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2017 US Syndicated loan volume tops US$2.5Tr to set new record

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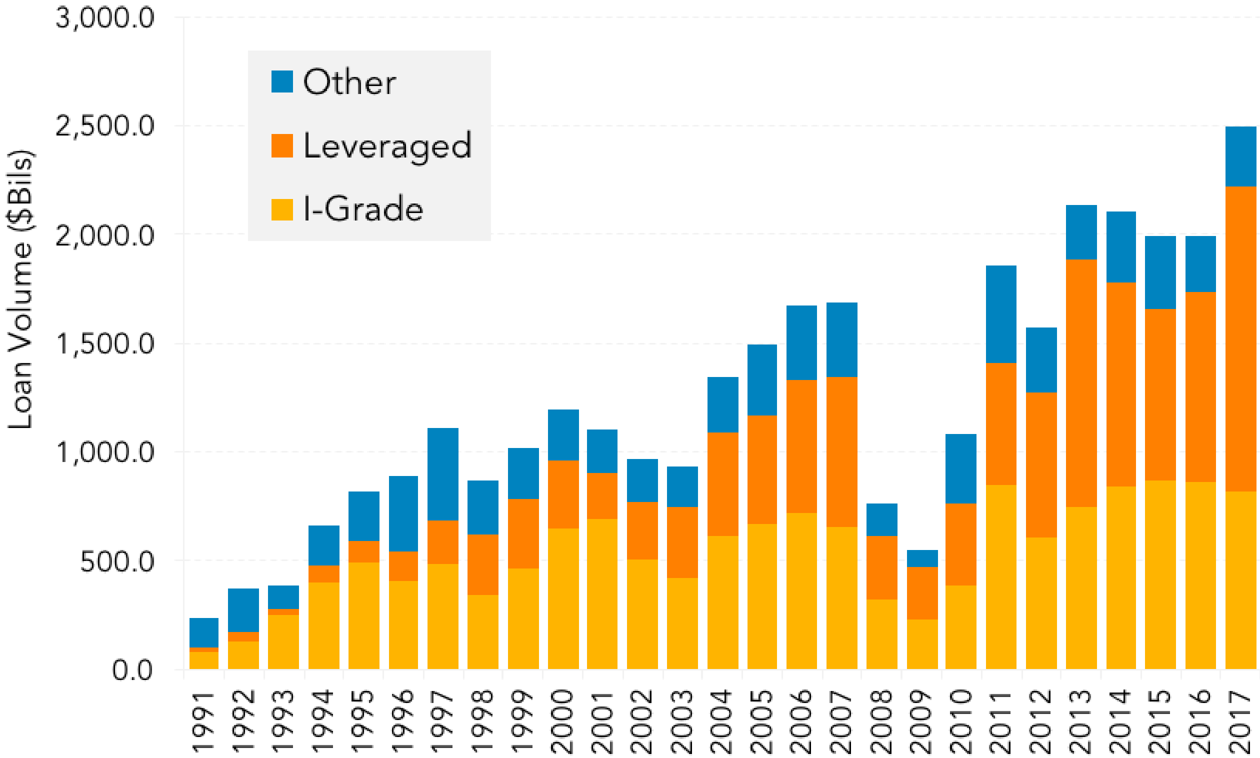

Despite the din of geopolitical noise in the background, 2017 was a remarkably steady year in the loan market, punctuated by an especially strong finish in the last few weeks of 4Q17. At US$2.5Tr, full year 2017 US syndicated loan volume was up 26% compared to 2016 results to set a new record. At US$790bn, new money represented 31.5% of total lending, but fell short of lender demand for assets. After a relatively slow start to the year, M&A lending gained momentum culminating in US$537Bn of issuance , a 12% increase over 2016 results. Both investment grade and leveraged issuers benefitted. High grade, jumbo financings backing Amazon's purchase of Whole Foods as well as CVS' anticipated takeover of Aetna among others, made headlines and were studiously supplemented by a steady calendar of generally smaller leveraged transactions. At US$126Bn, loans backing buyout deals surged to mark the highest total annual figure since the record setting US$210Bn raised in 2007. Refinancings remained a cornerstone of lending activity – most notably among leveraged issuers taking advantage of highly liquid market conditions, while investment grade issuers focused on shorter dated backstop credits with an eye toward anticipated changes to corporate tax rates and repatriation of cash.

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