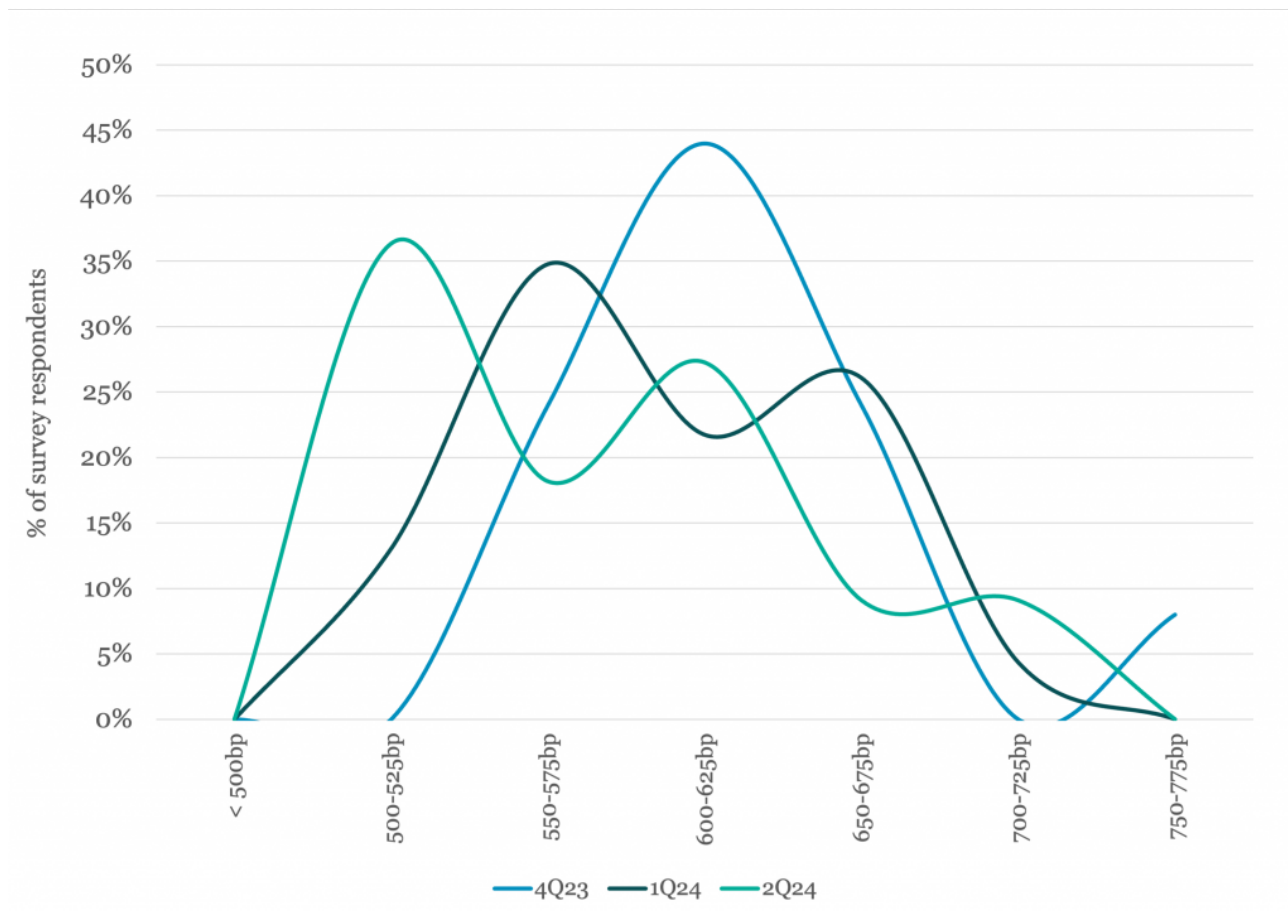


Daily Analytic: Survey – Unitranche spreads shift lower

LSEG | April 2, 2024



Stiffer competition from the syndicated market has put pressure on direct lenders to tighten spreads on unitranche loans. According to LSEG LPC's 2Q24 Middle Market Outlook Survey, 36% of direct lender respondents said their minimum threshold for unitranche spreads was in the 500-525bp range. That is much higher than the 13% of respondents who answered they would be willing to go as low as 500-525bp heading into 1Q24. Last September, the majority of lenders said their minimum threshold for a unitranche loan was in the 600-625bp range, highlighting how competitive the market has become since that time.