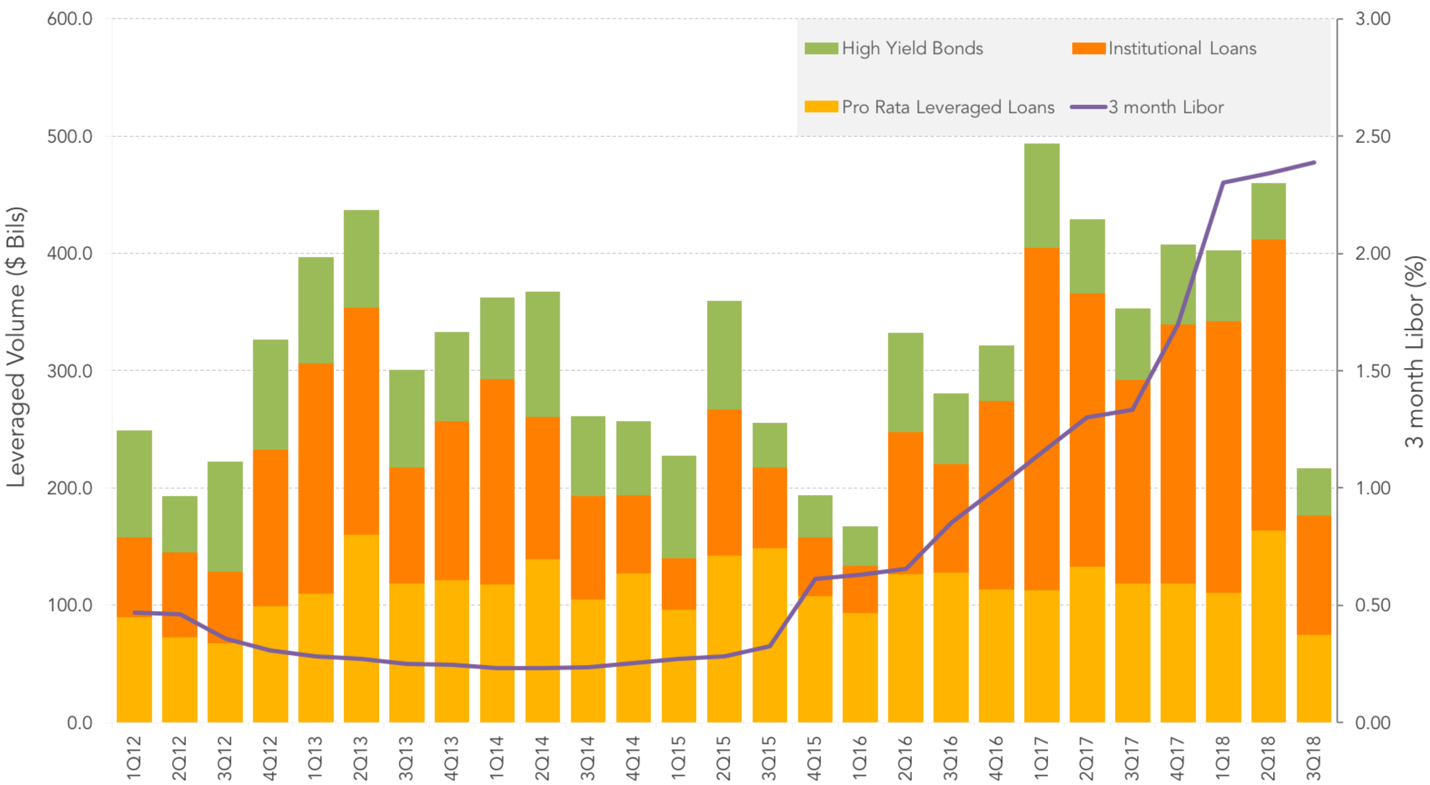
Leveraged loan volume tumbles in 3Q18;

LSEG | October 4, 2018

Arrangers back end jumbo deals to September



Despite the strong market technicals which continued to define the US loan market, 3Q18 leveraged loan volume tumbled 57% quarter over quarter with US$176.6bn of assets completed in retail syndication. Some of this was not altogether surprising given the traditional slowdown during the summer months, but there was also a bit of a backstory. After some investor rumblings prompting spread increases and some modest adjustments to deal terms in April and May, issuers pulled back in July and August. Opportunistic refinancings slowed amid lender weariness and anticipation of the post Labor Day launch of substantial buyout loans for Akzo Nobel, Refinitiv and Envision. Successful timing of the market in early Fall combined with well planned, sequential deal launches worked well for the arrangers. All three deals had a strong reception, pushing year to date leveraged totals to over US$930.3bn, up 55% compared to 1-3Q16 results but down 12% compared to the same time last year. More significantly, despite the drop in quarterly totals, over 77% of 3Q18 issuance represented new loan assets and at US$585bn, insitutional volume for the first nine months of the year marked the second highest totals on record.

Contact: Maria Dikeos
maria.dikeos@refinitiv.com