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1H19 Leveraged lending down 44% y-o-y; Leveraged loan volume off 53%

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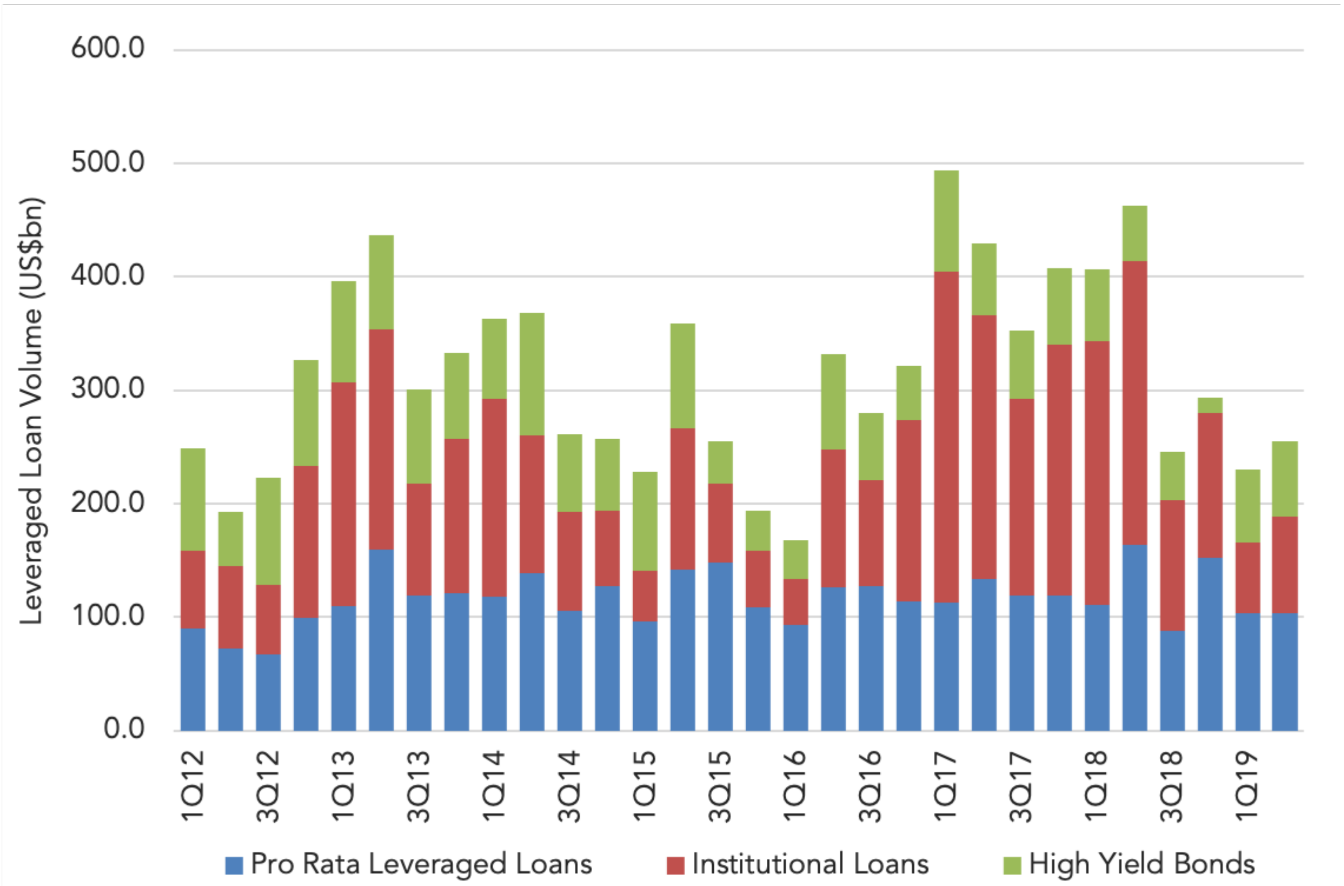

Renewed focus on credit quality and increased market volatility combined gave rise to increased selectivity among leveraged loan investors, despite a lighter 2Q19 deals calendar. At US$255.35bn, 2Q19 total leveraged lending was up slightly compared to 1Q19 results but down 45% compared to the year ago period. Quarterly high yield bond volume was flat quarter over quarter at US$67bn but up 37% year over year as the Federal Reserve signalled a slowing of rate hikes. High yield bond volume for the first six months of the year totalled nearly US$131bn, a 16% increase over the same time last year. At over US$103bn, 2Q19 pro rata leveraged loan volume was flat compared to 1Q19 results but down 7% compared to year ago levels given the thinner pipeline of deals. 1H19 pro rata leveraged volume totalled less than US$206.5bn, the lowest 1H tally of any year since 1H12 and a 25% drop compared to the same time last year. In contrast less than US$150bn in institutional loan volume was completed in 1H19, the lowest total for the first six months of any year since 1H12.

Contact: Maria Dikeos
maria.dikeos@thomsonreuters.com