Leveraged Loan Insight & Analysis -10/3/2016

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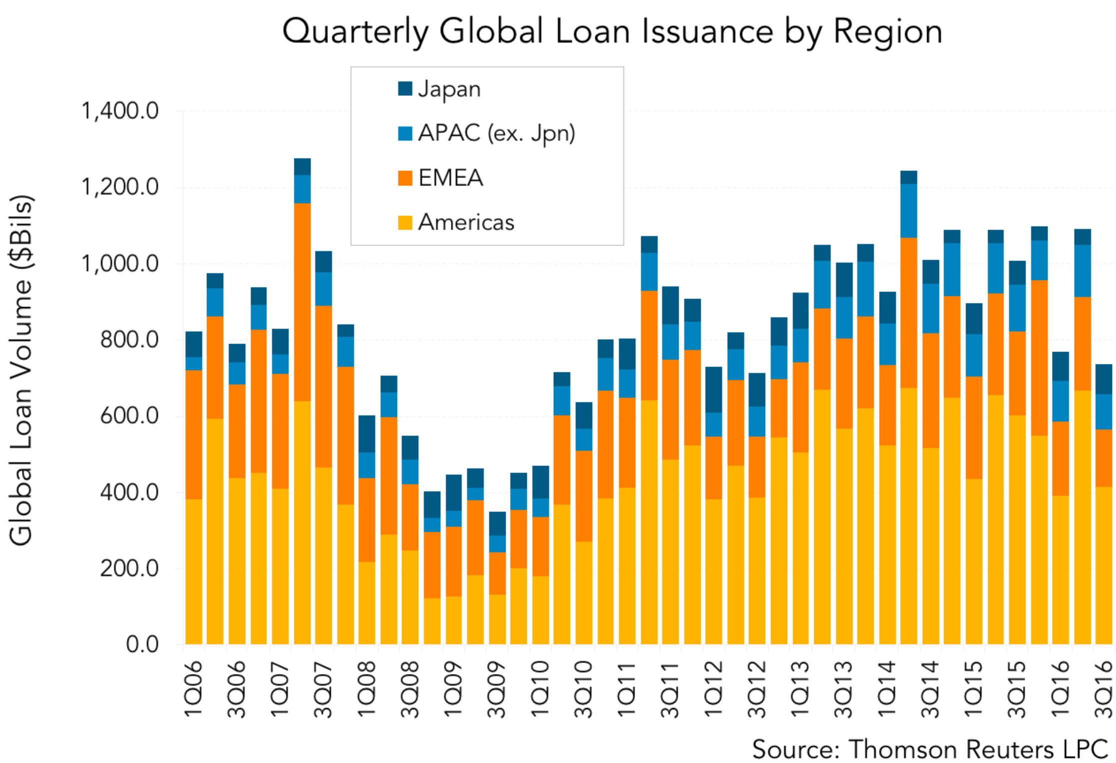
Despite strong market technicals, 3Q16 global loan volume down 33%; 1-3Q16 volume down 13% y-o-y

Despite strong market technicals, at US$736Bn, global syndicated loan issuance was down 33% in 3Q16 reversing the positive 2Q16 market momentum (US$1.09Tr) to mark a four year quarterly low. Just under US$2.6Tr in loan volume has worked its way through the global loan market so far this year, the lowest total for the first nine months of any year since 2012. (US$2.26Tr).



Over 56% of 3Q16 global loan volume was raised in the Americas which pushed US$415Bn of issuance through the market, a 38% drop over 2Q16 totals to close out the first nine months of 2016 at roughly US$1.475Tr. This represented a 13% decline over 1-3Q15 results. Lending in Europe, the Middle East and Africa (EMEA) hit a four year low to close out 1-3Q16 at under US$590 billion . 3Q16 issuance specifically was down 39% quarter over quarter as M&A deal flow remained scarce and several issuers pulled potential refinancings forward to tap the market in 2015. In Asia-Pacific (ex. Japan) , the China market remained the largest contributor to the regional pipeline, but China based lending slowed as issuers re-evaluated their financing needs. At less than US$95 billion, 3Q16 APAC loan volume was down 31% quarter over quarter, while issuance for the first nine months of the year was down 9% to log less than US$334Bn.

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