US EQUITIES
BOOKRUNNERS: 1/1/2013 TO 11/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	140	24,478.06	14.3
2	Citigroup	168	20,620.06	12.0
3	JP Morgan	184	20,124.30	11.7
4	BofA Merrill Lynch	189	17,012.91	9.9
5	Barclays	133	15,993.97	9.3
6	Morgan Stanley	136	13,782.21	8.0
7	Credit Suisse	137	12,417.00	7.2
8	Deutsche Bank	122	9,502.21	5.5
9	Wells Fargo & Co	124	9,028.87	5.3
10	UBS	78	5,014.72	2.9
	Total	**705**	**171,396.02**	

Including all domestic and international deals and rights issues

Source: Thomson Reuters (SDC code: C3r)

GLOBAL CONVERTIBLE OFFERINGS
BOOKRUNNERS: 1/1/2013 TO 11/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	24	4,240.40	16.3
2	JP Morgan	33	3,898.21	15.0
3	Morgan Stanley	27	3,853.76	14.8
4	BofA Merrill Lynch	28	3,394.79	13.1
5	Barclays	22	2,619.91	10.1
6	Citigroup	23	1,978.08	7.6
7	Deutsche Bank	13	1,371.58	5.3
8	Credit Suisse	13	1,137.08	4.4
9	Wells Fargo	11	928.48	3.6
10	Jefferies	8	563.92	2.2
	Total	**84**	**25,956.90**	

Includes all US$ denominated bonds structured to be sold in the US, including exchangeables.

Source: Thomson Reuters (SDC code: C9a)

IPO aspirants and their advisers are planning for a worst-case outcome to the government impasse on the debt ceiling.

Fortress Investment Group-backed SPRINGLEAF HOLDINGS and PLAINS GP HOLDINGS, representing a general partnership interest in publicly traded master-limited partnership PLAINS ALL-AMERICAN PIPELINE, both accelerated pricings of their IPOs to Tuesday night, from the original Wednesday timeline.

Both deals were covered within the targeted price ranges towards the conclusion of the formal bookbuilding exercises. So, the companies elected to accelerate pricing, rather than risk potential disruptions of debuting stock market trading tomorrow, when the government is expected to exhaust current borrowing capacity.

"The market is getting choppy and orders are coming in a bit late," said an equity syndicate source close to the Springleaf transaction. Keeping to the original timeline would have increased the issuer's exposure to headline risk, added the source.

Bank of America Merrill Lynch, *Citigroup*, *Credit Suisse*, *Allen & Co* and *Barclays* achieved top-end pricing of 21.045m shares at $17, up from 20m-share target after communicating oversubscription and the decision to accelerate early Tuesday.

PLAINS GP HOLDINGS and its Marathon Petroleum-led selling shareholders accepted a similar proposal joint bookrunners *Barclays*, *Goldman Sachs* and *JP Morgan* put to them, despite questions over a high valuation sought. Final pricing of 128m Class A shares at $22, the low-end of a $22–$25 target, reflected concerns over significant scaling of investor orders – more at the low end and less at the high end.

Separately, SPRAGUE RESOURCES LP gained some added flexibility in indicating a $19–$21 target on its 8.5m-unit IPO, but did not formally launch marketing. The company and lead managers *Barclays*, *JP Morgan* and *Bank of America Merrill Lynch*, prepped the amended registration statement yesterday morning in anticipation of near-term launch.

One IPO forging ahead regardless of events in DC is TWITTER, which is expected to launch its IPO as early as late next week for pricing on November 14. Twitter also confirmed, not surprisingly, that it had chosen the NYSE, rather than the Facebook-scarred Nasdaq, as its listing venue.

Musk sells

On the surface, SOLARCITY is not complicated to understand. Its premise to finance the installation of solar panel arrays, as well as providing residential and commercial customers with access to electricity at below-market rates defines disruptive.

Realistically, despite its moniker, SolarCity is little more than a specialty finance company, leasing solar equipment at rates that exceed funding costs and capturing the differential.

SolarCity provided the means to diversify its equity funding with $425m raised from the concurrent sale of common stock and convertible debt. Lengthy gestation of the financing – initial documentation filed in June – no doubt helped deal execution. The five-year CB was a particular attraction.

Goldman Sachs, *Credit Suisse* and *Bank of America Merrill Lynch* fixed pricing of the $240m CB at 2.75%, up 32.5%, the aggressive-ends of price talk (2.75%–3.25%, 27.5%–32.5%) and upsized from a $200m base deal that was almost double the $125m targeted at launch. Demand for the equity was equally impressive, allowing for an upsize to 3.4m to 4.0m shares at $46.54 (no discount).

Investors wanted both tranches and, in the end, the company put its order in for the less-dilutive alternative. Outright CB, hedge funds and crossover equity buyers all sought access by playing the CB – CB investors came out in force.

Rare or raw?

MOLYCORP mines rare earths, but the company is anything, but an infrequent visitor to capital markets, adding another 45m shares, or 24%, to outstanding with its latest stock offering yesterday.

Nonetheless, the one-time darling of day traders raised a better-than-expected $225m, but took a steep issue discount after outlining a range of problems at its Mountain Pass project in California. The problems stem, in large part, from continued weak commodity prices after a short-lived boom in 2010/2011, though the hope now is that prices are starting to recover.

Having set out to raise $200m, Molycorp ended up selling the new shares at $5.00, a 10%

discount to yesterday's $5.58 close, but a 30% discount to where the deal was launched before the open.

Molycorp shares slumped 21.4% during the session.

Morgan Stanley, *Goldman Sachs* and *JP Morgan* led the offering, the company's second financing this year and seventh since July 2010. *Moelis & Co* acted as financial and capital markets adviser for the offering.

Its major shareholder, Chilean miner Molymet (20%), backstopped the deal in agreeing to buy US$50m. Molycorp did not say Tuesday night if Molymet would inject the funding.

In January, Molycorp raised US$414m through an offering of common stock and convertible notes (the stock was issued at $6), but adverse developments since then (its a lengthy tale of woes) had reduced its cash cushion to insufficient levels, the company said.

Resourceful capital

The commercial real-estate recovery continues to draw opportunistic issuers into the capital markets. Following in the footsteps of middle-market lending business development companies, commercial finance REIT RESOURCE CAPITAL has turned to the convertible bond market for a funding source that is cheaper than straight equity in its first CB issue.

Resource Capital recently recommitted to a 20 cents quarterly distribution, for a 13.2 % annualized yield, based on last night's closing price of $5.92.

Issuing $100m of its five-year convertible senior notes will allow the commercial finance REIT to fund new investments at a fraction of the cost of put out straight equity. *JP Morgan* and *Morgan Stanley* priced the CB with a 6% coupon, with conversion at $6.66, or 12.5% above last sale, and the midpoint of market talk.

The deal achieved balanced support among hedge fund and outright CB investors. The paper was sold at $1,000 aggregate principal and convert into 150.15m shares of common stock. Investors will have the option of converting into cash or stock, or some combination thereof.

Resource Capital will use proceeds to fund new investments in CMBS and other commercial debt instruments.

Open sesame

ALIBABA and 24% shareholder YAHOO! are supposedly getting along so well these days, they have agreed on a deal that should ease the Chinese e-commerce company's path to go public and help the latter maximize proceeds from its investment.

Coinciding with Yahoo!'s third-quarter earnings release, the search engine company revealed it had amended a share-purchase and preference sale agreement with Alibaba that will see Yahoo! sell less of its holding at the forthcoming IPO than previously agreed.

The earlier arrangement meant that Yahoo! would have to sell 261.5m shares in Alibaba, or half of its stake, at the IPO, either by way of a sale into the offering or a repurchase by Alibaba. Yahoo! now only needs to sell 208m shares, or 40% of its holding.

This means Yahoo! will hold a larger stake post-IPO and will participate more in the upside of the IPO, but it is also good for Alibaba.

The exploding valuation of Alibaba, which has supposedly abandoned Hong Kong and will instead list in the US (though this is still to be formally confirmed), and the requirement for Yahoo! to sell so many shares risked a Facebook-type situation, whereby too much stock flooded market. The revised deal also, theoretically, allows more scope for Alibaba to raise primary proceeds from the IPO.

It still seems more likely that Yahoo! will sell the required number of shares into the IPO rather than have Alibaba repurchase them, before likely selling the rest of the stake in a follow-on offering after the IPO. Yahoo! chief financial officer Ken Goldman did not expand greatly on the arrangement in last night's earnings call, but did say Yahoo! believed "strongly" in the long-term future of Alibaba. He deflected a question on whether or not Yahoo! had paid any sum under the new arrangement.

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