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# US LevFin issuance slips to US$200bn despite historically active August

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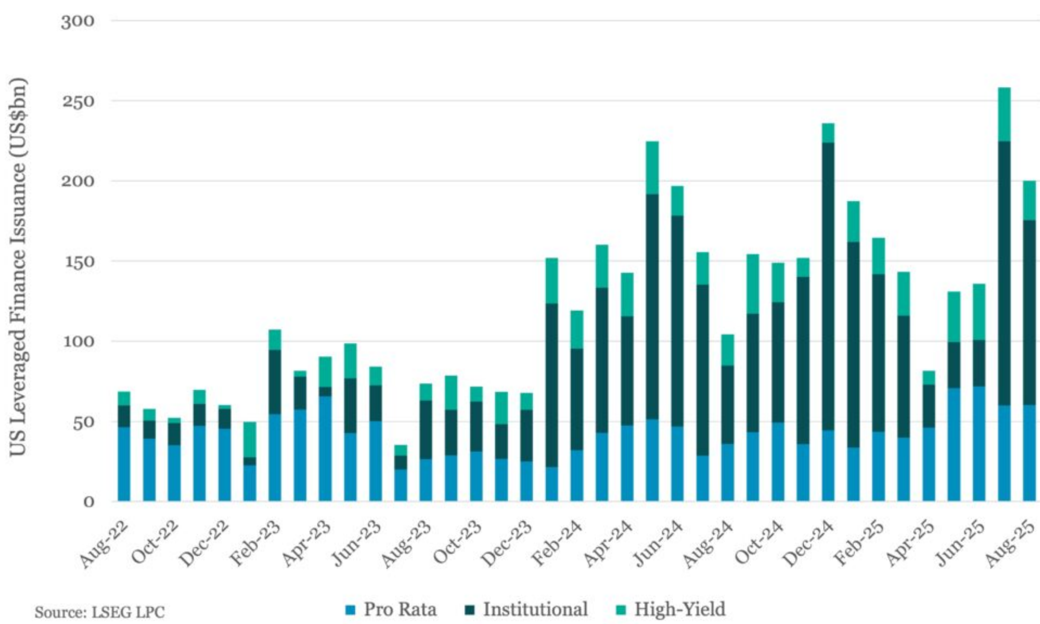


For US LevFin, we saw trends of previous months continue to play out in August: (1) Defense over offense, with issuers largely focused on managing liabilities versus making acquisitions; (2) Strategic M&A driving the majority of underwritings; (3) Rate-sensitive LBO trades struggling to catch bids on valuations; (4) High-yield bond issuance holding somewhat steady despite minimal (if any) contribution from AcqFin. Leveraged loan issuance slipped more than 20% on the month to US$175bn, although August was historically active given dealmaking tends to average about US$75bn at this slower time of year. Refinancings drove approximately 75% of the leveraged loan business, with institutional loan repricings accounting for nearly 40% of issuance within that cohort. Institutional new money issuance marginally slipped to US$22.5bn, with strategic M&A driving more than 50% or US$11.6bn, while LBO financings reached nearly 18% or US$4.0bn. High-yield bond issuance totaled US$24.5bn across 25 executions (roughly US$1bn average issuance size) with zero contribution from AcqFin. Year-to-date, US leveraged loan issuance comes to approximately US$1.1trn – or more than US$1.3trn including high-yield bonds – with both figures up marginally from the same period last year. More importantly, leveraged M&A underwrites are up more than 80% year-over-year (US$184bn in ’25 versus US$102bn in ’24). We therefore reiterate our guidance that lender P&Ls should be trending significantly higher relative to last year given this greater contribution from overall M&A, especially among the more active underwriters.