

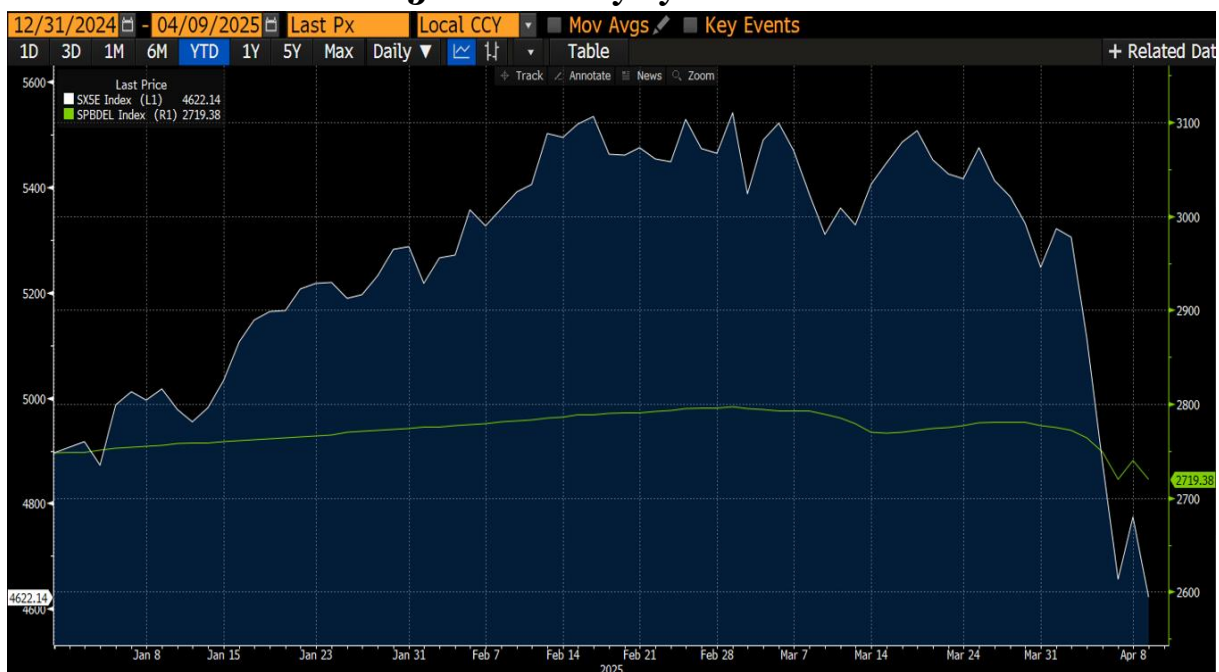
Broadly Syndicated Loans : resilience is the key word

Now that the tariffs *Blitzkrieg* is over (or at least in pause...), it is very interesting to analyze how the different European asset classes have performed during those chaotic days.

In fact, markets endured one of the worst weeks since 2020 as sweeping US tariffs announced on 2nd April triggered a rout in stock and credit markets, and upended global interest-rate expectations. Europe had seen an initial orderly widening in the first phase aftermath of the tariff news Thursday morning. However, conditions deteriorated after the US open on Thursday, and the sell-off turned into a capitulation on Friday which has seen the iTraxx Crossover surpass 400 bps for first time since last summer. But it was on Monday that markets went crazy: the broader backdrop has been exceptionally volatile. In credit the market opened wider with the iTraxx Crossover blowing out from 387 as far as 422, before regaining some ground towards the US open as some buyers cautiously emerged. US equities then exemplified the jittery tone as traders reacted to the latest headline or tweet. The S&P 500 was a case in point, opening in bear territory down 4%, before exploding by 10% on unverified headlines regarding a tariff pause that were then denied, which sent the market sharply lower again. Equity indices were all flashing red by late during Monday afternoon. On Tuesday risk assets stabilized, offering some relief to investors following a brutal three-day sell-off. But it was just temporary: on Wednesday the US-China relationship escalated into a full-blown trade war, leading all the indexes in red again.

In aftermath of all this madness, the YTD performance as of 09/04/2025 of the Eurostoxx 50 was -4.19%, the Pan-European HY Bond Index was down -1.67%, while the Broadly Syndicated Loan Morningstar Index was -1.05%. Even more important than the pure performance were the differences in volatility (see the charts below); indeed, Broadly Syndicated Loans have once again shown one of their much appreciated feature during tough times: resilience.

YTD Returns : Eurostoxx50 vs Broadly Syndicated Loans



Fonte: Bloomberg