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Issuers from hard hit sectors like leisure and energy stay busy in HY market

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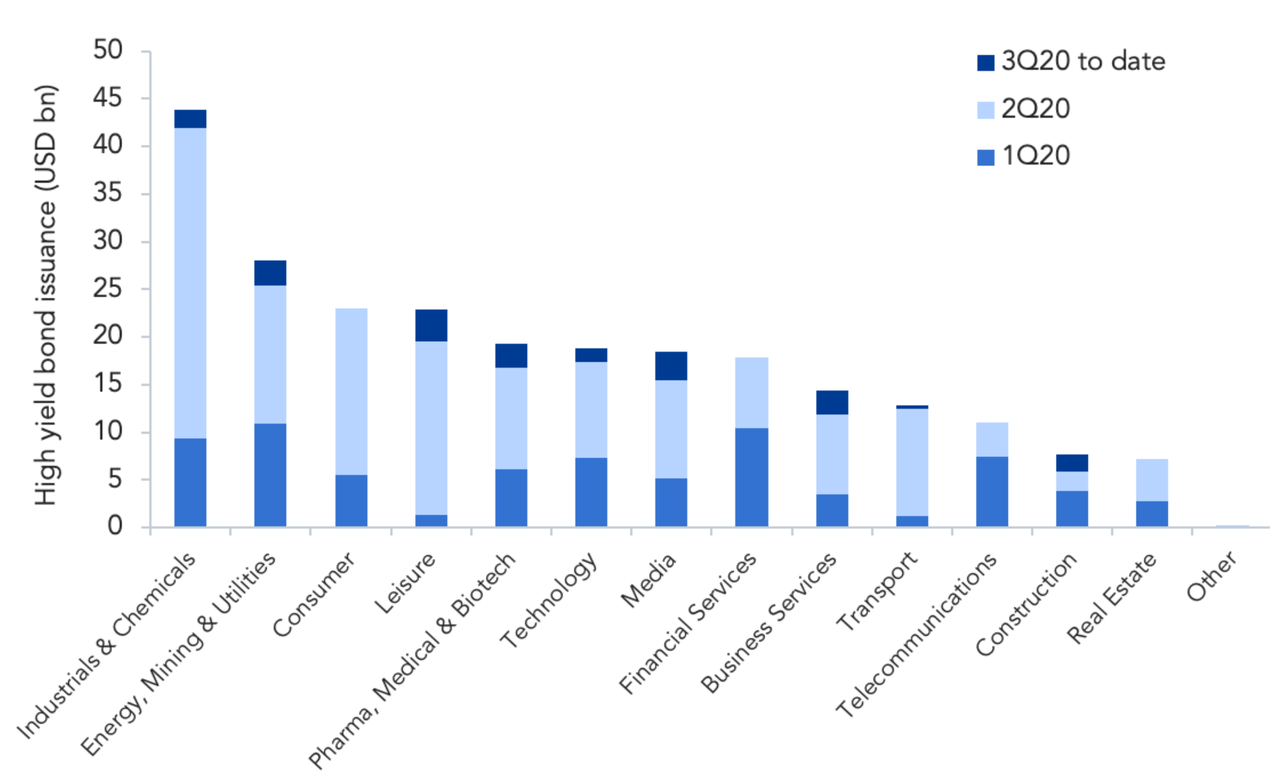

Source: Debtwire Par

High yield bond deal flow has eased in July, with US companies issuing USD 18.25bn of high yield bonds, following a record setting month in June when volume topped USD 60bn in June. On a year-to-date basis, the industrial & chemicals sector leads the way due to a lofty USD 33bn of deal flow in the second quarter. Next is sectors like energy, consumer and leisure that have been hit hard by the coronavirus, but have been able to tap the bond market to raise cash as they attempt to overcome the economic disruption brought on by the pandemic.

Recent deals from the leisure sector include the likes of **Carnival Corporation & plc**, **Norwegian Cruise Line (NCL Corp.)**, **Wyndham Worldwide Corp.**, **Powdr Corp.** and **Trip Advisor Inc.** Energy sector deals include **Pattern Energy Group Inc.** and **Rattler Midstream LP.**

After initially spiking in the early part of 2Q20, bond pricing has declined in the subsequent time period as investor sentiment improved and risk premiums for lower rated credits have tightened. BB rated bond yields have averaged 5.42% this month, down from 5.96% in June and a high of 7.26% in April. Single-B yields, on the other hand, have tightened to 6.36%, down from the 7.50%-8% area in 2Q20.