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Primary yields have widened across the board in 3Q18

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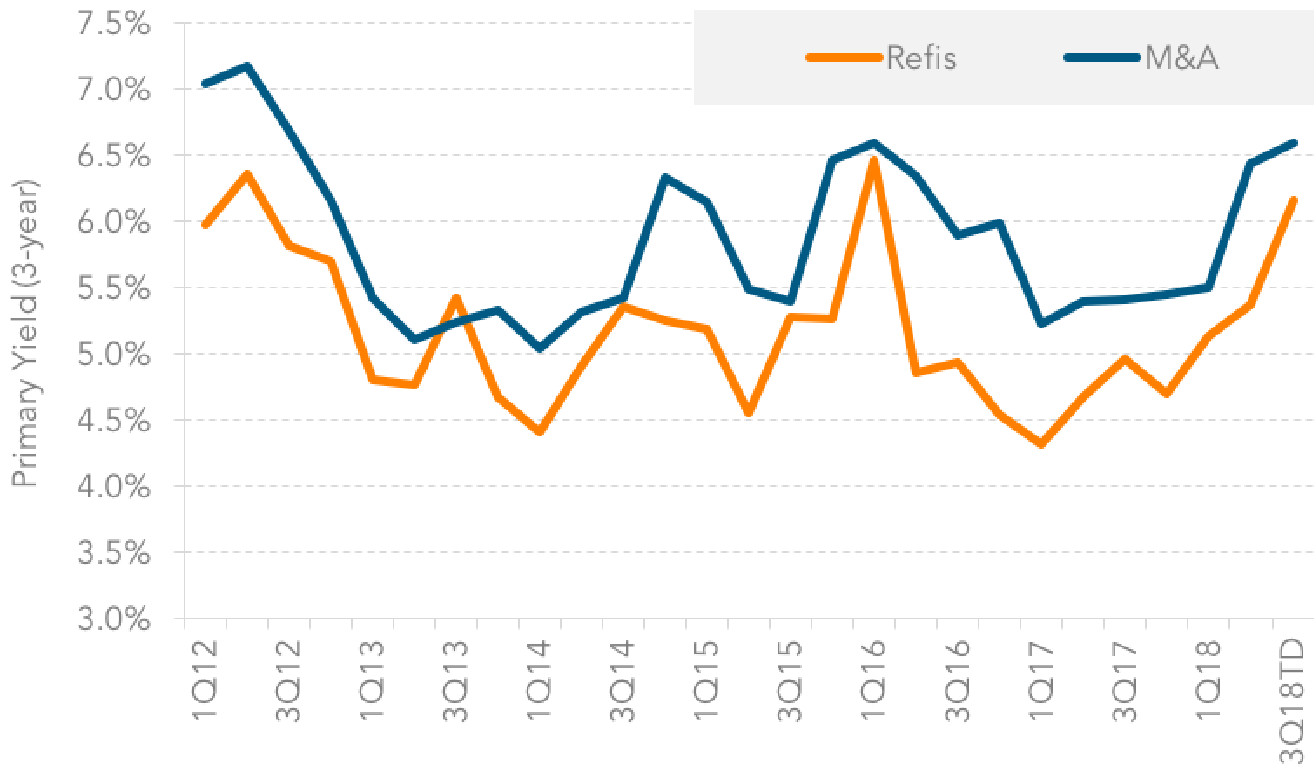

The average first-lien institutional term loan yield, assuming a three-year term to repayment is 6.41% so far this quarter, up from 5.77% in 2Q18. One of the main drivers behind increasing yields is the shift in the deal mix. So far in 3Q18, 58% of the institutional deals tracked for yield calculations back M&A activity, up from just one third in 2Q18. The average yield for M&A institutional term loans is 6.59% in 3Q18, up from 6.43% in 2Q18. This represents a premium of over 40bp over refis and repricings, which account for 32% of the total. In 2Q18, the mix of deals was completely different with refis and repricings taking a clear lead with 61% of the total. As more new money opportunities have made their way into market, investors have pushed back on repricings and refinancings, and in turn, yields have increased significantly for these deals. The average yield for refinancing institutional term loans is 6.15% so far in 3Q18; much higher than the 5.36% logged in 2Q18.

Contact: Diana Diquez
diana.diquez@thomsonreuters.com