Proskauer

Proskauer Releases Second Annual Survey on Trends in Private Credit Markets

April 10, 2018

April 10, 2018 (New York) – International law firm Proskauer released the results from its Private Credit Group's market survey for 2018, working to keep clients abreast of the latest trends in the private credit markets.

The comprehensive survey features the predictions of top lending institutions, which complement the findings of Proskauer's proprietary deal data report that was released earlier this year. Together, the analysis of the private credit deal terms alongside the survey, provides clients with a unique and in-depth look into the state of the credit markets and forecasts for the remainder of the year.

Key highlights include:

- UK and U.S. interest rates are widely expected to increase, though there is less certainty around the Eurozone
- Respondents are generally optimistic about the year ahead; 88% expect deal activity to stay the same or increase
- Dry powder levels are considered the most important driver of deal flow overall
- Competition is the greatest challenge for dealmakers overall, with high transaction multiples slightly more concerning for respondents from the UK and Europe
- Business Services, Healthcare, Software and Technology, Manufacturing and Transport and logistics are being targeted for investment by 3/4 of respondents, with Software and Technology experiencing significant year-on-year growth in the U.S.
- 2/3 of respondents are currently raising a debt fund and 78% plan to fundraise over the next 12 months

Steve Boyko, co-head of The Private Credit Group explains, “The response in the survey increased by more than double this year, confirming that our clients see this as a valuable benchmarking tool for the private credit markets. We also expanded our reach into our UK client base, which allowed us specific views on that market such as the impact of Brexit on deal activity.”

Proskauer commissioned market-leading researcher Acritas to conduct the survey.

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