

Global Collateralized Loan Obligation (CLO) Market: Analysis By Value, By BWIC Value, By Issuance, By Sector (Technology, Services, Healthcare, Financial, Industrials, Food & Beverages, Housing, Paper & Packaging, Transportation, Automotive, and Others), By Rating (AAA, AA, A, BBB, BB, B, and Equity), By Type (IG, Non-IG, and EQ), By Investor Base (Bank, Asset Manager, Insurance & Pension, Hedge Fund, and Others), By Region Size and Trends with Impact of COVID-19 and Forecast up to 2028

<https://marketpublishers.com/r/G325919261D5EN.html>

Date: February 2024

Pages: 132

Price: US\$ 2,250.00 (Single User License)

ID: G325919261D5EN

Abstracts

The global CLO market was valued at US\$1.26 trillion in 2022. The market value is expected to reach US\$2.71 trillion by 2028. A collateralized loan obligation (CLO) is a structured financial product that pools together a diversified portfolio of corporate loans and packages them into different tranches of securities. These tranches, varying in risk and return profiles, are sold to investors. The US issuance has reached US\$136.82 billion in 2022. On the other hand, the Europe CLO market issuance has reached US\$27.64 billion by the end of 2022.

Looking ahead, the CLO market is expected to continue its growth trajectory for several reasons. The ongoing search for yield in a prolonged low-rate environment is likely to persist, sustaining investor interest in CLOs. As economic conditions improve, the credit quality of underlying loans may strengthen, further boosting investor confidence. The maturation of global CLO markets and the establishment of regulatory frameworks contribute to increased market stability and attractiveness. Additionally, continued

innovation in CLO structures, including the incorporation of technology and the adaptation to evolving market trends, positions the CLO market for ongoing growth. The market is expected to grow at a CAGR of approx. 14% during the forecasted period of 2023-2028.

Market Segmentation Analysis:

By Sector: The report provides the bifurcation of the global CLO market into eleven sectors: Technology, Healthcare, Services, Financial, Industrials, Housing, Food and beverages, Paper and packaging, Transportation, Automotive, and Others. The technology segment held the highest share of the market. Technology companies often exhibit strong fundamentals and resilience, making them attractive to investors seeking high returns in a rapidly evolving digital landscape. The sector's transformative impact on various industries and its role in driving economic advancement contributes to the positive outlook for CLO investments.

By Region: The report provides insight into the CLO market based on the regions namely, the US and Europe. The US held the highest share in the global CLO market and is expected to be the dominant region in the forthcoming years. The maturity of the US CLO market, compared to other countries, can be attributed to several factors. Firstly, the US has a well-established and diverse financial ecosystem with a long history of structured finance. The legal and regulatory framework in the US is conducive to the creation and management of complex financial instruments like CLOs. Additionally, the US has a large and dynamic corporate sector, providing ample opportunities for the origination of leveraged loans that form the basis of CLO portfolios.

By BWIC: The report provides an analysis of the US and Europe CLO BWIC (Bid Wanted In Competition) market. Investors utilize BWIC platforms to optimize their portfolios, adjust risk exposures, or capitalize on market opportunities. The growth is fueled by the desire for more efficient CLO trading mechanisms, providing a valuable avenue for market participants to navigate the complexities of the CLO market. The US CLO BWIC market has been further analysed based on the ratings (AAA, AA, A, BBB, BB, B, and Equity).

By Type: The US and Europe CLO BWIC market has been further analyzed based on the following types: IG, Non-IG, and EQ. IG CLOs are considered lower-risk and typically have a higher credit quality compared to Non-IG CLOs. The investment in IG CLOs is growing in the US due to the appeal of stable, higher-rated assets, attracting risk-averse investors seeking more conservative fixed-income options. In a low-interest-

rate environment, the pursuit of yield has driven interest in Non-IG and EQ CLOs, while IG CLOs continue to attract investors prioritizing credit quality and stability in their portfolios.

By Rating: The US and Europe CLO market has been further analyzed based on the ratings: AAA, AA, A, BBB, BB, B, and Equity. CLOs receive credit ratings from rating agencies, with AAA being the highest rating indicating the least credit risk. The demand for AAA-rated CLOs is higher than for Equity CLOs due to their superior credit quality and lower risk.

By Investor Base: The US CLO market ratings have been further analyzed based on the investor base including, Bank, Asset Manager, Insurance and pensions, Hedge Funds, and Others. For instance, the Bank held the highest share in the US's AAA-rated CLO market in 2022. On the other hand, Asset Manager, Insurance & Pension held the largest share in the US's Equity CLO market.

Market Dynamics:

Growth Drivers: The global CLO market growth is predicted to be supported by numerous growth drivers such as growing leveraged loan market, growing private debt, increase in TRACE trading, narrowing bid/ask spread, high comparative risk-adjusted returns, low default rates, favorable government regulations, diversification benefits, increasing risk appetite and investor confidence, and many other factors. As the leveraged loan market expands, it provides a larger pool of assets for CLO issuances. This growth is particularly influential for CLO managers, who can access a diverse set of loans to construct portfolios with varying risk and return profiles. The demand for leveraged loans as CLO collateral contributes to the creation of more CLOs, attracting investors seeking exposure to higher-yielding debt instruments. The symbiotic relationship between the leveraged loan and CLO markets highlights how the expansion of one positively influences the growth and vibrancy of the other, creating opportunities for both issuers and investors in the structured finance landscape.

Challenges: However, the market growth would be negatively impacted by various challenges such as economic policy uncertainty, liquidity risk, complexity and understanding, etc.

Trends: The market is projected to grow at a fast pace during the forecast period, due to various latest trends such as increasing exposure to SOFR loans, increasing adoption of innovative technologies, increasing demand for ESG-compliant CLOs, globalization

of CLO market, innovation in CLO structure, increasing focus on middle market, etc. In CLO market, technology solutions have emerged as a vital catalyst in mitigating obstacles (such as identifying attractive investment opportunities, navigating reinvestment period constraints, balancing risk and return, etc.) and making CLO management easier and fund managers more effective.

Impact Analysis of COVID-19 and Way Forward:

The COVID-19 pandemic significantly impacted the global CLO market in 2020. While the initial impact of COVID-19 on the collateralized loan market was challenging, the adaptability of CLO structures, active portfolio management by market participants, and supportive government measures collectively contributed to the CLO market's ability to weather the storm and ultimately maintain a positive trajectory in 2020. Improvements in economic indicators and corporate performance post-pandemic positively influenced the creditworthiness of underlying loans in CLO portfolios. As default rates stabilized and economic conditions improved, investor confidence in the asset class grew, resulting in CLO market growth.

Competitive Landscape:

The global CLO market is competitive in nature which means there are numerous asset managers and financial institutions actively involved in structuring, managing, and issuing CLOs. Major financial institutions, investment banks, and specialized asset management firms often compete to attract investors and participate in CLO transactions. The key players in the global CLO market are:

Morgan Stanley (Eaton Vance)
Prudential Financial, Inc.
BlackRock, Inc.
Apollo Global Management, Inc.
Ares Management Corporation
MassMutual (Barings LLC)
Conning, Inc. (Octagon Credit Investors, LLC.)
HPS Investment Partners, LLC
Brigade Capital Management, LP
Neuberger Berman
CIFC Asset Management LLC
Blackstone Inc.

CLO market players employ various strategies to increase their market share, including proactive portfolio management, strategic client relationships, and innovative deal structuring. Moreover, several partnerships and initiatives have been undertaken by CLO market players to help increase CLO market growth. For instance, in mid-July 2023, Barings announced entering a strategic partnership with Lakemore Partners, a private credit investment firm that invests mostly in super-majority control CLO equity. Also, several new CLO managers have emerged in the market. For instance, in September 2023, Arini, the hedge fund set up by former Credit Suisse Group AG star trader Hamza Lemssouger, and Sona Asset Management have been marketing their first European CLO deals.

Contents

1. EXECUTIVE SUMMARY

2. INTRODUCTION

2.1 Collateralized Loan Obligation (CLO): An Overview

2.1.1 Introduction of Collateralized Loan Obligation (CLO)

2.1.2 Advantages and Disadvantages of Collateralized Loan Obligation

2.1.3 CLO Timeline

2.1.4 Certain Investor Considerations for CLO Investments

2.1.5 CLO Refinancing/Resets/Re-issues

2.2 Collateralized Loan Obligation Segmentation: An Overview

2.2.1 Collateralized Loan Obligation Segmentation

3. GLOBAL MARKET ANALYSIS

3.1 Global CLO Market: An Analysis

3.1.1 Global CLO Market: An Overview

3.1.2 Global CLO Market by Value

3.1.3 Global CLO Market by Sectors (Technology, Healthcare, Services, Financial, Industrials, Housing, Food & Beverages, Paper & Packaging, Transportation, Automotive, and Others)

3.1.4 Global CLO Market by Rating (AAA, AA-BBB, and BB-Equity)

3.1.5 Global CLO Market by Region (The US and Europe)

3.2 Global CLO Market: Sectors Analysis

3.2.1 Global CLO Market by Sectors: An Overview

3.2.2 Global Technology CLO Market by Value

3.2.3 Global Healthcare CLO Market by Value

3.2.4 Global Services CLO Market by Value

3.2.5 Global Financial CLO Market by Value

3.2.6 Global Industrials CLO Market by Value

3.2.7 Global Housing CLO Market by Value

3.2.8 Global Food & Beverages CLO Market by Value

3.2.9 Global Paper & Packaging CLO Market by Value

3.2.10 Global Transportation CLO Market by Value

3.2.11 Global Automotive CLO Market by Value

3.2.12 Global Others CLO Market by Value

4. REGIONAL MARKET ANALYSIS

4.1 The US CLO Market: An Analysis

4.1.1 The US CLO Market: An Overview

4.1.2 The US CLO Market by Value

4.1.3 The US CLO Market by Rating (AAA, AA, A, BBB, BB, B, and Equity)

4.1.4 The US AAA-Rated CLO Market by Investor Base (Bank, Asset Manager, Insurance & Pension, and Hedge Fund)

4.1.5 The US AA-BBB-Rated CLO Market by Investor Base (Asset Manager, Insurance & Pension, Hedge Fund, and Others)

4.1.6 The US BB-B-Rated CLO Market by Investor Base (Asset Manager, Insurance & Pension, Hedge Fund, and Others)

4.1.7 The US Equity CLO Market by Investor Base (Asset Manager, Insurance & Pension and Hedge Fund)

4.1.8 The US CLO BWIC Market by Value

4.1.9 The US CLO BWIC Market by Rating (AAA, AA, A, BBB, BB, B, and Equity)

4.1.10 The US CLO BWIC Market by Type (IG, Non-IG, and EQ)

4.1.11 The US CLO BWIC Market Type by Value

4.1.12 The US CLO Market by Issuance

4.2 Europe CLO Market: An Analysis

4.2.1 Europe CLO Market: An Overview

4.2.2 Europe CLO Market by Value

4.2.3 Europe CLO BWIC Market by Value

4.2.4 Europe CLO BWIC Market by Type (IG, Non-IG, and EQ)

4.2.5 Europe CLO BWIC Market Type by Value

4.2.6 Europe CLO Market by Issuance

5. IMPACT OF COVID-19

5.1 Impact of COVID-19 on Global CLO Market

5.2 Post COVID-19 Impact on Global CLO Market

6. MARKET DYNAMICS

6.1 Growth Drivers

6.1.1 Growing Leveraged Loan Market

6.1.2 Growing Private Debt

6.1.3 Increase in TRACE Trading

6.1.4 Narrowing Bid/Ask Spread

- 6.1.5 High Comparative Risk-adjusted Returns
- 6.1.6 Low Default Rates
- 6.1.7 Favorable Government Regulations
- 6.1.8 Diversification Benefits
- 6.1.9 Increasing Risk Appetite and Investor Confidence
- 6.2 Challenges
 - 6.2.1 Economic Policy Uncertainty
 - 6.2.2 Liquidity Risk
 - 6.2.3 Complexity and Understanding
- 6.3 Market Trends
 - 6.3.1 Increasing Exposure to SOFR Loans
 - 6.3.2 Increasing Adoption of Innovative Technologies
 - 6.3.3 Rising Demand for ESG-Compliant CLOs
 - 6.3.4 Globalization of CLO Market
 - 6.3.5 Innovation in CLO Structure
 - 6.3.6 Growing Focus on Middle Market

7. COMPETITIVE LANDSCAPE

- 7.1 Global CLO Market Players: Competitive Analysis
- 7.2 Global CLO Market Players by Asset under Management

8. COMPANY PROFILES

- 8.1 Morgan Stanley (Eaton Vance)
 - 8.1.1 Business Overview
 - 8.1.2 Operating Segments
 - 8.1.3 Business Strategy
- 8.2 Prudential Financial, Inc.
 - 8.2.1 Business Overview
 - 8.2.2 Operating Segments
 - 8.2.3 Business Strategy
- 8.3 BlackRock, Inc.
 - 8.3.1 Business Overview
 - 8.3.2 Operating Regions
 - 8.3.3 Business Strategy
- 8.4 Apollo Global Management, Inc.
 - 8.4.1 Business Overview
 - 8.4.2 Operating Segments

- 8.4.3 Business Strategy
- 8.5 Ares Management Corporation
 - 8.5.1 Business Overview
 - 8.5.2 Operating Segments
 - 8.5.3 Business Strategy
- 8.6 MassMutual (Barings LLC)
 - 8.6.1 Business Overview
 - 8.6.2 Operating Segments
 - 8.6.3 Business Strategy
- 8.7 Conning, Inc. (Octagon Credit Investors, LLC.)
 - 8.7.1 Business Overview
 - 8.7.2 Business Strategy
- 8.8 HPS Investment Partners, LLC
 - 8.8.1 Business Overview
 - 8.8.2 Business Strategy
- 8.9 Brigade Capital Management, LP
 - 8.9.1 Business Overview
 - 8.9.2 Business Strategy
- 8.10 Neuberger Berman
 - 8.10.1 Business Overview
 - 8.10.2 Business Strategy
- 8.11 CIFC Asset Management LLC
 - 8.11.1 Business Overview
 - 8.11.2 Business Strategy
- 8.12 Blackstone Inc.
 - 8.12.1 Business Overview
 - 8.12.1 Business Strategy

List Of Figures

LIST OF FIGURES

Figure 1: Advantages and Disadvantages of Collateralized Loan Obligation

Figure 2: CLO Timeline

Figure 3: Collateralized Loan Obligation Segmentation

Figure 4: Global CLO Market by Value; 2018-2022 (US\$ Trillion)

Figure 5: Global CLO Market by Value; 2023-2028 (US\$ Trillion)

Figure 6: Global CLO Market by Sectors; 2022 (Percentage, %)

Figure 7: Global CLO Market by Rating; 2022 (Percentage, %)

Figure 8: Global CLO Market by Region; 2022 (Percentage, %)

Figure 9: Global Technology CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 10: Global Technology CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 11: Global Healthcare CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 12: Global Healthcare CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 13: Global Services CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 14: Global Services CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 15: Global Financial CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 16: Global Financial CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 17: Global Industrials CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 18: Global Industrials CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 19: Global Housing CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 20: Global Housing CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 21: Global Food & Beverages CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 22: Global Food & Beverages CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 23: Global Paper & Packaging CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 24: Global Paper & Packaging CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 25: Global Transportation CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 26: Global Transportation CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 27: Global Automotive CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 28: Global Automotive CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 29: Global Others CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 30: Global Others CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 31: The US CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 32: The US CLO Market by Value; 2023-2028 (US\$ Trillion)

Figure 33: The US CLO Market by Rating; 2022 (Percentage, %)

Figure 34: The US AAA-Rated CLO Market by Investor Base; 2022 (Percentage, %)

Figure 35: The US AA-BBB-Rated CLO Market by Investor Base; 2022 (Percentage, %)

Figure 36: The US BB-B-Rated CLO Market by Investor Base; 2022 (Percentage, %)

Figure 37: The US Equity CLO Market by Investor Base; 2022 (Percentage, %)

Figure 38: The US CLO BWIC Market by Value; 2018-2023 (US\$ Billion & Percentage, %)

Figure 39: The US CLO BWIC Market by Rating; 2022 (Percentage, %)

Figure 40: The US CLO BWIC Market by Type; 2022 (Percentage, %)

Figure 41: The US CLO BWIC Market Type by Value; 2018-2023 (US\$ Billion)

Figure 42: The US CLO Market by Issuance; 2018-2023 (US\$ Billion)

Figure 43: Europe CLO Market by Value; 2018-2022 (US\$ Billion)

Figure 44: Europe CLO Market by Value; 2023-2028 (US\$ Billion)

Figure 45: Europe CLO BWIC Market by Value; 2018-2023 (US\$ Billion & Percentage, %)

Figure 46: Europe CLO BWIC Market by Type; 2022 (Percentage, %)

Figure 47: Europe CLO BWIC Market Type by Value; 2018-2023 (US\$ Billion)

Figure 48: Europe CLO Market by Issuance; 2018-2023 (US\$ Billion)

Figure 49: Global Leveraged Loan Market Size; 2017-2023 (US\$ Trillion)

Figure 50: The US Private Debt as a Percentage of GDP; 2000-2022 (Percentage, %)

Figure 51: The US TRACE Trading Volume as a Percentage of CLO Market; 2018-2022 (Percentage, %)

Figure 52: The US CLO AAA Bid/Ask Spread; 2020-2023 (Basis Points, bps)

Figure 53: Global CLO Efficiency Ratio; 2023 (Return per unit of Risk)

Figure 54: Global Economic Policy Uncertainty Index; 2022-2023 (Index)

Figure 55: The US CLO Collateral Exposure to SOFR Loans; 2022-2023 (Percentage, %)

Figure 56: Morgan Stanley Net Revenues by Segment; 2022 (Percentage, %)

Figure 57: Prudential Financial, Inc. Revenues by Segment; 2022 (Percentage, %)

Figure 58: BlackRock, Inc. Revenue by Region; 2022 (Percentage, %)

Figure 59: Apollo Global Management, Inc. Revenue by Segment; 2022 (Percentage, %)

Figure 60: Ares Management Corporation Revenue by Segment; 2022 (Percentage, %)

Figure 61: MassMutual Revenue by Segment; 2022 (Percentage, %)

Table 1: The US Tranche Defaults; 2023

Table 2: Global CLO Market Players by Asset under Management

I would like to order

Product name: Global Collateralized Loan Obligation (CLO) Market: Analysis By Value, By BWIC Value, By Issuance, By Sector (Technology, Services, Healthcare, Financial, Industrials, Food & Beverages, Housing, Paper & Packaging, Transportation, Automotive, and Others), By Rating (AAA, AA, A, BBB, BB, B, and Equity), By Type (IG, Non-IG, and EQ), By Investor Base (Bank, Asset Manager, Insurance & Pension, Hedge Fund, and Others), By Region Size and Trends with Impact of COVID-19 and Forecast up to 2028

Product link: <https://marketpublishers.com/r/G325919261D5EN.html>

Price: US\$ 2,250.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/G325919261D5EN.html>

To pay by Wire Transfer, please, fill in your contact details in the form below:

First name:

Last name:

Email:

Company:

Address:

City:

Zip code:

Country:

Tel:

Fax:

Your message:

****All fields are required**

Customer signature _____

Please, note that by ordering from marketpublishers.com you are agreeing to our Terms

& Conditions at <https://marketpublishers.com/docs/terms.html>

To place an order via fax simply print this form, fill in the information below
and fax the completed form to +44 20 7900 3970