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175bps margins dominate recent wave of loan repricings

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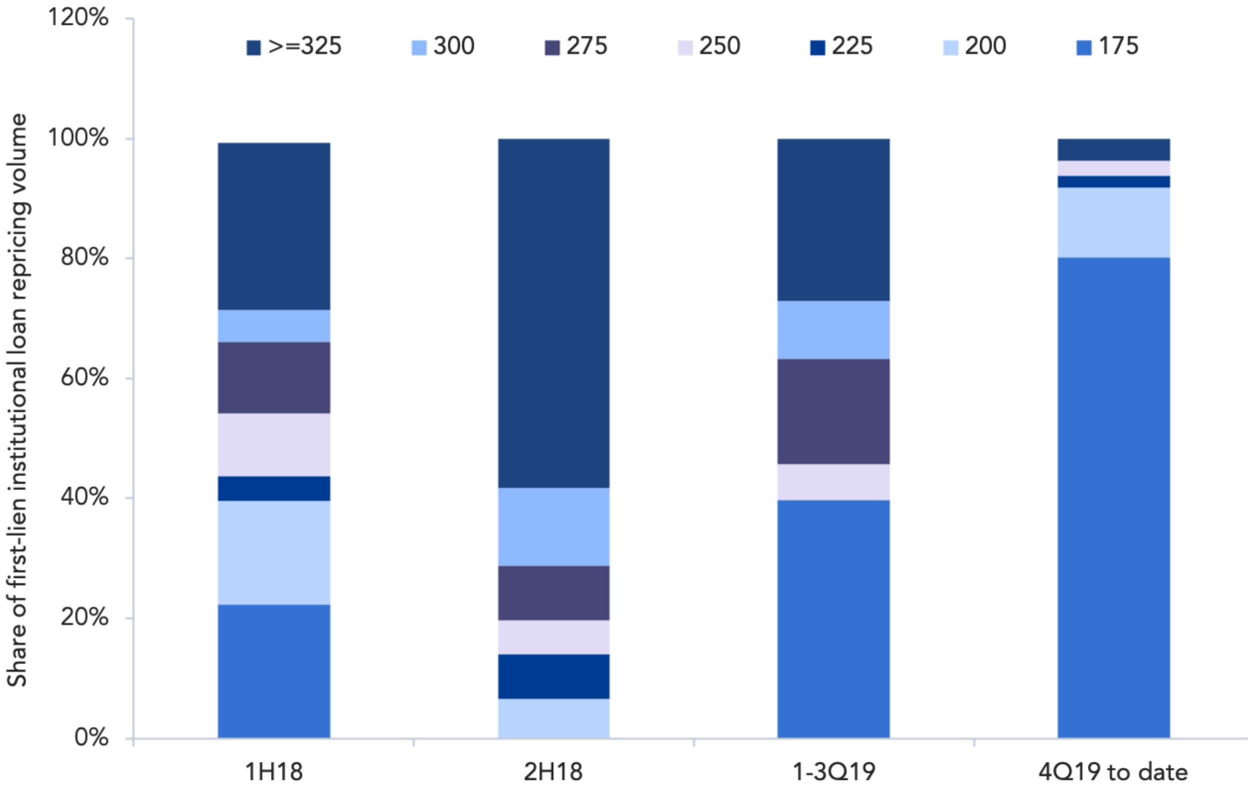

Source: Debtwire Par

The recent jump in repricing activity has been marked by loans repricing to the 175bps margin area. This is in sharp contrast to last year when loan repricings were often at much higher price points. So far in 4Q19, a whopping 80% of loan repricings have been to the 175bps area, reflecting their typical BB ratings profile and current strong appetite for higher quality credits. In comparison the majority of loans (58%) that repriced in 2H18 were in the 325 bps or greater category, due to the higher share of single-B deals repricing during that time period.

Institutional loan repricing activity has jumped recently, climbing to USD 24bn in 4Q19 to date. Despite the increase in repricing activity in the last two mpnths, the year-to-date volume of USD 32.2bn is still far below the USD 238bn posted in the same period last year.

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