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US CLO portfolios: average loan trades fell 7 to 13 points in March and April

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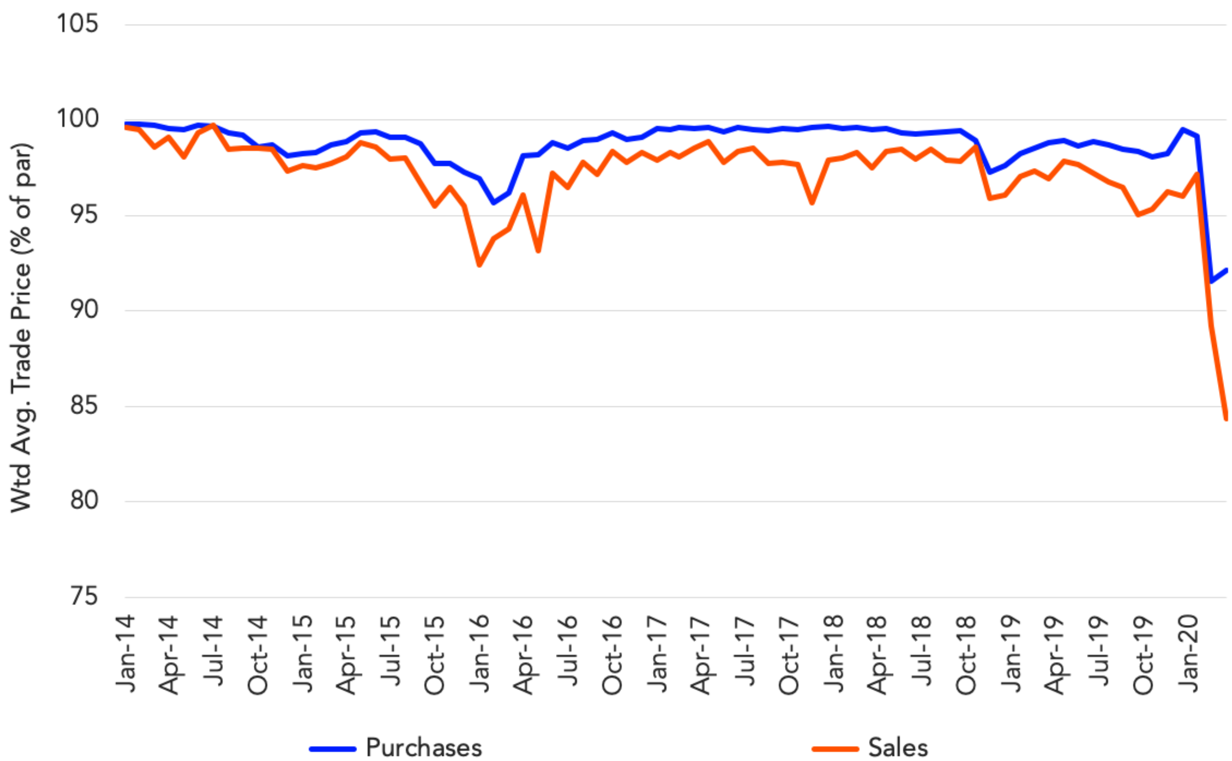

In the wake of the spread of COVID-19, as secondary loan prices plummeted, average US CLO portfolio trade prices fell between 7 and 13 points in March and April. By the end of April, sales prices were still declining, having lost 13 points since February's 97.16, including an 8 point drop to 89.2 in March and another 4.84 points in April to a weighted average sale price of 84.4. Conversely, the weighted average purchase price dropped 7.64 points from 99.18 to 91.5 in March but recovered 60bp in April as prices rallied, reaching 92.15. Refinitiv LPC Collateral collected trades amounting to US$92.3bn in the first four months of 2020, with purchases as a share of traded volume declining from 74% in January to 56% in March and April. In fact, in these two months, 3 of the top 10 most actively traded sectors recorded net sales from CLO portfolios. Trading in the electronics sector was made up of 52% sales, while healthcare was 53% sales, and the leisure sector also recorded net sales. Electronics remained the most traded sector with a 15% share.

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