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Middle market loan issuance weakened in 2Q26 as sponsored activity slowed

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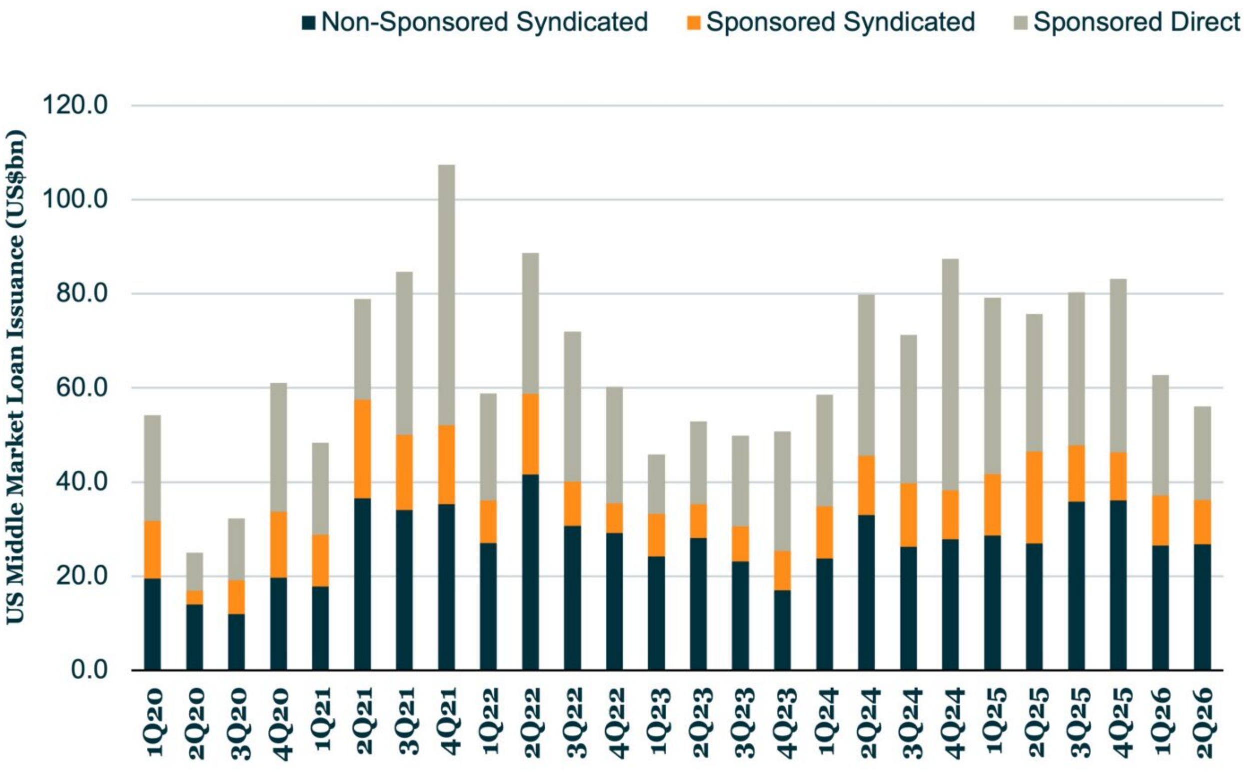

Source: LSEG LPC

US middle market loan issuance weakened in 2Q26 as sponsor-backed acquisition activity slowed amid muted LBO volumes and a smaller supply of high-quality lending opportunities.

Sponsored direct lending volume declined 22% quarter-over-quarter to US$20bn, while sponsored syndicated issuance fell 12% to US$9.4bn. By contrast, non-sponsored syndicated issuance proved more resilient, edging up to US$26.8bn. The slowdown was even more pronounced on a year-to-date basis. In 1H26, sponsored direct lending volume declined 32% year-over-year to US$45.6bn, while sponsored syndicated issuance dropped 38% to US$20bn. Non-sponsored syndicated issuance was comparatively resilient, slipping just 4% year-over-year to US$53.3bn.