Leveraged Loan Insight & Analysis – 10/19/2015

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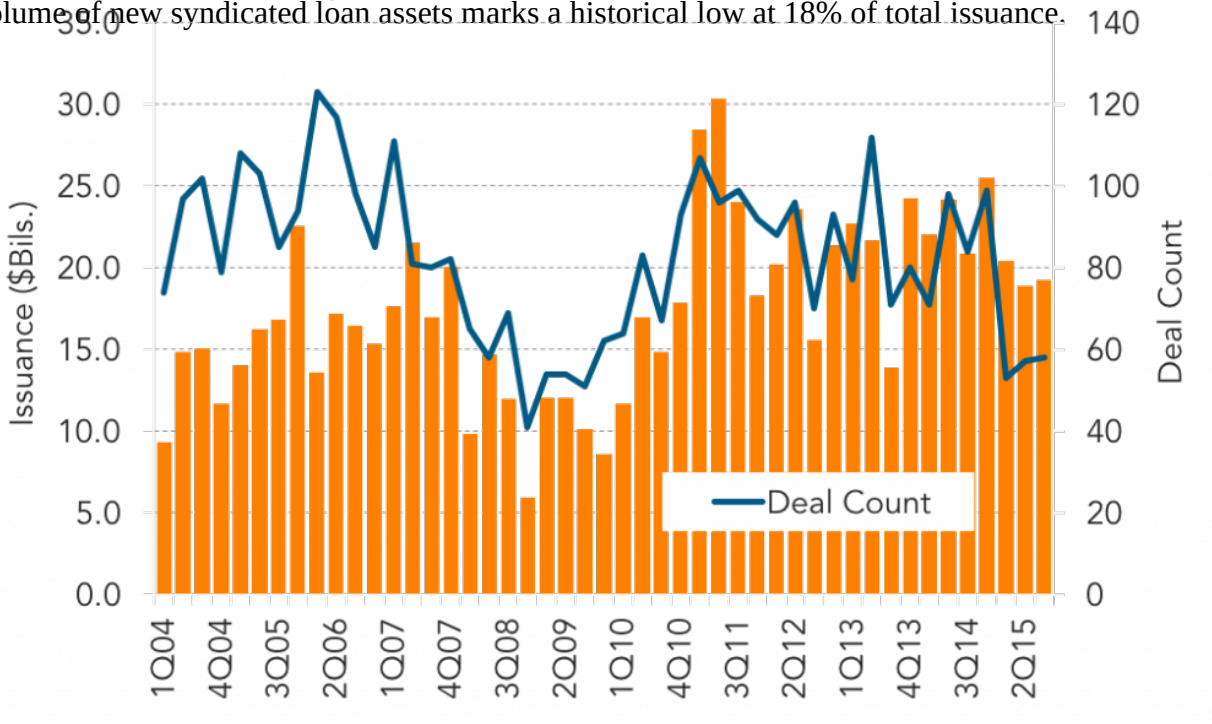
In sync with the broader leveraged cash flow market, asset-based lenders struggled to source new dealflow in 3Q15. At just over US$19bn, 3Q15 ABL volume was modestly higher from 2Q15 totals to bring year to date volume to US$58.5bn, down nearly 13% compared to the year ago period. More noteworthy, at US$10.6bn, the volume of new syndicated loan assets marks a historical low at 18% of total issuance.



But the numbers may be a bit skewed – lenders note that smaller, clubbed transactions and upsizings have dominated lending at the expense of larger, chunky deals, in many cases bypassing the retail market. In fact, 65% of ABL issuance so far this year is among deals of less than US$200m while only 18% of issuance represents deals of at least US$500m.

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