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1-3Q19 Leveraged issuance down 32%; Institutional volume at 5 year low

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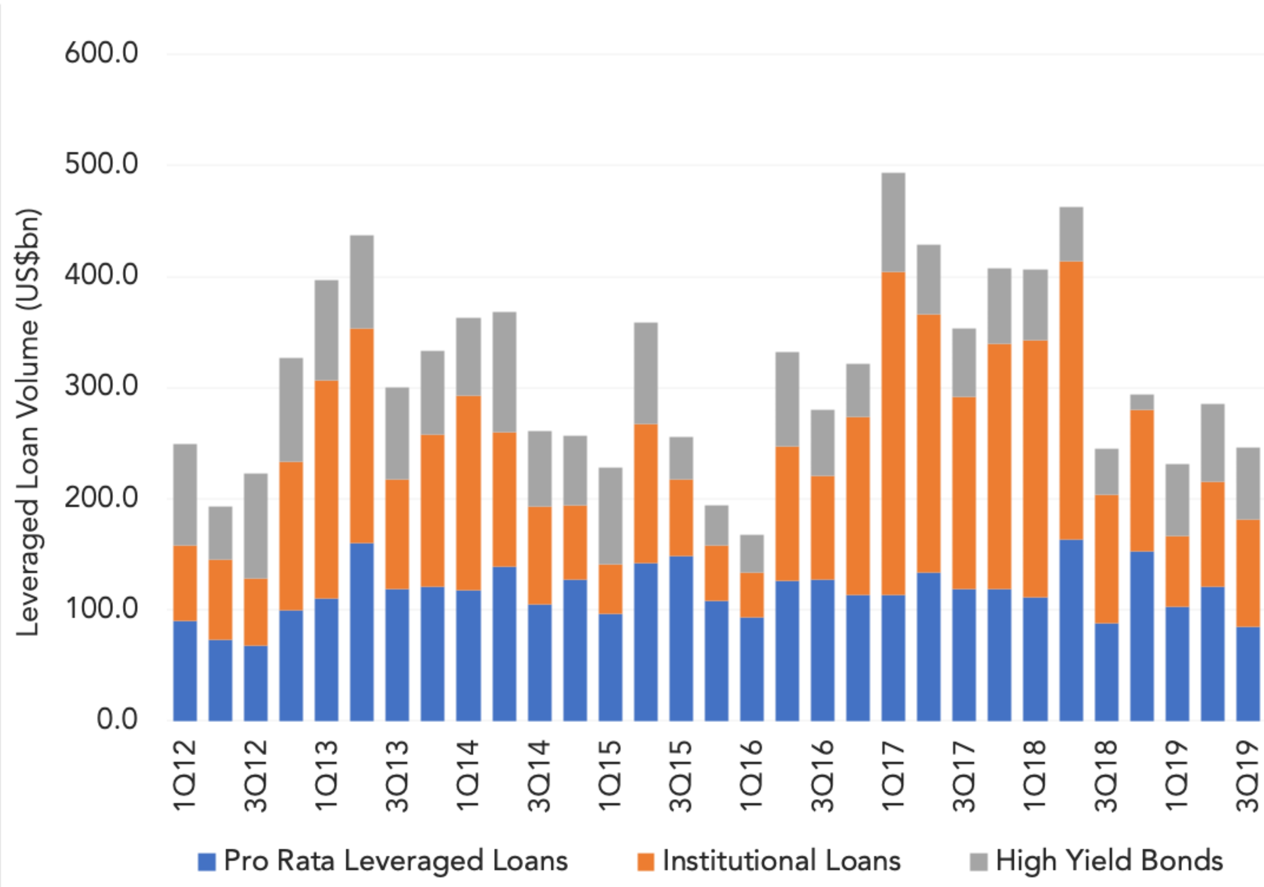

The 3Q19 leveraged market logged just over US$245B of issuance, flat from year ago levels, to push 1-3Q19 totals to US$762B, the lowest nine month total in seven years. Most of the shortfall can be traced to hints of market stress which have contributed to a bifurcated pipeline of credits and increased investor selectivity in the institutional loan market. Year to date, less than US$254B of institutional loan volume has worked its way through retail syndication, the weakest results since 2015. Pro rata lending was down 30% quarter over quarter at US$85bn, the lowest quarterly total since 3Q12, to close out the first nine months of the year, at US$309bn, an 8 year low. In turn, total 1-3Q19 leveraged loan volume, at US$762B was down 32% year over year. The high yield bond market did not fare much better. Less than US$65B of high yield bond volume was completed in 3Q19, an 8% drop quarter over quarter. At almost US$200B, year to date bond volume was up over 29% year over year, but marked the third lowest nine month total over the last eight years.