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# Institutional loan refinancings jump in January to $39bn

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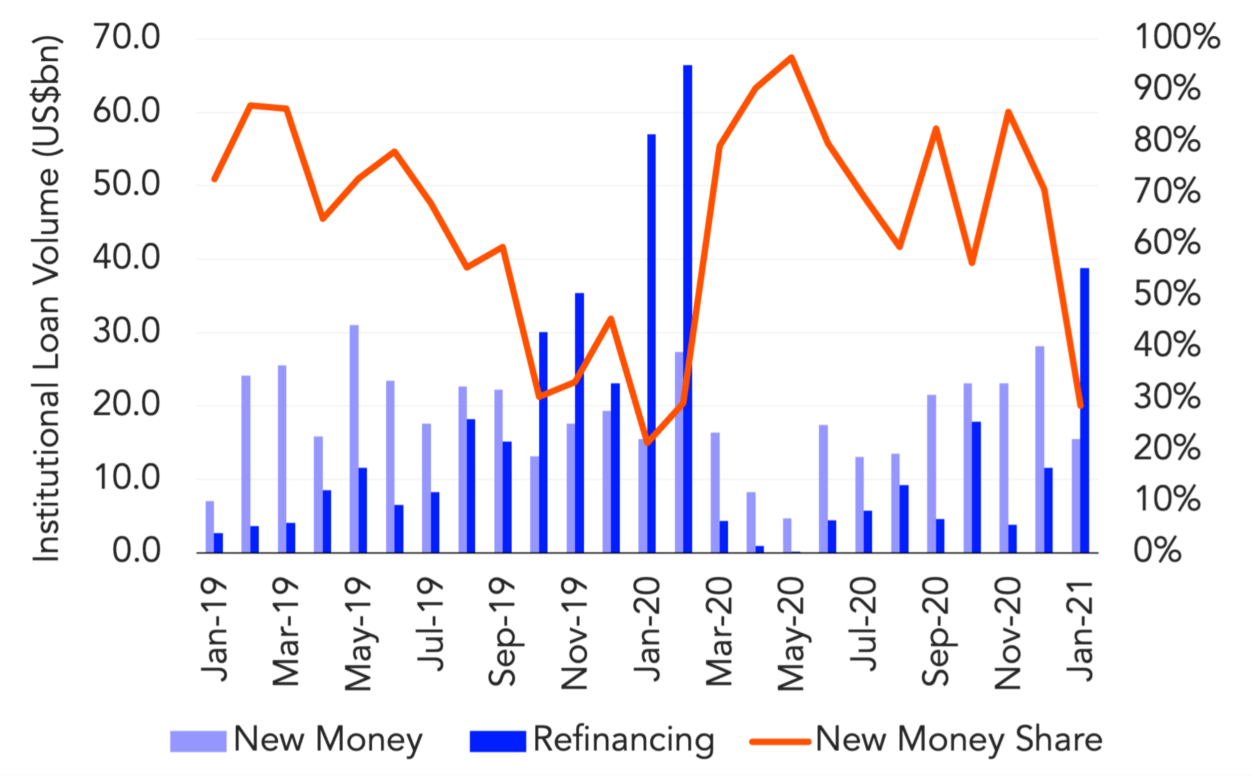


Refinancing deals dominated the institutional loan market in January, with US$39bn in volume for a 71% share of overall institutional loan activity, up from US$11.6bn in December and the highest monthly volume since pre-Covid February 2020.

After widening to 582bp and 500bp in 2-3Q20, spreads on large corporate deals tightened 74bp from 411bp in 4Q20 to 367bp in January. Yields are also at a monthly 7-year low, averaging 4.18% in January for large corporates, down from 5.36% in December and from 2020's overall average of 5.95%. Meanwhile, 3-month Libor continues to decline from a March 30, 2020 pandemic induced spike of 1.45bp to 18bp on February 16, 2021.

Expectations of ongoing financial markets support through fiscal and monetary stimulus are also motivating borrowers to bring back deals previously put on hold during the Covid pullback. Companies that are returning to market include PetSmart, and business service providers ION Analytics and Thryv.