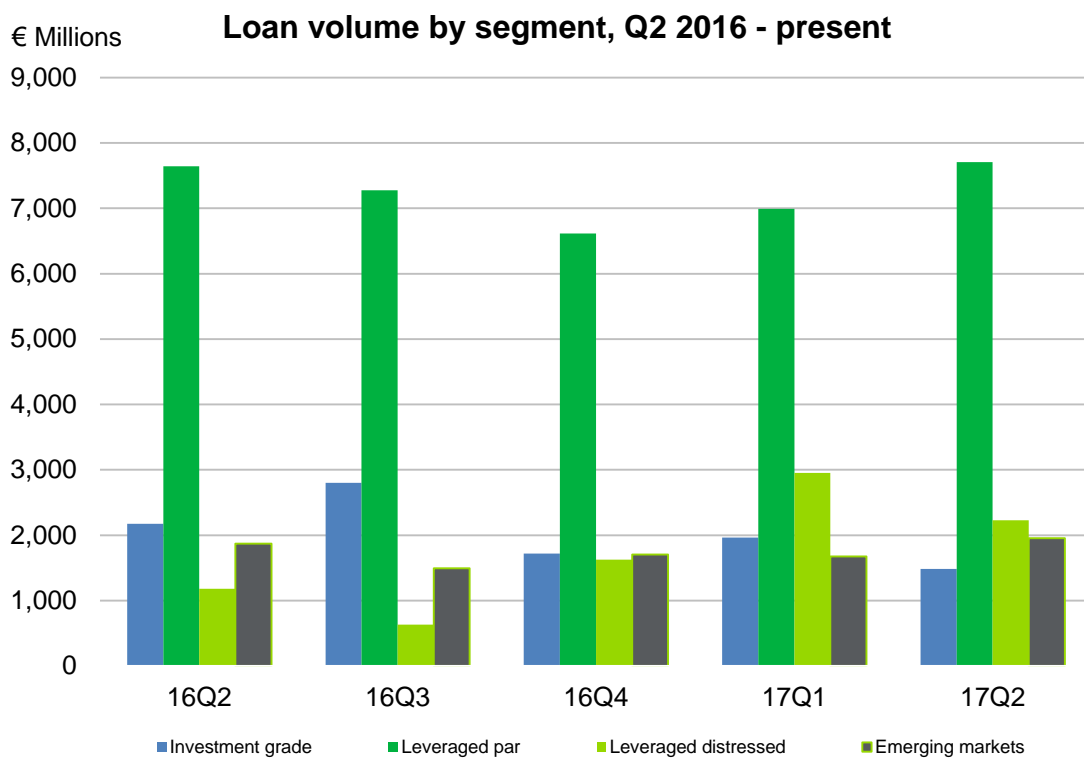


IHS Markit European loan volume survey

Tuesday, August 08, 2017

The European loan market has stayed pretty flat for the second quarter of 2017 with the figures being down by around 1.5% from €13,586 last quarter to €13,377 for Q2 2017. The year on year figures on the other hand are up by 4% compared to the €12,868 in Q2 2017.

- Leveraged loan volumes (Western Europe) constituted 74.3% of the volumes, which was slightly up on the 73.2% observed in the previous quarter and 68.6% in Q2 2016. Of the 74.3% this quarter, 57.6% was conducted on LMA Par documentation compared against 16.7% on LMA Distressed documentation.
- European Investment Grade loan volumes represented 11.1% of the total, down on the 14.5% in the last quarter, and even more so on the 16.9% we recorded in Q2 2016.
- Emerging Market figures (Eastern Europe, Middle East and Africa) represented 14.6% this quarter, which was down slightly from the 12.3% we saw last quarter, but around the same as the 14.6% we saw at this time in 2016.



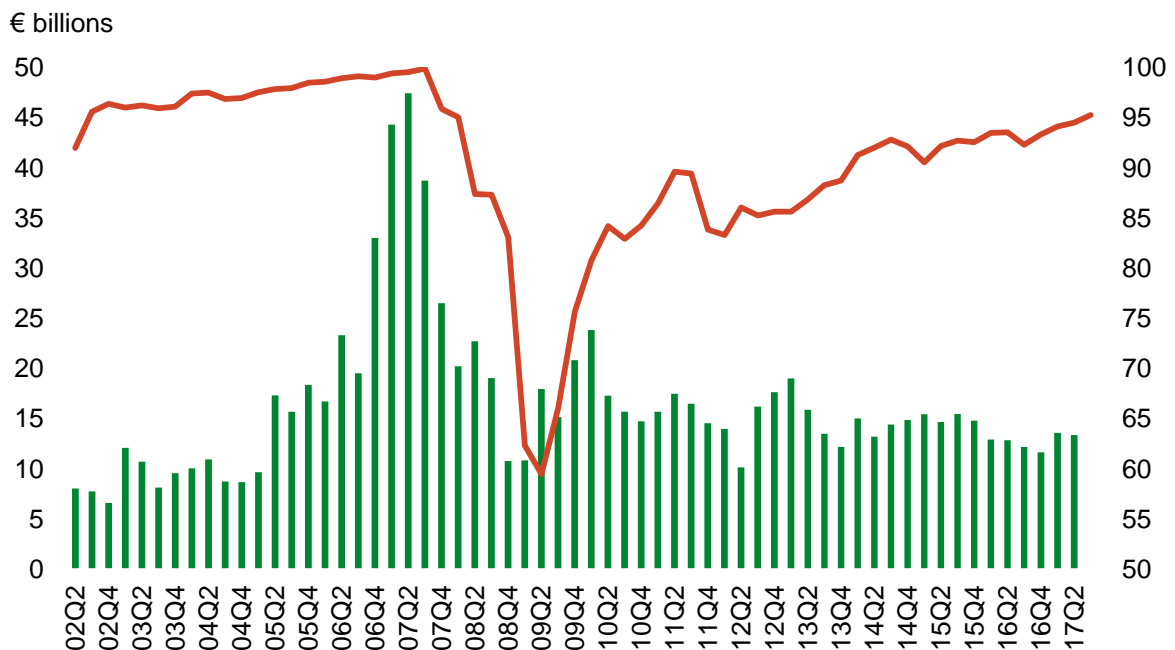
Survey results

2016 saw some of the lowest volumes recorded, but 2017 has certainly got off to a better start. Total volumes for Q1 and Q2 were close to each other, but there have been some shifts in the segments. The losers this time around were the Investment Grade and Distressed segments, which both fell by just under 25%. The former dropped from €1,965m to €1,486m, and the latter fell from €2,954m to €2,228m. Par levels moved up 10.2% from €6,993m to €7,708m, while Emerging Markets rose 16.8% from €1,674m to €1,955m.

	Total	IG	Par	Distressed	EM
2Q17 TOTAL SALES (€m)	€ 13,377	€ 1,486	€ 7,708	€ 2,228	€ 1,955
1Q17 TOTAL SALES (€m)	€ 13,586	€ 1,965	€ 6,993	€ 2,954	€ 1,674
4Q16 TOTAL SALES (€m)	€ 11,665	€ 1,720	€ 6,614	€ 1,627	€ 1,704
3Q16 TOTAL SALES (€m)	€ 12,202	€ 2,800	€ 7,275	€ 633	€ 1,493
2Q16 TOTAL SALES (€m)	€ 12,868	€ 2,172	€ 7,644	€ 1,180	€ 1,872

The average bid for the last day of Q2 2017 was 95.30, another rise on the 94.50 recorded on 31st January, which represents 11 consecutive quarter end price rises. The average bid over Q1 was a bit lower at 94.89, but still higher than the average for Q1 which stood at 94.72.

European secondary loan volumes and average bids



Source: IHS Markit, LMA

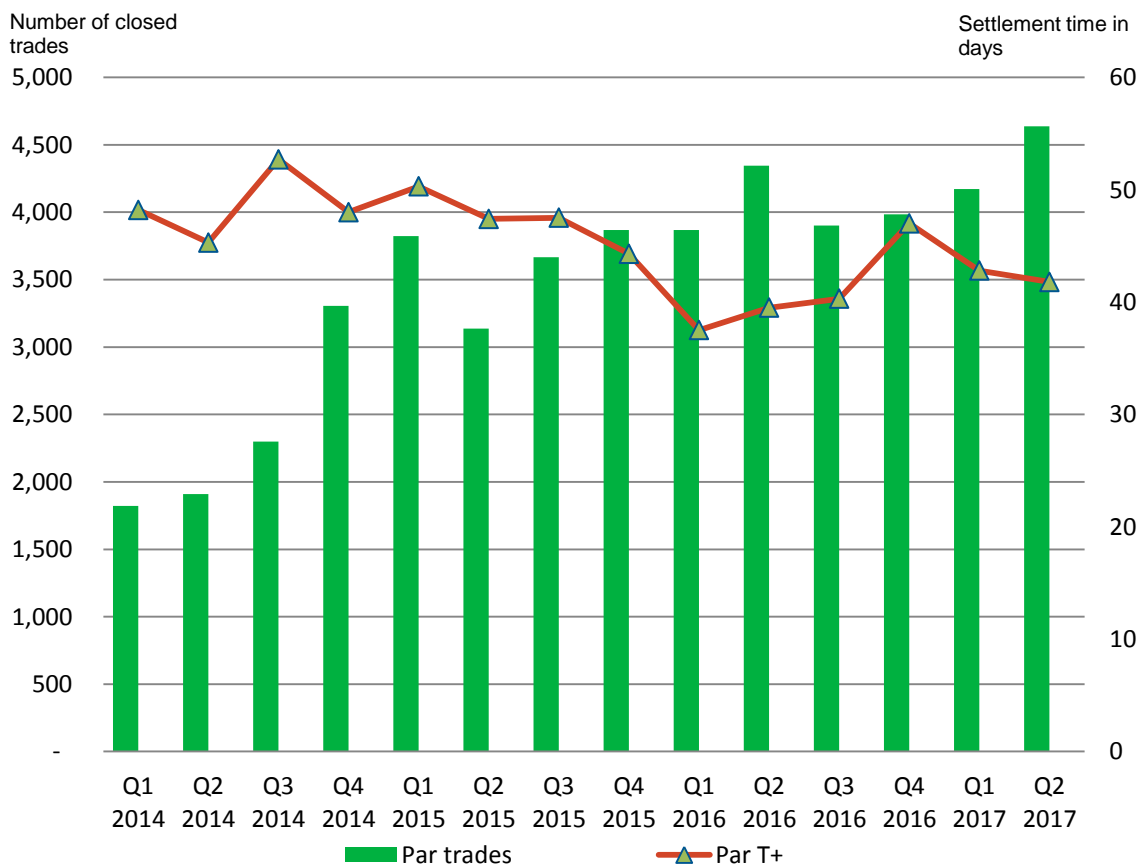
Number of trades by market segment

Markit loan trading volume survey Q2 2017	Sales (€m)	# of buy trades	# of sell trades
Non-leveraged trading (Western Europe)	€ 1,486	70	103
Leveraged trading (Western Europe) - Par	€ 7,708	3,630	2,942
Leveraged trading (Western Europe) - Distressed	€ 2,228	323	291
Emerging Markets trading (EEMEA)	€ 1,955	121	129

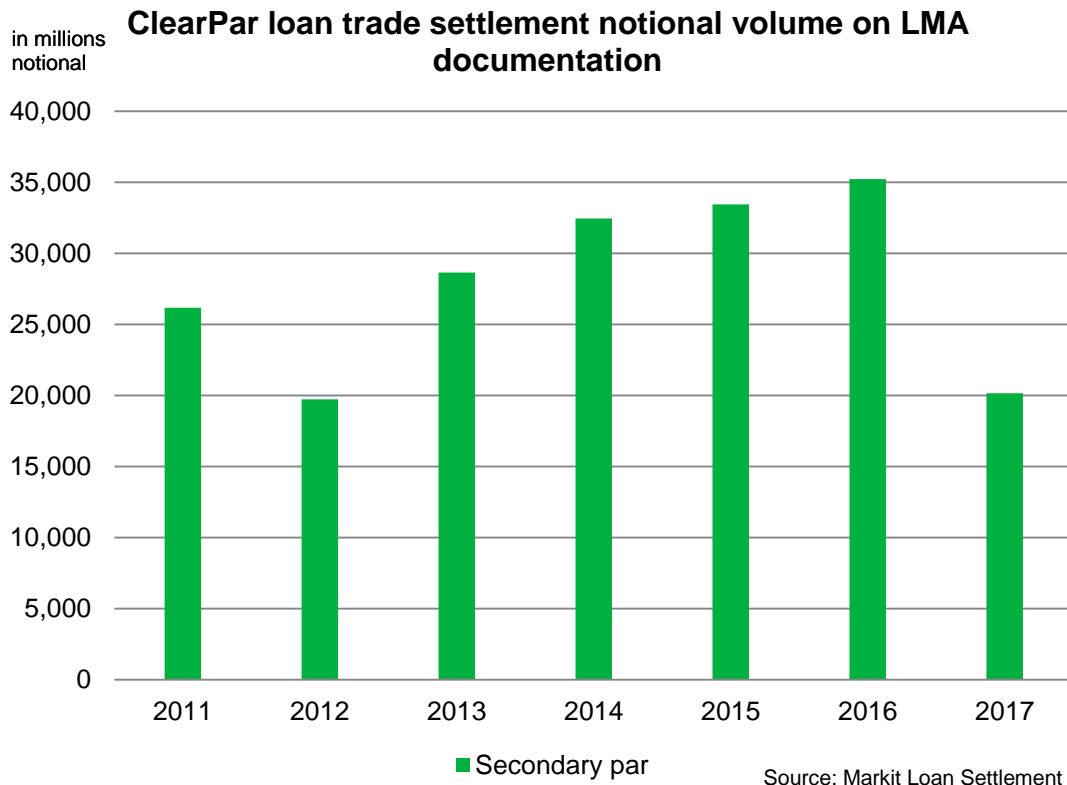
Markit Loan Settlement volumes

Each quarter the Markit Loan Settlement team provide us with their quarterly trade figures, which allow us to take another perspective on trade volumes in the secondary market.

ClearPar closed trades and average settlement times



Source: Markit Loan Settlement



Contributors

A total of 19 buy-side and sell-side institutions participated in this survey.

- Anchorage Capital
- Barings (U.K.) Limited
- Bank of America
- Barclays Capital
- Blackstone / GSO
- BNP Paribas
- Commerzbank
- CQS
- Credit Agricole
- Credit Suisse
- ICG
- Investcorp Credit Management
- Janus Henderson Investors
- JP Morgan
- KKR Credit
- M&G
- Morgan Stanley
- Société Générale
- Stifel Nicolaus

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