

GLOBAL LOAN MARKET DATA AND ANALYTICS BY LPC

February 2019

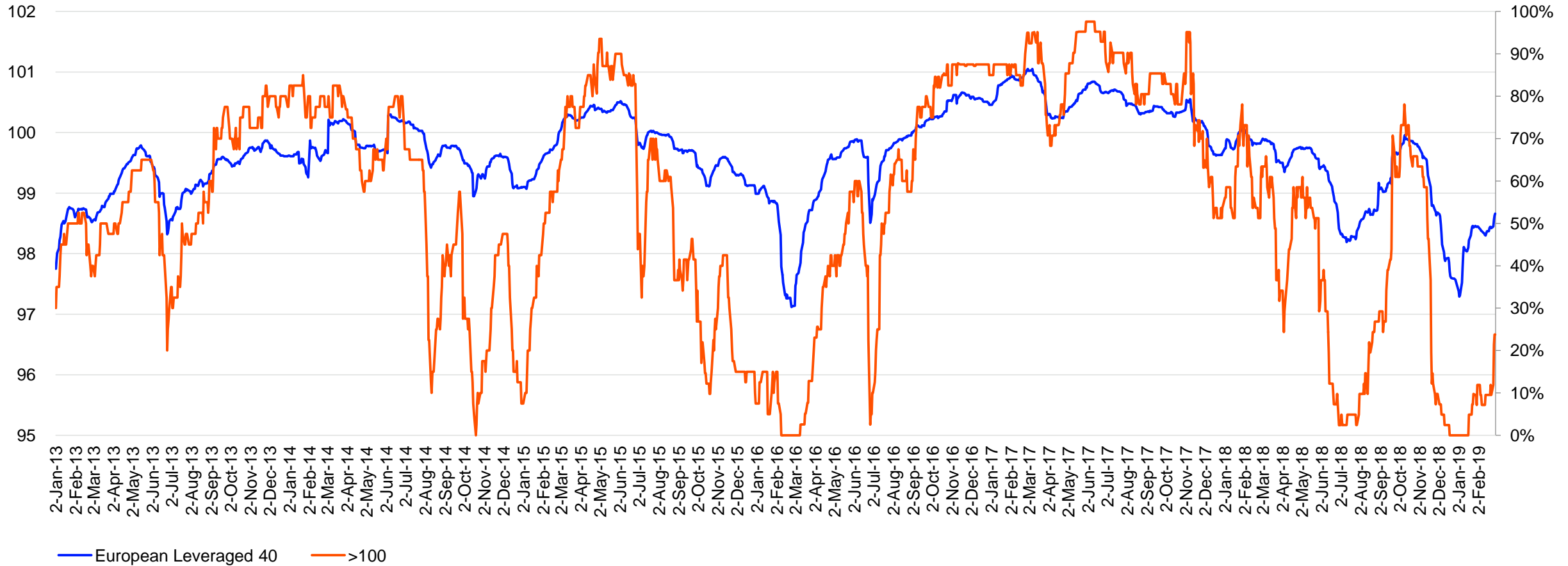
Secondary Market Bid Levels: Europe	Slide 2
European CLO New Issue Volume – Monthly	Slide 3
European CLO AAA Spreads	Slide 4
U.S. vs European CLO AAA Spreads – BSL	Slide 5
European CLO Assets Under Management by Vintage	Slide 6
Distribution of Secondary Market Prices of Loan Assets in European CLOs	Slide 7
Average Bid of European CLO Portfolios (Underlying Assets)	Slide 8
Weighted Average Bid of CLO Portfolios (Underlying Assets): U.S. vs. Europe	Slide 9
About LPC / Contact Us	Slide 10
LPC is now part of Refinitiv	Slide 11

Secondary Market Bid Levels: Europe

In Europe, leveraged loans recouped some of the losses suffered late last year with the Lev40 ending February at 98.66, up 21bp from the prior month end. Levels are 120bp below where they were one year ago. The par plus share of the Lev40 ended February at 23.8%, more than double the 11.9% share one month ago.

Average bid (% of Par)

Par-plus percentage

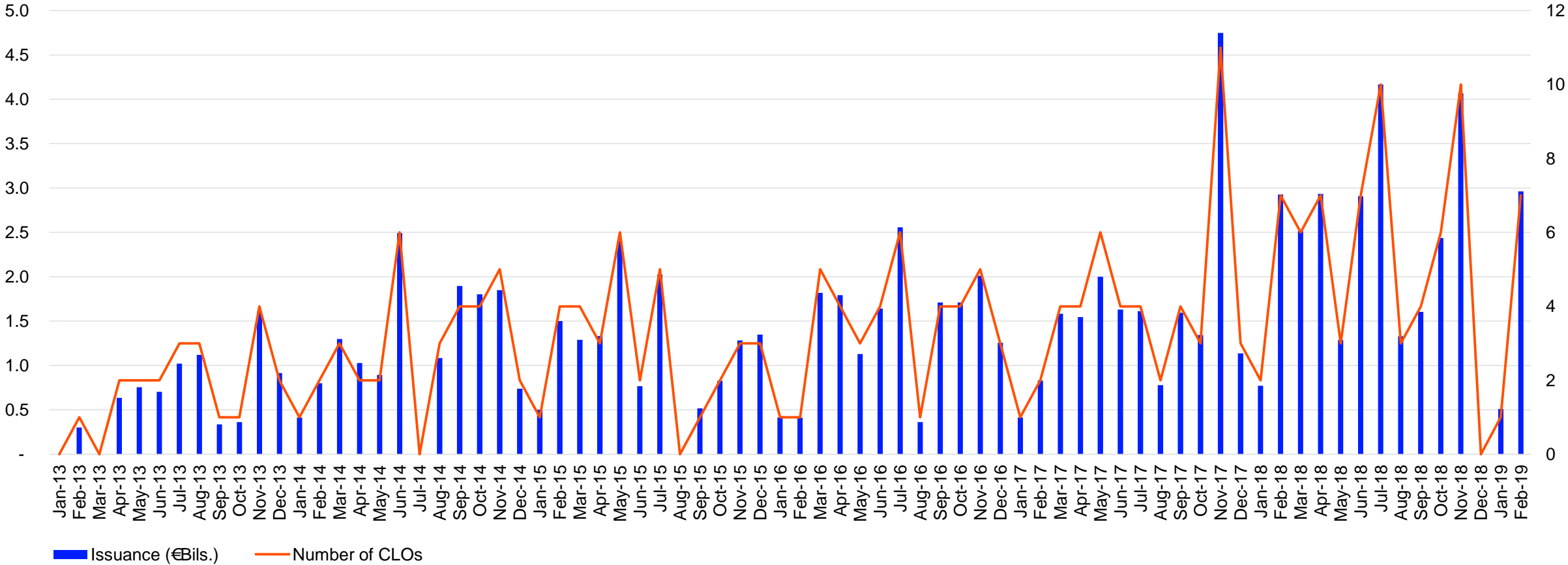


European CLO New Issue Volume – Monthly

European CLO volume also picked up in February with €2.96bn priced over 7 deals. There was no activity in December 2018 and one CLO issued in January for €509m.

CLO New Issuance (€Bils)

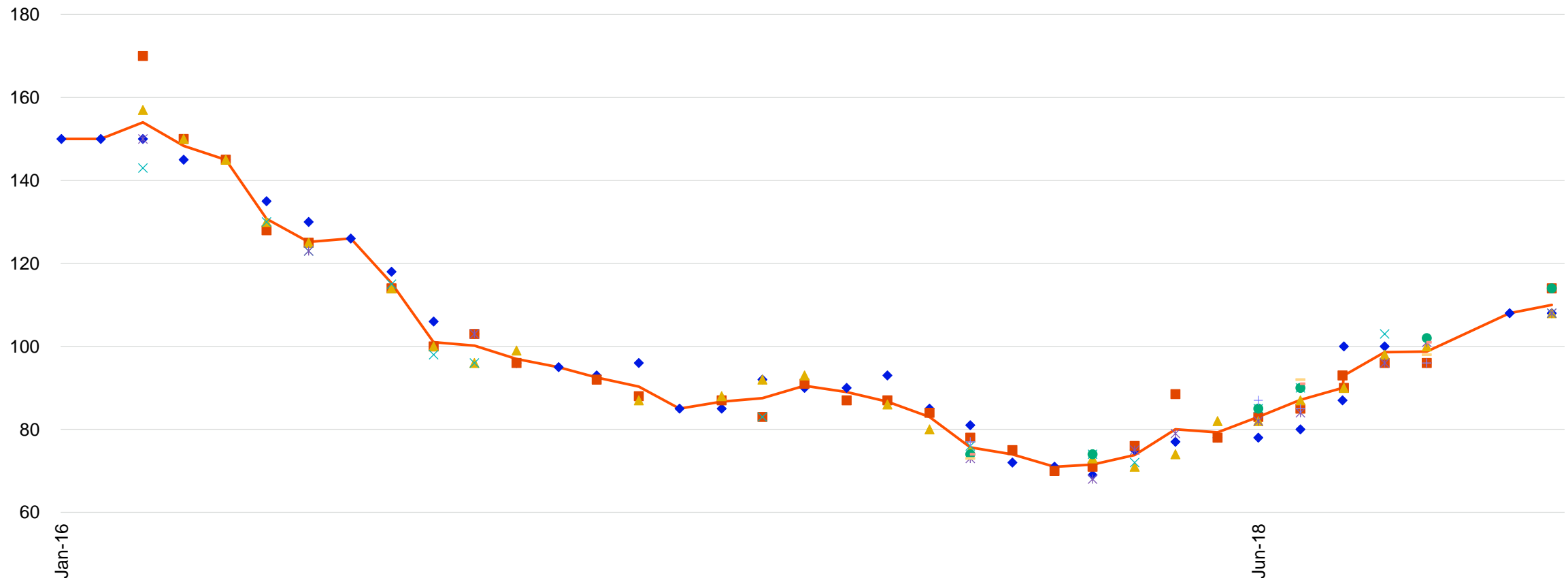
Number of CLOs



European CLO AAA Spreads*

Seven European CLOs priced in February with an average DM of 110, up from 108 in January. The monthly AAA average DM has not been north of par since November 2016, and has not been as high as 110 since September 2016's average DM of 115.

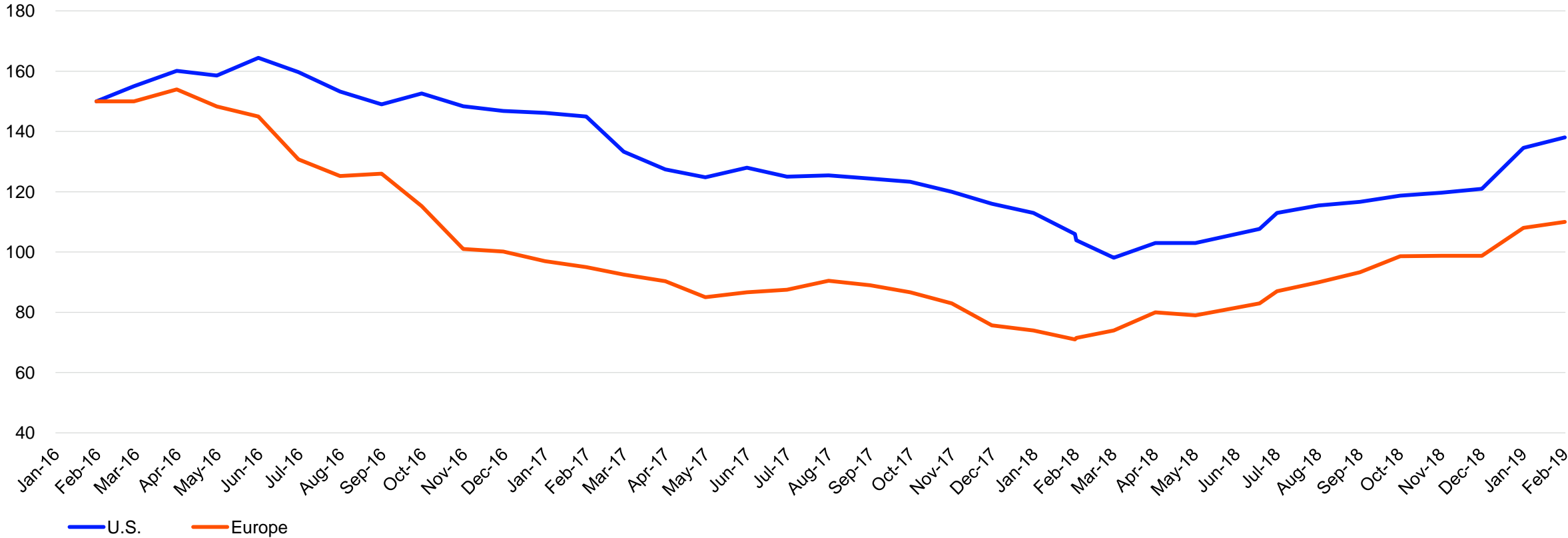
AAA Discount Margin (bp)



U.S. vs European CLO AAA Spreads – BSL

Average DMs on U.S. CLO AAA liabilities widened out 3bp month on month to close February at 138. Average AAA DMs have not been this high since Jan 2017, when the average AAA DM was 145. Similarly, European CLO AAA DMs were 110 in February, 2bp high than in the prior month, and not this high since Sept 2016’s 115 average.

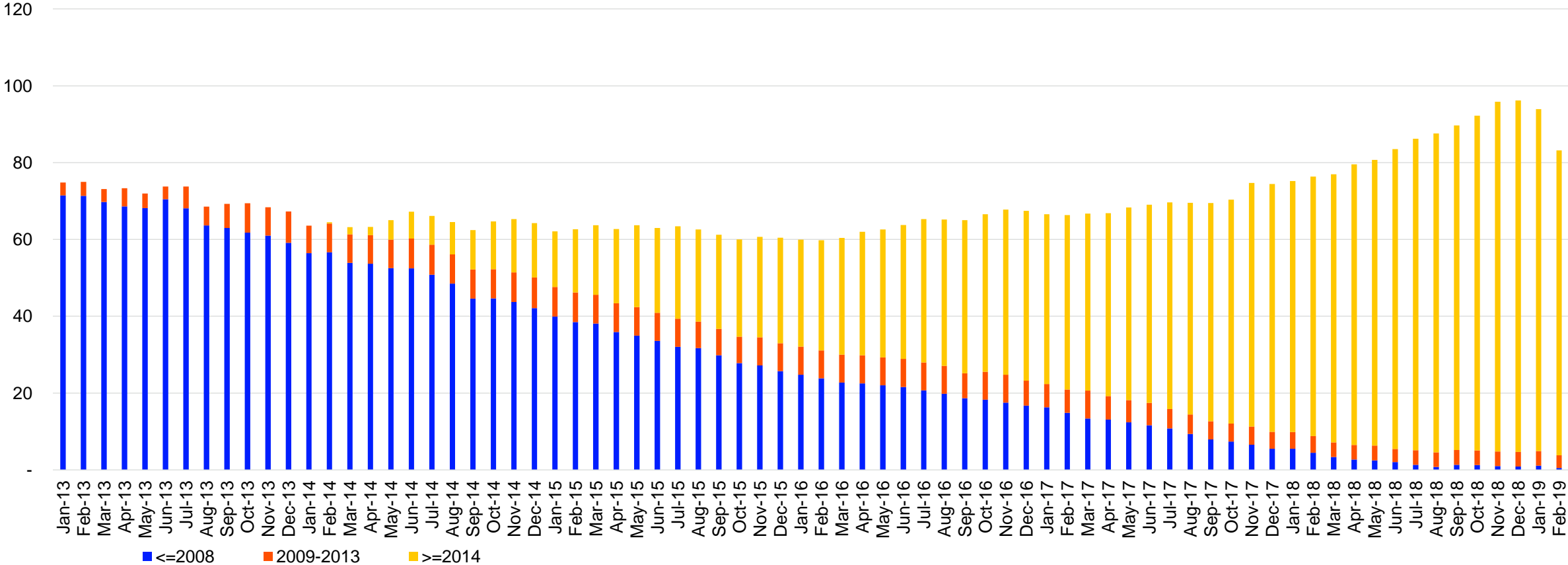
AAA Discount Margin (bp)



European CLO Assets Under Management by Vintage

On the European side, CLOs issued on or after 2014 make up the overwhelming share of AUM with a 79% share, down from the prior month percentage of 89%.

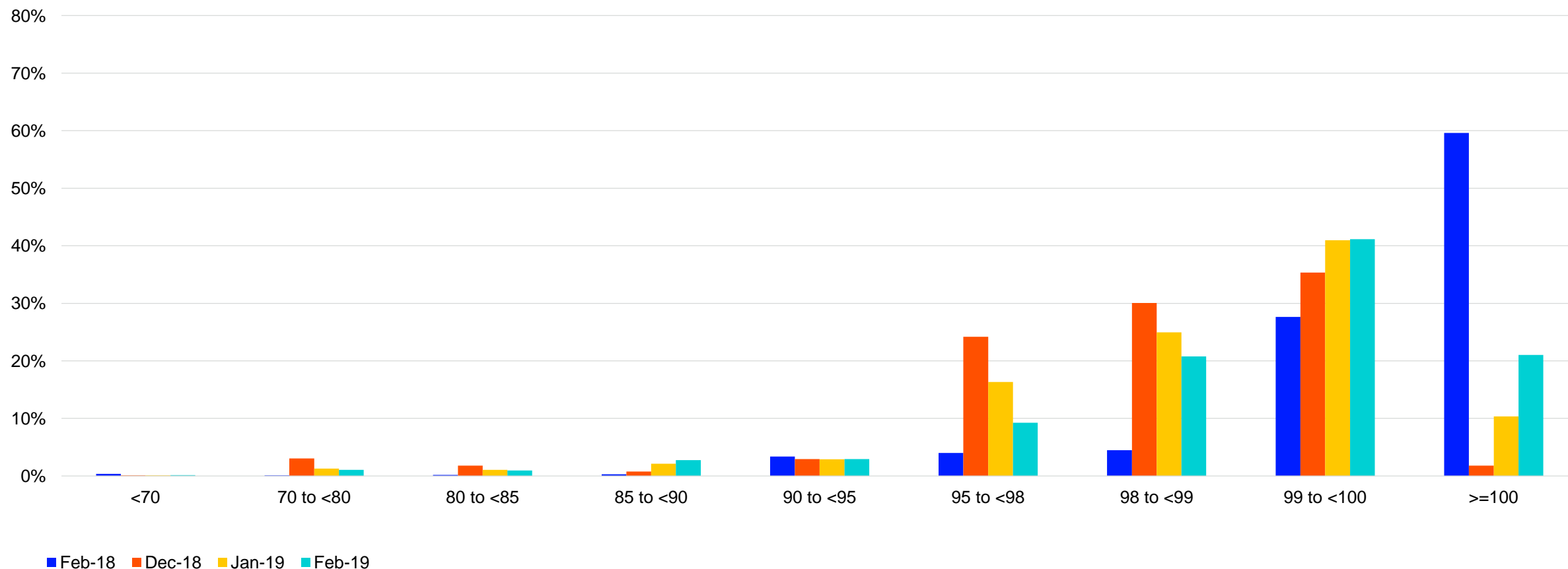
CLO APB (€Bils)



Distribution of Secondary Market Prices of Loan Assets in European CLOs

In the European CLO space, the share of par-plus loans in CLO portfolios increased from 10% to 21% in February, with 83% of all loans pricing north of 98 and 92% of all loans pricing north of 95. One year ago, 60% of all Euro CLO loans priced at or above par, and 92% of loans priced at or above 98.

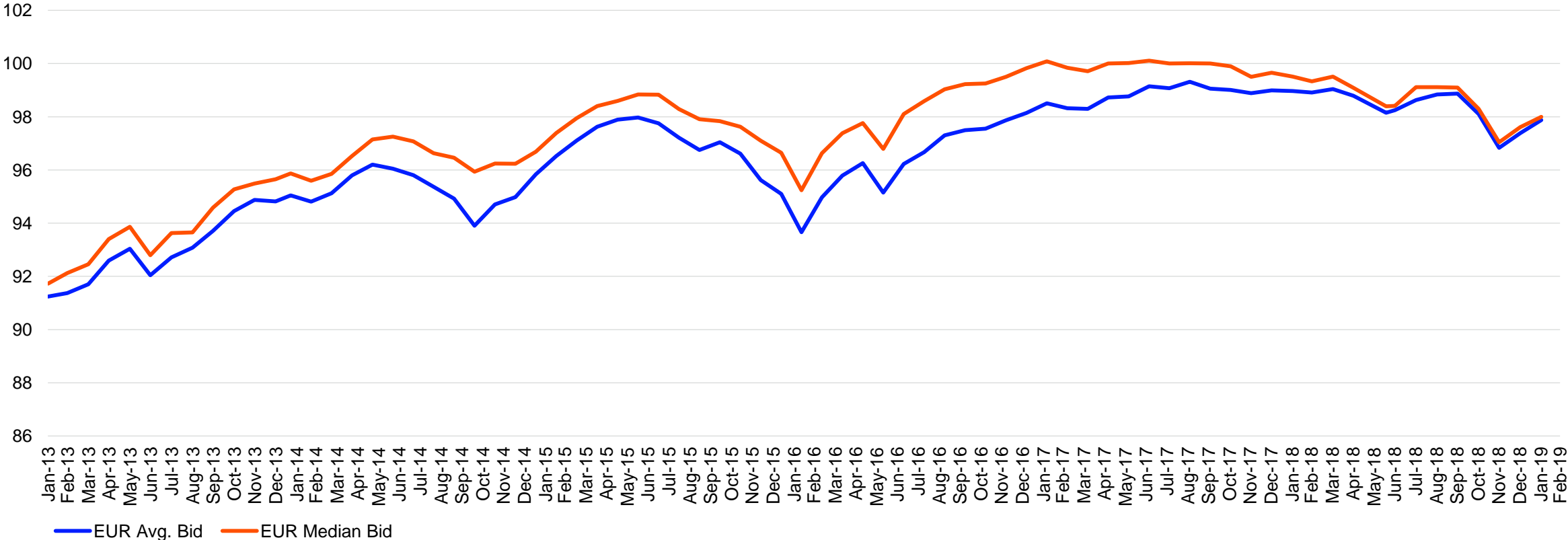
Share of Loan Holdings, Avg. bid (% of Par)



Average Bid of European CLO Portfolios (Underlying Assets)

The average bid of European CLO assets edged up from 97.38bp in January to 97.88 in February, the third consecutive months of a sub-98 average bid since 2016. The median bid also increased slightly 97.61bp to 98bp.

Bid (% of Par)



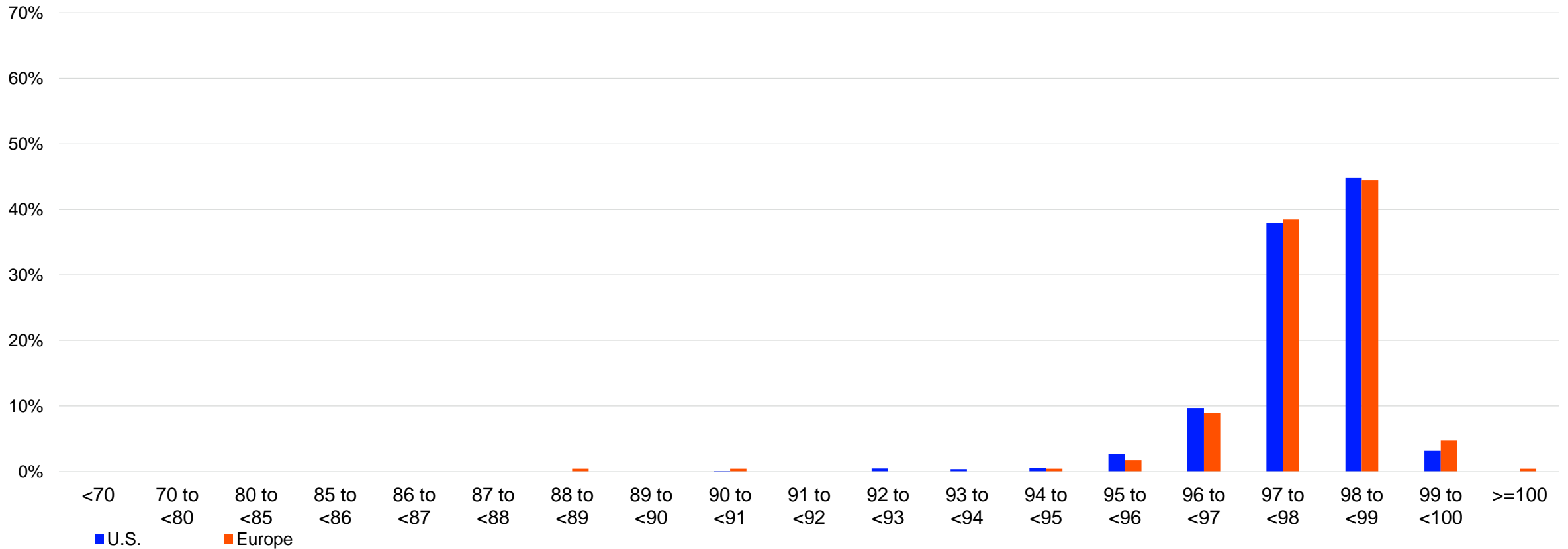
*Excludes CLOs less than \$50 million in size.



Weighted Average Bid of CLO Portfolios (Underlying Assets): U.S. vs Europe

In a distribution of CLO portfolio prices, no U.S. CLOs had a WAB at or above par, with 38% of CLOs showing a WAB between 97 and 98, and 45% of CLOs showing a WAB between 98 and 99, compared with 19% and 0.5% respectively last month. European CLOs were flat month on month, with 38% having a WAB from 97-98, and 45% with a WAB between 98-99.

Share of CLOs



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