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Leveraged issuance expands for second consecutive month despite slower M&A pipeline

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Source: LSEG LPC, LSEG Data & Analytics

US LevFin issuance reached nearly US$150bn in May. While business expanded roughly 20% on the month and continued to improve after bottoming in March, the pickup wasn’t all that compelling once you kicked the tires and looked underneath the hood. Bank loans came in lower (US$35bn, down 30%) along with high-yield bonds (US$31bn, down 16%). Institutional loans more than doubled (US$82bn), although new money issuance continued to slip (US$14bn, down 23%), leading to that same familiar story: refinancings have continued to carry the leveraged business amid the slower pace of M&A originations. Institutional loan refinancings more than quadrupled (US$67bn) in May, with repricings accounting for about 60% of that number. Leveraged loan issuance exceeds US$530bn through the first five months of ’26, down about 15% from the same period last year, although LevFin issuance is down only marginally and tracking toward US$700bn after accounting for high-yield bonds, which have been relatively steadier and more constructive in terms of issuance.