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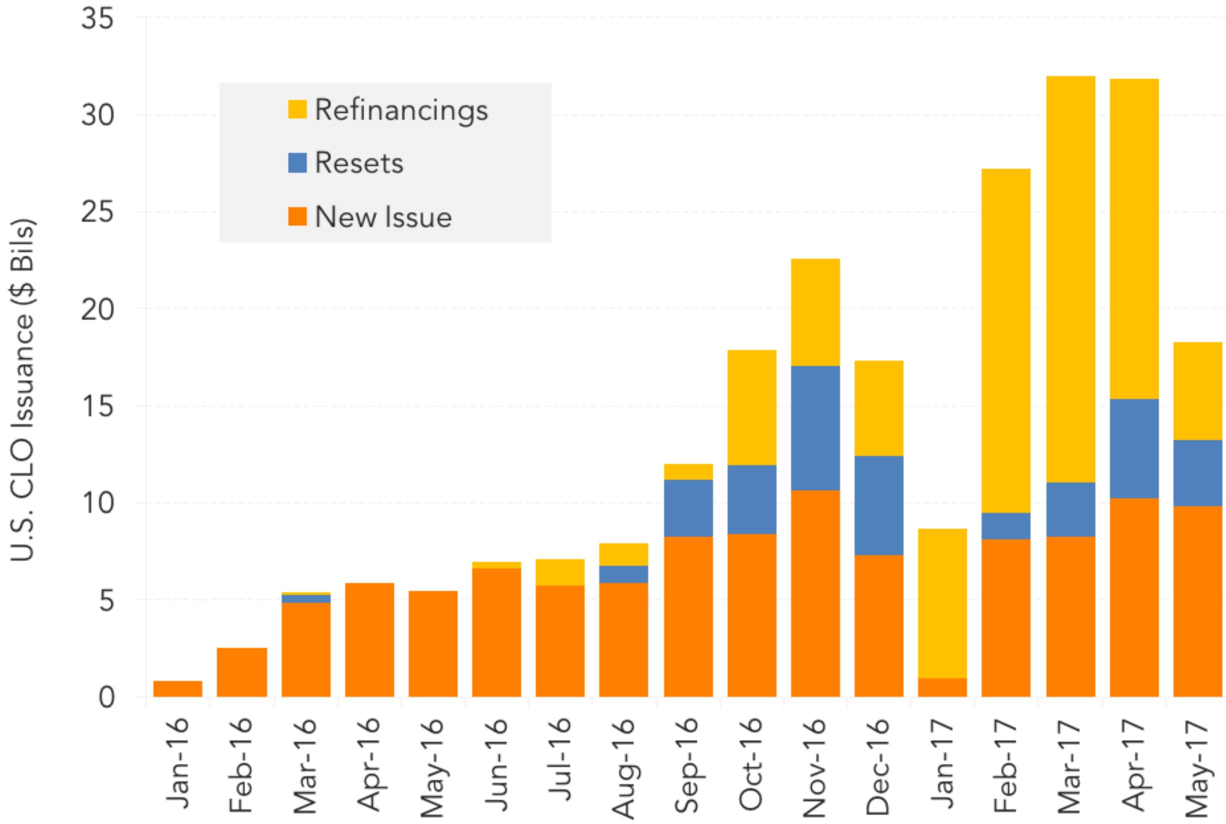
U.S. new issue CLO volume outpaces refinancings for first time in 2017

LSEG | June 8, 2017



May marked the first month this year where U.S. new issue CLO volume outpaced refinancing volume. CLO new issue amounted to $9.8 billion in May, slightly down from the $10.2 billion posted in April, taking 2017 issuance to $37.5 billion. In comparison, refinancing and reset activity dropped in May with refinancings adding $5.1 billion and resets $3.4 billion. Combined year to date refinancing and reset volume through May stands at over $80 billion. Going forward, expectations for the second half of the year are that U.S. CLO refinancing activity will slow down while reset volume will pick up, according to a recent Thomson Reuters LPC CLO survey. The same survey indicates that half of respondents expect full year 2017 new issue CLO volume to exceed $70 billion. In Europe, six new issue CLOs totaling €2.4 billion priced in May, taking year to date volume to €6.7 billion. On the other hand, reset volume decreased to two deals worth €1 billion while refinancings were higher with four deals totaling €1.4 billion. This took 2017 refinancing volume to €5 billion and resets to €6 billion.

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