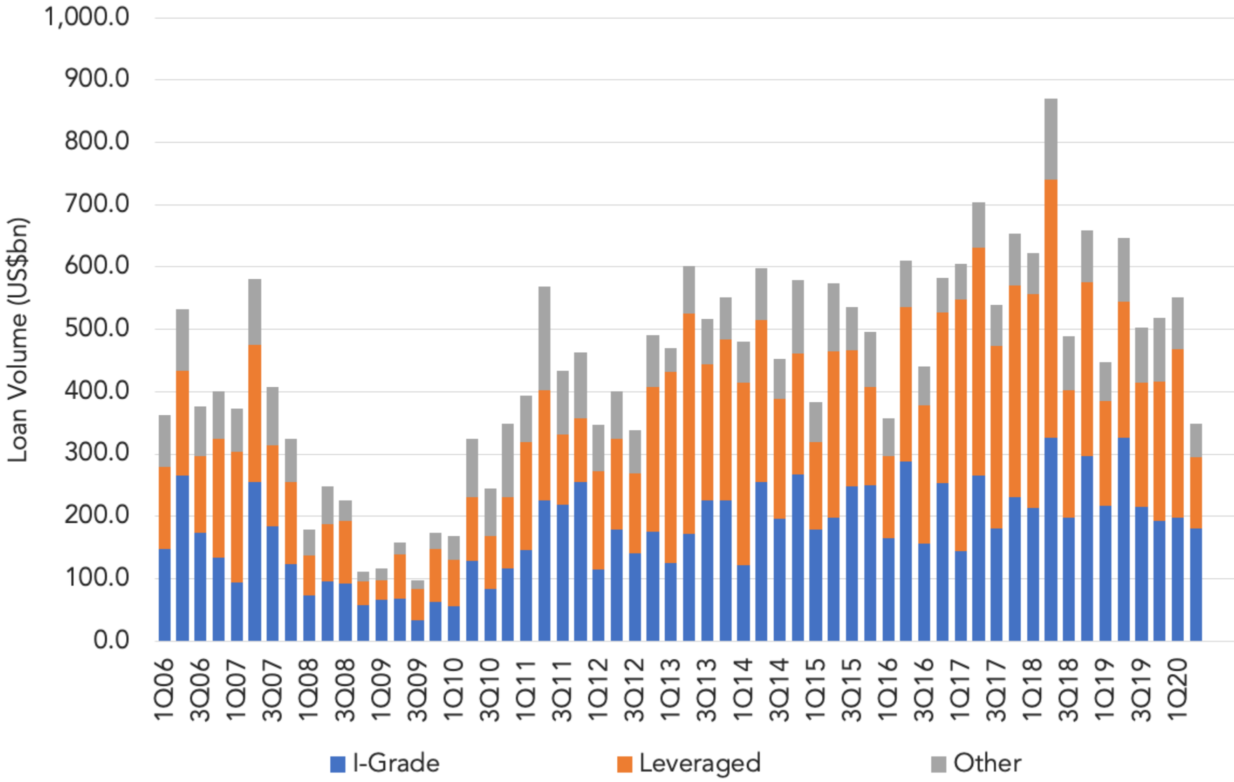
THE LEAD
https://theleadpc.com/leveraged-loan-insight-analysis-7-6-2020/

2Q20 US syndicated down 46% y-o-y; 1H20 off 33%

LSEG | July 9, 2020



Following the shock, fear and aggressive spread of the Covid-19 virus which brought the world to a standstill in 1Q20, the pandemic and its impact on the global psyche became a mainstay in 2Q20. Across the capital markets, virtual office environments were up and running far more quickly and successfully than many arrangers had anticipated. As one lender noted, “Not being in the office has not impacted our ability to transact.” At the same time, despite bouts of dislocation – namely in the commercial paper and temporarily in the the corporate bond space – markets remained open. At just over US$181bn, 2Q20 investment grade loan volume was down 45% compared to year ago levels, capped by uncertain market conditions which were not conducive to large, transformative transactions. Half year totals were off 30% year over year to mark the lowest 6 month pipeline of completed deals in four years. The leveraged loan market experienced similar pressures, raising less than US$114bn of issuance during the quarter, a 48% decline year over year and a nearly 60% drop compared to 1Q20 totals. At US$385bn 1H20 totals were flat year over year, but middling nonetheless. Less than US$348bn or 33% of 2Q20 issuance represented new loan assets.

Contact: Maria Dikeos
maria.dikeos@refinitiv.com