# Leveraged loans claw back tariff-driven losses in secondary market

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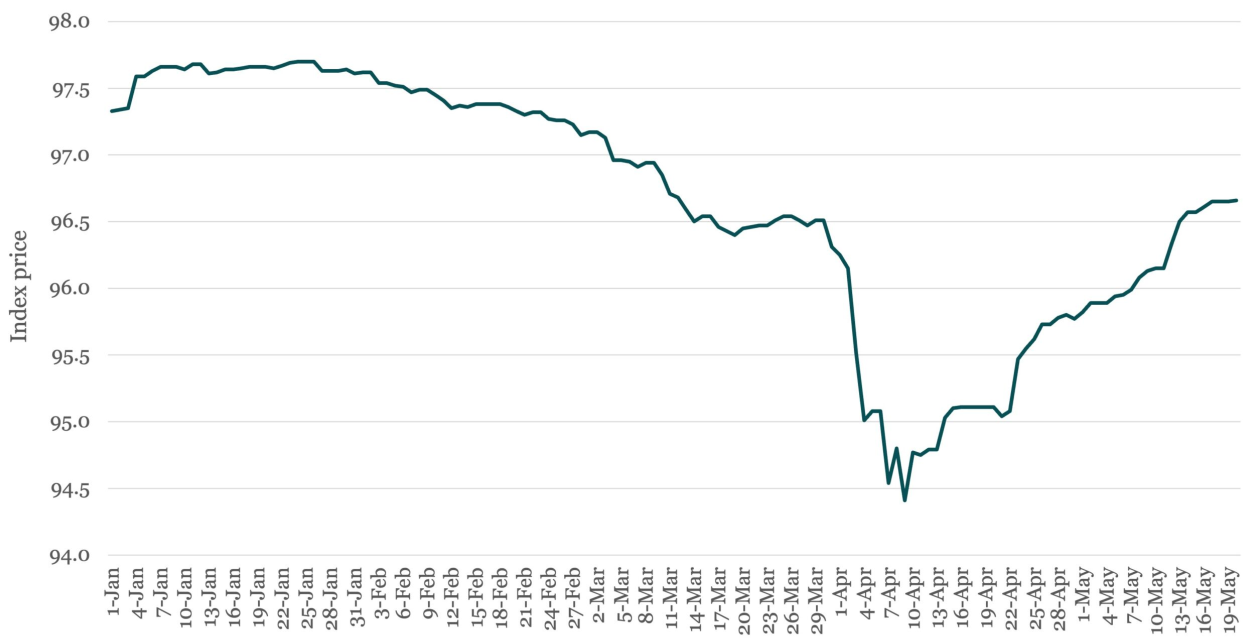


Source: Morningstar LSTA US Leveraged Loan Index

It has been a wild ride in the secondary market this year to date, driven by bouts of volatility due to uncertainty over US economic policy. Secondary market bids on US leveraged loans started the year at an average of 97.33 before sliding 329 bps from their January high to an average bid of 94.41 on April 9th, the lowest level seen since July 2023, according to the Morningstar LSTA US Leveraged Loan Index.

Since then, loans have slowly recovered some of the lost ground alongside announcements that some of the steepest tariffs would be reduced, with bids improving to 96.66 as of May 20th, effectively paring the losses experienced since the April crash.

Following a record drought between March 28 and April 16 in which 14 business days passed without the launch of a new loan financing, the longest such streak since Bloomberg began tracking the data in 2013, the primary market has returned to relative normalcy, as weekly launch activity picked back up to nearly $13b as of the week ending May 16th.

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