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Flex factor highlights investor pushback in November

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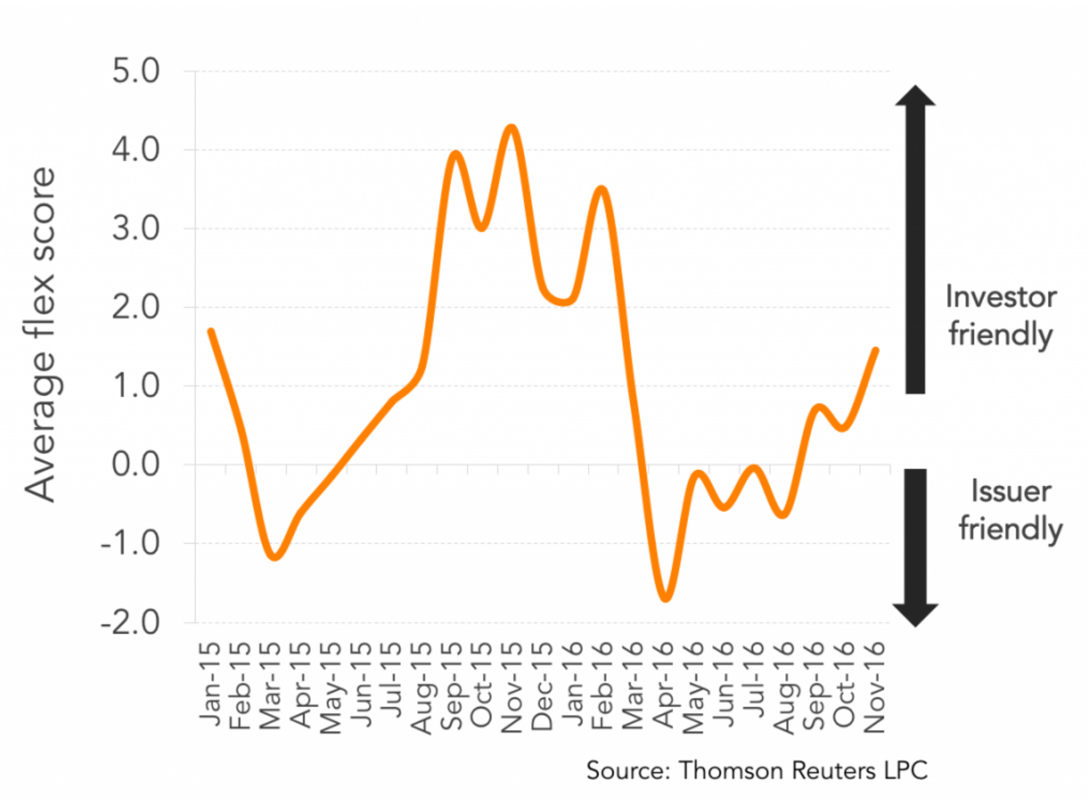

Flex activity in the U.S. institutional loan market favored investors in November. Thomson Reuters LPC's Flex Factor registered an average flex score of 1.5 last month, signifying a higher ratio of investor friendly changes made to deal terms. It was the first time it has been above one since February's average score of 3.5. In all, 19 deals flexed higher in November against 13 reverse flexes. It was the least amount of reverse flexes in a month since March.

Issuers have largely been taking advantage of improved market conditions to come back and reprice deals. This has given investors the opportunity to be choosier and push back for better terms. November also saw an uptick in acquisition financing activity. Sporting goods retailer Bass Pro Shops was one such issuer which came to market to finance its US$5.5bn acquisition of Cabela's Inc. Certain retail names have struggled and the Ba3/B+ rated issuer had a few investor friendly changes made to the loan. The term loan B commitment size was decreased in favor of a term loan A tranche. In addition the spread increased 100bp from launch and soft call protection was extended.

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