It’s been another banner year for mergers and acquisitions, a stretch of potent dealmaking that should continue well into 2016. However, concerns remain: the downturn in the Chinese economy, the fall in energy prices and the steep decline in demand for many natural resources, to name just a few. Another question mark is what higher interest rates will mean to the M&A market.

A high-powered panel discussed those and other topics during the opening session of The Deal Economy conference on Dec. 3 at the Marriott Marquis Times Square.

The panel, “Sense of the markets: global outlook,” included Adena Friedman, Chief Operations Officer of Nasdaq; Matthew Gooch, head of European banking at William Blair; Richard Jeanneret, Americas Vice Chair, Transaction Advisory Services at EY; and Jason Thomas, managing director, director of research at The Carlyle Group. Scott Wapner, host of CNBC’s “Fast Money Halftime Report,” moderated.

A number of megadeals populated 2015, and, according to the panelists, transaction size was the biggest single factor marking M&A. Through the first three quarters of 2015, global M&A totaled about $3.1 trillion. That’s an approximately 30% gain over a similar period last year. However, the number of deals actually decreased.

“There is still room for M&A to run in 2016” said, Jeanneret. “There’s a robust amount of cash on corporate balance sheets, and there are industries that need to consolidate. For the past two years, the average deal size has been up approximately 50%. That’s a strong indicator of confidence, which has been missing since 2008. It is enabling dealmakers to take risk, and the market is rewarding them for delivering substantial value creation.”

Gooch put a different spin on the M&A figures. A decline in the number of transactions, he said, “gives me a little bit of heartburn.”

That kind of divergence in perspective underscored a certain lack of consensus among the members of the panel. Even their short-term outlook for M&A differed on such critical elements as the use of debt for acquisitions, the appeal of the public markets, the supremacy of private equity in the deal markets and the appeal of overseas markets.

Panelists, for example, offered different recipes for future dealmaking and a contrasting view of what will and will not work. Not surprisingly, Nasdaq’s Friedman said she believes a continued appetite for more deals will be fueled by equity capital. Shares, she maintained, have become an increasingly popular form of currency for transactions. “I believe that we’ll continue to see a healthy environment for M&A,” she said.

Others, however, made a distinction between strategic and financial buyers, especially in terms of the currency—debt, cash or shares—they employ.

On the corporate side, Jeanneret said, strategic buyers are using more of their own stock to fund deals “than ever before” and just not taking on more debt. “I don’t think debt is a huge overlay for corporate buyers who have been driving this M&A market more than any others.”

Private equity, on the other hand, traditionally lever its acquisitions through debt, and that market has become more complicated. Even ahead of this month’s rise in interest rates, high-yield costs have been increasing, and the U.S. government appears to be putting some pressure on banks to cut down on the amount of leverage funding deals.

Underwriting acquisitions through high-yield debt may become more problematic, Thomas said. He explained an odd situation now where there has been “a marked deterioration in deal finance terms without any corresponding decline in equity prices.” Something has to give.

“That’s going to make the deal market more difficult, at least from a financial sponsor perspective because you have Ebitda yields today that are barely covering the cost of external finance,” Thomas said. “When you look at the potential caps going into 2016 of 11 and 12% on high-yield bonds, and you have Ebitda multiples of 11 times,” he said, “there’s only a small subset of companies whose perspective growth rates are going to be sufficient” to make those kinds of numbers work.

Gooch, by contrast, said he believes the impact of an interest rate hike on mergers and acquisitions won’t be a big factor. “I don’t think whether the Fed’s at zero or 50 [basis points] can make a decision on someone who’s going to make an acquisition,” he said. Instead, he said, his fear is equity volatility, and a “real risk-pricing shift in the equity markets. So if you saw the equity markets fall substantially or even 15%, I think that would really cause the M&A market to stop.” He hastened to add that he had no specific reason to cite for what would cause that disruption.

Private equity, Thomas concluded, may find the coming year great for exiting holdings. “I think it’s a great time to sell. It’s probably going to continue to be a great time to sell,” Thomas said. In the U.S., he said, “when you have such large deal volume … the acquisitions tend to lead to divestitures.”

However, private equity sits on so much money—more than $1 trillion—that it will be compelled to continue acquiring as well as
divesting, Friedman said, and will just look elsewhere, a reflection of the global profile of many big PE firms. “Even if there isn’t a lot of dealmaking in one economy, they’re going to find it in another, or if not in one type of asset class, they’ll find it in another,” Friedman said. “Private equity [firms] have become much more creative in deploying capital and managing that capital for their investors.”

While the U.S. has witnessed multibillion-dollar deals, the European M&A market remains robust as well, through a combination of extremely low debt costs and tax considerations. “What’s great about the M&A market [in Europe] right now is that the opportunity cost of capital is zero,” Gooch said.

The ongoing controversy of overseas profits is another factor driving offshore dealmaking in Europe. The tax penalties for corporations repatriating profits to the U.S. is steep—35%. So, large corporations would prefer to use some of that trapped cash to acquire other companies in Europe, even if the U.S. offers far better growth prospects. “The actual discount rate that large corporates are using to value European acquisitions is actually a lower rate than they are in North America,” Gooch said. “That may seem crazy to people because the European economy stinks, and North America is doing great.”

Asia presents a different picture, with China the dominant player. China’s manufacturing and construction industries face real problems, with too much debt and declining demand, and those will weigh down overall GDP growth. “But again, that’s quite apart from the entrepreneurial sector of the economy that’s growing very rapidly,” Thomas said.

That translates into a complex M&A scene. Gooch, for one, said he predicts manufacturing-related mergers and acquisitions in China “will be an underperformer,” while “there will be a lot of acquisition opportunities” in consumer-related companies as China moves toward a consumer-driven economy.

However, “M&A solutions,” Gooch said, may be more palatable now among business owners than they were two years back, when “all [owners] wanted to do is take that [company] public in China when the multiples were sky high.”

In 2015, the Chinese stock market was battered, with stocks falling off a cliff in the summer. While there was some recovery, uncertainty remains.

Friedman argued that the stock market volatility was “more symptomatic” of an immature retail investor than institutional involvement. Friedman said she believes that Chinese companies “continue to want to have control over their destiny and continue to want to be able to raise capital.” That has propelled the Chinese to come to the U.S. stock markets, she said.

Panelists delved into some sector-specific concerns as well. With the steep decline in oil and gas prices, energy companies offer some unique challenges in terms of M&A. Jeanneret said he expects more bankruptcy he is not sure that you’re going to see a lot of trades.” He said he anticipates distressed deals and forced M&A, but perhaps not until the second half of 2016 “because I think this energy market may have more room to fall.”

“As a voluntary consolidation, I think it’s going to be hard,” Friedman added. “As a forced consolidation, I think it’s very possible.”

The inability to price energy-related companies and assets extends to natural resources, Jeanneret said. “The mining and metal industry has been in a free fall over the course of the last year,” he said.