Loan prices plummet in secondary market amid tariff-fueled volatility

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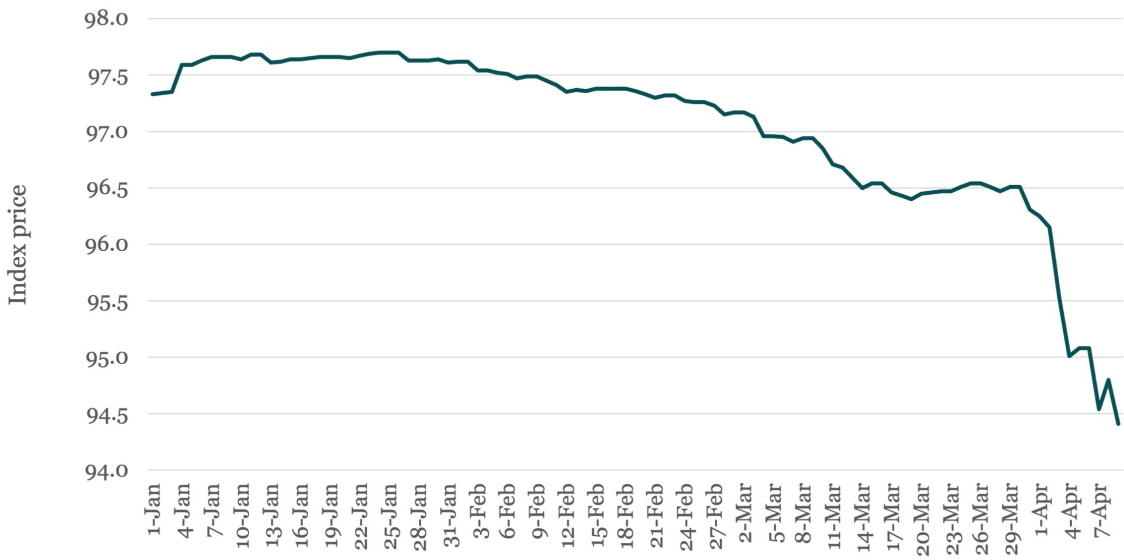

Source: Morningstar LSTA US Leveraged Loan Index

- Click here to access Bloomberg's US Leveraged Finance Chartbook.

Secondary market bids on US leveraged loans have tumble 329 bps from their January high to an average bid of 94.41 on April 9th, the lowest level seen since July 2023, according to the Morningstar LSTA US Leveraged Loan Index.

Tariff-fueled volatility has sent investors seeking safe-haven assets as economic uncertainty weighs on market sentiment, sending loan prices lower and freezing up primary market activity. There have not yet been any launches in the US syndicated leveraged loan market this month – a far cry from the record launch volumes set in January, with companies instead opting to postpone deals until conditions improve.

So far this month, the index has posted a negative return of -1.97%, its worst performance since 2022, with year-to-date losses totaling -3.00%.

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