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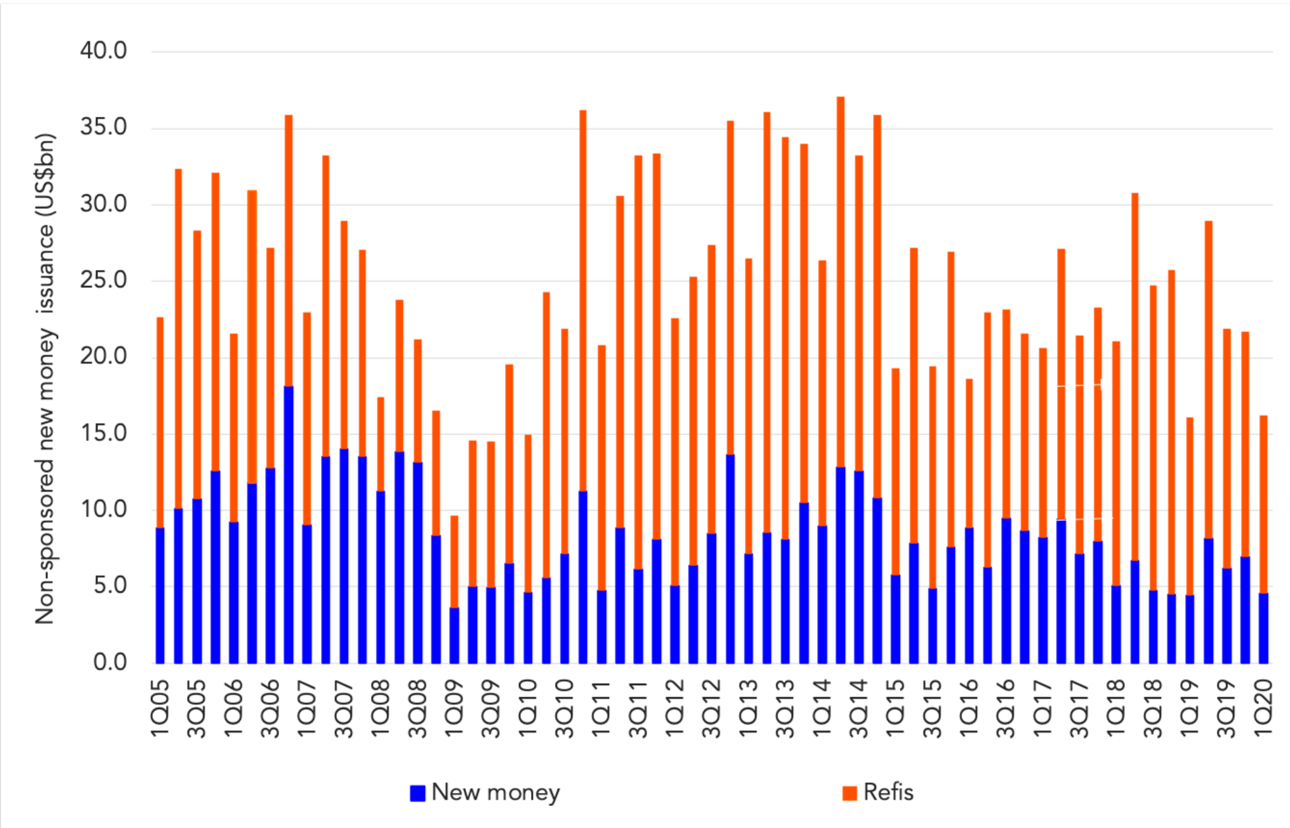
1Q20 MM non-sponsored syndicated loan issuance mirrored 1Q19's dire levels

LSEG | April 16, 2020



At US$16bn, 1Q20 non-sponsored issuance was down 25% from 4Q19 and was on par with 1Q19, which was the slowest 1Q since 1Q10. After a slow start in January, issuance picked up in February and was flat in March. According to bankers that focus on this space, the market was chugging along, and the pipeline was decent pre COVID-19. But then the novel coronavirus spread created a lot of volatility and deals were put on hold and the pipeline dried out. While there are concerns about how this will all play out, and the short-term outlook is grim, lenders say that the non-sponsored market is in better shape this time around relative to the great financial crisis. Issuers had been very conservative during this past cycle limiting dramatic expansions and operating at lower levels of leverage. In turn, while some non-sponsored middle market issuers have drawn down on their revolvers, this has not been a widespread trend and for many, it was a contingency plan for now. Looking ahead there is very little visibility on what will be the ultimate impact on companies and lenders are bracing for a lot of amendments and waivers once there is a clearer picture of what 2Q20 numbers will look like.