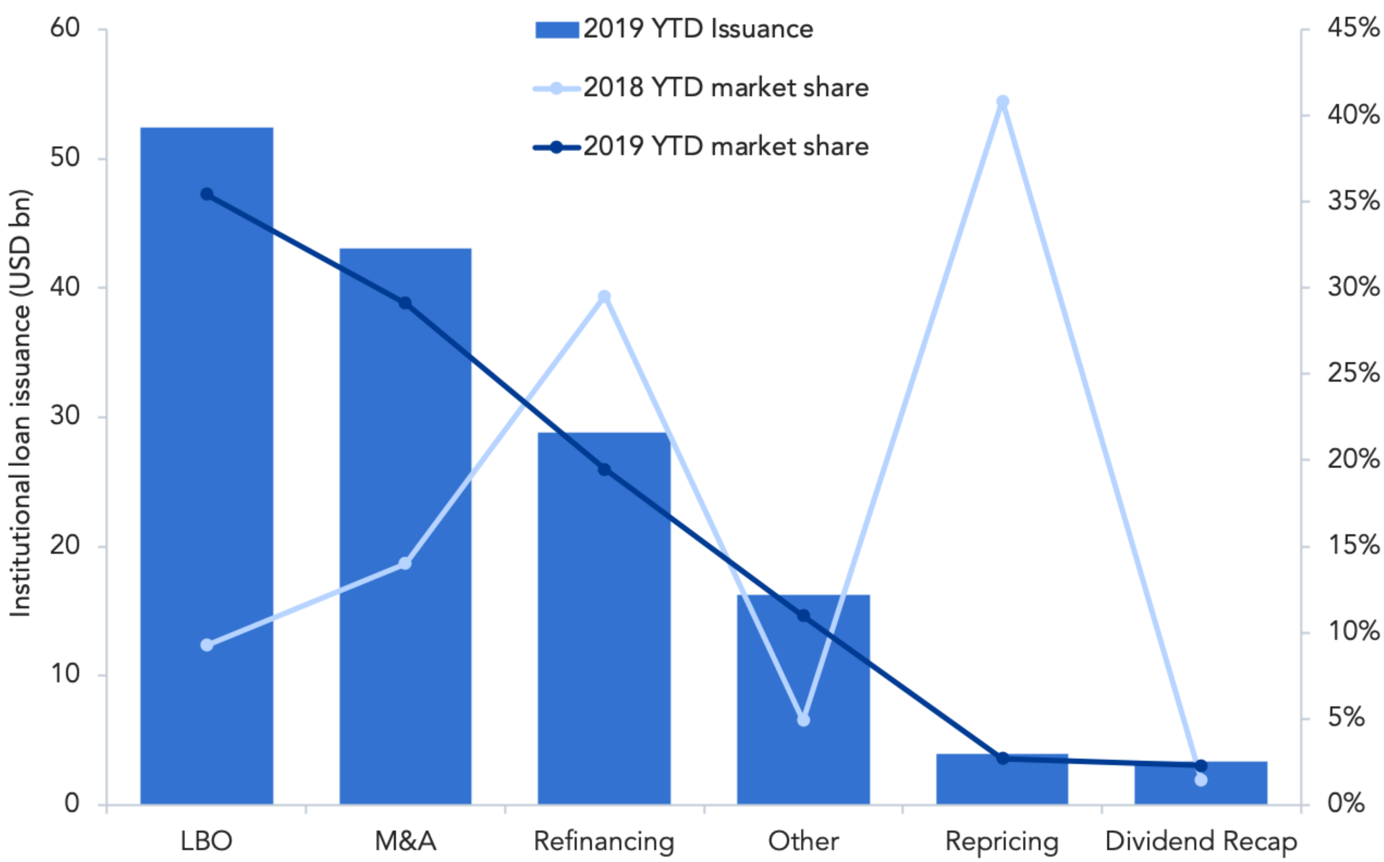
M&A/LBO activity dominates institutional loan issuance YTD

Debtwire | June 5, 2019



Source: Debtwire Par

M&A and LBO deals have been the driver of institutional loan volume this year, accounting for two-thirds of issuance. LBOs in particular have been the most active part of the market, posting USD 52bn of institutional loan volume. Despite the robust LBO activity, overall institutional loan volume at USD 148bn down dramatically (64%) from the USD 413bn recorded in the same period last year. However, when excluding refinancing and repricing activity, issuance is off only 5% from the year ago period.

The make-up of deal flow in May was broadly similar to that of prior months this year, though repricing's share of the market ticked higher, while the M&A/LBO share edged lower.

Looking ahead, buysiders say they are hoping for a pick-up in new-money deal flow in June. There have been some signs of this recently, with institutional loans in syndication climbing to USD 22.5bn at the end of May and another USD 10bn expected to hit syndication soon.

Contact: [Colm (CJ) Doherty]