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1Q19 Syndicated loan volume down 36% y-o-y; Weakest results in 3 years

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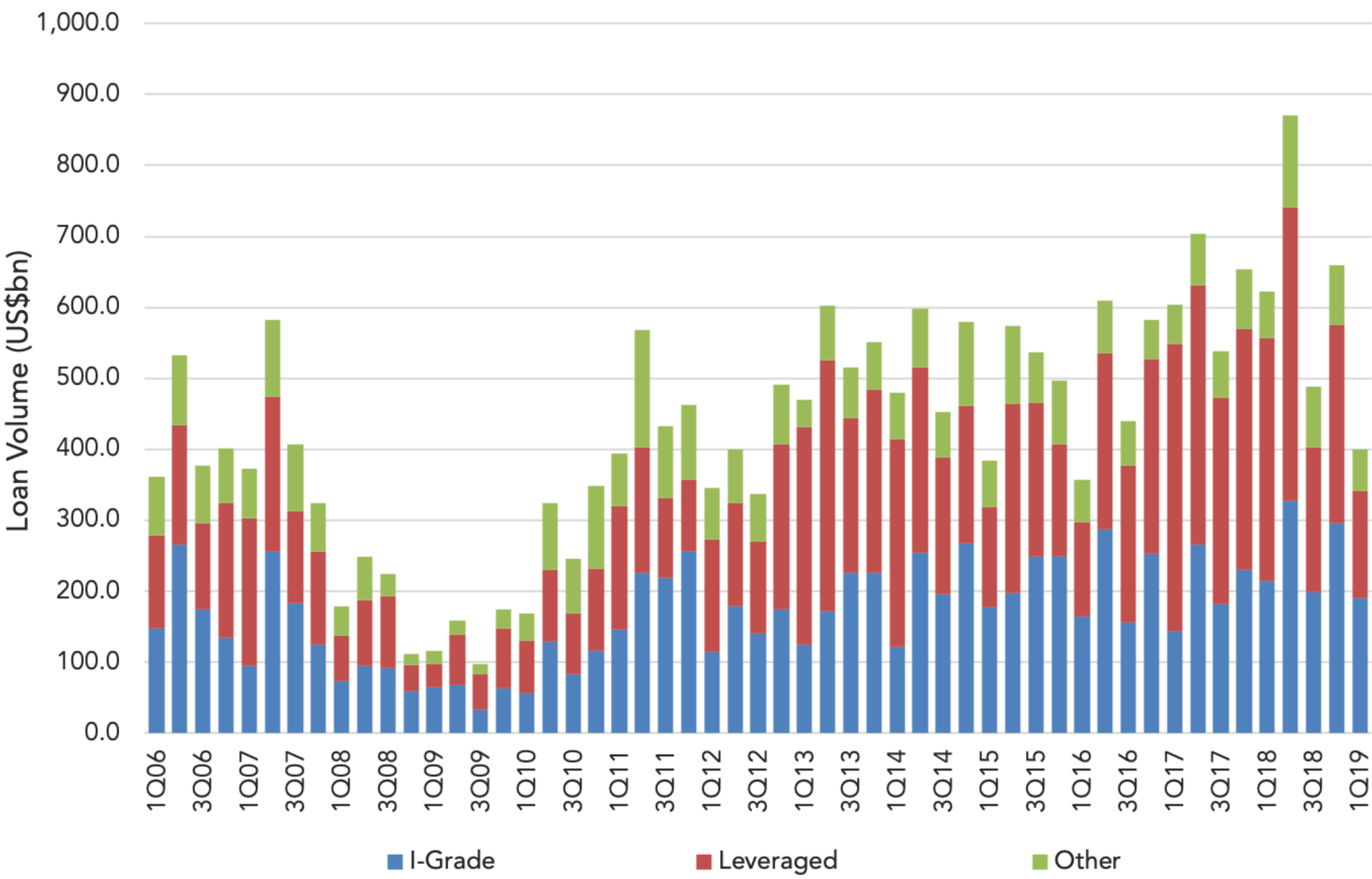

1Q19 marked an uneven start to the US loan market calendar with less than US$400bn of volume working its way through the retail market. An additional US$61.3bn was completed via clubbed participation. Year over year syndicated issuance was down 36% and down 39% compared to 4Q18 results amid a thinner pipeline of both traditional refinancings and more lucrative M&A financings. The results marked the lowest quarterly total since 1Q16. At US$164.3bn new loan assets made up 41% of total issuance, flat on a dollar basis, but up on a pro rata basis compared to the same time last year (26%). The investment grade market got off to a relatively strong start via a small number of large M&A financings for issuers including Bristol Myers, Fidelity, and Altria. Nevertheless, amid a traditionallylly tempered 1Q refinancing calendar and a dearth of in the number of event driven deals, syndicated US investment grade loan volume totalled just over US$190bn, down 11% compared to the same time last year. Leveraged lenders did not fare much better. The technicals fueled down draft observed at the end of last year largely reversed itself in 1Q19, but that did not translate to incremental deal flow. At US$152bn, 1Q19 leveraged loan volume was down 56% year over year to mark the lowest quarterly results in three years.

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