THE LEAD

LevFin books new issuance record in July thanks to loan repricings, while growing M&A business shouldn’t be overlooked

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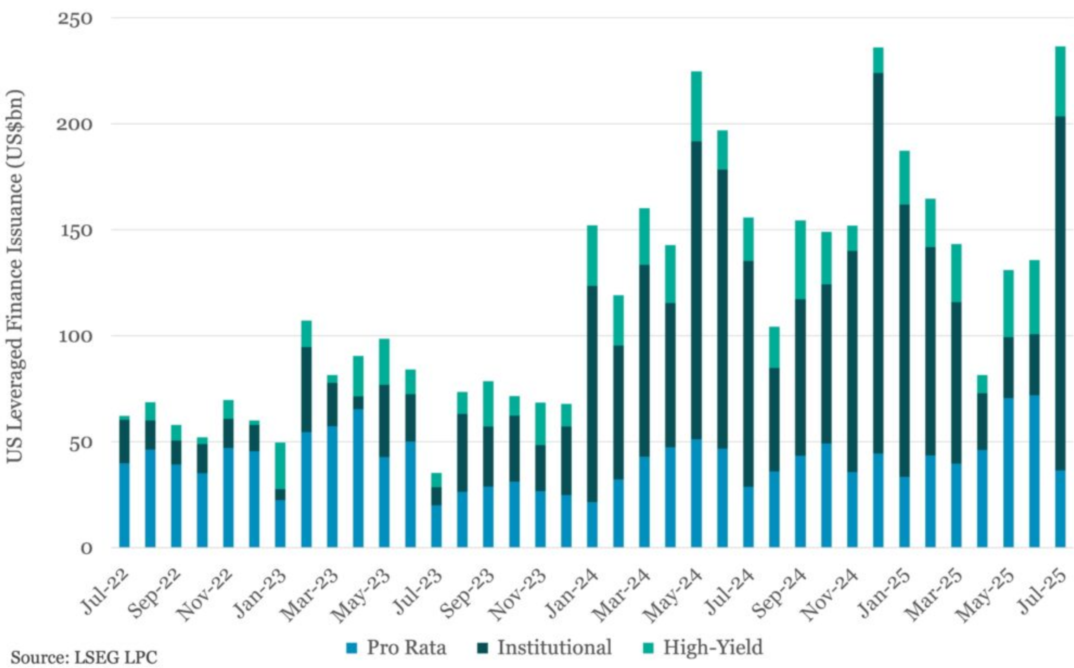

US leveraged finance issuance topped US$236bn in July, eking a new all-time monthly high for the business. Leveraged loan issuance doubled on the month to more than US$200bn, thanks to a nearly 500% surge from institutional loans, which printed US$167bn and accounted for more than 70% of July’s LevFin pipeline. Refinancings drove approximately 85% of the institutional loan business, with repricings accounting for three out of every four trades within that cohort. Institutional M&A issuance nearly tripled on the month despite all the focus on liability management, contributing nearly US$29bn. Consistent with previous months, strategic M&A drove most of the underwriting business (US$18bn or 60%) while sponsor LBO trades remained somewhat sluggish (US$3bn or 10%). Bank loans slumped 50% to US$37bn after two consecutively strong months, while high-yield bonds showed steady issuance at US$33bn, although AcqFin contributed only US$1.6bn (less than 5%) from two issues. Year-to-date, US leveraged loan issuance stands at roughly US$900bn (US$1.1trn including high-yield bonds), down about 8% from transaction volume inked through July of last year. The silver lining? Lender P&Ls should still be trending higher relative to last year given the greater contribution from M&A underwrites in ’25.