Corporate Finance Briefing: Corporate Finance

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thinking outside the box
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**Cash Flow**

**Figure 1.**
CORPORATE CASH FLOW
(ratio scale, billion dollars, saar)

- **Corporate Cash Flow** (2443.5)
- Economic Depreciation** (1933.3)
- Tax-Reported Depreciation*** (1940.7)

* After-tax undistributed corporate profits with IVA & CCAdj plus tax-reported depreciation.
** Corporate capital consumption allowances.
*** Corporate capital consumption allowances with capital consumption adjustment.

Source: Bureau of Economic Analysis.

**Figure 2.**
INVENTORY VALUATION ADJUSTMENT*
(billion dollars, saar)
CAPITAL CONSUMPTION ADJUSTMENT*
(billion dollars, saar)

* These two adjustments restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Bureau of Economic Analysis.
Figure 3.

NONFINANCIAL CORPORATIONS: CASH FLOW
(billion dollars, saar)

Cash flow (BEA measure)*
Internal funds (Fed measure)

* After-tax operating retained earnings plus tax-return-based depreciation.
Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 4.

FINANCIAL CORPORATIONS: CASH FLOW*
(billion dollars, saar)

* Corporate cash flow minus nonfinancial corporate cash flow.
Source: US Department of Commerce, Bureau of Economic Analysis.
New Issues

Figure 5.

NEW US CORPORATE SECURITY ISSUES
(billion dollars, 12-month sum)

Bonds + Stocks

Bonds

NEW US CORPORATE SECURITY ISSUES

Stocks

Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 6.

NEW US CORPORATE EQUITY ISSUES: NONFINANCIAL CORPORATIONS
(billion dollars, 12-month sum)

Note: Shaded green areas denote S&P 500 bull markets, while red areas are bear market declines of 20% or more.
Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 7.

NEW US CORPORATE EQUITY ISSUES: FINANCIAL CORPORATIONS
(billion dollars, 12-month sum)

Note: Shaded green areas denote S&P 500 bull markets, while red areas are bear market declines of 20% or more.
Source: Federal Reserve Board, Financial Accounts of the United States.
New Issues

Figure 8.

CORPORATE NET NEW ISSUES
(billion dollars, 4-quarter sum)

Nonfinancial & Financial Corporate Issues
- Bonds & Equities (68.1)

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 9.

CORPORATE NET NEW ISSUES
(billion dollars, 4-quarter sum)

Nonfinancial & Financial Corporate Issues
- Bonds (428.4)
- Equities (-360.3)

Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 10.
CORPORATE NET ISSUES & BANK BORROWING: NONFINANCIAL CORPORATIONS
(billion dollars, 4-quarter sum)

Nonfinancial Corporations
- Bonds (290.6)
- Equities (-541.9)
- Bank Loans (69.5)

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 11.
CORPORATE NET NEW ISSUES: FINANCIAL CORPORATIONS
(billion dollars, 4-quarter sum)

Financial Corporations
- Total Bonds (137.9)
- ABS Bonds* (35.8)
- Equities (181.5)

* ABS = Asset-backed securities.
Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 12.

NONFINANCIAL CORPORATE BUSINESS: GROSS & NET BOND ISSUANCE
(billion dollars)

NFC Bond Issues
- Gross
  (12-month sum)
  (858.7)
- Net
  (4-quarter sum)
  (290.6)

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 13.

NONFINANCIAL CORPORATE BUSINESS: BOND REFINANCING
(billion dollars)

Gross Minus Net
(4-quarter sum)

Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 14.

NONFINANCIAL CORPORATIONS: NET NEW ISSUES
(billion dollars, 4-quarter sum)

NFC Net New Issues
- Blue: Bonds (290.6)
- Red: Equities (-541.9)

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 15.

TOTAL GROSS ISSUANCE OF STOCKS MINUS S&P 500 BUYBACKS
(billion dollars, annualized)

Source: Federal Reserve Board, Financial Accounts of the United States and Standard & Poor’s.
Figure 16.

NONFINANCIAL CORPORATE BUSINESS PROFITS
(trillion dollars, saar)

NFC’s Profits
- Pretax (1.1)
- After-tax (0.9)

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 17.

NONFINANCIAL CORPORATE BUSINESS
(trillion dollars, saar)

- Total Internal Funds + IVA* (2.2)
- Capital Consumption Allowance** (1.7)
- Retained Earnings*** (0.5)

* Inventory Valuation Adjustment.
** Consumption of fixed capital plus the capital consumption adjustment.
*** Pretax profits minus taxes and net dividends.

Source: Federal Reserve Board, Financial Accounts of the United States.
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