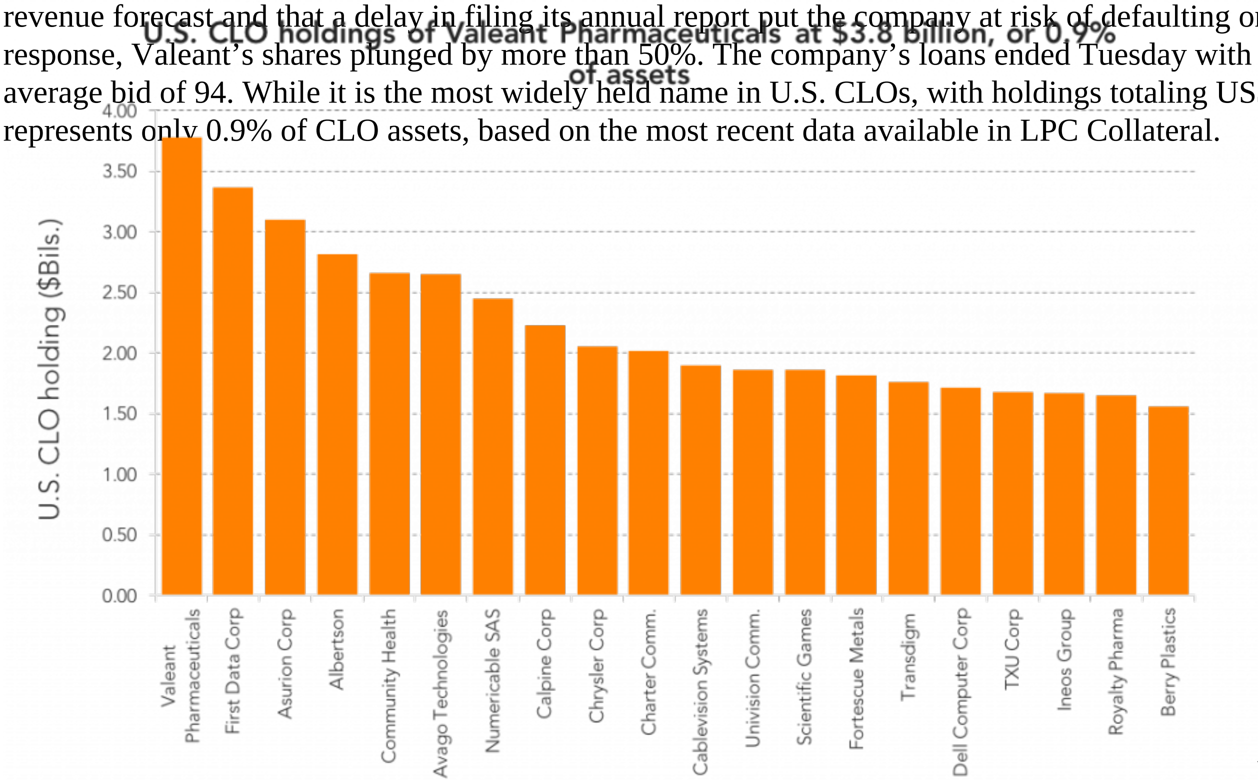
THE LEAD

https://theleadpc.com/leveraged-loan-insight-analysis-3212016/

Leveraged Loan Insight & Analysis – 3/21/2016

LSEG | March 22, 2016

Valeant Pharmaceuticals, the most widely held name in U.S. CLOs, announced last week it was cutting its revenue forecast and that a delay in filing its annual report put the company at risk of defaulting on its debt. In response, Valeant's shares plunged by more than 50%. The company's loans ended Tuesday with a weighted average bid of 94. While it is the most widely held name in U.S. CLOs, with holdings totaling US$3.8bn, it still represents only 0.9% of CLO assets, based on the most recent data available in LPC Collateral.



Valeant is held by 754 U.S. CLOs, with 53% of deals having sub-1% exposure. On the other hand, 7% of CLOs have exposure in the 2-3% range, with 1% of deals having exposure above 3% of assets. In terms of trading activity, since the middle of last year CLOs have bought US$625m of Valeant (at a weighted average price of 96.93) and sold US$541m (at an average price of 93.77). After Valeant, the most widely held names in U.S. CLOs are First Data Corp. (US$3.4bn), Asurion Corp. (US$3.1bn), and Albertson (US$2.8bn.).

Register now! TR LPC's 4th Annual Middle Market Loans Conference on April 27, 2016.

Contact: Colm Doherty
colm.doherty@thomsonreuters.com