

Primary Market Views €

The news of the month

Confidence must be earned

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ASSET MANAGEMENT

The essential

Risk aversion has fallen sharply over the past quarter. Euro credit markets outperformed dollar credit markets. This performance was fueled by stronger than expected economic data and lower inflation. The peak seems to have passed for inflation. Indeed, inflation came out a little weaker than expected for December at 9.2% thanks to the fall in energy prices after 10.1% in November.

Nevertheless, recent signs of moderation in headline inflation have not been enough to reassure central bankers. The ECB and the Fed took a hawkish turn in December. The Fed remains deeply concerned about the tight labour market and inflation in service sectors. The ECB also expects price pressure to remain strong across all sectors due to the impact of high energy costs. Euro core inflation is still accelerating to 5.2% in December. Christine Lagarde also pointed out that untargeted fiscal measures are likely to exacerbate inflationary pressures.

The year 2022 was marked by high rate volatility and a drop in High Yield issue volumes. Volumes should increase in 2023. Investors' return to bond credit, which now offers attractive yields (more than 4% for Investment Grade and 7% for High Yield) will support the primary market.



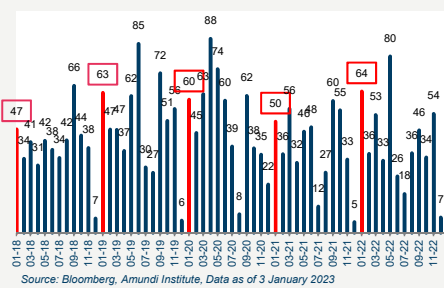
ROUGERON Sandrine
Global Head of Corporate Clients and Corporate Pension Funds



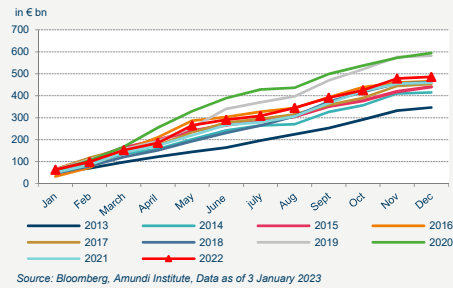
AINOUZ Valentine, CFA
Head of Global Fixed Income Strategy, Amundi Institute

Primary market Investment Grade

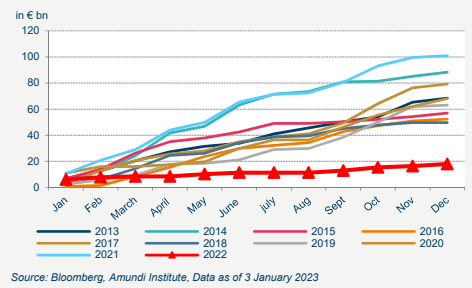
Euro IG primary market Monthly issuance (in €bn)



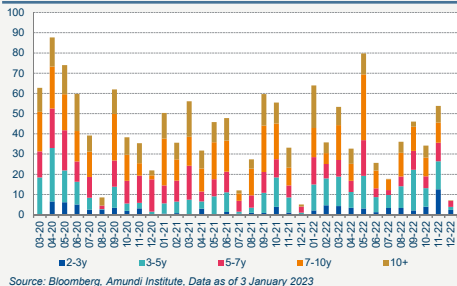
Euro IG primary market Cumulative flows (in €bn)



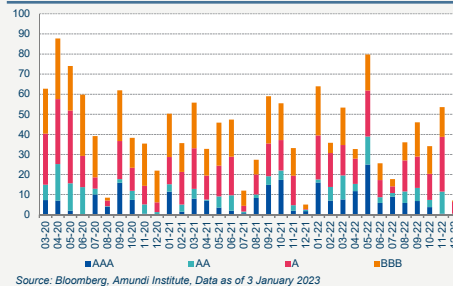
Euro HY primary market Cumulative monthly issuance (in €bn)



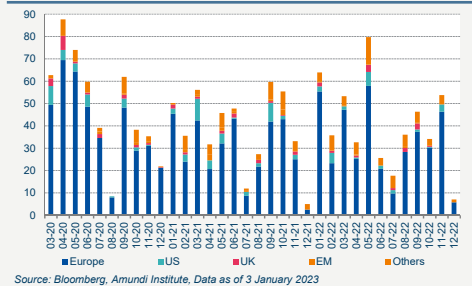
Euro IG primary market Monthly volume by maturity (in €bn)



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



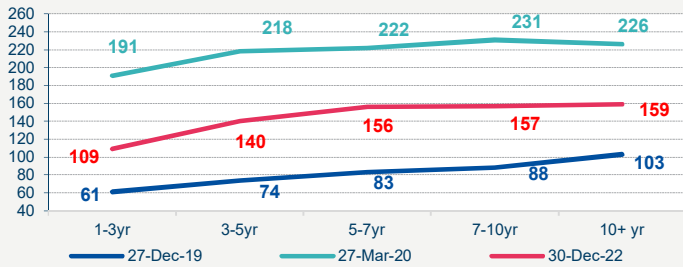
Euro IG primary market Monthly volume by country (in €bn)



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

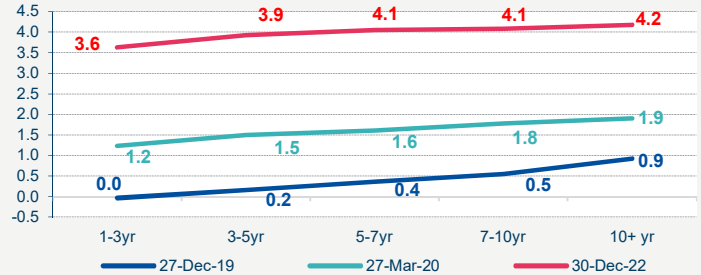
Market data

Euro IG A: OAS (in bp)



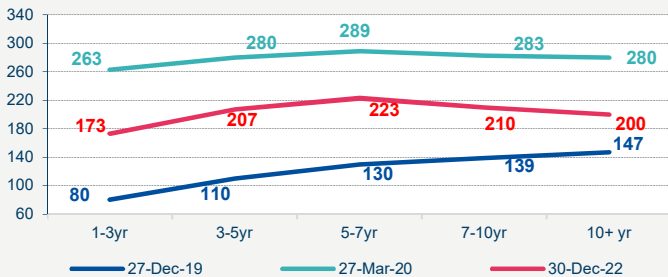
Source: Bloomberg, Amundi Institute

Euro IG A: yield (in %)



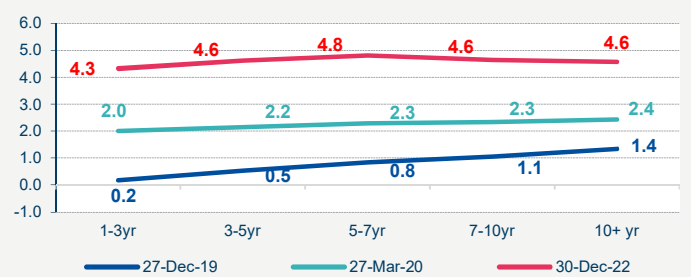
Source: Bloomberg, Amundi Institute

Euro IG BBB: OAS (in bp)



Source: Bloomberg, Amundi Institute

Euro IG BBB: yield (in %)



Source: Bloomberg, Amundi Institute

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