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Leveraged loan market expected to pick up amidst more volatile market backdrop

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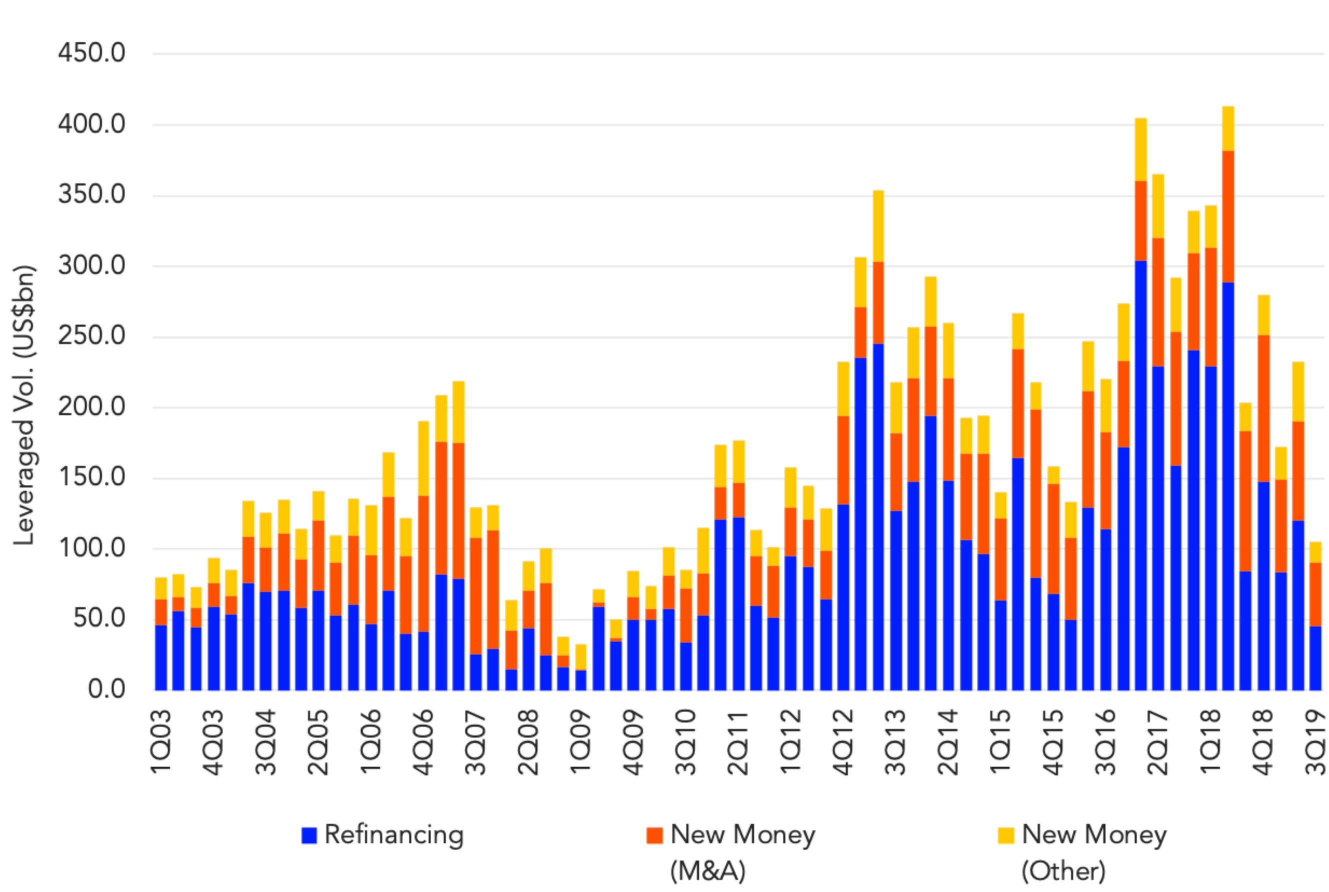

Completed US leveraged loan volume totals US$105bn so far this quarter as lenders look for a pick-up in activity after the Labor Day holiday. 3Q19 leveraged issuance comprises US$59.8bn in new money volume with another US$45.3bn in refinancing volume. Refi activity has been hampered by choppy market conditions combined with the usual summer slowdown. Investors have become more selective given the greater market volatility caused by slowing global growth and a more uncertain geopolitical backdrop. A handful of August launches were cancelled after investors showed a lukewarm attitude towards them. In particular, certain B3 rated issuers have been scrutinized more heavily as more investors are looking for a flight to quality. The US leveraged loan pipeline stands around the US$25bn level with announcements expected to come this week which should elevate that number. One expected deal on the larger side is Shutterfly, who is reportedly coming to market with up to US$2bn in loans for its buyout by Apollo Global Management.

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