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Industrial & Chemicals sector takes top spot in institutional loan & HY bond issuance

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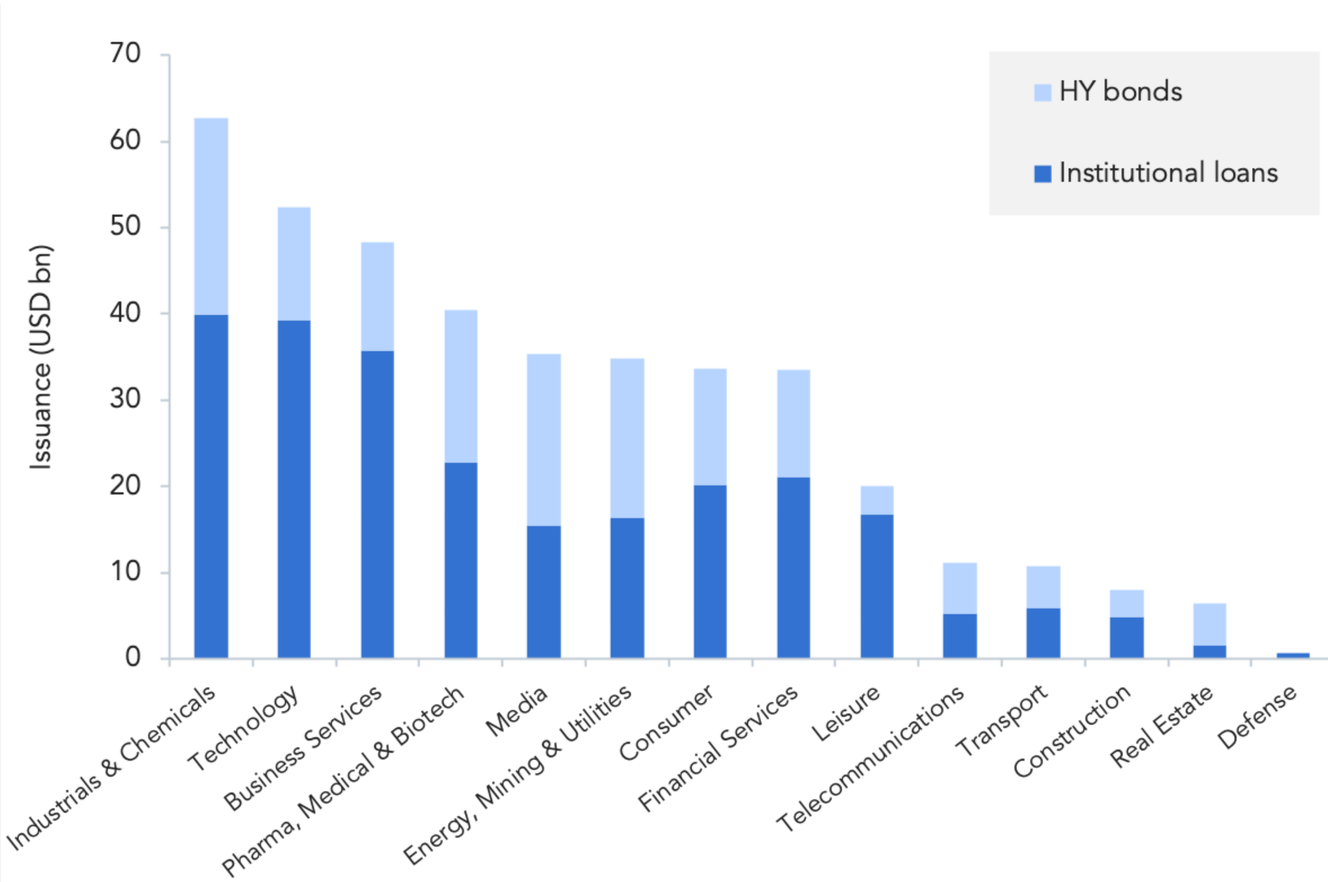

Source: Debtwire Par

The industrial & chemicals sector is the most active industry year-to-date in terms of both institutional loan and high yield bond issuance. On the institutional loan side, technology and business services are in the second and third positions, respectively, while the media and energy sectors take the second and third spots on the high yield bond side.

Among the largest three deals in the industrial & chemicals sector in both the loan and bond markets are JCI Power Solutions and Berry Global Inc. StandardAero Holdings rounds out the top 3 on the loan side, while TransDigm Group Inc. is the largest high yield bond deal.

Commenting on the fundamentals across sectors, one loan portfolio manager stated that “it feels like the industries that people are concerned about from a fundamental perspective are the ones we have been focused on for quite some time now—the retailers, oil and gas, healthcare has become a little bit more topical, and telecom. But we are not seeing widespread concerns about credit fundamentals.”

In terms of defaults in the institutional loan market, the retail sector has been most prominent in the last year, with eight defaults totaling USD 5.9bn. Next is telecommunications (USD 2.3bn/two defaults) and energy (USD 2.1bn/six defaults), according to Fitch. In comparison, the energy sector has suffered the most high yield bond defaults in the last year (USD 7.4bn/15 defaults).

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