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High yield bond issuance spikes in most recent week

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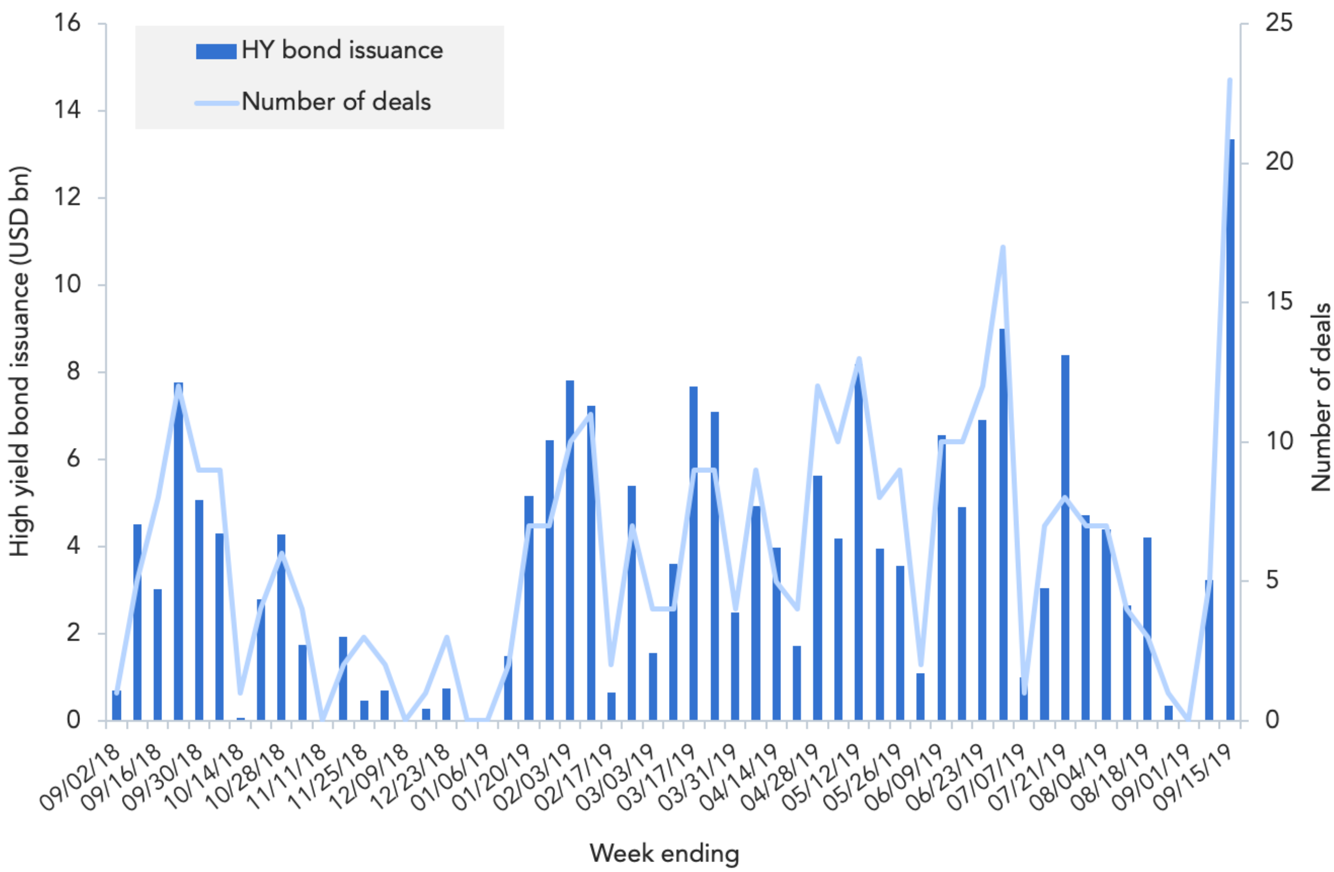

Source: Debtwire Par

High yield bond issuance spiked last week (week ending September 13), with issuance reaching USD 13.4bn from 23 deals in a hectic week for the market. This week is also shaping up to be a busy one, with over USD 5bn set to price in the coming days and more deals expected to hit the market.

The largest deals last week were USD 1bn-plus deals from Cheniere Energy Partners (USD 1.5bn), Uber Technologies (USD 1.2bn), TEGNA (USD 1.1bn), Level 3 Financing (USD 1bn) and Encompass Health (USD 1bn).

Issuers are taking advantage of strong investor appetite for bond paper. After suffering outflows of USD 4.5bn in August, high yield bond fund flows have bounced back, with inflows of USD 1.9bn in the week ending

September 11, according to Lipper. This has pushed year-to-date inflows to nearly USD 13bn.

BB- and above rated credits have led the way this month, accounting for roughly two-thirds of issuance, up from 52% overall in 2019.

On a year-to-date basis, high yield bond issuance has totaled USD 167bn, outpacing the USD 144bn posted in the same period last year.

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