

Dealmaking activity rose in March, reaching the highest level since June 2015, according to *Mergers & Acquisitions'* M&A Conditions Index (MACI). The MACI composite score increased 4 points to 57.5, up from the previous month's score of 53.5.

Most dealmakers who responded to the survey expressed optimism about the overall economy, reporting confidence that Republican control of all three branches of the federal government would yield fewer regulations and more mergers and acquisitions.

Participants were surveyed March 10 through March 14, prior to the March 24 withdrawal of House Speaker Paul Ryan's healthcare bill, which would have repealed the Affordable Care Act, also known as Obamacare. The failure to bring the Republican party together on the healthcare bill may portend challenges in passing legislation in other areas, such as dismantling the Dodd-Frank Wall Street Reform and Consumer Protection Act. ■

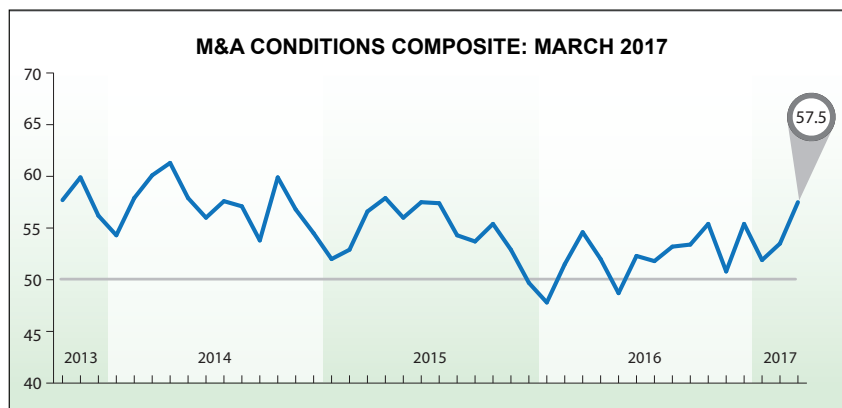
ABOUT THE MID-MARKET MERGERS AND ACQUISITIONS CONDITIONS INDEX (MACI)

The MACI is a composite index of mergers and acquisitions activity and conditions in the U.S. It is the result of the *Mergers & Acquisitions'* survey of executives in private equity firms, investment banks, lenders and advisor firms to track activity such as deals announced and deals completed, as well as acquisitions and divestitures.

Each sub-indicator is based on survey responses that describe a change from the previous month (e.g., increase, decrease, or no change). Respondents are also asked to elaborate on any of the changes and provide their opinions about other internal or external conditions that affect their firm's operations or business outlook. A diffusion index is produced for each sub-indicator by calculating the sum of percentages of those indicating "higher" (for positive sub-indicators) and "lower" (for negative sub-indicators) and half of those indicating the "same." A reading of over 50 indicates an expansion relative to the prior month, and a reading below 50 indicates a contraction.

March composite at 57.5

Middle-market dealmaking flourished in early March, as leads for new deals soared to the highest level since October 2014. Survey respondents expressed optimism about the economy before the withdrawal of the healthcare bill.



Month to Month Trends

Index	March Index	February Index	% Point Change	Direction	Rate of Change	Trend (months)
Composite	57.5	53.5	4.0	Expansion	Faster	10
Leads	70.4	64.4	6.0	Expansion	Faster	14
Signed Letters	61.1	58.6	2.5	Expansion	Faster	2
Completed Deals	50.0	50.0	0	Even	Flat	2
Divestitures	58.6	45.8	12.8	Expansion	From Contraction	1
Financing Availability	56.1	55.9	0.2	Expansion	Faster	4
M&A Business Activity	59.8	52.6	7.2	Expansion	Faster	10
M&A Business Staffing	55.8	51.3	4.5	Expansion	Faster	2
Bidders	38.4	43.4	-5.0	Contraction	Faster	14