2020 Hindsight in Leveraged Loans

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Remember your summer internships in high school? Neither do we.

Wolf Cukier’s stint at NASA’s Goddard Space Flight Center last summer could have been equally forgetful. The Scarsdale, NY teenager began it by searching for anomalous star patterns amid reams of satellite data.

On his third day he noted an odd image near a binary star system. It turned out to be a planet, now labeled TOI 1338 b. Of his discovery, Wolf said: “It definitely colored the rest of the internship.”

Observers are scanning for similar signs of life in the leveraged loan universe. As our Chart of the Week shows 2019 volume slumped 35%, from $1.2 trillion to $808 billion, according to Refinitiv LPC .

In part, this is attributable to the natural ebb-and-flow of financings. It’s also rate-driven, as refinancings have fallen off with the bottoming of interest rates…

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