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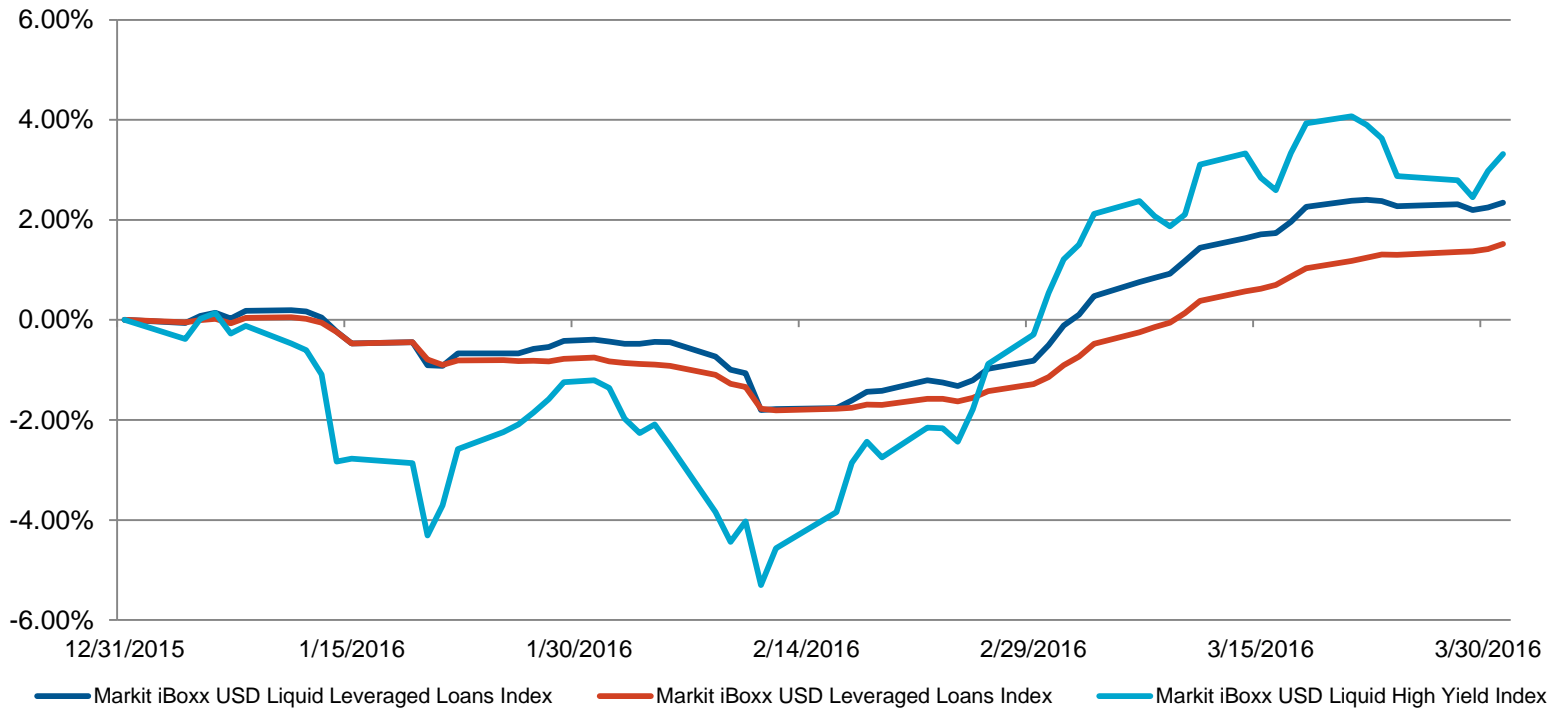
# Q1 2016 loan market data snapshot

Markit \ April 1 2016

## Q1 2016 Markit loans data snapshot

- Index trend
- Pricing trend
- Sector trend
- ETF asset flows
- CLO trend
- Trade settlement efficiency (T+) trend

## Leveraged loan and HY bond total returns 2015



Cash loan indices	Q1Δ%	YTD return
Markit iBoxx USD Leveraged Loan Index	1.52%	1.52%
Markit iBoxx USD Liquid Leveraged Loan Index	2.35%	2.35%

### Pricing trend: average bids in the secondary market

Region	Average bid	QTD $\Delta$	YTD % $\Delta$
US	92.82	-0.59%	-0.59%
Europe	93.46	0.23%	0.23%
Asia	82.55	-2.04%	-2.04%

### Pricing trend: average spreads by credit rating (globally)

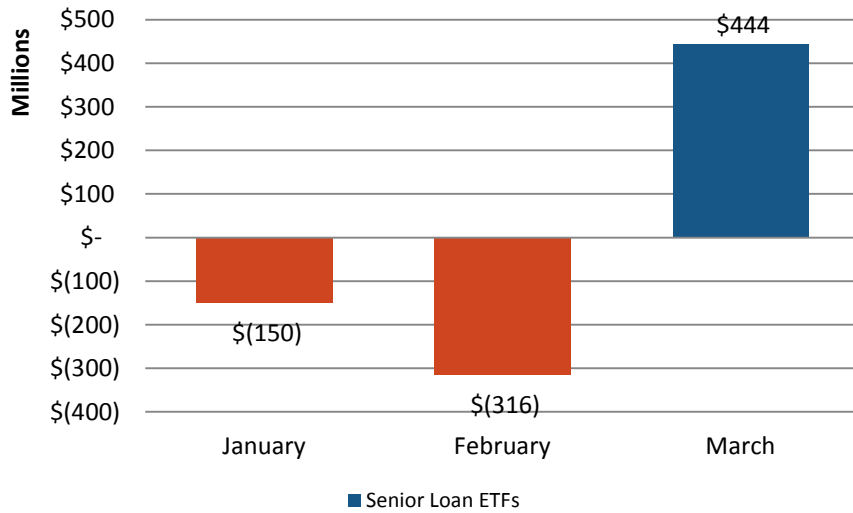
Average loan spreads to maturity (March 31)	1 year tenor	3 year tenor	5 year tenor	7 year tenor
BB	L+293.47	L+336.19	L+365.09	L+390.09
B	L+551.23	L+593.95	L+622.85	L+647.85
CCC	L+952.90	L+995.62	L+1,024.52	L+1,049.51

Average loan spreads Q1 2016 $\Delta$	1 year tenor	3 year tenor	5 year tenor	7 year tenor
BB	9.06%	11.38%	12.34%	12.72%
B	8.14%	9.48%	10.11%	10.42%
CCC	10.60%	11.33%	11.67%	11.82%

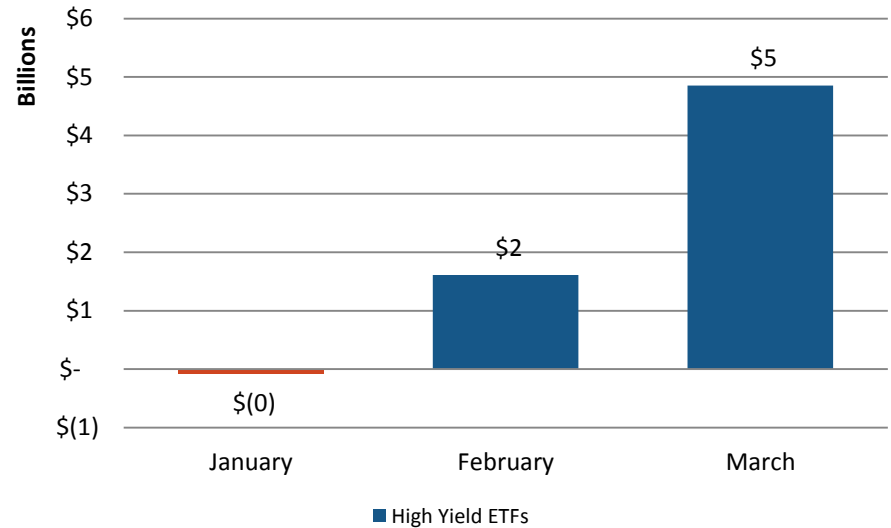
## Q1 change in North American and European leveraged loan sector spreads (bps)

		BBB-	BB+	BB	BB-	B+	B	B-	CCC+
<b>Basic Materials</b>	NA	+15	-5	+11	-3	+18	+13	+32	+406
	EU	+18	-0	+14	+0	+19	+16	+33	+409
	Change NA-EU	-3.1	-4.8	-2.9	-2.8	-0.9	-2.7	-1.8	-3.7
<b>Consumer Goods</b>	NA	+26	+6	+22	+8	+29	+24	+43	+417
	EU	+30	+12	+26	+12	+31	+28	+45	+421
	Current NA-EU	-3.8	-5.5	-3.6	-3.5	-1.7	-3.4	-2.5	-4.4
<b>Consumer Services</b>	NA	+19	-0	+15	+2	+22	+17	+36	+410
	EU	+23	+5	+19	+5	+24	+21	+38	+414
	Current NA-EU	-3.6	-5.2	-3.4	-3.3	-1.4	-3.2	-2.2	-4.2
<b>Energy</b>	NA	+4	-15	+0	-13	+7	+2	+21	+395
	EU	+8	-10	+4	-10	+9	+6	+23	+400
	Current NA-EU	-3.8	-5.4	-3.6	-3.5	-1.6	-3.4	-2.4	-4.4
<b>Financials</b>	NA	+44	+25	+41	+27	+47	+43	+61	+435
	EU	+48	+30	+44	+30	+49	+46	+64	+440
	Current NA-EU	-3.9	-5.6	-3.8	-3.6	-1.8	-3.5	-2.6	-4.6
<b>Healthcare</b>	NA	-2	-21	-6	-19	+1	-4	+15	+389
	EU	+2	-16	-2	-16	+3	-0	+17	+393
	Current NA-EU	-3.6	-5.3	-3.5	-3.3	-1.5	-3.2	-2.3	-4.2
<b>Industrials</b>	NA	+22	+2	+18	+4	+25	+20	+38	+412
	EU	+25	+7	+21	+7	+26	+23	+40	+417
	Current NA-EU	-3.4	-5.1	-3.3	-3.2	-1.3	-3.1	-2.1	-4.1
<b>Technology</b>	NA	+46	+27	+42	+29	+49	+44	+63	+437
	EU	+49	+31	+45	+31	+49	+46	+64	+440
	Current NA-EU	-2.2	-3.9	-2.1	-2.0	-0.1	-1.9	-0.9	-2.9
<b>Telecommunication Services</b>	NA	+31	+12	+28	+14	+34	+30	+48	+422
	EU	+36	+18	+32	+18	+37	+34	+51	+427
	Current NA-EU	-4.5	-6.1	-4.3	-4.2	-2.3	-4.1	-3.1	-5.1
<b>Utilities</b>	NA	+42	+22	+38	+24	+45	+40	+59	+433
	EU	+47	+29	+43	+29	+47	+44	+62	+438
	Current NA-EU	-4.8	-6.5	-4.7	-4.6	-2.7	-4.4	-3.5	-5.5

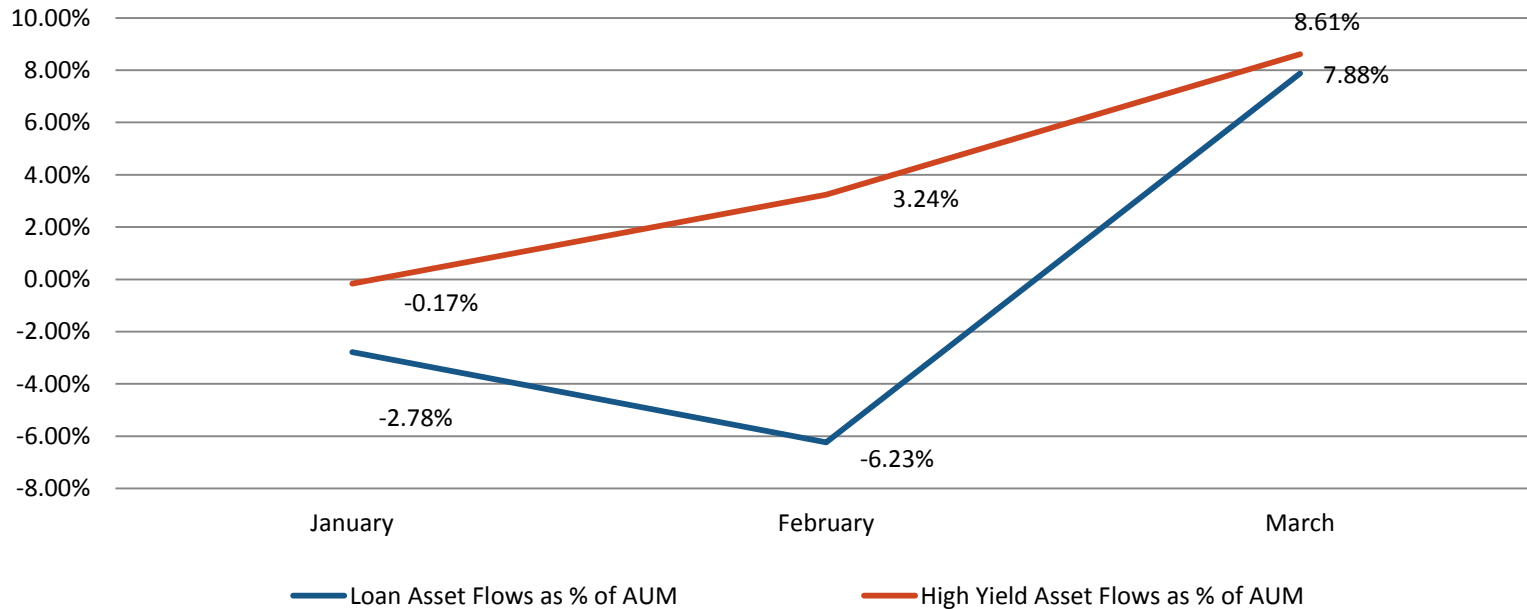
### Senior Loan ETFs



### High Yield Bond ETFs



### Asset Flows as % of AUM

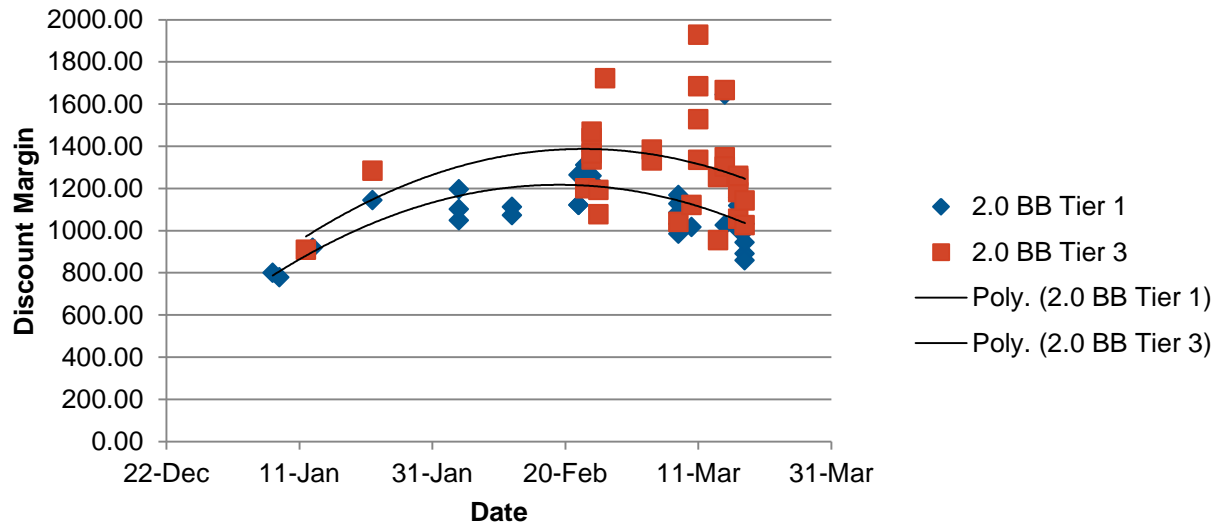


### Year-to-date

ETF Type	2016 Q1 net asset flow	2016 Q1 ending AUM	Total Q1 net asset flow as % of AUM
Loan	\$(22,176,86)	\$5,634,218,065	(0.39%)

ETF Type	2016 Q1 net asset flow	2016 Q1 ending AUM	Total net asset flow as % of AUM
HY Bond	\$6,381,699,355	\$56,346,544,305	11.33%

## 2.0 BB CLOs by Manager Tier

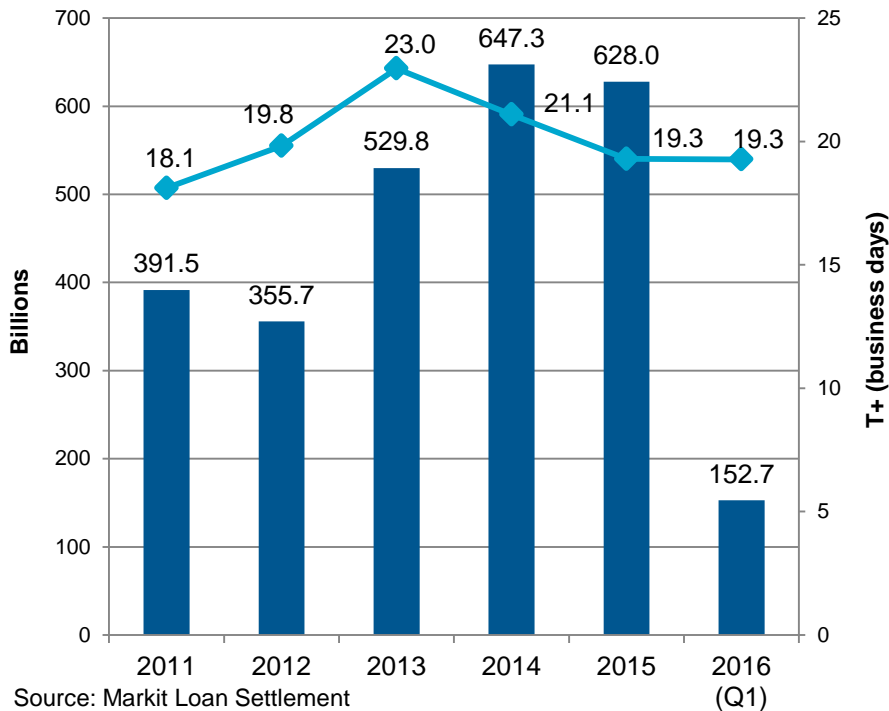


CLO spreads widened significantly from January until the beginning of March. Spreads have tightened since early March. The market is bifurcated with the Tier 1 managers (those with better historical performance, most assets, more frequent issuance) outperforming lower tier managers (Tier 3).

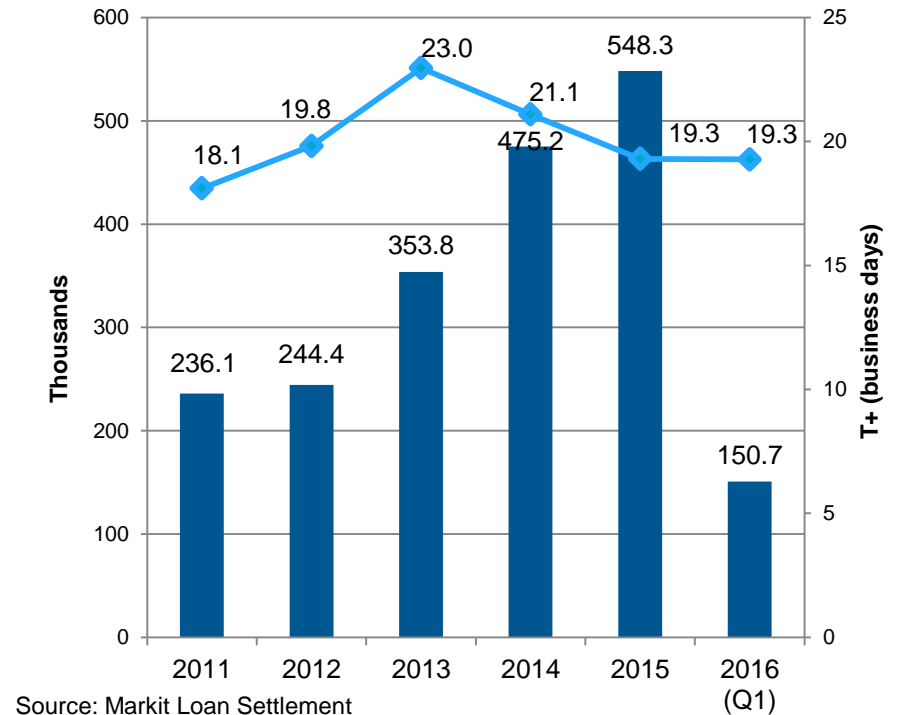


## Settled trade volume in the secondary market (LSTA)

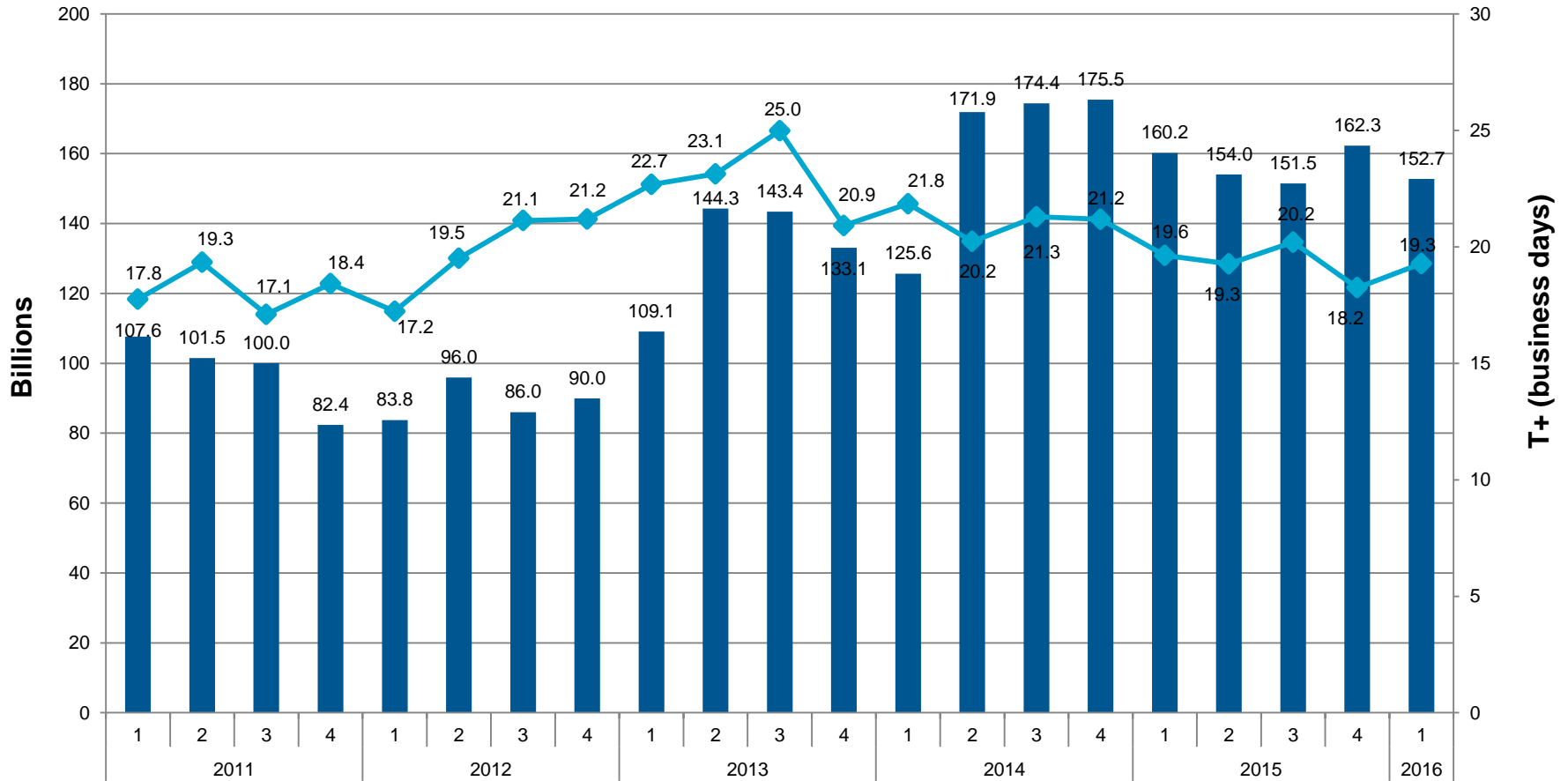
**LSTA Secondary Par Settled Notional**



**LSTA Secondary Par Settled Allocations**



LSTA Secondary Par Settled Notional by Quarter



Source: Markit Loan Settlement

## From the Markit commentary team:

“After a volatile start to 2016, investor demand for leveraged loans returned as risky assets came back into favor. The Markit iBoxx USD Liquid Leveraged Loans Index ended the quarter up 2.35% on a total return basis, the best quarterly return since Q3 2012.”

- Neil Mehta, credit market analyst at Markit

For full commentary from our analysts go to [www.markit.com/commentary](http://www.markit.com/commentary)



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