Leveraged Loan Insight & Analysis – 4/13/2015

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It was not an auspicious start to the year for ABL lenders. At under$20 billion 1Q15 asset based loan volume was down 13 percent year over year. On a deal count basis, the news was oddly mixed – with 51 credits working their way through the market, the 1Q15 pipeline hovered near the historic lows observed during the height of the credit crisis in late 2008 and early 2009. Apr 13 2015 TRDeal size increased with a combined 22% of issuance concentrated among deals of at least $500 million (on a deal count basis). Nevertheless, new loan assets were limited at best. At less than $4.5 billion, 1Q15 new money lending was down almost 30% compared to year ago totals as refinancings made up 77% of total lending activity. M&A lending was a mere $1.8 billion or 9% of total volume during the quarter. When all was said and done, the pipeline did little to satisfy lender demand for assets and competition for the limited deal flow kept spreads stable but near record lows with 41% of issuance priced at Libor + 175 bps or below.

We hope to see you at our 3rd Annual Middle Market Loans Conference on May 6th!

Contact: Maria Dikeos
maria.dikeos@thomsonreuters.com