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Flex activity swings back in favor of issuers this week

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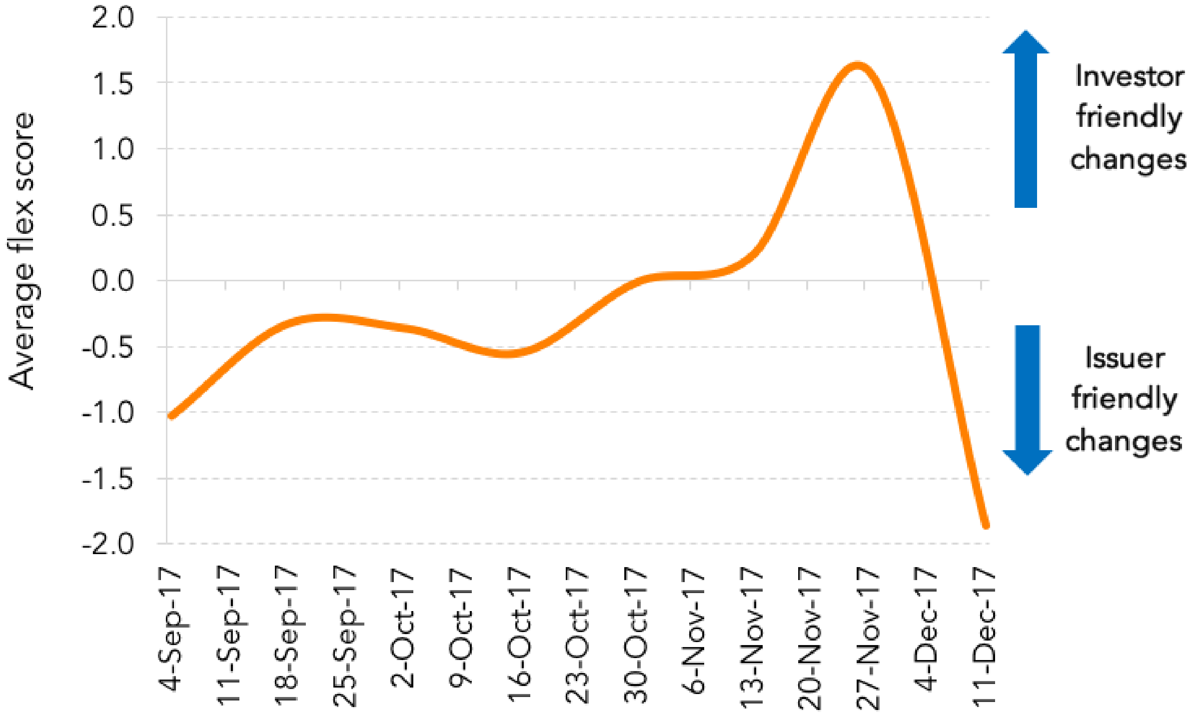

So far this week, flex activity has swung back in favor of issuers after investors pushed back on several deals in prior weeks. The Flex Factor averages a very issuer friendly flex score of -1.9 this week, after occupying investor friendly territory the prior two periods. The Flex Factor gauges investor sentiment by aggregating price and structural flex activity on institutional loans. Before this week, market frothiness had caused a few deals deemed too risky by investors to get pulled from the market, including DJO, EagleClaw and GNC. A few others, like Research Now, Weight Watchers and Michael Baker International saw significant investor friendly pricing and structural flexes during negotiations. But so far this week, that trend has changed. One deal, for Autodata, saw a number of issuer friendly changes including the length of the MFN clause shortened by six months and call protection eased on the second-lien tranche. Other deals seeing issuer friendly changes this week include ABILITY Network, Hanesbrands, Wheelabrator Technologies, Direct ChassisLink and Darling Ingredients.

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