

Euro Credit Market Views



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In a nutshell

At the start of the year, credit markets remain highly resilient despite rising geopolitical risk. Spreads have widened slightly in recent days but remain below levels seen at the beginning of the year. Primary market activity is also robust.

This limited reaction in credit markets can be explained by:

1. A favorable macroeconomic backdrop. Economic data continues to surprise investors to the upside. Fiscal policies remain expansionary in most advanced economies. The Trump administration continues to support the US economy in this election year. The European recovery relies largely on Germany's large stimulus plan focused on infrastructure, transport and digital technologies.

2. Accommodative monetary policy. In the United States, the Fed has continued its easing cycle that began in September 2025, bringing the policy rate to 3.75% at year-end. Markets expect two further rate cuts in 2026, with the policy rate around 3%. In the euro area, the ECB has kept rates unchanged but retains room to cut if necessary.

3. Solid corporate fundamentals. Default rates remain low. Moreover, strong primary issuance has helped stagger maturities.

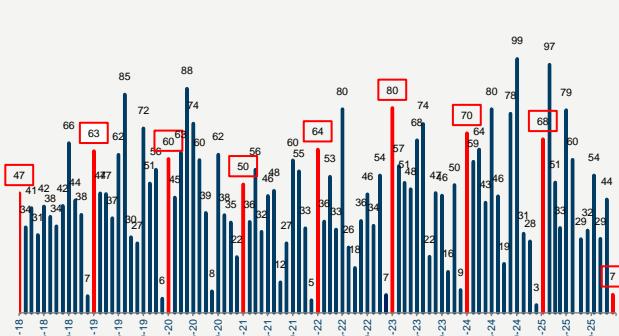
4. Positive technical factors. Investor demand is expected to stay strong, supported by attractive yields. Note, however, that technicals on US dollar corporate debt are expected to soften slightly in 2026. The investment cycle in artificial intelligence, combined with accelerated M&A activity, should increase debt supply.

Risks to the credit market include: (1) high equity valuations in US markets; (2) a potential reversal of the Fed's easing cycle; and (3) long term rate volatility tied to geopolitical risks and governments' financing needs.

Primary market Investment Grade

Euro IG primary market

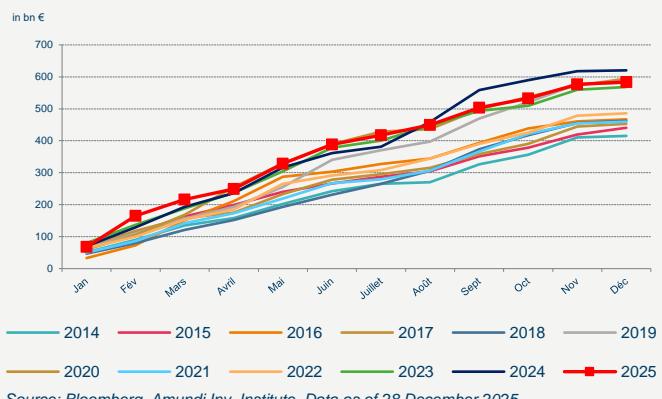
Monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 28 December 2025

Euro IG primary market

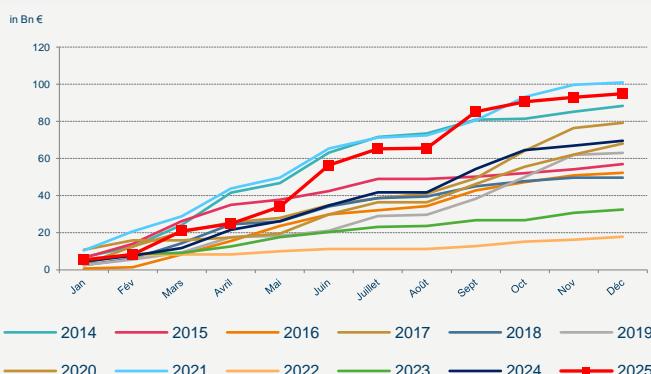
Cumulative flows (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 December 2025

Euro HY primary market

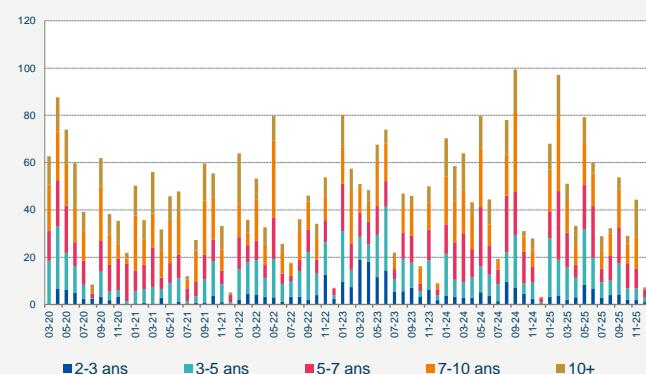
Cumulative monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 December 2025

Euro IG primary market

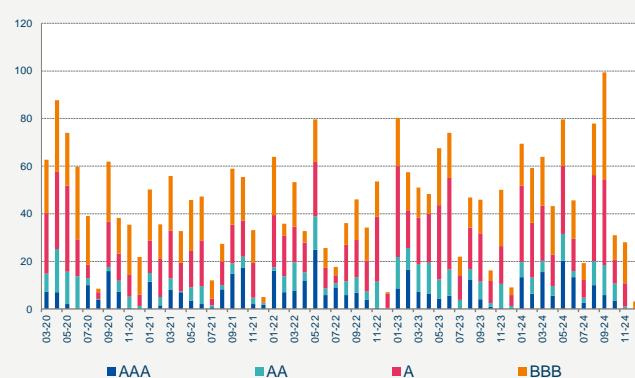
Monthly volume by maturity (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 December 2025

Euro IG primary market

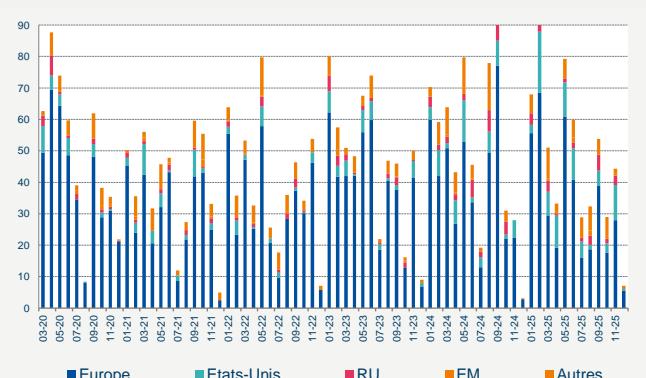
Monthly volume by rating (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 December 2025

Euro IG primary market

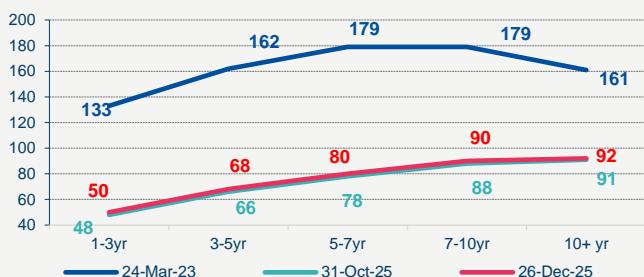
Monthly volume by country (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 30 December 2025

Market data

Euro IG A : OAS (in bp)



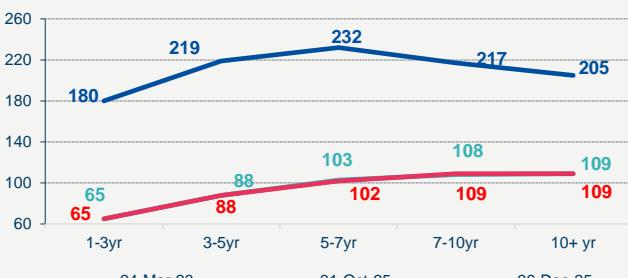
Source: Bloomberg, Amundi Investment Institute

Euro IG A : yield (in %)



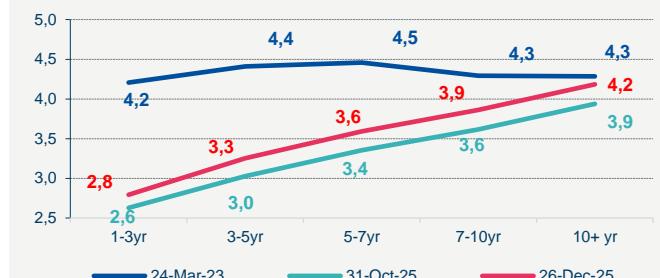
Source: Bloomberg, Amundi Investment Institute

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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