
Town Sports International	03/28/03	LT Local Issuer Credit	S&P	B	B *	Recreational Centers
Kaztransoil	03/27/03	Senior Implied Issuer	Moody	Ba1	Ba2	Pipelines
Kaztransoil	03/27/03	Senior Unsecured Debt	Moody	Ba1	Ba2	Pipelines
Trump Atlantic City Associates	03/27/03	Senior Secured Debt	Moody	B3	Caa1 **	Casino Hotels
Trump Atlantic City Associates	03/27/03	Senior Implied Issuer	Moody	B3	Caa1 **	Casino Hotels

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
J Crew Group	04/09/03	Senior Implied Issuer	Moody	B3	B2	Retail-Apparel/Shoe
J Crew Group	04/09/03	Senior Unsecured Debt	Moody	Ca	Caa3	Retail-Apparel/Shoe
J Crew Operating Corp	04/09/03	Subordinated Debt	Moody	Caa3	Caa1	Diversified Operations
Mirant Americas Energy Marketir	04/09/03	LT Local Issuer Credit	S&P	B *	BB	N.A.
Mirant Americas Generation Inc	04/09/03	LT Local Issuer Credit	S&P	B *	BB	Electric-Integrated
Mirant Corp	04/09/03	LT Local Issuer Credit	S&P	B *	BB	Independ Power Producer
Photronics Inc	04/09/03	Equity Linked	Moody	B3	B2 *-	Semiconductor Equipment
Photronics Inc	04/09/03	Senior Implied Issuer	Moody	B1	Ba3 *-	Semiconductor Equipment
Southern Energy North America C	04/09/03	LT Local Issuer Credit	S&P	B *	BB	Electric-Integrated
American Safety Razor Co	04/08/03	Senior Unsecured Debt	Moody	B3	B2 *-	Cosmetics&Toiletries
American Safety Razor Co	04/08/03	Senior Implied Issuer	Moody	B2	B1 *-	Cosmetics&Toiletries
American Safety Razor Co	04/08/03	Bank Loan Debt	Moody	B2	B1 *-	Cosmetics&Toiletries
i2 Technologies Inc	04/08/03	LT Local Issuer Credit	S&P	CCC+ *-	B *	B2B/E-Commerce
McDermott Inc	04/07/03	LT Local Issuer Credit	S&P	CCC+	B *	Building&Construct-Misc
McDermott International Inc	04/07/03	LT Local Issuer Credit	S&P	CCC+	B *	Engineering/R&D Services
Sweetheart Cup Co	04/04/03	LT Local Issuer Credit	S&P	CC *-	CCC+ *	Containers-Paper/Plastic
Sweetheart Holdings Inc	04/04/03	LT Local Issuer Credit	S&P	CC *-	CCC+ *	Containers-Paper/Plastic
Western Wireless Corp	04/04/03	LT Local Issuer Credit	S&P	B- *-	B *	Cellular Telecom
Westpoint Stevens Inc	04/04/03	LT Local Issuer Credit	S&P	B *	B	Textile-Products
Azteca Holdings SA	04/03/03	Senior Implied Issuer	Moody	Ba3 *-	Ba3	Diversified Operations
Azteca Holdings SA	04/03/03	Senior Secured Debt	Moody	B2 *-	B2	Diversified Operations
CB Richard Ellis Inc	04/03/03	LT Local Issuer Credit	S&P	B+	BB- *-	Real Estate Mgmt/Service
Consolidated Container Co LLC/(	04/03/03	Senior Implied Issuer	Moody	B3	B2 *-	Containers-Paper/Plastic
Consolidated Container Co LLC/(	04/03/03	Bank Loan Debt	Moody	B3	B2 *-	Containers-Paper/Plastic
Consolidated Container Co LLC/(	04/03/03	Senior Subordinate	Moody	Caa2	Caa1 *-	Containers-Paper/Plastic
Gener SA	04/03/03	LT Local Issuer Credit	S&P	B	B+ *-	Electric-Integrated
International Wire Group Inc	04/03/03	LT Local Issuer Credit	S&P	CCC+	B	Wire&Cable Products
Investco SA	04/03/03	Subordinated Debt	Moody	Ba1	A3 *-	Diversified Operations
New Assurances Des Regions Fra	04/03/03	LT Local Issuer Credit	S&P	CCCpi	Bpi	N.A.
Northwestern Corp	04/03/03	LT Local Issuer Credit	S&P	BB+ *-	BB+	Gas-Distribution
Oregon Steel Mills Inc	04/03/03	LT Local Issuer Credit	S&P	B+	BB-	Steel-Specialty
TV Azteca SA de CV	04/03/03	Senior Unsecured Debt	Moody	Ba3 *-	Ba3	Broadcast Serv/Program
Texas Industries Inc	04/03/03	LT Local Issuer Credit	S&P	BB-	BB+	Bldg Prod-Cement/Aggrg
AXA Insurance (Canada)	04/02/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Eagle Star Insurance Co (Ireland)	04/02/03	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Healthsouth Corp	04/02/03	LT Local Issuer Credit	S&P	D	CCC- *-	Phys Therapy/Rehab Cntrs
Neff Corp	04/02/03	LT Local Issuer Credit	S&P	CCC *-	B- *-	Rental Auto/Equipment
Resolution Performance Products	04/02/03	LT Local Issuer Credit	S&P	B+	BB-	Chemicals-Plastics
Resolution Performance Products	04/02/03	Senior Implied Issuer	Moody	B2	B1	Chemicals-Plastics
Resolution Performance Products	04/02/03	Senior Subordinate	Moody	Caa1	B3	Chemicals-Plastics
Schadaver Mij Erasmus NV	04/02/03	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
Southwest Royalties Inc	04/02/03	LT Local Issuer Credit	S&P	CC *-	CCC- *-	Oil-Field Services
Trenwick America Corp	04/02/03	LT Local Issuer Credit	S&P	D	CCC- *-	Property/Casualty Ins



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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Trenwick Group Ltd	04/02/03	LT Local Issuer Credit	S&P	D	CCC- *	Reinsurance
Vaudoise General Cia D'Assur	04/02/03	LT Local Issuer Credit	S&P	Bpi	BBBpi	N.A.
Air Canada	04/01/03	LT Local Issuer Credit	S&P	D	B *	Airlines
Air Canada	04/01/03	Senior Unsecured Debt	Moody	C	B3	Airlines
Air Canada	04/01/03	Subordinated Debt	Moody	C	Caa2	Airlines
Air Canada	04/01/03	Senior Implied Issuer	Moody	Caa3	B3	Airlines
Aquila Inc	04/01/03	Subordinated Debt	Moody	Caa3	B2 *-	Pipelines
Aquila Inc	04/01/03	Senior Unsecured Debt	Moody	Caa1	B1 *-	Pipelines
Aquila Inc	04/01/03	Senior Implied Issuer	Moody	B3	B1 *-	Pipelines
Booth Creek SKI Holdings Inc	04/01/03	LT Local Issuer Credit	S&P	B- *-	B-	Resorts/Theme Parks
Fleming Cos Inc	04/01/03	LT Local Issuer Credit	S&P	D	CCC- *-	Food-Wholesale/Distrib
Fleming Cos Inc	04/01/03	Senior Subordinate	Moody	C	Ca	Food-Wholesale/Distrib
Fleming Cos Inc	04/01/03	Senior Unsecured Debt	Moody	Caa3	Caa2	Food-Wholesale/Distrib
Fleming Cos Inc	04/01/03	Bank Loan Debt	Moody	B3	B2	Food-Wholesale/Distrib
Fleming Cos Inc	04/01/03	Senior Implied Issuer	Moody	Caa2	Caa1	Food-Wholesale/Distrib
General Chemical Industrial Prodi	04/01/03	LT Local Issuer Credit	S&P	CC *-	B-	Chemicals-Specialty
Horizon Pcs Inc	04/01/03	LT Local Issuer Credit	S&P	CCC-	CCC+	Cellular Telecom
Kansas City Southern	04/01/03	LT Local Issuer Credit	S&P	BB *-	BB	Transport-Rail
Kansas City Southern Railway	04/01/03	LT Local Issuer Credit	S&P	BB *-	BB	Diversified Operations
Mission Resources Corp	04/01/03	LT Local Issuer Credit	S&P	CCC+	B	Oil Comp-Explor&Prodn
Newmont Yandal Operations Ltd	04/01/03	LT Local Issuer Credit	S&P	B-	BB-	Gold Mining
Rhodia SA	04/01/03	LT Local Issuer Credit	S&P	BB+	BBB-	Chemicals-Specialty
Steinway Musical Instruments	04/01/03	LT Local Issuer Credit	S&P	BB *-	BB	Music
Trinity Industries Inc	04/01/03	Bank Loan Debt	Moody	Ba1 *-	Ba1	Diversified Manufact Op
Trinity Industries Inc	04/01/03	Senior Implied Issuer	Moody	Ba1 *-	Ba1	Diversified Manufact Op
Utilicorp Canada Finance Corp	04/01/03	Senior Unsecured Debt	Moody	Caa1	B1 *-	Finance-Other Services
Courtyard By Marriott II LP	03/31/03	LT Local Issuer Credit	S&P	B	B+	N.A.
Empresa Electrica Guacolda SA	03/31/03	Senior Secured Debt	Moody	Ba1	Baa3 *-	Electric-Distribution
WESCO International Inc	03/31/03	LT Local Issuer Credit	S&P	BB- *-	BB-	Distribution/Wholesale
Wesco Distribution Inc	03/31/03	LT Local Issuer Credit	S&P	BB- *-	BB-	Distribution/Wholesale
AMR Corp	03/28/03	LT Local Issuer Credit	S&P	CCC *	B- *	Airlines
ASAT Ltd	03/28/03	Senior Implied Issuer	Moody	B3	B1	N.A.
Airtrain Citylink Ltd	03/28/03	Senior Secured Debt	Moody	Caa1	B2	Transport-Services
American Airlines Inc	03/28/03	LT Local Issuer Credit	S&P	CCC *	B- *	Airlines
Asat Finance LLC	03/28/03	Senior Unsecured Debt	Moody	B3	B1	Special Purpose Entity
Atlas Air Inc	03/28/03	LT Local Issuer Credit	S&P	D	CCC- *-	Airlines
Atlas Air Worldwide Holdings Inc	03/28/03	LT Local Issuer Credit	S&P	D	CCC- *-	Transport-Air Freight
Azteca Holdings SA	03/28/03	LT Local Issuer Credit	S&P	CC	B- *-	Diversified Operations
Continental Airlines Inc	03/28/03	LT Local Issuer Credit	S&P	B *-	B+ *-	Airlines
Delta Air Lines Inc	03/28/03	LT Local Issuer Credit	S&P	BB- *-	BB *-	Airlines
Newmont Yandal Operations Ltd	03/28/03	Senior Implied Issuer	Moody	Ba2 *-	Ba2 *+	Gold Mining
Newmont Yandal Operations Ltd	03/28/03	Senior Unsecured Debt	Moody	Ba2 *-	Ba2 *+	Gold Mining
Normandy Finance Ltd	03/28/03	Senior Unsecured Debt	Moody	Ba1 *-	Ba1 *+	Diversified Finan Serv
Northwest Airlines Corp	03/28/03	LT Local Issuer Credit	S&P	B+ *-	BB- *-	Airlines
Northwest Airlines Inc	03/28/03	LT Local Issuer Credit	S&P	B+ *-	BB- *-	Airlines
Sol Melia SA	03/28/03	LT Local Issuer Credit	S&P	BB+	BBB- *-	Hotels&Motels
Texas Industries Inc	03/28/03	Bank Loan Debt	Moody	Ba3 *-	Ba2	Bldg Prod-Cement/Aggreg
Texas Industries Inc	03/28/03	Senior Implied Issuer	Moody	Ba3 *-	Ba2	Bldg Prod-Cement/Aggreg
Agricore United	03/27/03	LT Local Issuer Credit	S&P	BB	BB+	Agricultural Operations
All Nippon Airways Co Ltd	03/27/03	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Airlines
Healthsouth Corp	03/27/03	Senior Implied Issuer	Moody	Caa2 *-	Caa1 *-	Phys Therapy/Rehab Cntrs
Healthsouth Corp	03/27/03	Equity Linked	Moody	C	Caa3 *-	Phys Therapy/Rehab Cntrs
Healthsouth Corp	03/27/03	Senior Unsecured Debt	Moody	Caa2 *-	Caa1 *-	Phys Therapy/Rehab Cntrs
Japan Airlines Co Ltd	03/27/03	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Airlines
Orion Power Holdings Inc	03/27/03	LT Local Issuer Credit	S&P	CCC *-	B- *	Independ Power Producer
Quezon Power Philippines	03/27/03	LT Local Issuer Credit	S&P	B	B+ *-	Electric-Generation
Reliant Energy Capital Europe Inc	03/27/03	LT Local Issuer Credit	S&P	CCC *-	B- *	Electric-Transmission
Reliant Energy Mid-Atlantic Pow	03/27/03	LT Local Issuer Credit	S&P	CCC *-	B- *	Finance-Leasing Compan
Reliant Energy Power Generation	03/27/03	LT Local Issuer Credit	S&P	B+ *	B+ *+	Electric-Transmission
Reliant Resources Inc	03/27/03	LT Local Issuer Credit	S&P	CCC *-	B- *	Independ Power Producer



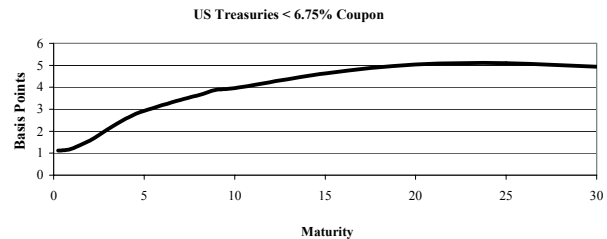
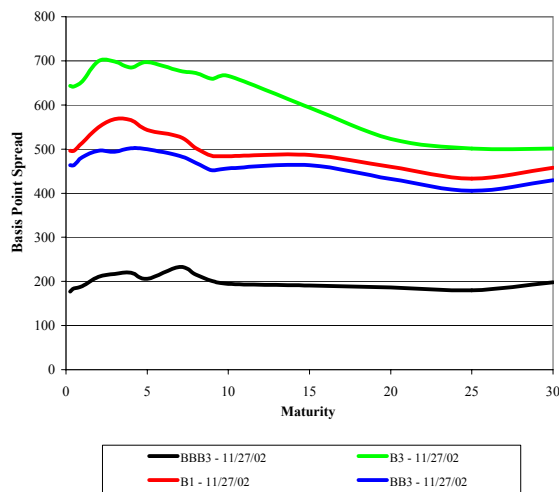


Upcoming Speaking Engagements

Please join us at these upcoming financial advisory conferences:

Conference	Venue	Date	Speaker
Strategic Research Institute: Strategies for Effective Restructuring and Turnaround Management	The Metropolitan Hotel, New York	June 26, 2003	Mark Rubin

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	(43)	(158)	(285)	47
B1	21	(27)	(134)	111
BB3	(26)	(34)	(159)	107
BBB3	9	12	(17)	46

Airline News

Now that US Airways has emerged from chapter 11, S&P gives the airline a rating of B.

Although American Airlines said it would not reopen negotiations on the contracts negotiated with unions' leaderships in response to threats from the rank and file not to ratify, the company nevertheless is offering to pay 4.5% bonuses three years from now if the credit rating returns to the level existing before 9/11. For the bonuses to kick in, American would need to achieve the lowest investment grade rating.

Did you ever wish you could turn back the clock and undo a decision from several years ago? Airline managers probably do. An S&P analyst calculates that the country's airlines used half of their net income in the late 1990s to buy back stock. American Airlines reportedly spent \$2.5 billion buying stock. US Airways spent \$1.9 billion.

Revenue passenger miles at Air Canada were down 10% in March below one year ago. The airline is cutting capacity by 12% in April and 16% in May.

SAirGroup Finance Inc., which had been formed by Swissair to provide cash management, has confirmed a plan in its chapter 11 case in New York which could pay up to 92% on unsecured creditors' claims of US\$458 million. Swissair was liquidated in the Swiss courts, with Swiss International Air Lines Ltd. formed to be the successor.

A group of 70 travel agencies filed an antitrust suit against 21 airlines alleging price fixing on account of eliminating commissions for travel agents.

The Bush administration is continuing to oppose bills passed in both houses of Congress giving more than \$3 billion in aid to the nation's airlines. The White House Budget Director said that aid should not exceed losses from the war and should be based on "free-market principles." The administration is also opposing an extension of unemployment benefits for workers in the airline industry.

The mechanics are now the only employees at United Airlines not having agreed to long term wage concessions. Yesterday, unions representing baggage handlers, reservations clerks, and other agreed to a six year contract providing \$445 million in annual savings for the company through a 13% wage reduction and a new, 20% health insurance copay. If the mechanics do not come to terms in the next few days, UAL will argue a motion on Monday for permission to terminate the existing contract.

