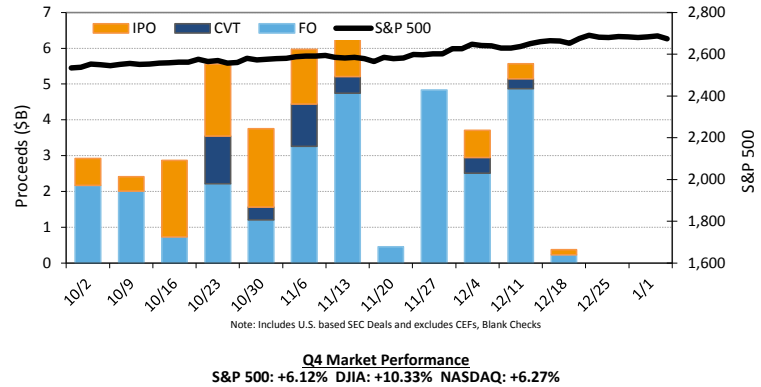


Q4 2017 U.S. New Issuance

	Proceeds (\$M)	Number of Deals
IPOs	11,420.8	48
Follow-ons	16,468.4	99
Block Trades	12,785.1	44
Convertibles	4,043.8	15
Totals	44,718.0	206

The new issuance market for Q4 hosted 206 deals for \$44.7B, which represents roughly a 14.4% increase from the 180 deals seen in the previous quarter. Specifically, the IPO market in Q4 introduced 48 deals for proceeds of \$11.4B. Elsewhere, follow-on offerings, including blocks trades, came in at 143 and produced \$29.3B in proceeds, gaining in deal count from the 127 reported in the prior-quarter, yet below the \$39.4B in proceeds raised during Q3 of 2017. Elsewhere, convertible offerings in the fourth-quarter tumbled to 15, while generating \$4.0B in proceeds.

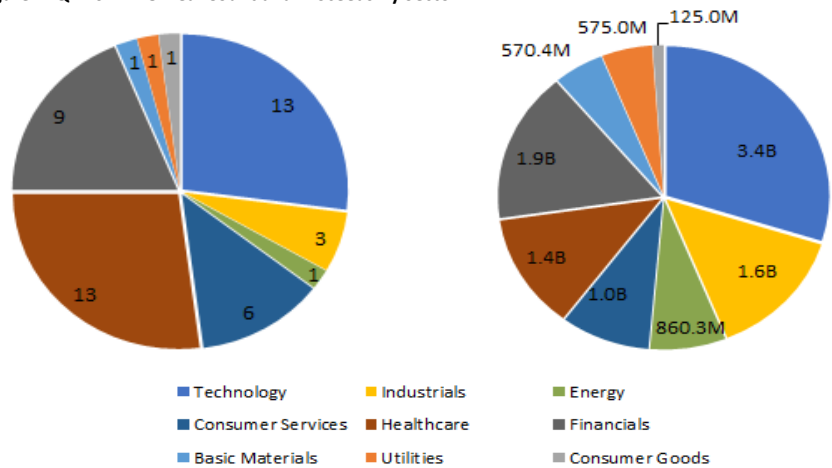


2017 Recap

Intro

The fourth quarter of 2017 saw the IPO market return to form, finishing strong, and following familiar trends seen in the past few years. Meanwhile, all individual deals generated less than \$1.0B in proceeds, with the exception of Argentina's Loma Negra Compania Industrial Argentina S.A., which raked in \$1.1B. The fourth quarter brought 48 IPOs, tying with the second quarter of 2017 in terms of deal count, yet surpassing it in proceeds, generating \$11.4B compared to the \$10.9B raised in the second quarter. About 75.0% of deals during the quarter were from issuers domiciled within the U.S., while China was responsible for 16.6%, and the remainder of the deals were sprinkled in from other parts of the globe. In this piece, we will examine overall IPO activity for this quarter, as well as how 2017 has proven to be a "bounce-back" year.

Figure 1: Q4 2017 IPO Deal Count and Proceeds By Sector



Fourth Quarter Activity

Throughout the year the Energy, Healthcare and Technology sectors each had a turn leading the market in terms of quarterly deal count. By proceeds, Technology was the highest grossing industry in three out of the four quarters, with the exception of the third quarter, when Healthcare topped the list in deal count and proceeds (Figure 1). Despite this, all sectors except Utilities and Consumer Goods managed to issue more deals this quarter than the same quarter in 2016. The Financials sector was the only group which secured lower total proceeds than the prior year.

The fourth-quarter did not provide too many surprises on the pricing performance front. 58.3% of deals priced within their filing ranges, while 22.9% priced above, and 18.7% priced below their filing ranges. Rhythm Pharmaceuticals, Inc. was the darling of the market on its first day of trading, shooting up 76.5%, ranking it as the largest first day pop during 2017. The fourth quarter also brought in the second largest first-day pop for 2017, as Cargurus, Inc. yielded a whopping 72.4% gain during its first day of trading. Conversely, Funko, Inc., a pop culture merchandise manufacturer, did not enjoy such a favorable performance. The November offering plummeted 41.1% during its first day of trading and comes in as the poorest one-day performance out of all IPO's from 2007 to today.

As stated earlier, only one deal in Q4 broke the \$1.0B threshold for proceeds generated. Loma Negra Compania, an Argentinian cement maker, priced in October and secured \$1.1B in its initial offering. The deal priced at \$19.00 per share, the top-end of its filing range, and witnessed a 12.4% pop on its first day of trading, and is currently sitting up 27.3% from its offer price. Loma Negra Compania's offering became the largest Industrials IPO of 2017, as well as the largest deal out of Argentina on an U.S. exchange since 2001 by a wide margin, as the next closest IPO was 2007's MercadoLibre, Inc.'s \$332.8M offering from the Consumer Services sector. Nonetheless, the proceeds bar for 2017 was, of course, set by Snap Inc. in March, with a \$3.9B IPO offering that jumped 44.0% on its first day of trading, while experiencing the greatest one day pop from the top ten largest IPOs since 2007.

Economic Highlights

Indicator	Q2Δ	Q3Δ
U.S. GDP	3.1%	3.2%

Indicator	Q3Δ	Q4Δ
Non-farm Payrolls	585,000	228,000
Retail Sales ex-Auto	0.5%	2.1%
Factory Orders	-1.2%	2.5%
Industrial Production	-0.3%	1.4%
PPI	0.2%	1.2%
Core PPI	0.1%	1.1%
CPI	0.5%	1.0%
Core CPI	0.4%	0.4%

Indicator	September Release	December Release
Jobless Rate	4.4%	4.1%
Consumer Sentiment	97.6	95.9
ISM Mfg. Index	56.3	58.2
ISM Services Index	55.3	57.4
Capacity Utilization	76.9%	77.1%
Housing Starts	1180K	1297K
Building Permits	1300K	1298K
New Home Sales	560K	733K
Existing Home Sales	5.35M	5.81M

Commodities	Q3 End	Q4 End
Crude Oil	51.67	60.42
Natural Gas	3.01	2.953
Gold	1281.5	1306.3

Currencies	Q3 End	Q4 End
EUR in USD	1.182	1.2008
GBP in USD	1.342	1.3527501
USD in JPY	112.565	1306.3

Bond Yields	Q3 End	Q4 End
U.S. Treasury - 2 year	1.48%	1.88%
U.S. Treasury - 10 year	2.33%	2.41%
U.S. Treasury - 30 year	2.86%	2.74%

U.S. Equity and Equity-Related League Table

Rank	Manager	Q4 2017			Q4 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	8,227.3	19.3	59	6,218.3	13.2	38
2	Goldman Sachs & Co.	7,457.3	17.5	57	7,036.6	15.0	35
3	JP Morgan	5,465.6	12.9	48	5,173.8	11.0	49
4	Credit Suisse	3,605.5	8.5	39	2,458.0	5.2	29
5	Bank of America Merrill Lynch	2,590.0	6.1	37	2,995.6	6.4	35
6	Barclays	2,017.4	4.7	27	4,182.4	8.9	34
7	Citi	1,863.9	4.4	27	3,608.0	7.7	37
8	Deutsche Bank	1,629.0	3.8	15	1,083.3	2.3	17
9	Jefferies LLC	1,203.2	2.8	27	1,464.3	3.1	22
10	Wells Fargo	1,188.9	2.8	15	1,771.1	3.8	31
Subtotal		35,248.0	78.8%	-	35,991.4	72.7%	-
Total		44,718.0	-	206	49,482.4	-	184

U.S. IPO League Table

Rank	Manager	Q4 2017			Q4 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	1,455.6	14.1	18	586.5	8.5	8
2	Goldman Sachs & Co.	1,246.8	12.1	15	679.5	9.9	8
3	Credit Suisse	1,236.9	12.0	12	784.7	11.4	12
4	Citi	1,096.8	10.6	14	754.9	11.0	10
5	JP Morgan	1,063.3	10.3	16	690.5	10.0	9
6	Bank of America Merrill Lynch	508.6	4.9	10	329.3	4.8	5
7	UBS AG	426.2	4.1	5	194.4	2.8	4
8	Jefferies LLC	386.1	3.7	9	101.8	1.5	3
9	Stifel Financial	358.4	3.5	8	105.4	1.5	4
10	RBC Capital Markets	357.0	3.5	6	357.8	5.2	7
Subtotal		8,135.6	71.2%	-	4,584.7	62.3%	-
Total		11,420.8	-	48	7,355.0	-	25

U.S. Follow-On League Table

Rank	Manager	Q4 2017			Q4 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	6,405.4	22.7	37	5,560.1	15.9	29
2	Goldman Sachs & Co.	5,507.3	19.6	39	6,007.2	17.1	25
3	JP Morgan	3,998.1	14.2	27	4,060.3	11.6	34
4	Bank of America Merrill Lynch	1,636.1	5.8	20	1,903.0	5.4	25
5	Barclays	1,523.2	5.4	19	3,189.6	9.1	20
6	Credit Suisse	1,484.9	5.3	20	1,539.4	4.4	15
7	Deutsche Bank	983.5	3.5	9	425.1	1.2	6
8	Wells Fargo	883.2	3.1	12	1,390.5	4.0	26
9	Jefferies LLC	753.8	2.7	17	1,012.5	2.9	16
10	Citi	713.4	2.5	11	2,050.9	5.8	23
Subtotal		23,888.9	81.7%	-	27,138.6	73.6%	-
Total		29,253.5	-	143	36,870.4	-	141

U.S. Equity-Related League Table

Rank	Manager	Q4 2017			Q4 2016		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Credit Suisse	883.7	21.9	7	134.0	2.6	2
2	Goldman Sachs & Co.	703.3	17.4	3	350.0	6.9	2
3	Deutsche Bank	538.3	13.3	3	270.5	5.3	2
4	Bank of America Merrill Lynch	445.3	11.0	7	763.3	15.0	5
5	JP Morgan	404.2	10.0	5	423.0	8.3	6
6	Morgan Stanley	366.3	9.1	4	71.7	1.4	1
7	Barclays	227.9	5.6	3	411.1	8.1	3
8	Wells Fargo	175.0	4.3	1	80.5	1.6	1
9	Cowen Group, Inc.	67.5	1.7	1	0.0	0.0	0
10	Nomura Holdings, Inc.	67.5	1.7	1	0.0	0.0	0
Subtotal		3,878.8	95.9%	-	2,504.1	47.6%	-
Total		4,043.8	-	15	5,257.0	-	18

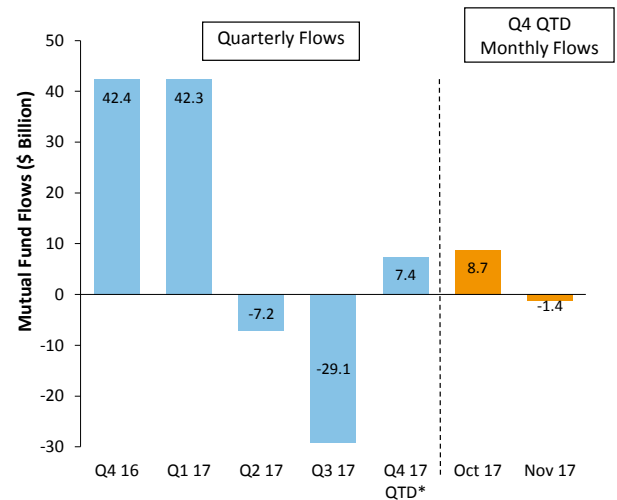
New Issuance Recap

The broader markets witnessed Q4 wrap up the year on a high note as the S&P rose 6.1%, the DJIA jumped 10.3%, and the NASDAQ advanced 6.3%, capping off a record setting year across all major indices in 2017. Equity issuance jumped in terms of deal count but dropped in proceeds from the same period last year as 206 total deals generated \$44.7B in proceeds during Q4, while Q4 2016 brought 180 deals to market for \$48.8B. Compared to last quarter, Q4 grew in deal count; rising 14.4% from Q3's 180 deals priced and dropping 14.1% in regards to total proceeds generated, as Q3 realized \$52.1B.

The IPO market made significant strides during Q4, as 48 deals came to market for \$11.4B in combined proceeds, realizing the highest proceeds since Q2 of 2015, which brought in 62 deals for \$13.8B. Moreover, Q4 saw a sizable increase from Q3, when only 26 IPOs came to market, reeling in a total of \$4.3B. The Healthcare and Technology sectors tied for the quarterly lead in terms of IPO count, as each sector saw 13 issuers debut during the quarter. The Technology space easily outdid all others when looking at proceeds, as it generated \$3.4B, far ahead of Financials' \$1.9B, which placed second in proceeds. Notably, the only IPO to generate over \$1.0B during Q4 hailed from Argentina, as Loma Negra Compania Industrial Argentina S.A. brought in \$1.1B with their debut out of the Industrials sector, becoming the largest IPO out of its sector during 2017. Loma Negra Compania was just the second company to debut out of Argentina on a U.S. exchange during 2017 following Despegar.com's \$332.0M debut during September. Placing second and third in proceeds generated during the quarter were Qudian Inc. and Sea Limited, which raised \$900.0M and \$884.4M, respectively.

Meanwhile, 143 follow-on offerings, including block trades, came to market during Q4 for a combined \$29.3B in proceeds, representing an increase from the 127 deals in the prior quarter, but slipped in terms of proceeds as \$39.7B raised in the third-quarter. Overall, the average size of follow-ons, including block trades, during the quarter was \$204.6M, equaling a 34.6% decline from Q3's average deal size of \$312.9M. Of note, there were only four follow-on offerings including block trades that generated over \$1.0B during Q4, marking the lowest total of deals of this type since the fourth-quarter of 2015. The largest of these deals came from the Financials sector, as TD Ameritrade Holding Corporation raised \$1.4B with its block offering. However, the Healthcare sector dominated within follow-on offerings, as it accounted for 49 of the 143 follow-on and block trade offerings during the quarter, representing 34.2% of all deals of this type. Finally, 15 convertible offerings priced during Q4 and raised \$4.0B, dipping in terms of deal count and proceeds from the year-ago period's 18 convertibles generating \$5.2B. The largest of these convertible deals was Chinese issuer Weibo Corp., which raked in \$900.0M in their offering.

Mutual Fund Flows



As 2017 drew to a close, U.S. equity mutual fund flows began to turn around. After two consecutive quarters of outflow (\$7.2B and \$29.1B, respectively), the fourth quarter year-to-date is recouping losses, showing an inflow of \$7.4B following record breaking highs for major indexes during the quarter. Meanwhile, the fourth quarter does have the ability to increase its inflow pending December's release as compared to the \$42.4B inflow from the same quarter a year ago. On a monthly basis, October showed an increase of \$8.7B which was curtailed by the outflow of \$1.4B reported during November and amid pressure to pass tax reform.

Note: Includes only U.S. based SEC Deals; excludes CEFs and Blank Checks • Source: Ipreo Capital Markets

Source: Morningstar • *Quarter-To-Date data excludes December

U.S. IPO Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Pricing Range			% Change Offer / 1 Day	% Change Offer / 1 Mo
			Above	Within	Below		
Oct/17	6,572.4	17	47%	35%	18%	30.0	22.9
Nov/17	3,539.4	22	14%	59%	27%	1.2	8.0
Dec/17	1,309.0	9	100%			9.3	-
YTD	37,639.8	144	17%	64%	19%	11.4	15.9

The market generated 48 IPOs in the final quarter of 2017, which averaged a 13.5% increase in the first day of trading and brought in \$11.4B in aggregate proceeds. Of note, Q4 generated the most quarterly proceeds of 2017 followed by Q1 which raised \$10.9B. Additionally, proceeds catapulted 171.1% on-quarter from Q3 figures. When considering first day performance, Q4's figures were boosted by October's performance as the month saw an average first-day pop of 30.0%. October had the best average first-day performance of 2017 with July coming in a relatively distant second recording a 25.1% average first-day increase. Notably, Rhythm Pharmaceuticals, Inc., which priced in October, noticed the largest first-day gain of the year seeing a 76.5% upswing on its first day of trading. Taking a look at offer price relative to initial file range for the quarter, 64.0% of IPO's priced within their ranges.

Pricing Range % based on number of deals and revised file price or range | Transactions greater than \$20M | Excludes closed-end funds, equity units, block trades, and blank checks.

U.S. Follow-On Pricing Performance

Month	Total Proceeds (\$M)	# of Deals	Marketing Type		Last / Offer	% Change File / Offer	Offer / 1 Mo
			Accelerated	Fully- Marketed			
Oct/17	6,084.3	37	30%	70%	-6.6	-8.1	6.3
Nov/17	6,994.2	39	41%	59%	-5.9	-10.1	14.4
Dec/17	3,389.9	23	57%	43%	-5.9	-11.5	-
YTD	91,127.1	413	44%	56%	-5.8	-8.1	6.2

When considering the market share of accelerated follow-ons and fully-marketed follow-ons, Q4 leaned towards the latter, as 56.2% of the quarter's secondary offerings were fully marketed. Year-to-date the split favors fully-marketed deals as well, as deals of this type captured 56.0% of the secondary market. Notably, Q4 saw a decrease in the percentage of fully-marketed deals, falling from 65.9% in Q3. From a monthly standpoint, October saw the greatest imbalance in marketing type, as 70.0% of the month's secondary offerings came in fully-marketed form. On average, the quarter's 99 follow-on realized an average discount from file price of 9.9%, marking the greatest average quarterly discount of 2017. Taking a look at discounts from a monthly perspective, December saw the most dramatic discounts of Q4 and 2017 overall, averaging 11.5%.

Q4 2017 Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Healthcare	9,908.0	22.2	64
2	Technology	7,812.9	17.5	34
3	Consumer Services	6,263.5	14.0	25
4	Financials	5,469.8	12.2	25
5	Industrials	4,634.8	10.4	18
6	Basic Materials	3,539.3	7.9	10
7	REIT	2,825.3	6.3	11
8	Energy	2,461.5	5.5	11
9	Utilities	1,223.6	2.7	4
10	Consumer Goods	579.2	1.3	4
		44,718.0		206

Industry Highlights

Q4 marked the twelfth-consecutive quarter that Healthcare led in deal count across all deal types. Following right behind, the Technology sector also had an impressive fourth quarter as it generated aggregate proceeds of \$7.8B on 34 deals. Notably, Micron Technology Inc. issued a follow-on offering for \$1.2B in proceeds, which accounted for 15.4% of the total proceeds derived from the Technology sector during the quarter, yet ranked as the 12th largest follow-on for 2017. Additionally, the Q4 IPO market hosted the fourth-largest IPO deal of the year, as Loma Negra Compania Industrial Argentina S.A. produced \$1.1B in proceeds.

2017 YTD Priced by Industry

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Healthcare	42,720.1	19.1	249
2	Technology	35,902.0	16.0	104
3	REIT	34,103.0	15.2	93
4	Consumer Services	32,165.1	14.4	94
5	Financials	22,199.0	9.9	119
6	Energy	22,183.5	9.9	67
7	Industrials	19,718.0	8.8	69
8	Basic Materials	7,690.1	3.4	26
9	Consumer Goods	5,196.5	2.3	21
10	Utilities	1,867.8	0.8	6
		223,745.1		848

Looking at 2017's deals, the new issuance market generated proceeds of \$223.7B on 848 deals, edging out 2016's figures of \$212.5B on 665 deals. While the Healthcare and Technology space placed first and second in market share, the REIT sector managed to place third, capturing 15.2% of the market share, bringing in 93 deals for 2017. Specifically, Crown Castle International Corps' \$3.8B follow-on offering was the largest deal from the REIT sector and also placed as the largest follow-on deal of 2017. In addition, 2017's total IPO deal count and proceeds dramatically rose from the 2016 IPO figures, increasing on an annual basis by 63.6% and 87.3%, respectively to 144 IPOs for \$37.7B.

IPO Backlog Highlights
Top Bookrunners in Backlog

Rank	Industry	Proceeds (\$M)	Market Share (%)	# of Deals
1	Bank of America Merrill Lynch	531.7	15.2	12
2	JP Morgan	469.7	13.4	7
3	Goldman Sachs & Co.	389.8	11.1	9
4	Citi	300.5	8.6	9
5	Morgan Stanley	289.3	8.3	10
6	Credit Suisse	254.6	7.3	9
7	UBS AG	150.5	4.3	4
8	Barclays	136.9	3.9	6
9	RBC Capital Markets	101.8	2.9	5
10	Jefferies LLC	99.3	2.8	5
	SubTotal	2,724.1	69.2%	
	Total	3,936.3		31

Top Filed Deals

Rank	Issue Name	Amt Filed (\$M)	Industry
1	Workspace Property Trust	526.5	REIT
2	TFI TAB Gıda Yatırımları A.Ş.	400.0	Consumer Services
3	Camposol Holding PLC	345.0	Consumer Goods
4	Bicapital Corporation	345.0	Financials
5	Howard Midstream Partners, LP	200.0	Energy
6	Solid Biosciences Inc.	100.0	Healthcare
7	Gates Industrial Corporation plc	100.0	Industrials
8	PagSeguro Digital Ltd.	100.0	Technology
9	ADT Inc.	100.0	Consumer Services
10	PlayAGS, Inc.	100.0	Consumer Services
	SubTotal	2,316.5	
	Total	3,936.3	

The current 6-month IPO backlog fell from Q3 to 31 issuers in the pipeline for \$3.9B in expected proceeds for Q4. Nonetheless, this is up from the 25 issuers in the comparable period last year that were expected to bring in \$2.9B in proceeds. From the REIT sector, Workspace Property Trust takes lead in terms of expected proceeds as it looks to bring in \$526.5M in proceeds. Falling next in line is TFI TAB Gıda Yatırımları A.S., as it is expected to bring in \$400.0M in proceeds from the Consumer Services space, making it one of the three Consumer Services issuers that land in the top ten filed deals. Lastly, no deals there are currently in the pipeline expected to raise more than \$1.0B, dropping from two expected to raise that much during the third quarter.

Top U.S.-Based Deals by Proceeds
Quarter Ending December 31, 2017
U.S. IPOs

2017 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	Original File Range	Price Performance % Change			Bookrunner(s)	Industry
								Latest Midpt / Offer	Last Offer / 1 Day	Offer / Qtr End		
4	10/31/17	Loma Negra Compania Industrial Argentina S.A.	LOMA	1,096.9	57.7	19.00	15.00 - 19.00	11.8	12.4	21.3	BANCOBRA, CITI, HSBC, ITAU, BAML, MS	Industrials
5	10/17/17	Qudian Inc.	QD	900.0	37.5	24.00	19.00 - 22.00	17.1	21.6	(47.8)	MS, CS, CITI, CICC, UBS	Financials
6	10/19/17	Sea Limited	SE	884.4	59.0	15.00	12.00 - 14.00	15.4	0.0	(11.1)	GS, MS, CS	Technology
8	10/25/17	BP Midstream Partners LP	BPMP	860.3	47.8	18.00	19.00 - 21.00	(10.0)	(4.2)	14.3	CITI, GS, MS, BRCLY, CS, JPM, UBS	Energy
11	11/8/17	Sogou Inc.	SOGO	658.4	50.6	13.00	11.00 - 13.00	8.3	3.8	(11.0)	JPM, CS, GS, CICC	Technology
				Total (\$M):	4,399.9			Mean:	8.5	6.7	(6.9)	
				% of Total Q4 IPOs:	38.5%			Median:	11.8	3.8	(11.0)	

U.S. Marketed Follow-Ons

2017 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	Accelerated Deal	Price Performance % Change			Bookrunner(s)	Industry
								Latest File / Offer	Last Trade / Offer	Offer / Qtr End		
12	10/11/17	Micron Technology Inc.	MU	1,200.0	29.3	41.00		(2.3)	(1.5)	0.3	JPM	Technology
20	11/13/17	Alnylam Pharmaceuticals, Inc.	ALNY	805.0	6.4	125.00		(10.7)	(3.2)	1.6	GS, JPM, BRCLY	Healthcare
28	12/12/17	bluebird bio, Inc.	BLUE	600.0	3.2	185.00		(8.3)	(3.1)	(3.7)	GS, BAML, JPM, COWEN	Healthcare
29	11/15/17	Gardner Denver Holdings, Inc.	GDI	599.5	22.0	27.25		(7.3)	(1.1)	24.5	GS, CITI, KKR, SIMMONS, RBAIRD, CS, DB,	Industrials
34	11/15/17	Norwegian Cruise Line Holdings Ltd.	NCLH	543.5	10.0	54.35	•	(1.3)	(1.3)	(2.0)	HLCAP, JPM, STFL, WBLAIR, MS	Consumer Services
				Total (\$M):	3,748.0			Mean:	(6.0)	(2.0)	4.1	
				% of Total Q4 Follow-Ons:	22.8%			Median:	(7.3)	(1.5)	0.3	

U.S. Block Trades

2017 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Shares Offered Inc Ovl	Offer Price (\$)	# Trading Days Deal Size Represents	Price Performance % Change			Bookrunner(s)	Industry
								Latest Trade / Offer	Last Offer / 1 Day	Offer / Qtr End		
2	12/12/17	TD Ameritrade Holding Corporation	AMTD	1,425.8	27.7	51.50	8	(2.3)	(0.1)	(0.7)	GS	Financials
4	11/29/17	US Foods Holding Corp.	USFD	1,130.7	40.0	28.30	31	(0.1)	2.9	12.8	MS	Consumer Services
6	11/27/17	IQVIA Holdings, Inc.	IQV	1,022.5	10.0	102.25	11	(0.3)	(0.5)	(4.3)	MS	Healthcare
13	10/5/17	Annaly Capital Management, Inc.	NLY	857.4	71.5	12.00	7	(3.1)	1.0	(0.9)	CS, BAML, GS, WFC	Financials
49	11/7/17	Allegheny Technologies Inc.	ATI	408.0	17.0	24.00	9	(5.8)	(0.8)	0.6	GS	Basic Materials
				Total (\$M):	4,844.5			Mean:	(2.3)	0.5	1.5	
				% of Total Q4 Block Trades:	37.9%			Median:	(2.3)	(0.1)	(0.7)	

U.S. Equity Related

2017 Rank	Offer Date	Issuer Name	Ticker	Proceeds+ Ovl (\$M)	Coupon	Premium	Maturity	Coupon Talk	Premium Talk	Bookrunner(s)	Industry
14	11/8/17	Sarepta Therapeutics, Inc.	SRPT	570.0	1.500	40.00	11/15/24	1.5-2	35-40	JPM, GS, CS	Healthcare
23	10/27/17	China Lodging Group, Limited	HTHT	425.0	0.375	40.00	11/1/22	0.5-1	35-40	DB	Consumer Services
31	11/7/17	Insulet Corp.	PODD	350.0	1.375	29.99	11/1/24	1.375-1.875	25-30	BAML, WFC	Healthcare
39	12/5/17	Cleveland-Cliffs, Inc.	CLF	316.3	1.500	35.04	1/15/25	1.625-2.25	32.5-37.5	BAML, GS, DB, CS, JEFFER	Basic Materials
				Total (\$M):	2,561.3						
				% of Total Q4 Equity Related:	63.3%						

Notes: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

2017: Year Review

A look at total U.S. IPO activity over the past ten years shows us a downcast stretch of time, but a market that is currently on the upswing. The general theme of 2017's IPO performance seems to follow to idea of "getting back on track" after the drop off from 2014 and low point in 2016. 2017's total IPO deal count of 188 and combined proceeds of \$37.7B bounced back from a very rough year in 2016, where the IPO market was at its lowest since 2008 and the financial crisis (Figure 2).

In terms of pricing performance, the overall split is not particularly surprising, or out of the ordinary. Of the 144 IPOs in 2017, 16.7% priced above, 63.9% filed within, and 19.4% filed below their respective filing ranges. CarGurus, Inc. and Nightstar Therapeutics Plc joined Rhythm Pharmaceutical's with day-one increases above 70.0%, setting the pace. Additionally, no deal, with the exception of Funko, Inc., dropped by more than 29% on its first day of trading in 2017. The changes in price mentioned above illustrate the stable condition of 2017's IPO landscape. Since 2007, the largest IPO pops have come from Dicerna Pharmaceuticals, Inc. as its price climbed by more than 200.0% on its first day of trading in 2014. Other large fluctuations include Seres Therapeutics, Inc., jumping 185.5% on its first day in June of 2015, and Castlight Health, Inc., popping 148.8% in March of 2014. The increases seen in 2017 did not approach such high increases.

Figure 3: Top 10 IPOs Since 2007

Price Date	Issue Name	Offer Price	Proceeds (\$M)	Sector
9/18/2014	Alibaba Group Holding Ltd	68.0	25,032.3	Consumer Services
3/18/2008	Visa Inc.	44.0	19,650.4	Financials
11/17/2010	General Motors Company	33.0	18,140.1	Consumer Goods
5/17/2012	Facebook, Inc.	38.0	16,006.9	Technology
10/6/2009	Banco Santander (Brasil) S.A.	13.4	7,518.7	Financials
6/21/2007	The Blackstone Group L.P.	31.0	4,753.3	Financials
3/9/2011	HCA Holdings, Inc.	30.0	4,353.9	Healthcare
3/1/2017	Snap Inc.	17.0	3,910.0	Technology
9/23/2014	Citizens Financial Group, Inc.	21.50	3,461.5	Financials
2/10/2011	Kinder Morgan, Inc.	30.0	3,293.6	Energy

Figure 4: Top 10 Tech IPOs Since 2007

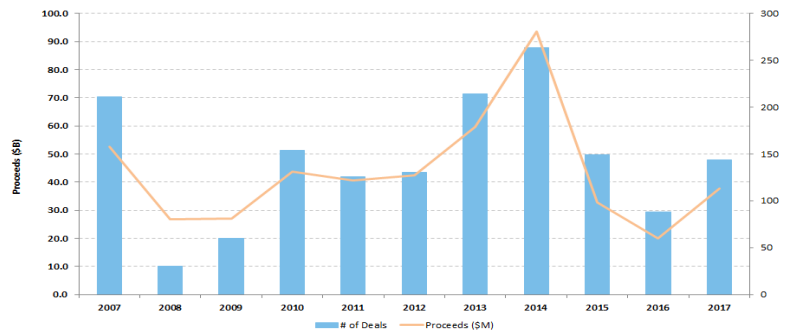
Price Date	Issue Name	Offer Price (USD)	Proceeds (\$M)	Offer/1 Day Percent
5/17/2012	Facebook, Inc.	38.0	16,006.9	0.6
3/1/2017	Snap Inc.	17.0	3,910.0	44.0
10/14/2015	First Data Corp.	16.0	2,817.2	-1.6
10/6/2009	Verisk Analytics, Inc.	22.0	2,155.9	23.7
6/21/2017	Altice USA, Inc.	30.0	2,151.7	9.0
11/6/2013	Twitter, Inc.	26.0	2,093.0	72.7
6/18/2014	Markit Ltd.	24.0	1,475.8	11.3
5/23/2011	Yandex N.V.	25.0	1,434.8	55.4
4/18/2007	MetroPCS Communications, Inc.	23.00	1,322.5	19.1
8/13/2007	VMware, Inc.	29.0	1,100.6	75.9

International IPO Activity

Elsewhere, we saw a spike in Chinese IPOs that debuted on a U.S. exchange this year, with double digit IPOs from the Far East for the first time since 2014. China tends to be a distant second to the United States with IPOs pricing on a U.S. exchange, but consistently outperforms other nations in terms of deal count. China has boasted the second highest deal count every year since 2007 except 2012, in which it ranked third. Since 2007 China brings, on average, 8.6% of the markets IPOs. The next closest domicile is the United Kingdom, with a mere 1.7%. Since 2012, China has been underperforming that average, and 2017's bounce back represents the first time in five years China has been above that average (Figure 5).

Qudian Inc. represented China's largest deal of the year on a U.S. exchange. It secured \$900.0M in proceeds during its October offering and placed as the fifth largest IPO of 2017. The \$24.00 offering price was above the filing range and the stock appreciated an impressive 21.6% on its first day of trading. All IPOs in the past decade pale in comparison, however, to the behemoth of a deal that was Alibaba Group Holding Ltd. The Chinese e-commerce company's blockbuster \$25.0B offering priced at the top of its filing range, at \$68.00 per share.

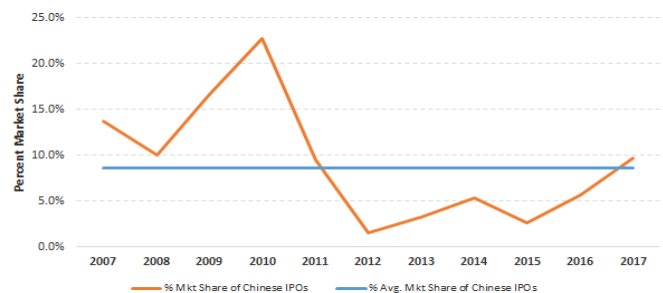
Figure 2: IPO Deal Count and Proceeds (2007-2017)



Meanwhile, fourth-quarter sector activity largely reflected trends seen in the past decades that continued into 2017 as well. Of the 144 IPOs in 2017 the Healthcare sector captured roughly 26.3% of those deals. Additionally, Technology IPOs brought in roughly 30.5% of all the \$37.7B in proceeds during 2017, which was largely boosted by Snap, Inc's \$3.9B IPO along with Altice USA, Inc., which placed as the second largest IPO behind Snap and generated \$2.2B in proceeds. Snap's 2017 IPO brings the super deal back to the forefront of conversation. The camera company had its genesis in social media, and in the public markets has found the exposure and resources needed to expand into a global network and media outlet. With its exceptionally high proceeds, it begs the question, is the mega-deal the path of the future?

Looking back to 2007, seven deals have out-priced Snap, all exceeding the \$4.0B threshold (four of which exceeded \$15.0B). None of these deals came within the same year (Figure 3). The most recent year to see multiple deals price in excess of \$3.0B was in 2014 (Alibaba Group Holding LTD and Citizens Financial Group, Inc.), and 2011 before that (HCA Holdings, Inc. and Kinder Morgan, Inc.). Focusing in on only large Tech IPOs, Snap sits right behind Facebook's whopping \$16.0B IPO which debuted in May of 2012 and spear heads Tech IPO deal size (Figure 4). Meanwhile, the space between each deal would lead us to believe that these mega-deals will continue to come sporadically, distributed across industries that are tending to disrupt the economy and create excitement and exhibit characteristics or leverage competencies. However, with start-ups staying privately held and increasing in value much longer than in years past, we may see the instance of "mega-deals" hitting the market more often.

Figure 5: % Mkt Share of Chinese IPOs Per Year vs. 10 Yr. Mkt Avg. of Chinese IPOs



*Chinese IPOs on a U.S. Exchange

U.S. Equity and Equity-Related League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	29,284.5	13.6	227	23,192.2	11.2	137
2	Goldman Sachs & Co.	27,373.5	12.7	196	26,809.3	13.0	140
3	JP Morgan	25,996.8	12.0	243	31,324.6	15.2	203
4	Bank of America Merrill Lynch	21,964.6	10.2	201	19,082.4	9.2	149
5	Citi	17,139.1	7.9	175	14,637.9	7.1	118
6	Barclays	15,852.8	7.3	136	15,538.3	7.5	109
7	Credit Suisse	14,062.8	6.5	148	15,726.7	7.6	128
8	Wells Fargo	10,162.1	4.7	118	9,563.8	4.6	119
9	Deutsche Bank	8,159.0	3.8	79	12,511.0	6.1	66
10	RBC Capital Markets	6,572.7	3.0	96	6,697.2	3.2	84
	Subtotal	176,567.8	78.9%	-	175,083.5	82.4%	-
	Total	223,745.1		848	212,451.0		665

U.S. IPO League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	JP Morgan	4,216.1	11.8	58	2,304.9	11.9	31
2	Morgan Stanley	4,133.6	11.5	51	2,040.9	10.5	26
3	Goldman Sachs & Co.	3,735.7	10.4	46	2,082.8	10.7	28
4	Credit Suisse	3,343.7	9.3	42	1,555.8	8.0	27
5	Citi	3,236.5	9.0	50	1,672.0	8.6	26
6	Barclays	2,015.6	5.6	28	1,075.3	5.5	21
7	Deutsche Bank	2,014.0	5.6	24	1,247.2	6.4	19
8	Bank of America Merrill Lynch	1,943.4	5.4	33	1,361.2	7.0	20
9	RBC Capital Markets	1,631.8	4.6	27	655.3	3.4	17
10	Wells Fargo	1,341.8	3.7	27	845.3	4.4	14
	Subtotal	27,612.2	73.4%	-	14,840.6	73.9%	-
	Total	37,639.8		144	20,087.5		88

U.S. Follow-On League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Morgan Stanley	20,810.1	14.2	145	16,071.3	10.5	97
2	Goldman Sachs & Co.	20,253.6	13.9	132	21,007.1	13.7	95
3	JP Morgan	17,291.3	11.8	148	25,221.6	16.5	141
4	Bank of America Merrill Lynch	15,256.0	10.4	128	15,692.0	10.3	111
5	Citi	11,845.6	8.1	105	10,924.5	7.1	79
6	Barclays	11,398.9	7.8	90	13,468.1	8.8	81
7	Credit Suisse	8,880.7	6.1	91	12,689.7	8.3	90
8	Wells Fargo	6,552.5	4.5	78	6,958.4	4.6	89
9	Deutsche Bank	4,160.3	2.8	45	4,071.2	2.7	37
10	RBC Capital Markets	4,133.4	2.8	62	5,135.7	3.4	57
	Subtotal	120,582.4	79.5%	-	131,239.7	83.3%	-
	Total	151,745.6		606	157,491.8		505

U.S. Equity-Related League Table

Rank	Manager	2017 YTD			2016 YTD		
		Proceeds (\$M)	Mkt. Share %	# Of Deals	Proceeds (\$M)	Mkt. Share %	# Of Deals
1	Bank of America Merrill Lynch	4,765.2	14.1	40	2,029.2	5.9	18
2	JP Morgan	4,489.4	13.3	37	3,798.1	11.0	31
3	Morgan Stanley	4,340.8	12.8	31	5,079.9	14.8	14
4	Goldman Sachs & Co.	3,384.1	10.0	18	3,719.4	10.8	17
5	Barclays	2,438.3	7.2	18	994.9	2.9	7
6	Wells Fargo	2,267.8	6.7	13	1,760.1	5.1	16
7	Citi	2,057.0	6.1	20	2,041.5	5.9	13
8	Deutsche Bank	1,984.7	5.9	10	7,192.6	20.9	10
9	Credit Suisse	1,838.4	5.4	15	1,481.3	4.3	11
10	Jefferies LLC	1,176.8	3.5	9	540.0	1.6	5
	Subtotal	28,742.5	83.7%	-	28,637.0	82.1%	-
	Total	34,359.7		98	34,871.8		72

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