

Private Credit Risk: Where Are We Now?

THE LEAD | December 11, 2019

As a long-term participant in the #CreditMarkets, we've learned the most intriguing times are not when things are going swimmingly for issuers or investors. Life becomes interesting when trends begin to shift, at the inflection points.

These are often apparent only in hindsight. The Great Recession, for example, ended in June, 2009 – barely six months after the rescue of General Motors and Chrysler. Yet it wasn't officially announced (by the Business Cycle Dating Committee of the National Bureau of Economic Research) until September 2010.

And predictions are tricky. Calls for the next recession have been numerous, and wrong. Signals, like an inverted yield curve, have turned out to be premature.

Tied to economic fortune is the direction of interest rates. Both cause and effect of business prospects, rates were headed sharply up last year. Until the market's surprise tanking in November led the Fed to hit the brakes and reverse course...

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