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Flex activity in the US institutional loan market snaps back to favoring issuers again

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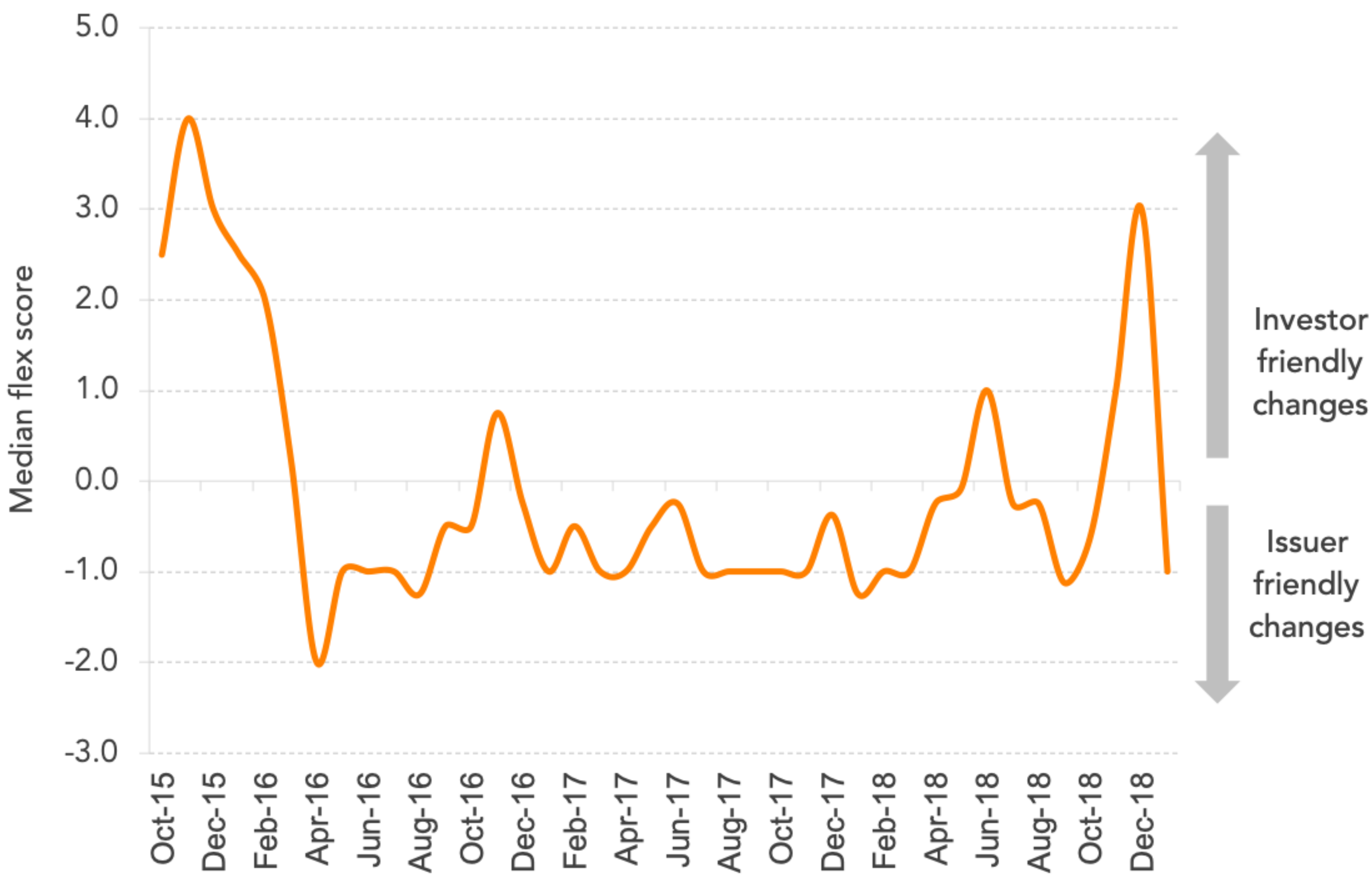

Flex activity in the US institutional loan market snapped back to being issuer friendly in January, after December heavily leaned towards investors. This allowed LPC's Flex Factor's median flex score to drop to a very issuer friendly score of -1.0 last month. The Flex Factor aggregates price and structural flex activity on institutional loans in order to gauge investor sentiment. Although deal flow was slow to materialize the first weeks of January, the loans that did come to market were mostly viewed favorably by investors. Eight loans saw pricing slashed during syndication in January compared to no price cuts in December. Despite the more issuer friendly market, investors are still tuned into riskier credits as evidenced by the pushback on Dun & Bradstreet's LBO loan last week. The now US$2.53bn term loan was downsized and pricing was increased by 25bp from the higher end of guidance.

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