

Why we see value in loans today

By: Craig P. Russ | & Andrew N. Sveen, CFA | September 10, 2020

In the first half of 2020, the floating-rate loan market experienced an impressive turnaround: Loan prices bounced back sharply in the second quarter after the COVID-19-induced decline in March. Yet as of July 31, loans offered a yield of 6.11% — greater than both high yield and emerging markets debt. In this Q&A, the Eaton Vance floating-rate team focuses on why we still see value in loans, even with the strong rebound in price and with question marks surrounding the economy.

Picture of
Craig P.
Russ

Craig P. Russ
Co-Director of Floating-Rate
Loans
Eaton Vance Management

Picture of
Andrew N.
Sveen, CFA

Andrew N. Sveen, CFA
Co-Director of Floating-Rate
Loans
Eaton Vance Management

The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance strategy. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness.



The information on this Web site is for U.S. residents only. The information on this Web site does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

There are no guarantees regarding the achievement of investment objectives, target returns, portfolio construction, allocations or measurements such as alpha, tracking error, stock weightings and other information ratios. The views and strategies described may not be suitable for all investors. Not all of Eaton Vance's recommendations have been or will be profitable. Eaton Vance does not provide tax or legal advice. Investing entails risks and there can be no assurance that Eaton Vance (and its affiliates) will achieve profits or avoid incurring losses. Prospective investors should consult with a tax or legal advisor before making any investment decision.

© Eaton Vance Management. All rights reserved. Two International Place, Boston, MA 02110.