COVID-19 and the leveraged loan market

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This week we've been doing bedchecks on our friends in the #CreditMarkets. We caught up with one long-time practitioner, hanging out in the home office with family in "bathrobes and bunny slippers."

"The capital markets went from price perfection to price combustion," he told us. "There's a lot going on behind the scenes, nothing in the market."

A leading CLO manager said, "There's a massive bid/ask spread with liquid names, but trading is going on. It's not a lock-down yet."

But the secondary market is ugly. As our Chart of the Week shows the Leveraged Loan Index has tumbled to the low 80's context, down from 95 earlier in the month…

#Coronavirus

?? Read March 16 2020 newsletter: here

?? Chart of the Week: here (by Refinitiv LPC)