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Private Credit Trends Today

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While public markets appear to be headed to more choppiness this fall, private markets are just gearing up. We suspect the same worries bedeviling liquid markets are supporting M&A. As a seller, why not cash in your chips today, rather than risk a reduction in your after-tax proceeds tomorrow?

Financings are being issued at a faster clip than just a few months ago. And while terms have eased somewhat in favor of issuers compared to the first quarter, they're still more investor-friendly than last year.

What factors will determine the direction of terms for the rest of the year? Well, for one thing: supply/demand. Mid caps are creatures of competition. The bigger the pipeline, the more choices investors have, so the more likely issuers will see push-back on terms…

?? Read Sept 7 2020 newsletter: here

?? Chart of the Week: here (by Nuveen, Bloomberg, BLS)