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Recent investor challenged single-B deals have yet to gain traction since breaking in the US secondary market

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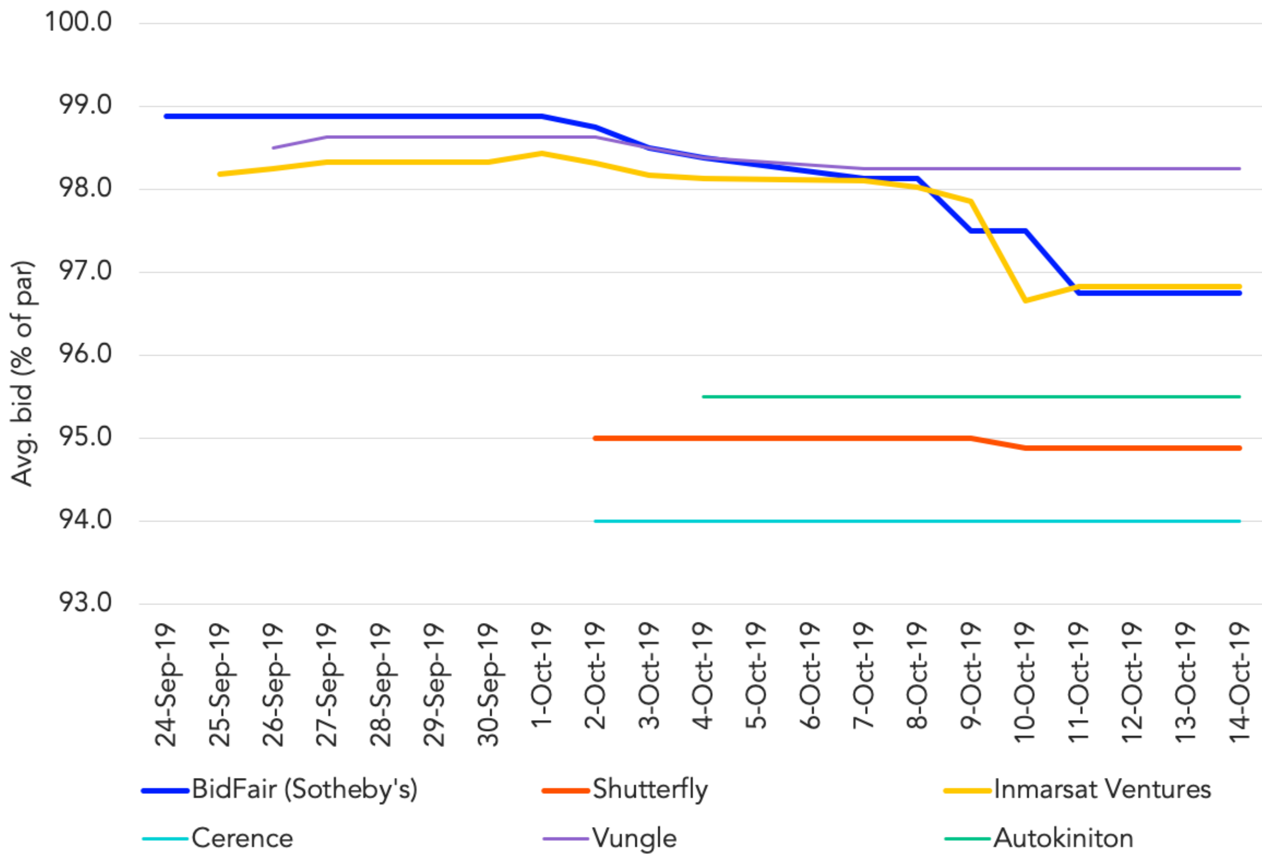

As bifurcation among credits continues, a number of recently launched deals for single-B names received significant investor pushback during syndication. Not surprisingly perhaps, none of these loans have been bid above their break price in the secondary market. Sotheby's M&A loan has been the biggest decliner so far. That loan, which saw spread flex 75bp higher and the OID cut by 100bp, among a number of other changes, has dipped to the 96.75 level after breaking at 98.88 on September 24th. Another deal which flexed a few times in favor of investors, Inmarsat Ventures LBO loan, has dropped 1.4% since September 25th. Other challenged loans for Shutterfly and Vungle have seen less dramatic declines, while a few other names have remained flat since breaking into the secondary market. Meanwhile, overall US secondary bids have continued to grind lower dropping 49bp since September 24th. During that time, single-B names have dropped 64bp while double-B's have dropped 28bp.