

Stirred Markets, Not Shaken

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In the warmer climes of leveraged loans, market observers contemplated other mega moves. One is economic data. Manufacturing fell to levels not seen since the Great Recession, while the services index dropped to its worst showing since August 2016.

But there were signs of optimism. Friday's labor data – 136,000 jobs created – showed the expansion still has legs. As did the further easing of unemployment, to 3.5%.

Typical for the asset class, private credit markets shrugged off calving glaciers and Sinophobia, continuing to drive debt opportunities.

September was the most active month this year for new broadly syndicated loans – \$40 billion in volume, per S&P LCD. Loan demand also grew. As our Chart of the Week illustrates CLO formation is \$90 billion for the year so far; short of 2018's pace...

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