

# Primary Market Views €

July 2024

Trust must be earned

## In a nutshell

**Euro IG spread has tightened in recent days to 103bps after reaching a high of 122bps mid-June. Euro High Yield spread is close to 334 bps in mid-June after reaching a high of 350 bps mid-June.**

**The overall situation remains positive for credit market:** (1) economic activity remains resilient, (2) inflation is falling and (3) rate cuts remain on the table. The demand for fixed income products remains strong: investors want to fix in higher rates before central banks start cutting rates.

**The ECB cuts interest rates for the first time in five years but patience remains the most appropriate path!** Eurozone inflation has made considerable progress toward its target. Christine Lagarde considered the Euro zone inflation is under control after slowing from a peak above 10% in 2022 to 2.5% in June. It is now appropriate to moderate the degree of monetary policy restriction. Christine Lagarde confirmed that the ECB is not pre-committed to a particular rate path. We remain confident in a gradual reduction in monetary policy restriction in the Eurozone.

**The recent rise in political uncertainty in France has had a limited impact on corporate market.** With a hung parliament, the market now considers that the risk of a significant budgetary slippage is very low.

**Activity on the corporate primary market remained solid.**



**Sandrine ROUGERON**

Global Head of Corporate Clients and Corporate Pension Funds

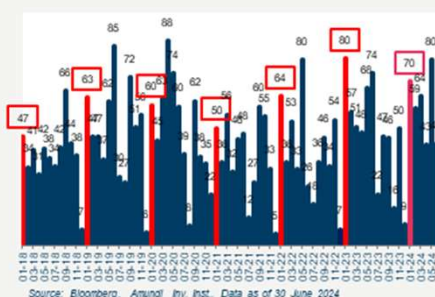


**Valentine AINOUIZ**

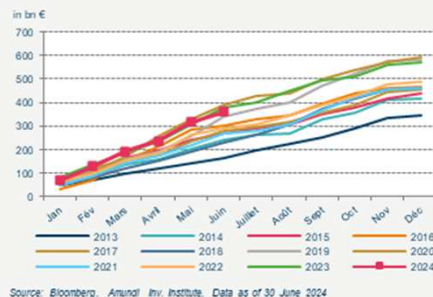
CFA - Head of Global Fixed Income Strategy, Amundi Investment Institute

## Primary market Investment Grade

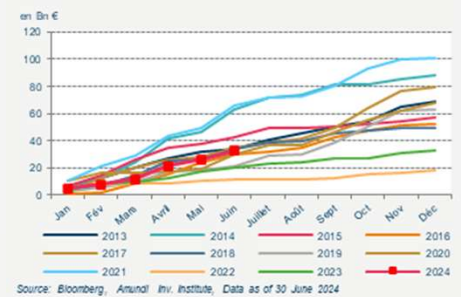
**Euro IG primary market Monthly issuance (in €bn)**



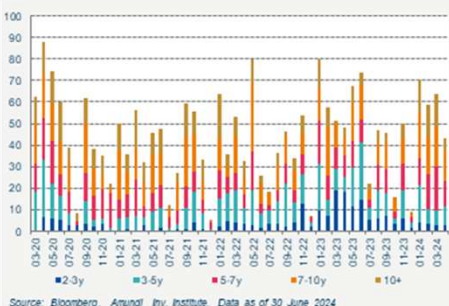
**Euro IG primary market Cumulative flows (in €bn)**



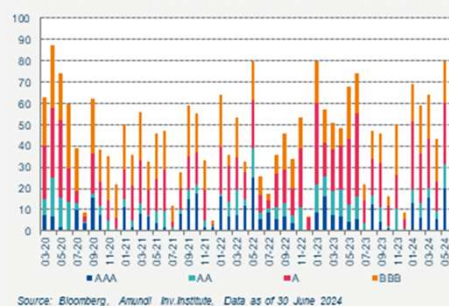
**Euro HY primary market Cumulative monthly issuance (in €bn)**



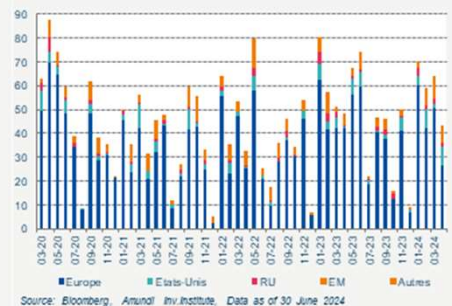
**Euro IG primary market Monthly volume by maturity (in €bn)**



**Euro IG primary market Monthly volume by rating (in €bn)**



**Euro IG primary market Monthly volume by country (in €bn)**



## Market data

**Euro IG A: OAS (in bp)**



Source: Bloomberg, Amundi Investment Institute

**Euro IG A: yield (in%)**



Source: Bloomberg, Amundi Investment Institute

**Euro IG BBB: OAS (in bp)**



Source: Bloomberg, Amundi Investment Institute

**Euro IG BBB: yield (in%)**



Source: Bloomberg, Amundi Investment Institute

### IMPORTANT INFORMATION

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