

## PwC Plus Article

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# The externalities of fire sales: evidence from collateralized loan obligations

**This paper investigates how covenants, intrinsic to Collateralized Loan Obligation (CLO) indentures, may amplify idiosyncratic shocks, imposing negative externalities on unrelated firms in CLO portfolios.**

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Collateralized Loan Obligations (CLOs), Risk Management Banking

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