

Primary Market Views €

December 2024

Trust must be earned

In a nutshell

The global picture remains positive for credit market. The ECB is cutting rates in a resilient economic environment. “The direction of travel is clear” and the ECB expects to lower interest rates further. Christine Lagarde acknowledged “risks to economic growth are tilted to the downside” and “darkest days” of high inflation are behind.

Technical factors remain favorable to credit markets. Investors want to benefit from higher rates before the ECB’s further rate cuts. Since the start of the year, the cumulative flows of Euro IG are the largest in the last seven years.

Corporate fundamental remains solid. Corporate default rates are very low and could decrease within 12 months according to Moody’s. Default rates had fallen significantly in terms of debt volumes over the last months from already low historical levels: October saw 1.3% in US, 1.1% in Europe. Default remains concentrated in CCC issuers and in SMEs.

Year-to-date, Corporate debt performed positively versus Government debt (Euro IG: 3.3% end Euro HY: 6.3%). Investment Grade yields remain attractive versus historical standards (European IG: 3%). High Yield yields are back to long-term trends (US HY: 7% and European HY: 5.4%).



Sandrine ROUGERON

Global Head of Corporate Clients and Corporate Pension Funds

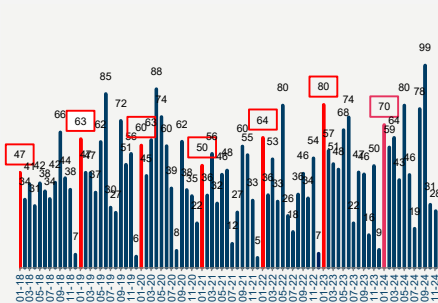


Valentine AINOZ

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

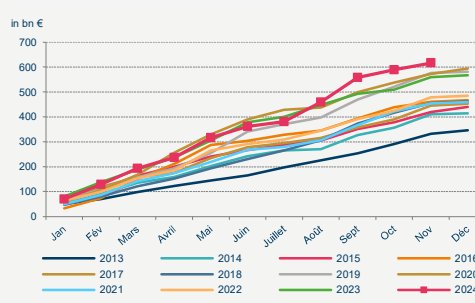
Primary market Investment Grade

Euro IG primary market Monthly issuance (in €bn)



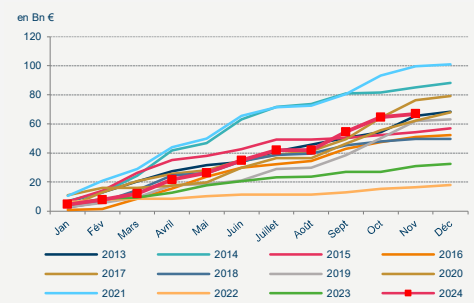
Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2024

Euro IG primary market Cumulative flows (in €bn)



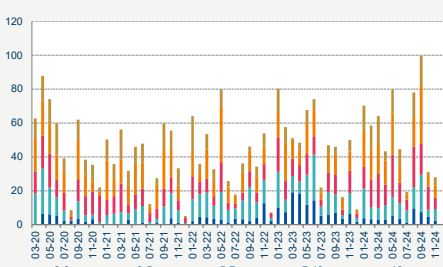
Source: Bloomberg, Amundi Inv. Institute, Data as of 30 November 2024

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



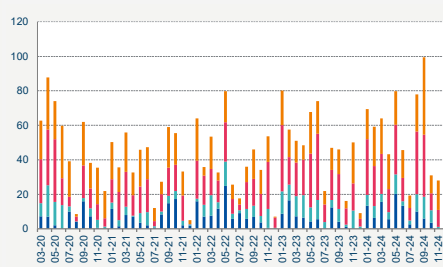
Source: Bloomberg, Amundi Inv. Institute, Data as of 30 November 2024

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



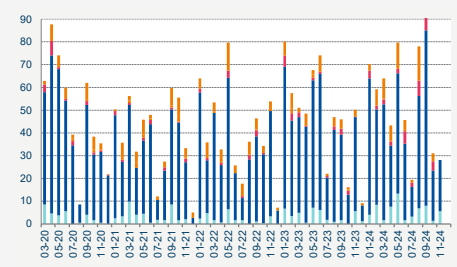
Source: Bloomberg, Amundi Inv. Institute, Data as of 30 November 2024

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



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 November 2024

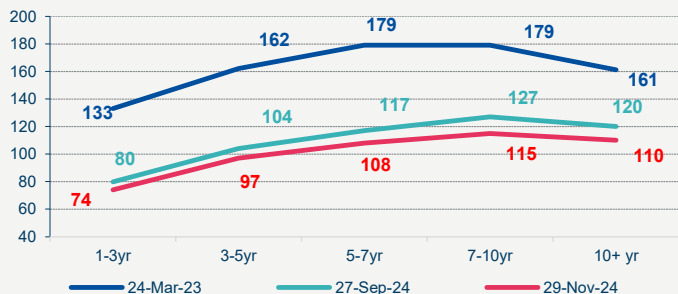
Euro IG primary market Monthly volume by country (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 November 2024

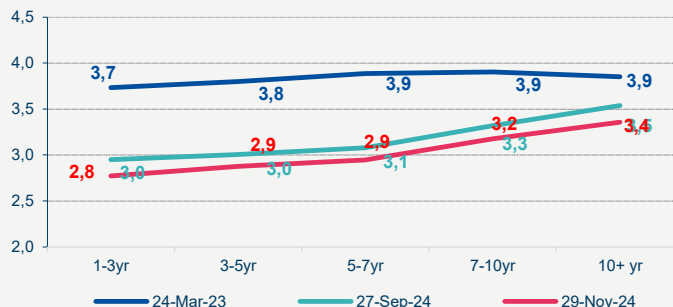
Market data

Euro IG A: OAS (in bp)



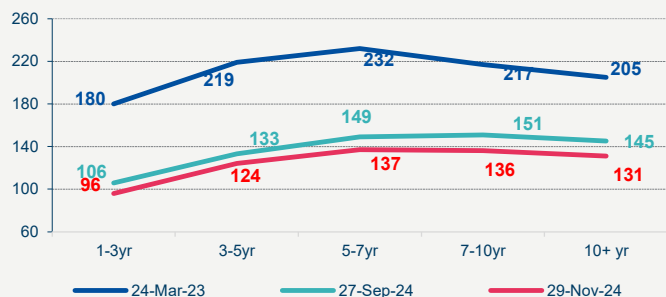
Source: Bloomberg, Amundi Investment Institute

Euro IG A: yield (in%)



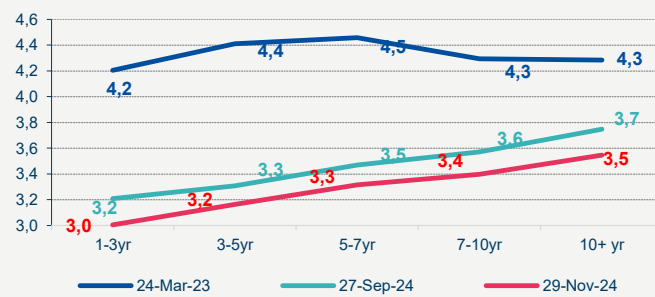
Source: Bloomberg, Amundi Investment Institute

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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