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1Q24 US Leveraged volume up 46% year over year; Highest quarterly total in over 2 years

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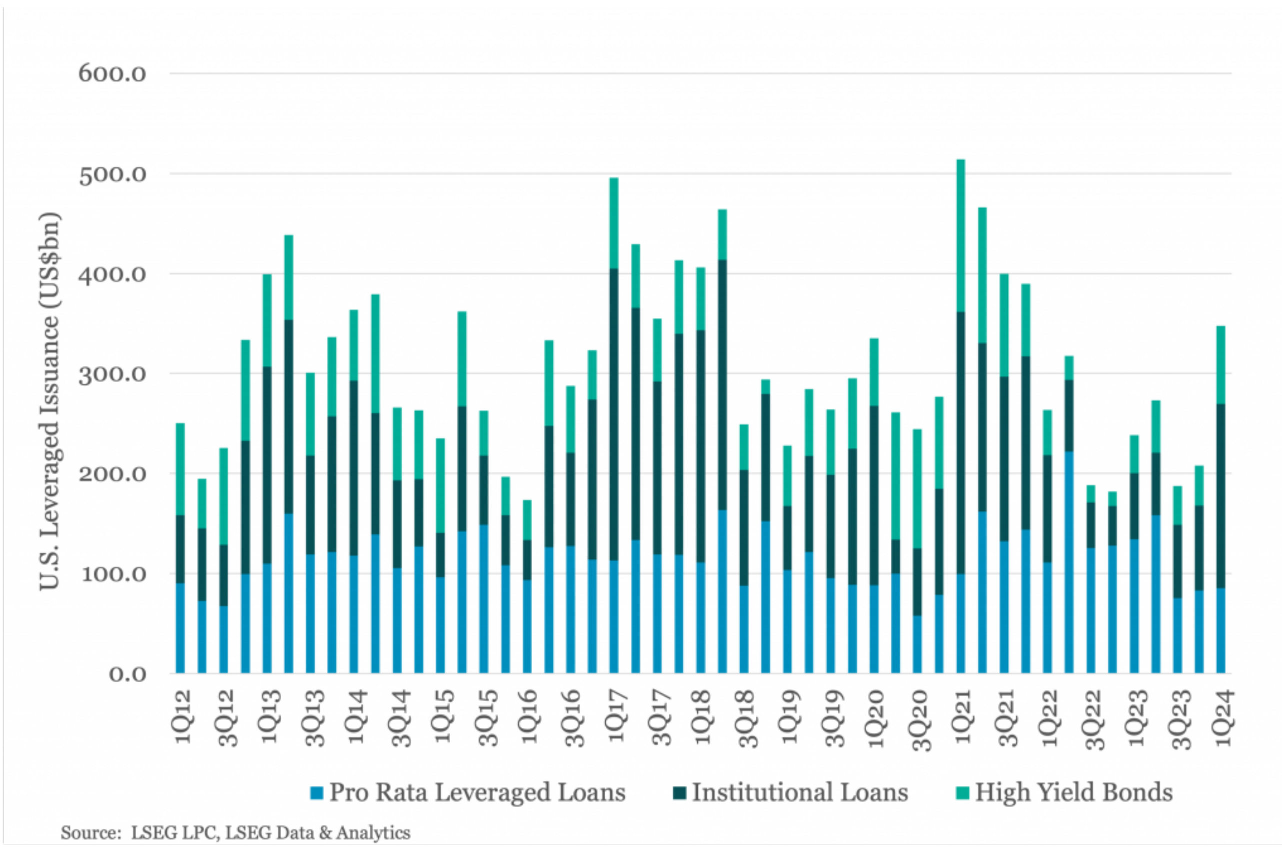

US leveraged lenders completed US$347.5bn of issuance across the high yield bond and leveraged loan markets in 1Q24, a 46% increase compared to the same time last year and the strongest quarterly results since 4Q21. More interesting was the mix of assets which supported borrowers. Having struggled to gain momentum over the last two years, high yield bond issuance took off in 1Q24 to log nearly US$78bn of issuance, nearly two times year ago totals and the highest quarterly total since 3Q21. In turn, amid strengthening appetite among CLO investors and tighter AAA pricing, leveraged institutional loan volume was up nearly three fold year over year at US$184.1bn. The total also marked the strongest quarterly results since 1Q21. Repricings and refinancings fuelled the leveraged pipeline early in the year as lenders and arrangers looked to the M&A market for new lending opportunities (which were limited). Against this backdrop, pro rata lending was down 30% year over year at US$85.4bn.