EDWARD CONARD

TOP TEN The New York Times BESTSELLER

Macro Roundup Article

Headline: Companies Big and Small Lose Access to Credit Amid Bank Stress

Article Link: https://www.wsj.com/articles/companies-big-and-small-lose-access-to-credit-amid-bank-stress-53df944e

Author(s)	Jack Pitcher
Publication	Wall Street Journal
Publication Date	March 24, 2023

Tweet: Capital markets have been closed since the SVB failure with the highest rated borrowers issuing debt at only 33% of the 5-year avg for March. Goldman Sachs estimates that tighter lending standards will reduce US growth by 25 to 50 basis points in 2023.

Summary: The capital markets have been on ice since the collapse of Silicon Valley Bank two weeks ago. No companies with investment-grade credit ratings sold new bonds over the seven business days from March 9 through March 17, the first week in March without a new high-grade bond sale since 2013. The market for new junk-bond sales has largely stalled this month. Those with the highest ratings have sold $59.9 billion in new bonds this month, compared with March's five-year average of $179 billion. Companies have raised some $5 billion of junk bonds this month versus the five-year average of $24 billion. In the base case for Goldman Sachs Group Inc., tighter lending standards will subtract one-quarter to one-half of a percentage point from U.S. GDP growth in 2023, equivalent to the impact of Fed rate increases of the same size.

Related Articles: nan

Primary Topic: Financial Markets

Topics: Business Cycle, Factoid, Financial Markets, News article

Permalink: https://www.edwardconard.com/macro-roundup/capital-markets-have-been-closed-since-the-svb-failure-with-the-highest-rated-borrowers-issuing-debt-at-only-33-of-the-5-year-avg-for-march-goldman-sachs-estimates-that-tighter-lending-standards-will?view=detail

Featured Image Link: https://www.edwardconard.com/wp-content/uploads/2023/03/US-Investment-Grade-Bond-Sales-.jpg