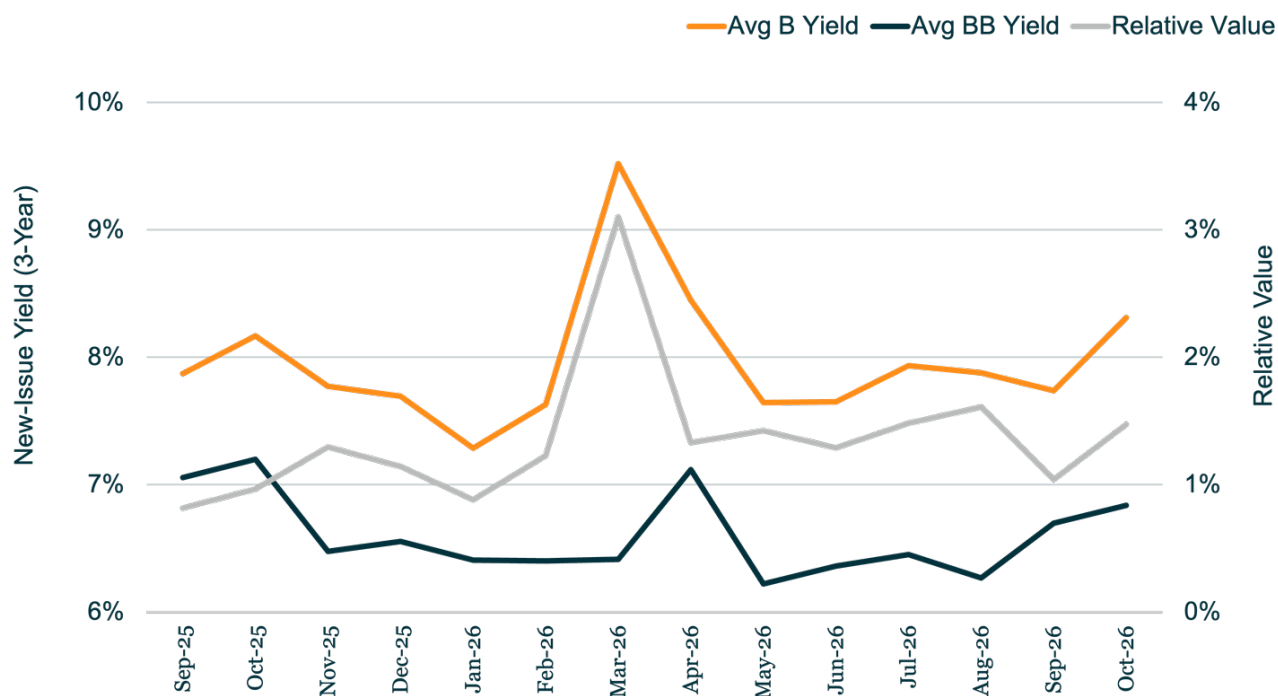


Single-B loan pricing faces renewed pressure in October; 150 bps gap to double-Bs

LSEG | October 28, 2026

Single-B loans see renewed pricing pressure in October, continue to price 150bp behind double-Bs



Source: LSEG LPC

We noted in our monthly leveraged loan coverage how average new-issue institutional loan yields moved somewhat counterintuitively: single-Bs tightened 14bp to roughly 7.25% in September while double-Bs actually widened 43bp to 6.20%. These convergent moves tightened the implied new-issue pricing premium for single-B credit risk to about +100bp, its tightest reading since January – although largely consistent with the delta we observed throughout all of last year. Fast forward through October and you can see how this pricing dynamic has largely reversed course: although new-issue yields widened across ratings segments – with single-Bs expanding 57bp to 7.81% and double-Bs adding another 14bp to 6.34% – the parallel but disproportionate moves brought that new-issue pricing premium right back to 150bp, essentially where it’s been anchored throughout all of this year. But here’s the kicker: single-B yields have hardly moved over the past 12 months, which suggests the following: (1) the 50bp MoM move in relative value was driven by a more normalized market, where single-Bs required disproportionately more yield premium; and (2) the 50bp YoY move was testament to a more bifurcated market, where double-Bs required disproportionately less.