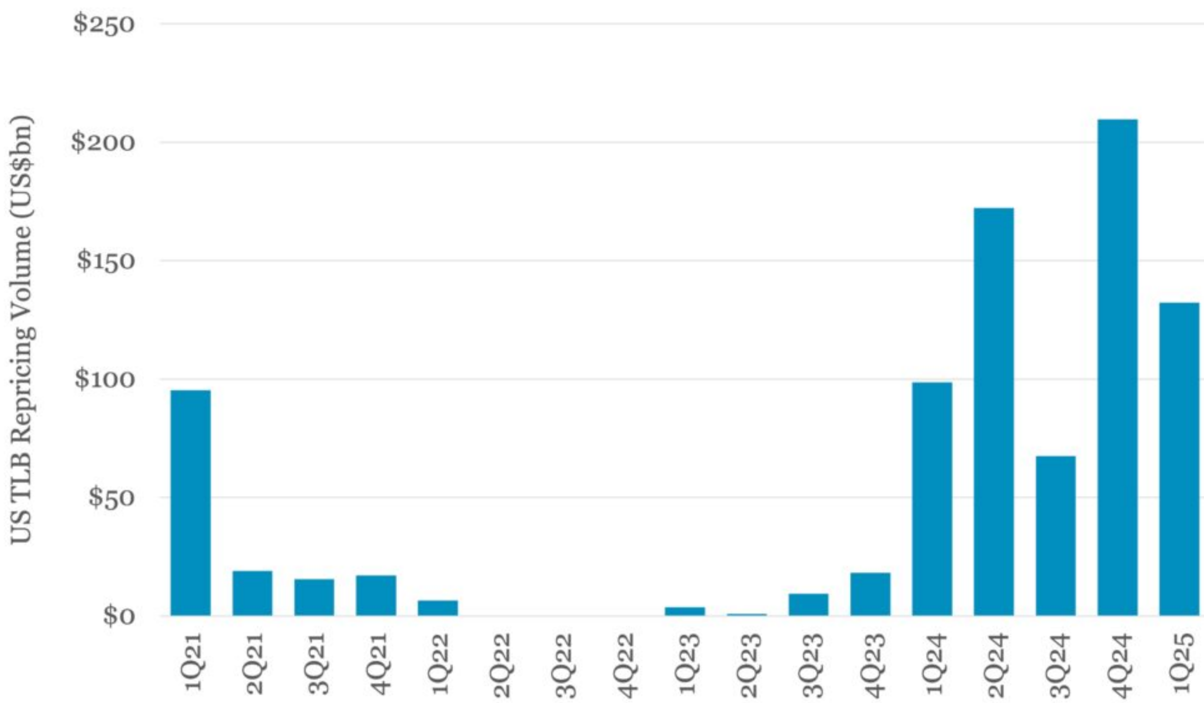
Institutional loan repricings decline alongside secondary loans in 1Q25

LSEG | April 9, 2025



Source: LSEG LPC

The secondary loan market had a deceivingly challenged quarter. Par-plus loans accounted for more than 53% of the market at the start of the year, peaked above 56% in mid-January, then ended 1Q25 at a three-month low of 12%. Although selling was largely contained, given the share of loans trading between 98 and par more than doubled on the quarter to 64%, it was enough of a pullback to take the repricing trade off the table for those who were considering. Institutional loan repricings declined each month throughout the quarter, and just as progressively as they had expanded during 4Q24, with mark-to-market executions coming out strong in January (US$68bn) before slipping in February (US$46bn), only to further stagger in March (US$18bn) – the slowest month for repricings since August of last year. Institutional loan repricings for 1Q25 came in at US$132bn, down 36% from 4Q24’s all-time high (US$210bn) despite the third busiest quarter for repricings on record. Based on our latest market survey results and given the persistently softer secondary trading backdrop, many expect a lighter repricing calendar in the months ahead.