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Oil & gas loan prices plummet 32 points amid coronavirus, oil price crash

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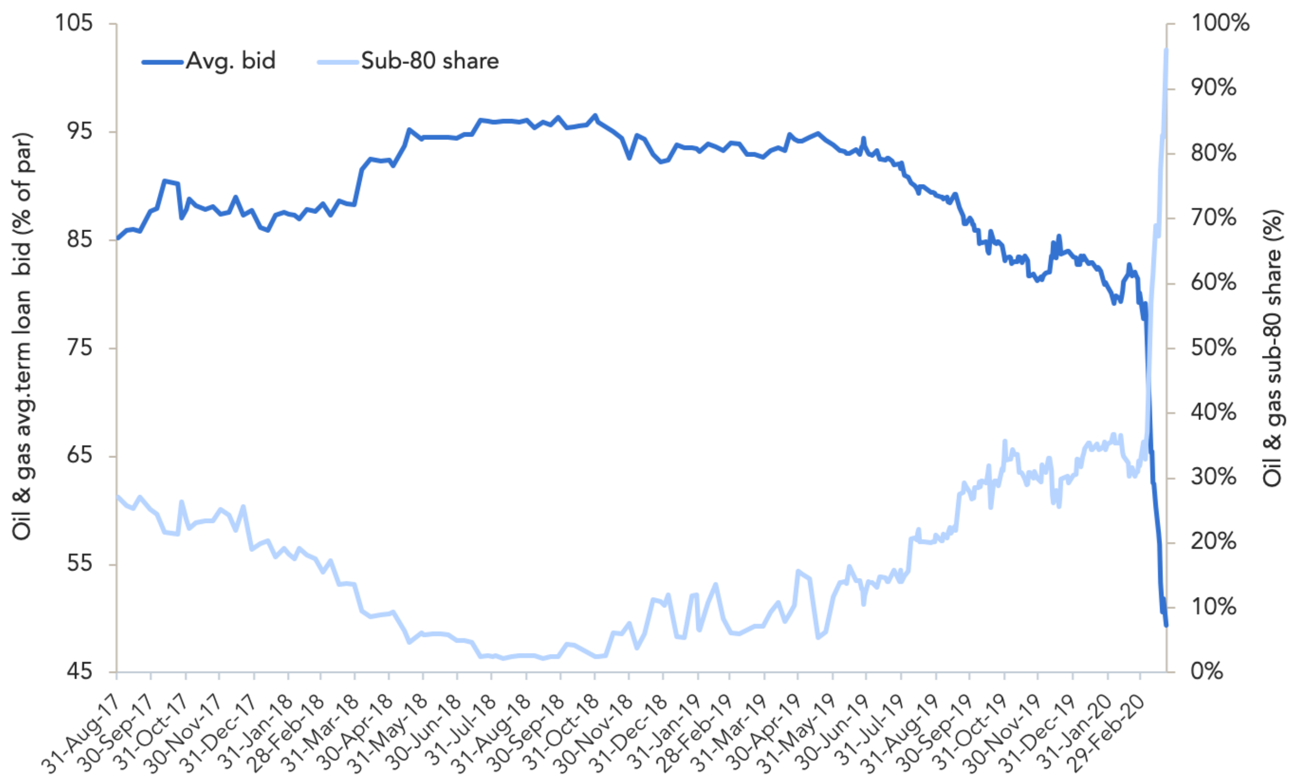

Source: Debtwire Par, Markit

The weighted average bid for term loans issued by oil & gas sector borrowers has plummeted by roughly 32 points to 49.36 between 21 February and 23 March, exceeding the drop in the overall market, which has declined by roughly 20 points to 76.13. Over the same timeframe, the share of oil & gas loans bid below 90 cents on the dollar has increased to 100% of the market from 47%, while the sub-80 share has jumped to 96% from 32%.

Oil & gas names have been hit particularly hard amid the global outbreak of the coronavirus and the ongoing price war between OPEC producers, which have sent the price of Brent crude tumbling down to roughly USD 30 per barrel. This has placed the future of many oil companies in peril. Roughly 78% of oil & gas loans are trading at deeply discounted levels of less than 70.

Some of the biggest decliners are loans for **California Resources** (now bid at 5.5, down from 62), **Fieldwood Energy** (bid at 10.67, from 58.2), **Encino Acquisition Partners** (bid at 20, from 67.67) and **Chesapeake Energy** (bid at 37.92, from 98.69).