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Loan bids continue to decline amidst broader market volatility

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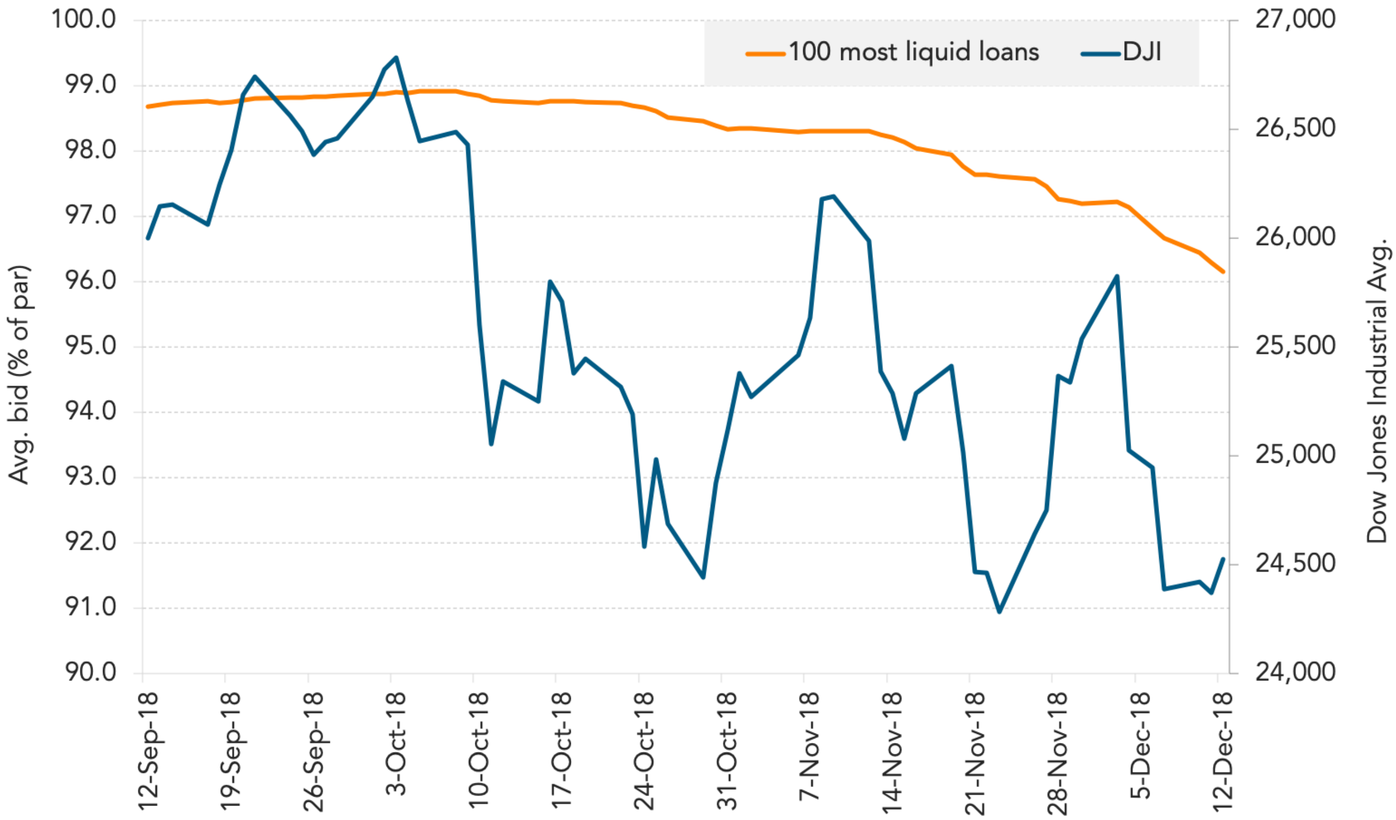

LPC's most liquid 100 loans cohort traded down again yesterday to 96.15, its lowest level since March 2016. The volatility in the broader market has bled into the syndicated loans market. Loan investors have reacted by yanking roughly US$5.6bn from retail loan funds since the last week of October. This has helped grind average secondary bids lower. Since trading at 98.9 on October 8th, the most liquid 100 loans cohort has declined 2.8%. During that same time BB rated names have seen bids decline 2.3%, B1 bids have lost 2.4% while B2/B3 bids have decreased 2.25%. By comparison loan bid declines have been softer than equities where the Dow Jones Industrial average has plummeted 8.6% since October 3rd. Stocks have made a bit of rebound in recent days, perhaps signaling a bottom has been reached in this current correction. It remains to be seen if loan bids will soon follow suit.

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