

Fund Finance Friday



Market Update

March 13, 2020 | Issue No. 68



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For the first time, “Limit Down” and “Limit Up” this week became part of my daily lexicon. And while it would have been harder to have a more eventful week in the macro, we do not have a ton of new developments since last Friday to report for the industry. Our activity levels remained constant this week, somewhat less than the activity burst I have been forecasting the past month as clients press to close deals in progress immediately. We continued to see new prospective deals and mandates flow in at a generally familiar clip, but at neither a heightened or reduced rate. The banks continued to function largely business as usual in fund finance, even with disruptions in other public credit markets. We have not heard of any deals being pulled prior to closing or capital calls not being funded. Draw and funding activity on existing facilities, we are told, is relatively robust. A lot of time was invested this week by the banks on preparedness. We did a number of calls stress testing the physical logistics of work-from-home treasury operations and functions. Many banks have already moved to work-from-home and many are running A and B teams, alternating work-from-home. Banks have been receiving requests for funding comfort on future draws from funds, although I do think the market drew some comfort on ultimate bank liquidity from Treasury Secretary Mnuchin indicating on CNBC this morning that they will provide liquidity to affected industries. The FFA did unfortunately cancel its NextGen and WFF events for March in an abundance of caution. We appreciate the organizers’ efforts planning the events and look forward to seeing them held when the event window reopens. *FFF* will continue to provide market color when we think we have non-confidential information that could be of interest. Call us if we can be helpful.