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Leveraged loans and HY bonds stage late-month comeback in secondary market

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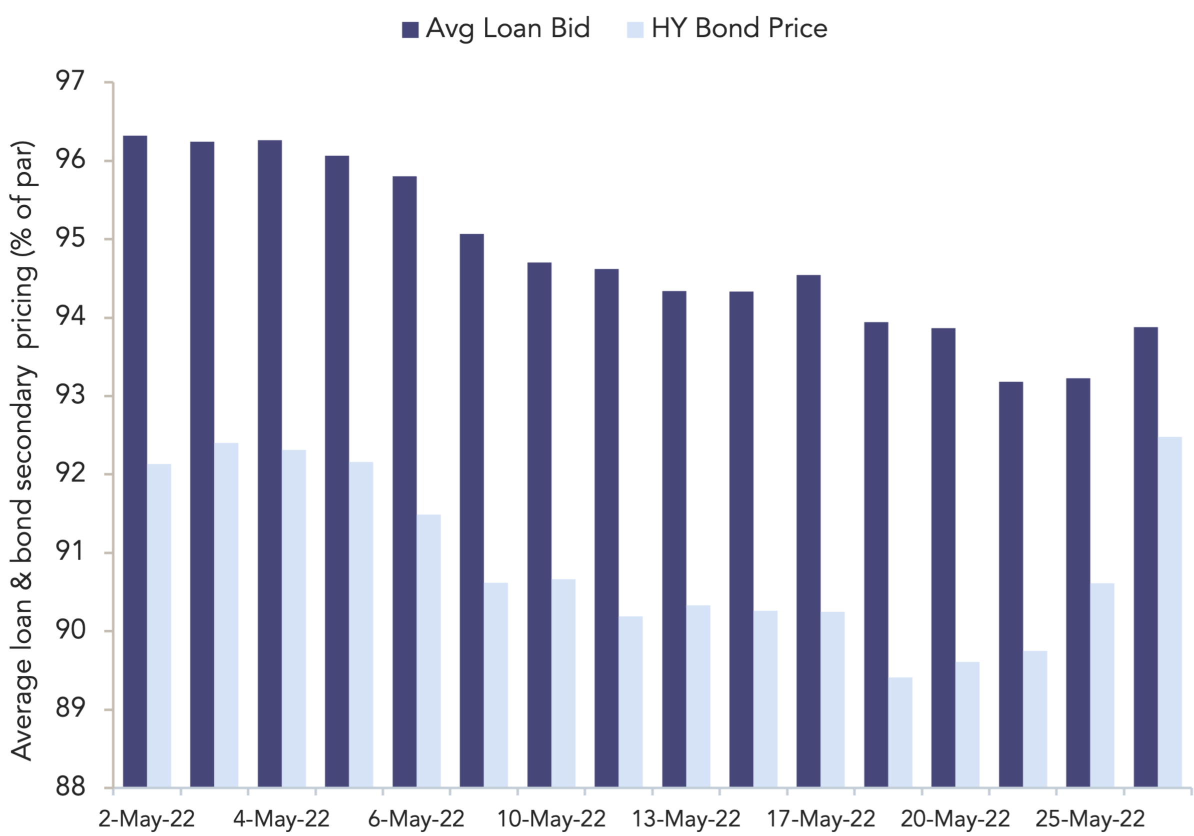

Source: Markit, BofA US HY Index

Secondary markets have been in for a rough ride year-to-date, with lleveraged oans and high yield bonds seeing significant slides in average bids on outstanding debt as macroeconomic pressures from high inflation, tightening monetary policy and supply chain constraints have weighed on investor sentiment. Since the start of the year, loans have lost nearly four points, bring average bids down to 93.88, while high yield bonds have seen average secondary market pricing tumble nearly 11 points to just 92.48.

In May alone, loans and bonds each saw secondary market bids fall approximately 350bps, before recovering some of the lost ground. In the last week, bonds recouped 287bps while loan bids improved by 70bps as investors moved in to scoop up assets at a discount.

(Past performance is no guarantee of future results.)