

Primary Market View € IG

The news of the month

Confidence must be earned

Amundi
ASSET MANAGEMENT

The essential

- **Corporate bond spreads widened across all the markets in January, but the pullback in IG spreads was very limited.** Investors were mainly concerned about the potential impact of the coronavirus on global growth.
- **The activity of the primary market on the Euro IG started-off vigorously** but declined during the second half of the month following the resumption in risk aversion and earnings-related blackout periods.
- **The ECB continued to support strongly the Euro IG market.** In its second asset purchase program, the ECB is favouring more credit buying at the expense of sovereign debt. The ECB has bought €12.3bn of corporate bond since the program resumption from November 1st 2019. This represents an average allocation of 20%, almost double the average allocation to credit observed during QE1.

Editor



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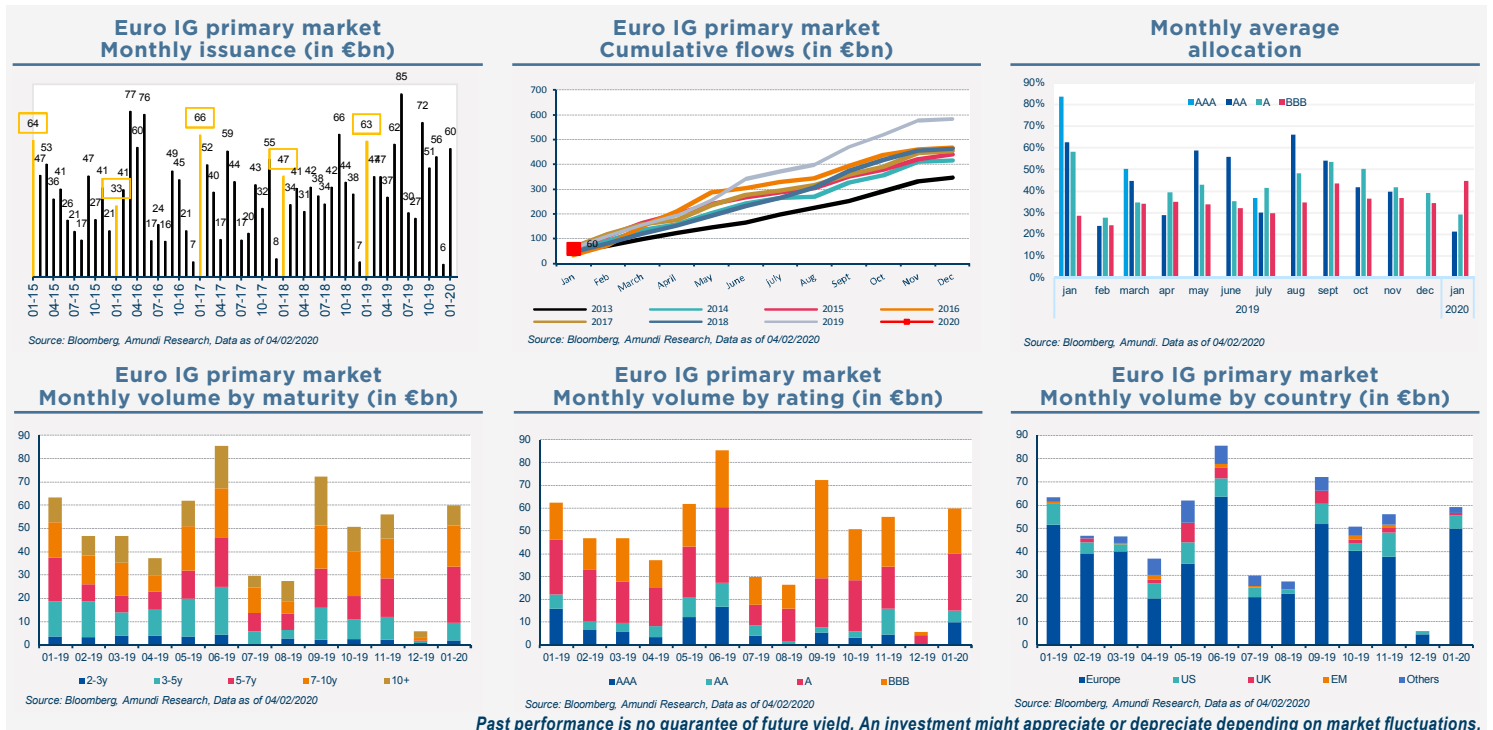
Contributor



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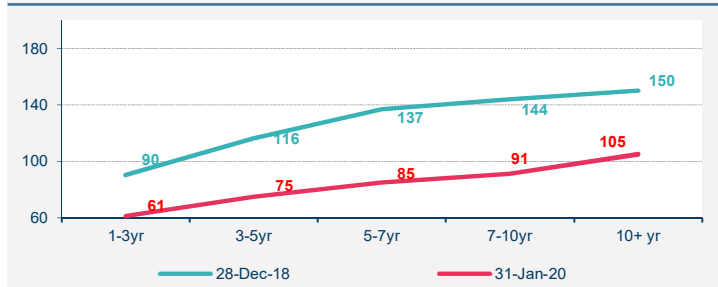
Primary market Investment Grade



Past performance is no guarantee of future yield. An investment might appreciate or depreciate depending on market fluctuations.

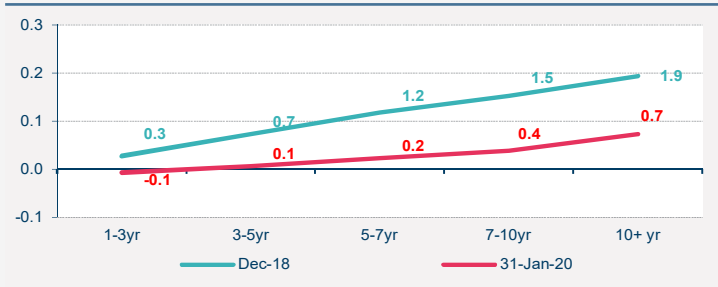
Market data

Euro IG A: OAS (in bp)



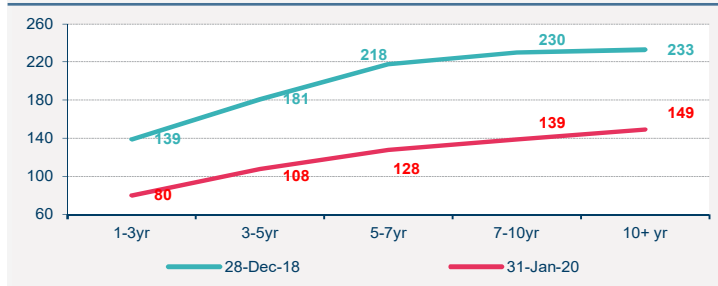
Source : Bloomberg, Recherche Amundi, Data as of 04/02/2020

Euro IG A: yield (in %)



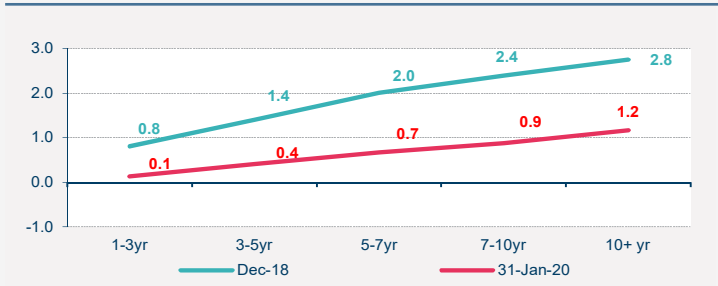
Source : Bloomberg, Amundi Research, Data as of 04/02/2020

Euro IG BBB: OAS (in bp)



Source : Bloomberg, Recherche Amundi, Data as of 04/02/2020

Euro IG BBB: yield (in %)



Source : Bloomberg, Amundi Research, Data as of 04/02/2020

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Main bonds issues in Euro IG

TRADE DATE	ISIN	TICKERS	ISSUER NAME	MATURITY	INDUSTRY	RATING	CURRENCY	ISSUE AMOUNT	BOOK AMOUNT	% THEORETICAL ALLOCATION	SPREAD (MS+)	COUPON in %
20/01/2020	FR0013479276	SOCGEN 0 3/4 01/25/27	SOCIETE GENERALE	25/01/2027	Financial	BBB	EUR	1 500 000 000	3 750 000 000	40%	80	0.75
16/01/2020	XS2107332640	GS 0 7/8 01/21/30	GOLDMAN SACHS GROUP INC	21/01/2030	Financial	A	EUR	1 250 000 000	3 000 000 000	42%	120.9	0.875
10/01/2020	XS2104031757	CCCI 0 01/17/24	CAISSE CENT CREDIT IMMOB	17/01/2024	Financial	AA	EUR	1 000 000 000	4 700 000 000	21%	24	0
16/01/2020	XS2107315470	ENIIM 0 5/8 01/23/30	ENI SPA	23/01/2030	Energy	BBB	EUR	1 000 000 000	2 900 000 000	34%	50	0.625
27/01/2020	XS211228920	TELEFO 0.664 02/03/30	TELEFONICA EMISIONES SAU	03/02/2030	Communications	BBB	EUR	1 000 000 000	1 700 000 000	59%	68	0.664
21/01/2020	XS2109806369	FCABNK 0 1/4 02/28/23	FCA BANK SPA IRELAND	28/02/2023	Financial	BBB	EUR	850 000 000	3 000 000 000	28%	55	0.25
09/01/2020	XS2099704731	BCHINA 0 1/8 01/16/23	BOC LUXEMBOURG SA	16/01/2023	Financial	A	EUR	800 000 000	2 350 000 000	34%	47	0.125
16/01/2020	XS2107435617	NYLIFE 0 1/4 01/23/27	NEW YORK LIFE GLOBAL FDG	23/01/2027	Financial	AA	EUR	800 000 000	4 200 000 000	19%	37	0.25
09/01/2020	XS2103015009	EOANGR 0 12/18/23	E.ON SE	18/12/2023	Utilities	BBB	EUR	750 000 000	1 500 000 000	50%	35	0
09/01/2020	XS2102916793	MRKGR 0 1/8 07/16/25	MERCK FIN SERVICES GMBH	16/07/2025	Consumer, Non-cyclical	A	EUR	750 000 000	5 500 000 000	14%	35	0.125
09/01/2020	XS2102360315	STANLN 0.85 01/27/28	STANDARD CHARTERED PLC	27/01/2028	Financial	A	EUR	750 000 000	1 400 000 000	54%	35	0.85
13/01/2020	XS2104968404	UCGIM 1.8 01/20/30	UNICREDIT SPA	20/01/2030	Financial	BBB	EUR	750 000 000	1 000 000 000	75%	203.8	1.8
15/01/2020	DE000CZ45VM4	CMZB 0 7/8 01/22/27	COMMERZBANK AG	22/01/2027	Financial	BBB	EUR	750 000 000	1 600 000 000	47%	100	0.875
21/01/2020	XS2109394077	LLOYDS 0 3/8 01/28/25	LLOYDS BK CORP MKTS PLC	28/01/2025	Financial	A	EUR	750 000 000	2 100 000 000	36%	55	0.375
09/01/2020	XS2103013210	REESM 0 3/8 07/24/28	RED ELECTRICA FIN SA UNI	24/07/2028	Utilities	A	EUR	700 000 000	1 400 000 000	50%	83.2	0.375
10/01/2020	FR0013477486	ARRFP 0 01/20/23	APRR SA	20/01/2023	Consumer, Non-cyclical	A	EUR	500 000 000	2 800 000 000	18%	50.3	0
13/01/2020	XS2104915033	NGGLN 0.19 01/20/25	NATL GRID ELECT TRANS	20/01/2025	Utilities	A	EUR	500 000 000	3 600 000 000	14%	67.1	0.19
13/01/2020	XS2103230152	POHANG 0 1/2 01/17/24	POSCO	17/01/2024	Basic Materials	BBB	EUR	500 000 000	2 400 000 000	21%	72	0.5
16/01/2020	XS2106861771	BACRED 1 1/8 04/23/25	MEDIOBANCA DI CRED FIN	23/04/2025	Financial	BBB	EUR	500 000 000	4 000 000 000	13%	130	1.125
21/01/2020	BE0002681626	KBCBB 0 3/4 01/24/30	KBC GROUP NV	24/01/2030	Financial	A	EUR	500 000 000	1 900 000 000	26%	65	0.75

Source: Amundi

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