A Market in Full’s Year-End

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Our friends at William Blair ended their 3Q survey with issues most impacting leveraged loans through year-end. Here are a few:

Supply/demand equilibrium. Which comes first, supply or demand? Retail cash inflows and CLO capacity largely drive liquid loan demand. With private credit, it’s all about manager dry powder. There’s plenty of that.

But as we’re experiencing this quarter, deal flow is swamping investment teams’ band-width. Managers can thus afford to pick and choose, which means terms should lean more investor-friendly…

?? Read Nov 8 2021 newsletter: here

?? Chart of the Week: here *(by The Daily Shot, Bloomberg)*

(Any “forward-looking” information may include, among other things, projections, forecasts, estimates of market returns, and proposed or expected portfolio composition Past performance is no guarantee of future results. Investing involves risk; principal loss is possible.)