Leveraged Loan Insight & Analysis – 3/16/2015

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According to Thomson Reuters LPC's latest survey of buyside and sellside institutions active in the middle market, the impact from Leveraged Lending Guidance on banks' ability to invest in deals is becoming significant. Less than 10 percent of non-banks and one fifth of banks surveyed in the past two years reported seeing a significant impact on bank behavior.

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In the recent survey, however, 40 percent of banks and nearly half of non-bank survey respondents are expecting to continue to see a noticeable drop off in banks committing to HLT deals. The majority of lenders and investors surveyed reported that the opportunity created by the shift toward non-regulated entities is the biggest change they expect to see in the middle market lending arena this year. Is Leveraged Lending Guidance driving volumes away from traditional players and structures, sources ask while others expect a re-balancing of market share based on the restrictions of LLG. Meanwhile, demand keeps ramping up with a slew of strategic partnerships and new investors targeting the middle market leaving players to wonder if supply will be sufficient to meet growing demand.

We hope to see you at our 3rd Annual Middle Market Loans Conference on May 6th!

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