

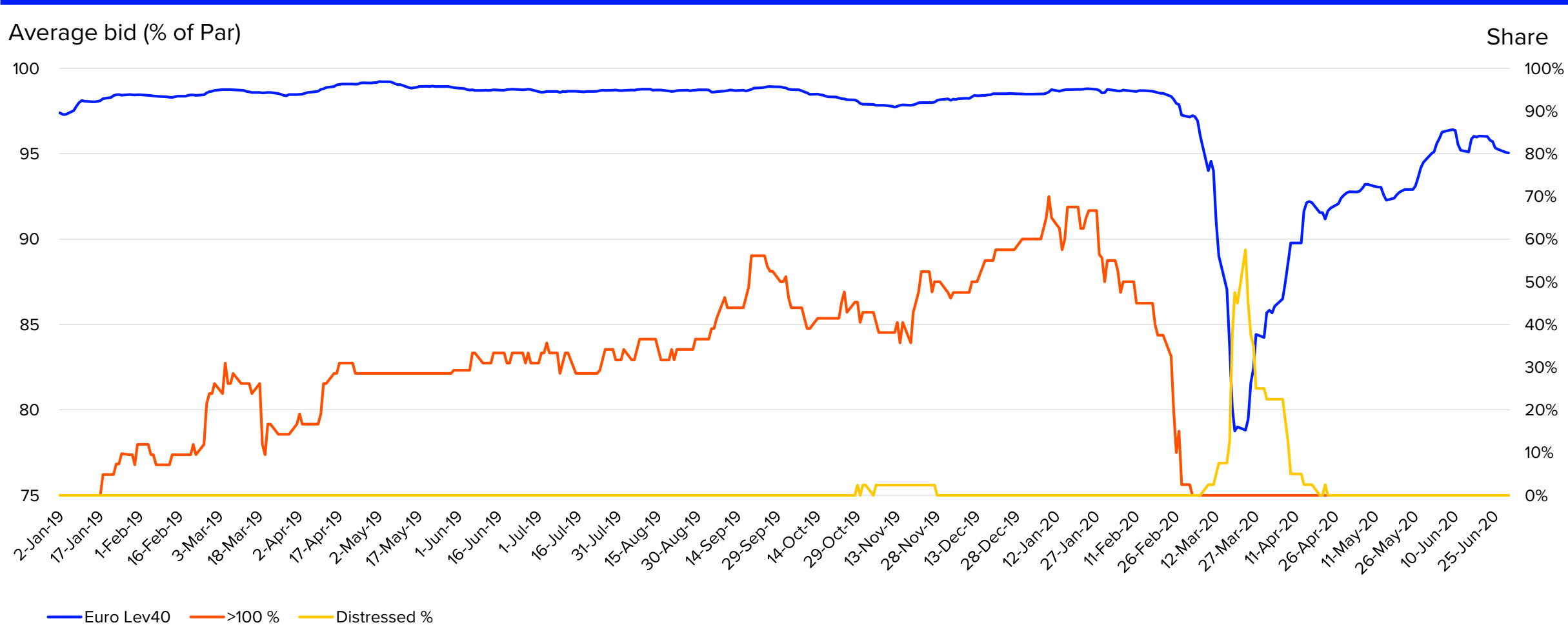
GLOBAL LOAN MARKET DATA AND ANALYTICS BY REFINITIV LPC

July 2020

Secondary Market Bid Levels: Europe	Slide 2
European CLO New Issue Volume – Monthly	Slide 3
European CLO AAA Spreads	Slide 4
Defaulted Assets – European CLOs (post-crisis)	Slide 5
European CLO Assets Under Management by Vintage	Slide 6
Distribution of Secondary Market Prices of Loan Assets in European CLOs	Slide 7
Average Bid of European CLO Portfolios* (Underlying Assets)	Slide 8
EMEA Leveraged Volume by Segment – Monthly	Slide 9
About LPC / Contact Us	Slide 10
Save The Date – 2020 Refinitiv LPC Middle Market & Large Corporate Loans Virtual Conference: September 15 and 16, 2020	Slide 11

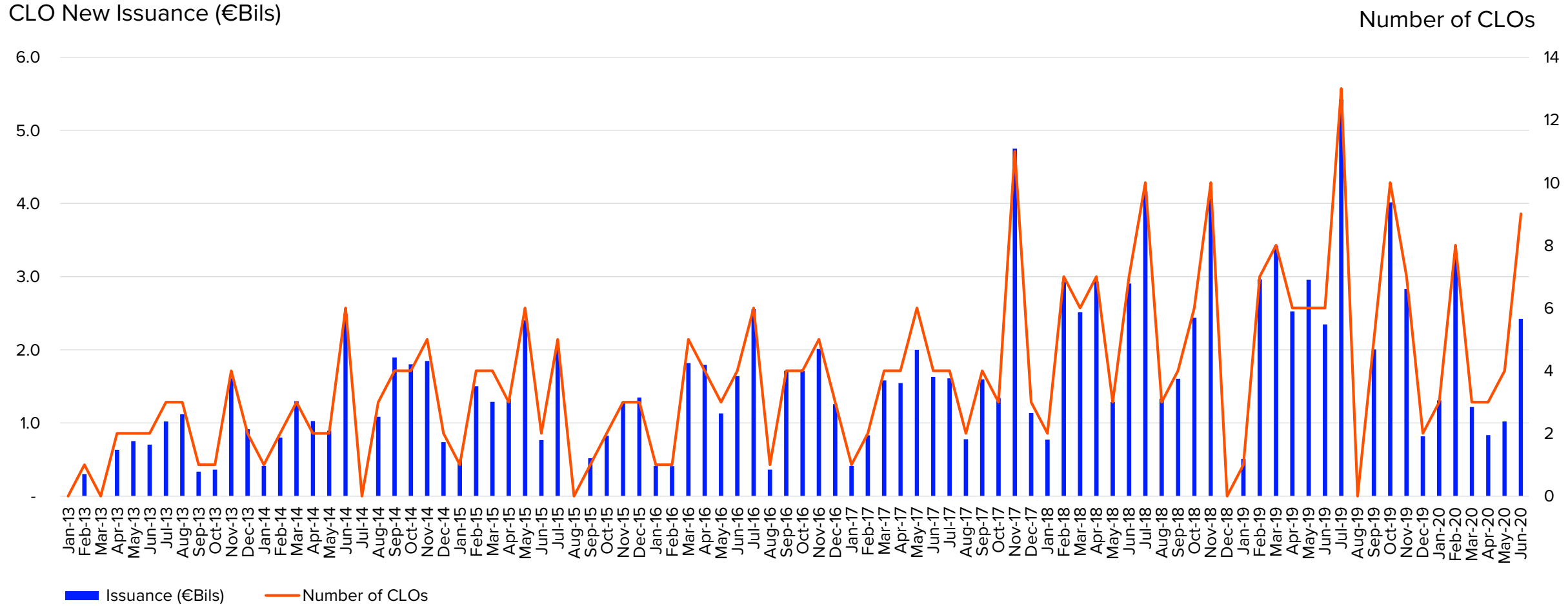
Secondary Market Bid Levels: Europe

The European secondary market gained 54bp in June. The par-plus share remained at 0% throughout the month, as did the distressed share for the Euro Lev40 cohort.



European CLO New Issue Volume – Monthly

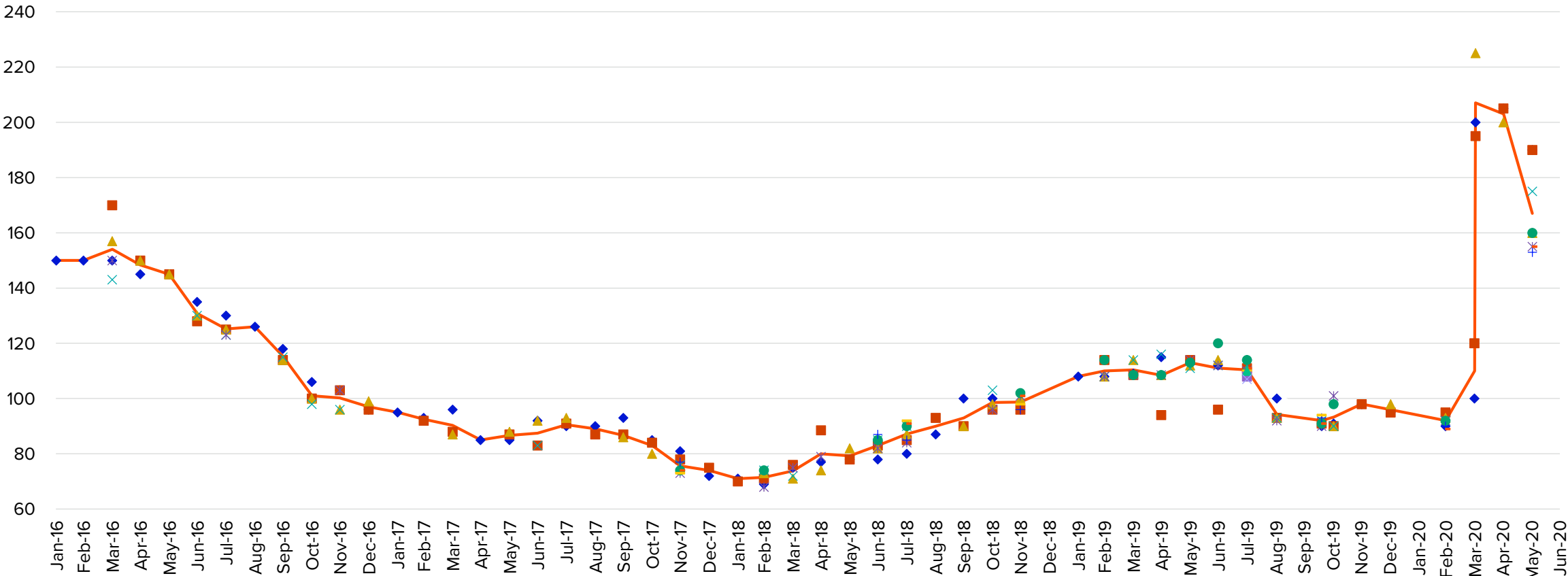
The European CLO market had its busiest month since February, before the impact of COVID-19, with 9 deals pricing for a total of €2.4bn. First half activity is down 31% YoY to €10.11bn. This was led by €4.3bn of 2Q volume, down 26% compared to the previous quarter, and 45% lower compared to last year’s volume.



European CLO AAA Spreads*

AAA spreads continued to tighten in June, to an average of 167bp with several managers, including Goldentree, InvestCorp and Mackay Shields, printing CLOs in the 155-160bp range.

AAA Discount Margin (bp)



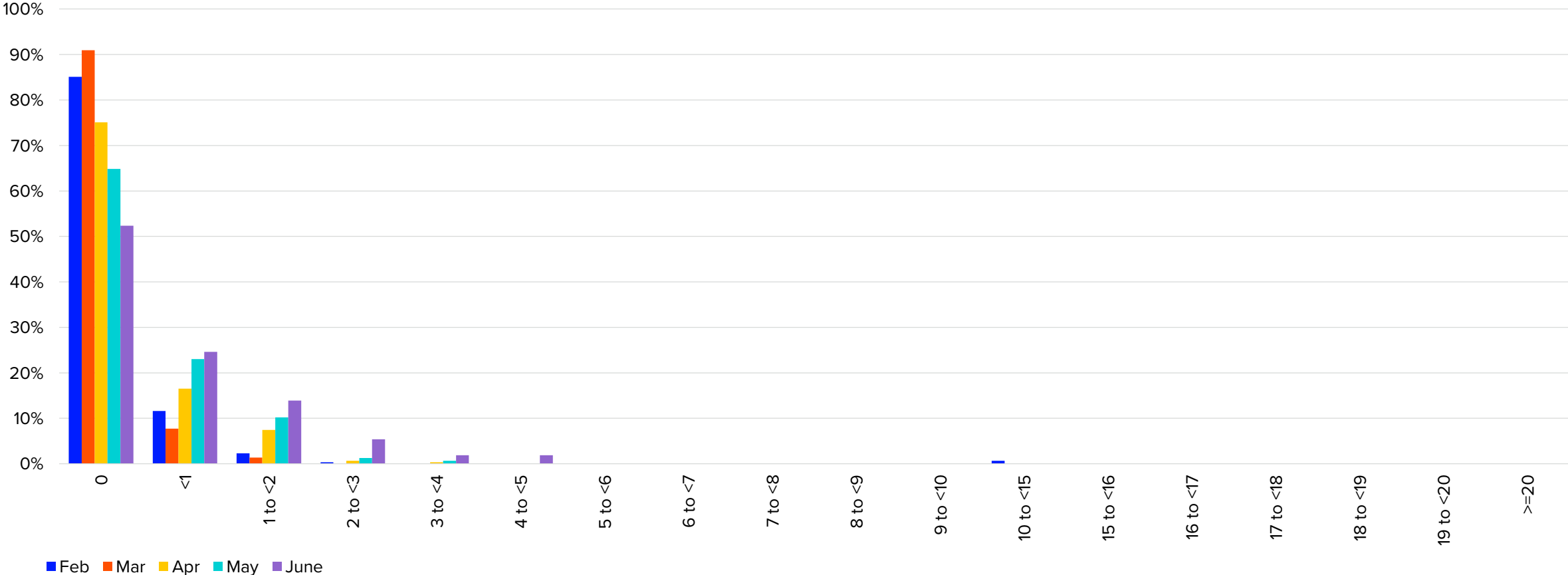
*based on deals where discount margin is available



Defaulted Assets – European CLOs (post-crisis)

In European CLO portfolios, 52% of deals report no defaults, while the share reporting 2% or more of principal balance in default has increased to 9%, from 2% a month earlier.

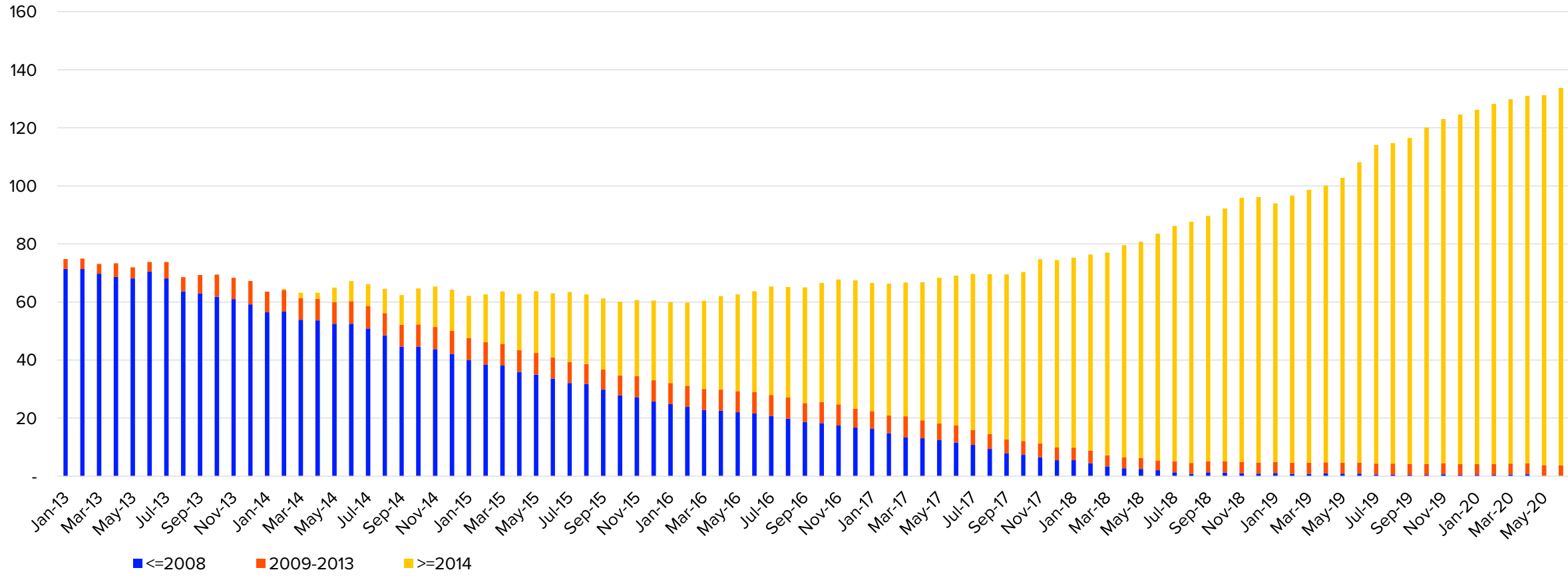
Share of CLO universe / Percent of assets in default



European CLO Assets Under Management by Vintage

On the European side, post-crisis CLOs hold the lion's share of assets.

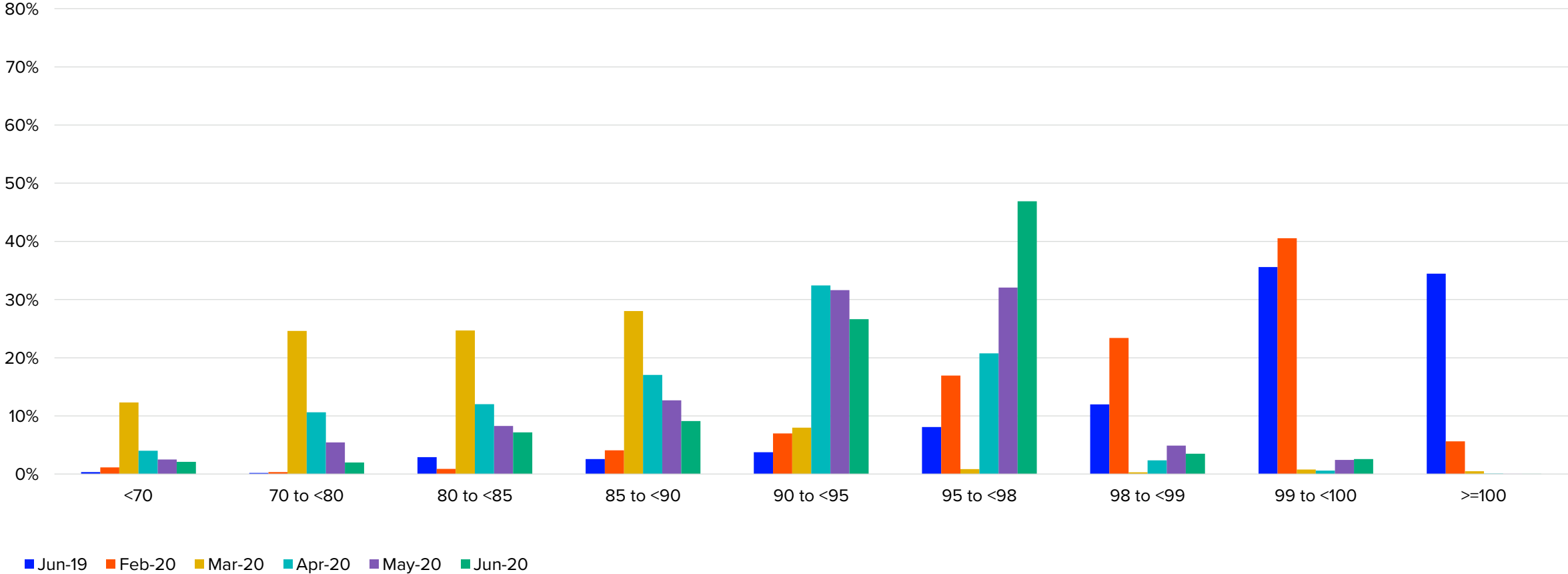
CLO APB (€Bils)



Distribution of Secondary Market Prices of Loan Assets in European CLOs

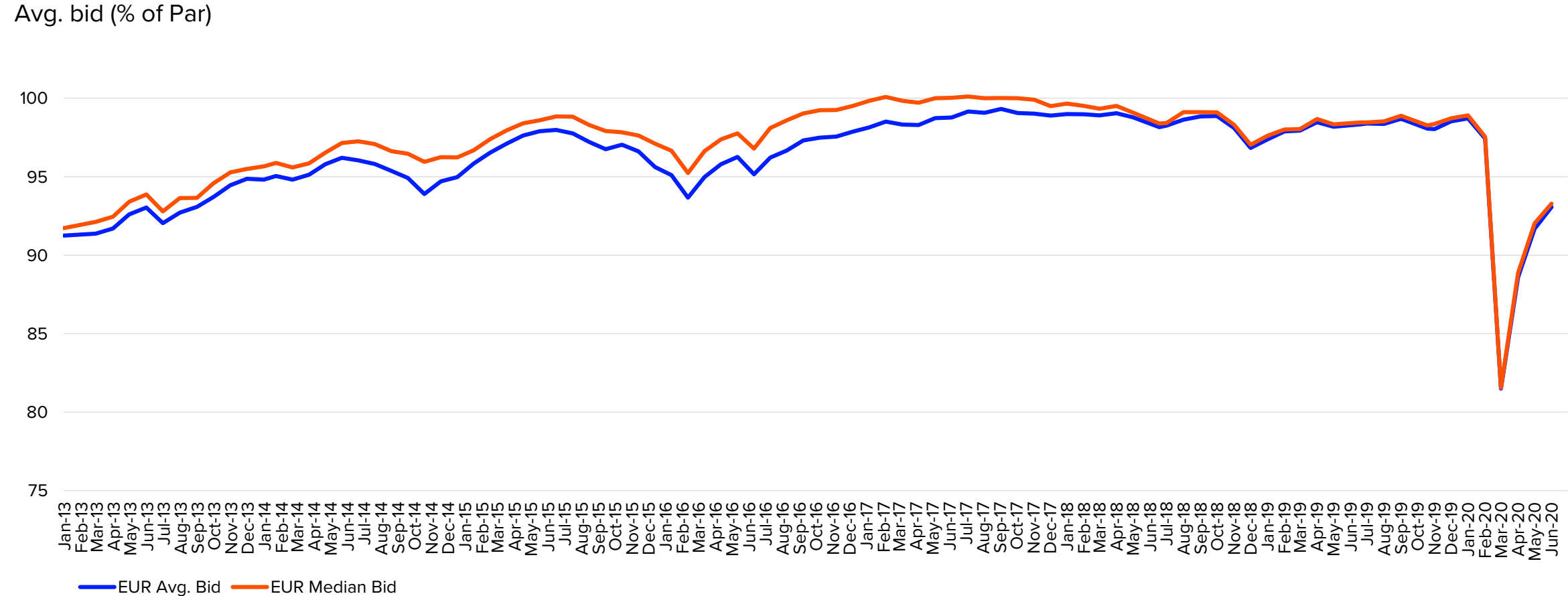
It is a similar picture in Europe, with the share of assets marked below 80 decreasing to 4% at the end of June. 47% percent of CLO loan assets were marked between 95 and <98, compared to 32% a month earlier and represented only a 1% share at the end of March.

Share of Loan Holdings / Avg. bid (% of Par)



Average Bid of European CLO Portfolios* (Underlying Assets)

The weighted average bid on European CLOs rose 137bp in June to the 93.1 context. The median bid also ticked up 125bp to the 93.3 level.

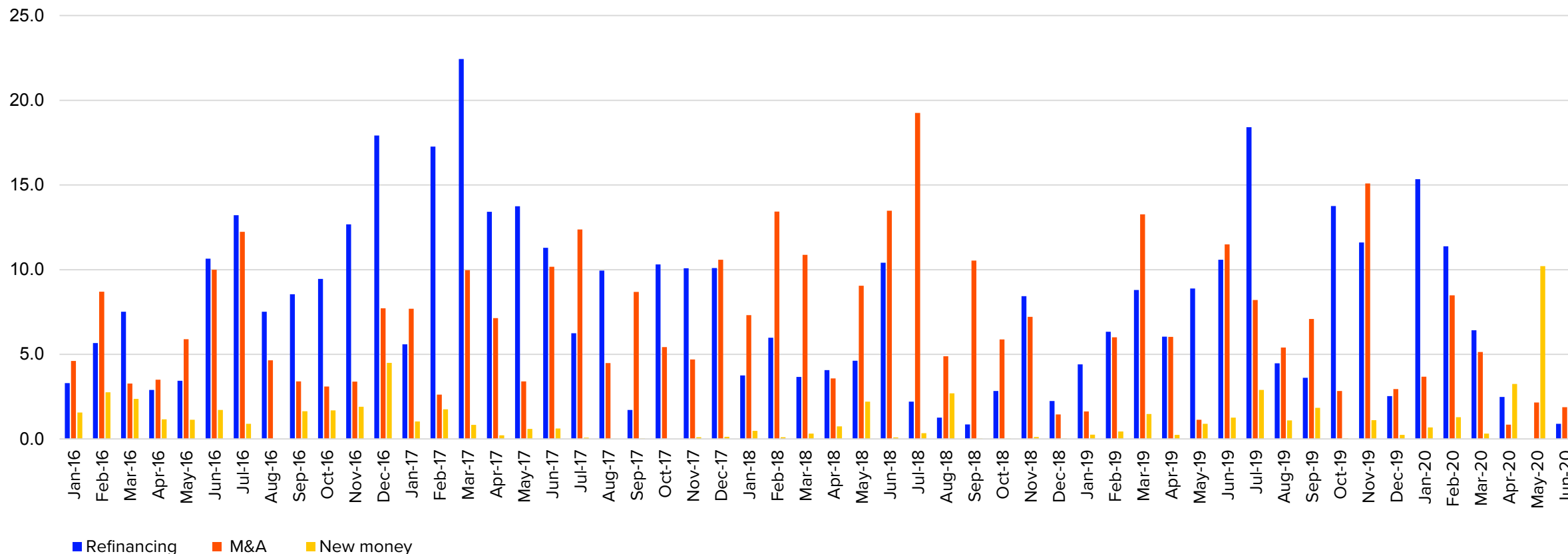


*excludes CLOs less than \$50 million in size.

EMEA Leveraged Volume by Segment – Monthly

Leveraged new money issuance declined to \$152.6m in June 2020. Leveraged M&A issuance also declined to \$1.9bn in June, while refinancing activity remains well below pre-COVID19 levels.

Leveraged Loan Issuance (\$Bils)



* The breakdown includes Refinancing, M&A and New money exclusive of M&A

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Save The Date - 2020 Refinitiv LPC Middle Market & Large Corporate Loans Virtual Conference

September 15 and 16, 2020

Due to the cancellations of LPC's two in-person conferences due to the Covid 19 pandemic, LPC is combining the events into one and presenting it virtually in 2020. The conference will continue to feature the same world-class speakers and targeted loan market focus that have made our conferences a vital part of so many market participants' calendars.

Available both live and on-demand, the webcast will offer an excellent opportunity for sponsors to align themselves with cutting-edge thought leadership and engage with both existing and potential clients.

[Click here to download a PDF with more information.](#)

