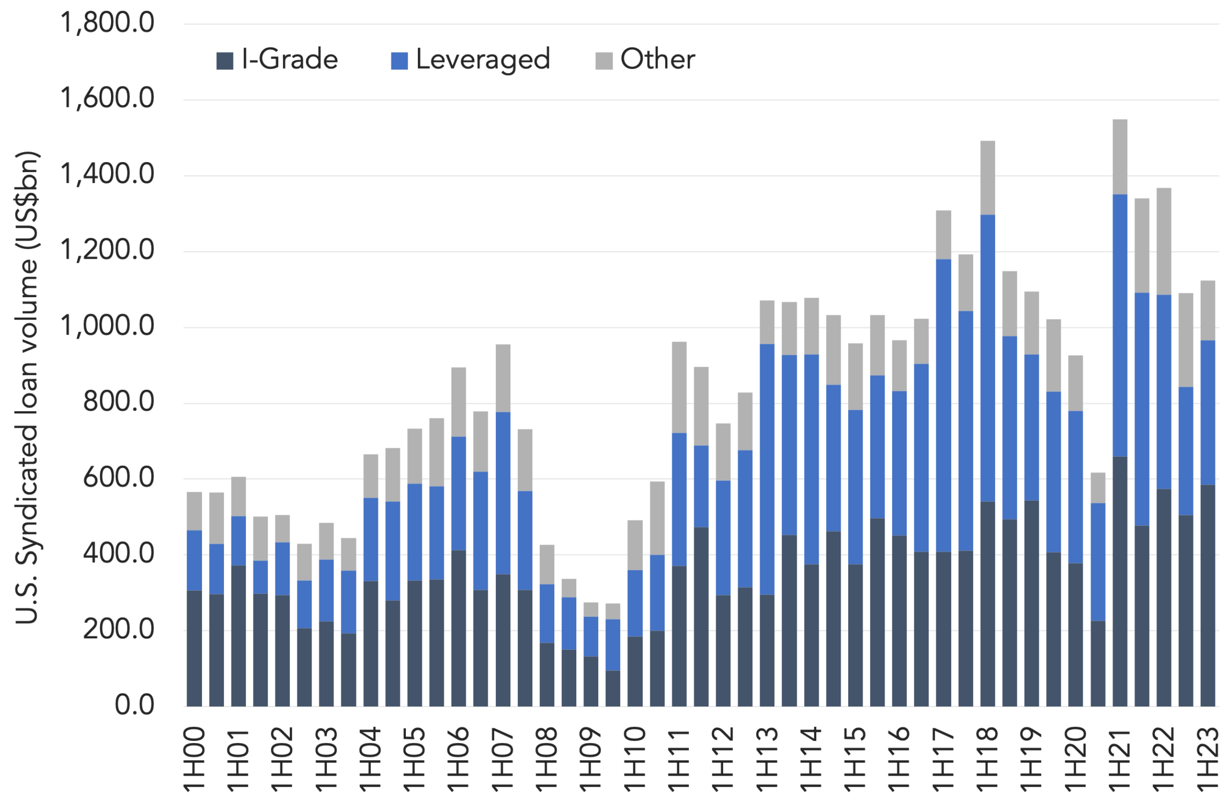
THE LEAD
https://theleadpc.com/leveraged-loan-insight-analysis-7-3-2023/

1H23 U.S. loan volume down 18% y-o-y; 2Q23 totals down 32% y-o-y

LSEG | July 5, 2023



Source: Refinitiv LPC

Bruising market volatility marked by higher interest rates, increased regulatory scrutiny of large corporate M&A deals and lender expectations of greater regulatory oversight among reigonal banks contributed to a significant slow down in the 1H23 US BSL market. Roughly US$571bn of issuance was completed in 2Q23 to push totals for the first six months of the year to US$1.12tr. Quarterly volume represented a 32% drop year over year while 1H23 results were off nearly 18% to mark the weakest 1H results since 2020. Just over US$312bn of investment grade volume cleared the market during the quarter as acquisition deals of size remained limited. Lenders did note however that market steadiness remained in place. At US$585bn, 1H23 investment grade volume was up 1.8% compared to the same time last year. Results in the leveraged loan market were more muted amid a very thin calendar of M&A deals. Instead, refinancing activity fuelled the pipeline. Just over US$ 189bn of leveraged loan volume cleared retail syndication during the quarter to bring 1H23 totals to nearly US$381bn, down 25.6% year over year.

(Past performance is no guarantee of future results.)