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Amundi
ASSET MANAGEMENT

Primary Market Views €

September 2023

The essential

- **The economic outlook for the Eurozone is deteriorating rapidly.** The euro zone is penalized by a brutal tightening of credit conditions, a consequence of the rapid cycle of rate hike cycle by the ECB. The ECB's latest quarterly credit survey shows a sharp decline in demand for loans to businesses and households. There are significant disparities between countries. The slowdown is stronger in Germany, affected by a struggling manufacturing sector and the slowdown in the Chinese economy.
- **The inflation rate in the euro area was confirmed at 5.3% in July 2023,** the lowest since January 2022, mainly due to a decline in energy prices compared to the high level recorded in 2002. This decline is expected to continue in September and October. Total inflation So-called "core" inflation, excluding energy and food, will, however, take longer to slow down, because wage growth remains high.
- **The question for the ECB is to estimate whether the economy is already weak enough to curb price growth on its own.** ECB members will be particularly vigilant to the risk of a rebound in the oil price, which could endanger the disinflation mechanism.
- **In this environment, credit markets remain rather resilient.** Over the past two months, spreads for Investment Grade and High Yield issuers have remained relatively stable.



ROUGERON Sandrine

Global Head of Corporate Clients and Corporate Pension Funds

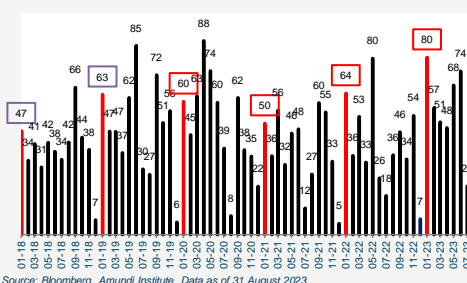


AINOUZ Valentine, CFA

Head of Global Fixed Income Strategy, Amundi Investment Institute

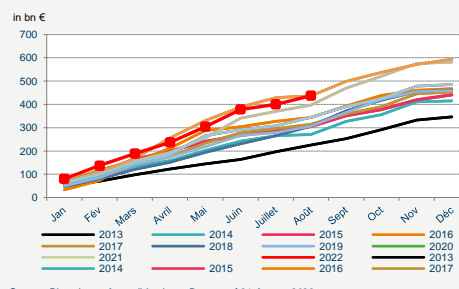
Primary market Investment Grade

Euro IG primary market Monthly issuance (in €bn)



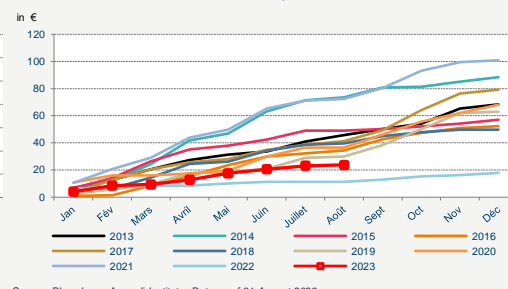
Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

Euro IG primary market Cumulative flows (in €bn)



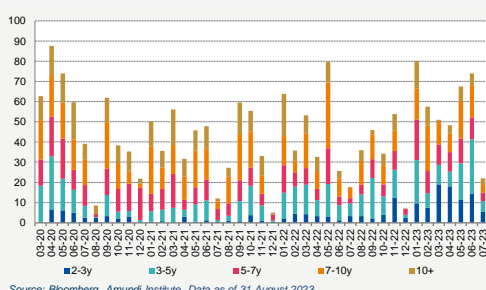
Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

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



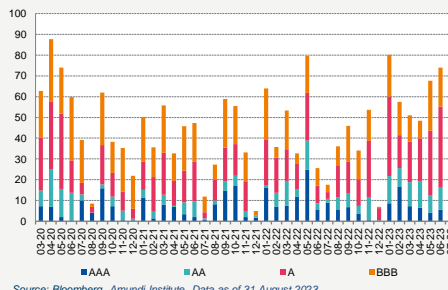
Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

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



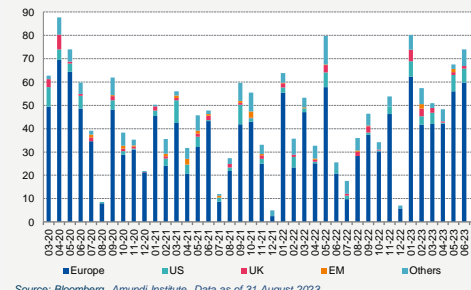
Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

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



Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

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

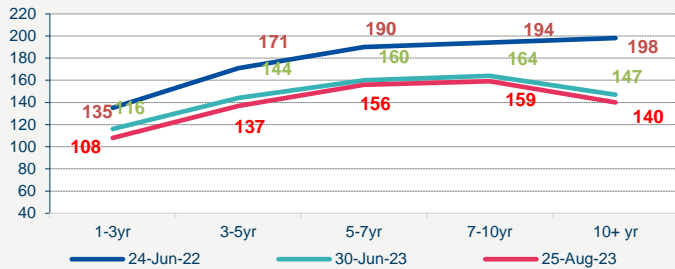


Source: Bloomberg, Amundi Institute, Data as of 31 August 2023

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

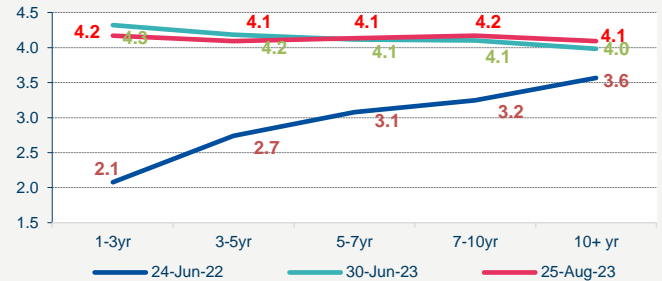
Market data

Euro IG A: OAS (in bp)



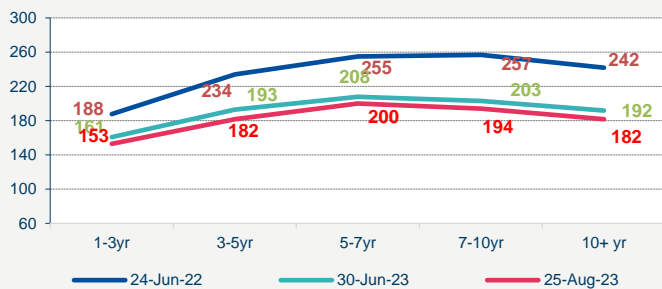
Source: Bloomberg, Amundi Institute

Euro IG A: yield (in%)



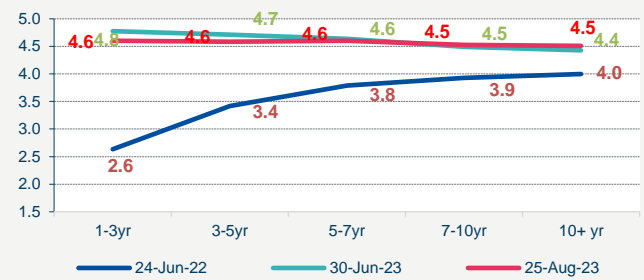
Source: Bloomberg, Amundi Institute

Euro IG BBB: OAS (in bp)



Source: Bloomberg, Amundi Institute

Euro IG BBB: yield (in%)



Source: Bloomberg, Amundi Institute

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