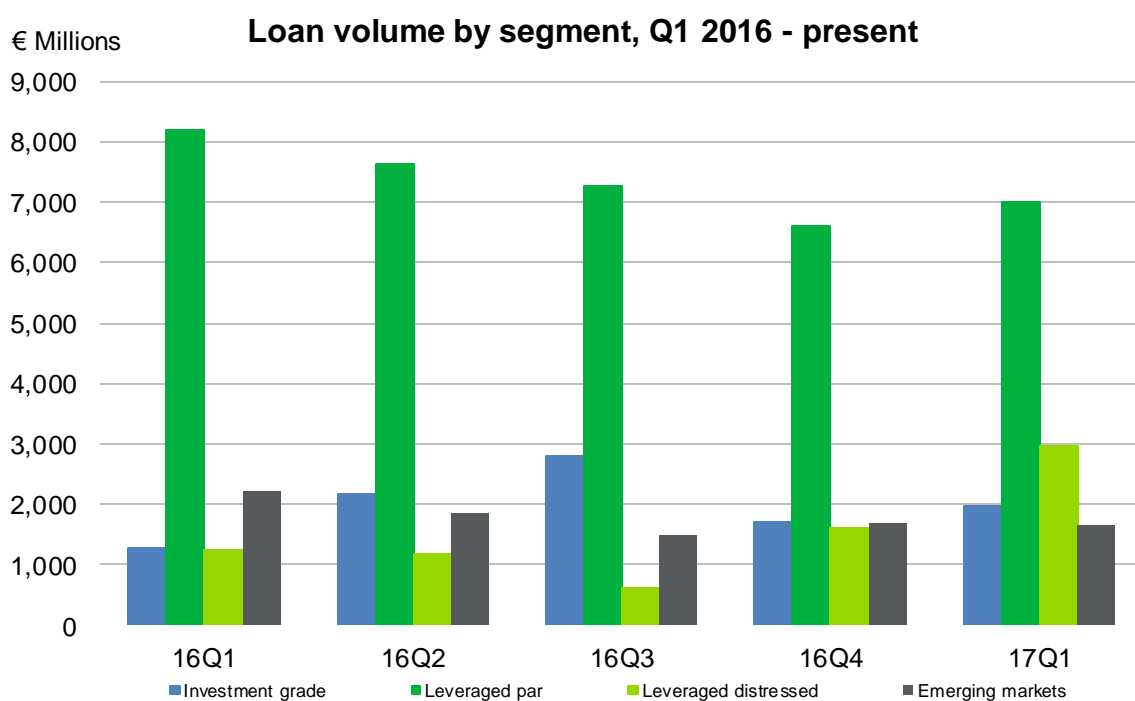


IHS Markit European loan volume survey

Monday, May 08, 2017

The European loan market has bounced back in 2017 after four consecutive quarters of declining volume in 2016. Total volumes were up 16.5% from €11,665m in Q4 2016 to €13,586m in Q1 2017. The year on year figures are up 5% against the €12,935m recorded in the first quarter of 2016.

- Leveraged loan volumes (Western Europe) constituted 73.2% of the volumes, which was slightly up on the 70.7% observed in the previous quarter and 68.6% in Q1 2016. Of the 70.7% this quarter, 51.7% was conducted on LMA Par documentation compared against 21.7% on LMA Distressed documentation.
- European Investment Grade loan volumes represented 14.5% of the total, very similar to the 14.7% we saw last quarter but down on the 16.9% we recorded in Q1 2016. Emerging Market figures (Eastern Europe, Middle East and Africa) represented 12.3% this quarter which was down slightly from the 14.6% we saw last quarter but up on the 14.5% we saw at this time in 2016.
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Source: IHS Markit

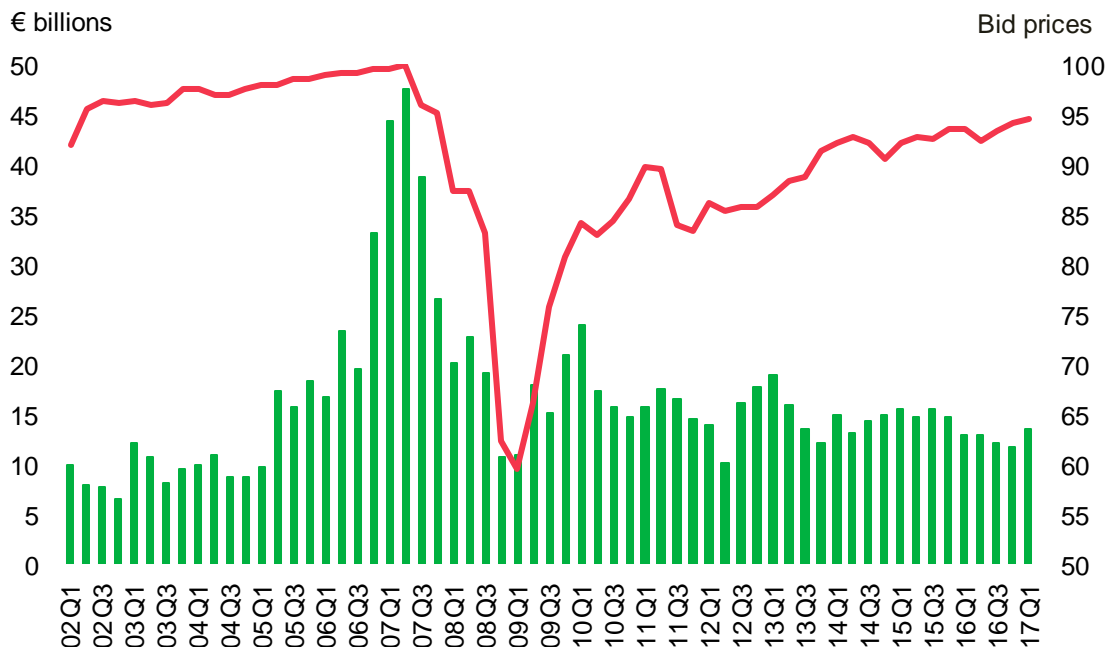
Survey results

Total volumes are back up after four consecutive drops and most of the segments have responded in line. The biggest rebound came in the Distressed market with volumes the highest since the end of 2014. Levels are up 81.5% from €1,627m in Q4 2016 to €2,954m in Q1 2017 and up 140% from the €1,232m posted in Q1 2016. Investment Grade figures are up 14.3% from €1,720m last quarter to €1,965m in the quarter just gone and Par levels are up 5.7% from €1,720m to €1,965m in the same period. Emerging Markets are the only segment down, albeit slightly at -1.8% from €1,704 to €1,674m.

	Total	IG	Par	Distressed	EM
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
1Q16 TOTAL SALES (€m)	€ 12,935	€ 1,289	€ 8,192	€ 1,232	€ 2,221

The average bid for the last day of Q1 2017 was 94.50 which again was a rise on the 94.14 for the end of 2016 and now means there has been 10 consecutive quarter end price rises. The average bid for the first 3 months overall stands slightly higher at 94.72.

European secondary loan volumes and average bids



Source: Markit, LMA

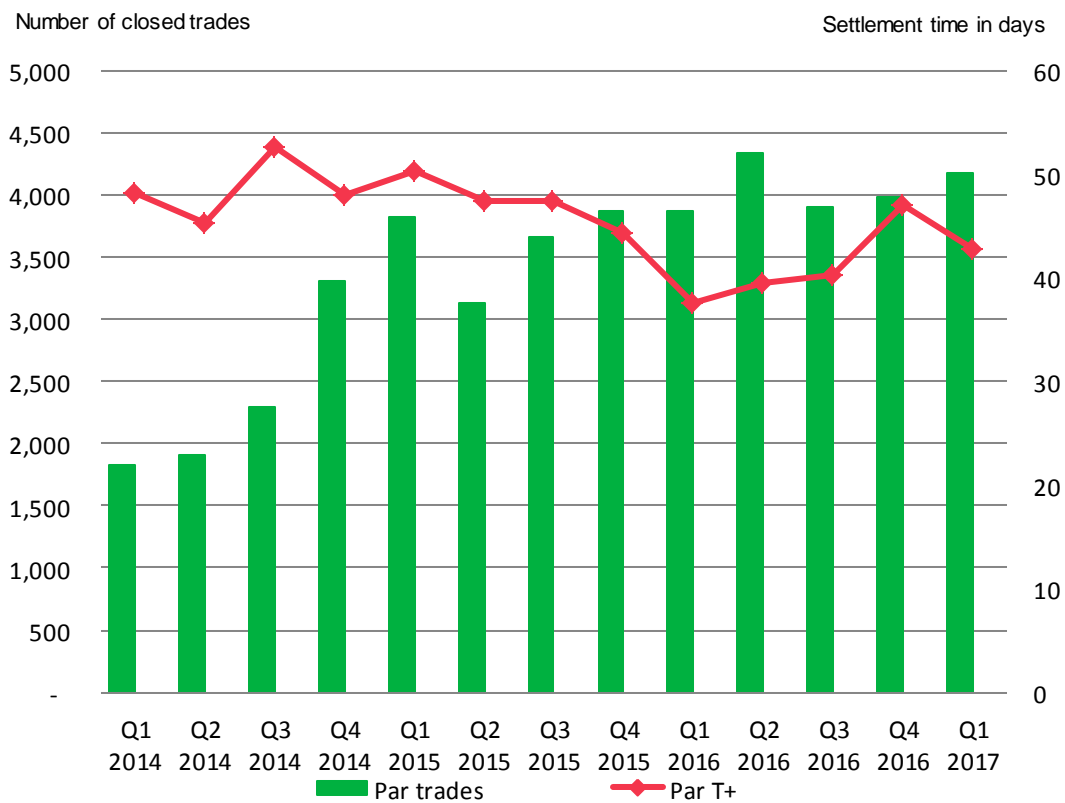
Number of trades by market segment

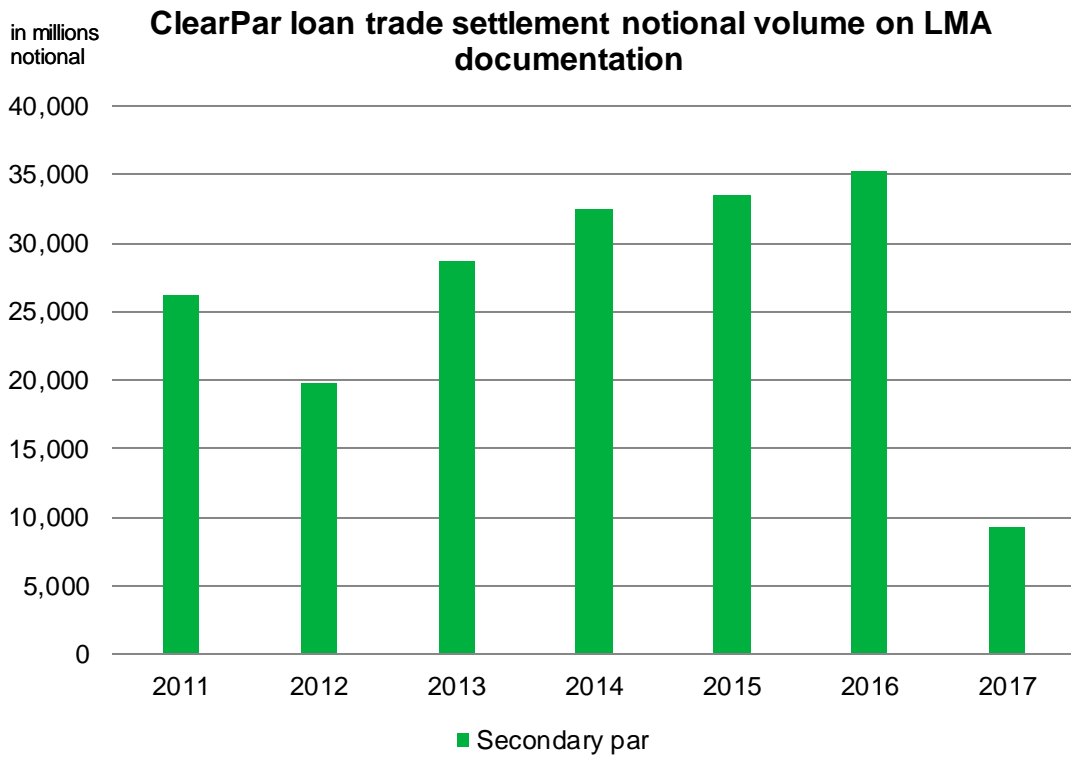
Market loan trading volume survey Q1 2017	Sales (€m)	# of buy trades	# of sell trades
Non-leveraged trading (Western Europe)	€ 1,965	47	112
Leveraged trading (Western Europe) - Par	€ 6,993	3,191	2,478
Leveraged trading (Western Europe) - Distressed	€ 2,954	327	332
Emerging Markets trading (EEMEA)	€ 1,674	118	158

Market Loan Settlement volumes

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

ClearPar closed trades and average settlement times





Contributors

A total of 20 buy-side and sell-side institutions participated in this survey.

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

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