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As deals get pulled from the market, US institutional loan pipeline sinks under US$14bn

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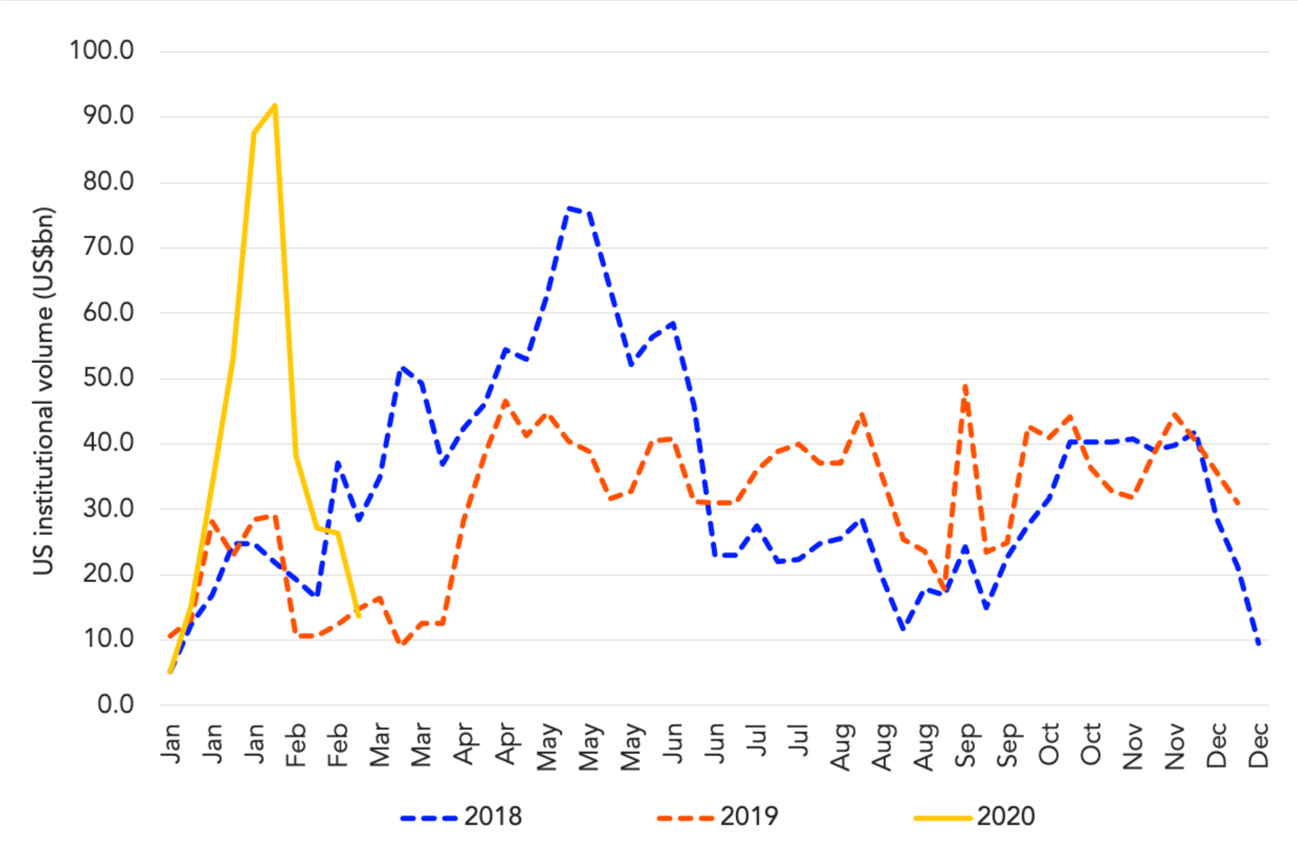

Behind a weakening primary loan market impacted by fears of the spread of coronavirus, the US institutional loan pipeline sank to US$13.7bn this week, the lowest level since the first week of the year. This week's level is a far cry from the over US$90bn mark the pipeline reached the first week of February when borrowers were using favorable market conditions to reprice their loans at lower spreads. LPC has tracked over US$10bn in US dollar denominated institutional loan volume pulled from the market this week, including deals for Bausch Health, Micro Focus, Pharmaceutical Product Development and Advantage Sales & Marketing. Overall there has been over US$17bn US leveraged loan volume pulled from the market the last two weeks. All the cancelled deals to-date have been for opportunistic refinancings. Other deals that have remained in market have seen investor pushback. Sundyne's LBO loan saw the spread increase 50bp, a 1% Libor floor implemented among other changes. Kissner Group's buyout deal also had a 1% floor put in place, while pricing step-downs were removed.