



GLOBAL PROJECT BONDS MARKET OVERVIEW

Recently closed transactions (September otherwise stated)

ENERGY

- **Aurora Solar (NAIC-2):** C\$309MM in 15-year senior secured notes issued to refinance a 74MW portfolio of 9 solar PV projects located in Ontario. (Sponsors: Osaka Gas USA (50%) and Diamond Generating Corp (50%))
- **Cerberus' Spanish Solar Portfolio:** €167MM in 19-year bond listed on the Frankfurt exchange to refinance a 42MW Spanish portfolio of 14 operational solar PV plants. (Sponsor: Cerberus Capital Management)
- **Energia del Valle de Mexico II (NAIC-2):** \$469MM in 22-year senior secured notes issued to refinance a 750MW CCGT project in Mexico. The transaction was structured as an hybrid bank/loan. (Sponsors: Cobra, Avanzia and Initec Consortium)
- **Cajamarca Transmission Line (BBB-):** \$100MM in 29-year senior secured notes issued to refinance Peru's 370km Cajamarca Transmission Line. The issuance was structured as an hybrid transaction including a \$75MM fixed-rate loan. (Sponsor: Bowpower)
- **Northwestern Hydro Acquisition:** C\$650MM in 17-year senior secured notes privately placed to refinance the Coast Mountain Hydro portfolio. The notes were issued at the HoldCo level. The assets include three operational run-of-river hydro generating facilities in British Columbia, Canada that sell power to British Columbia Hydro and Power Authority under three separate 60-year contracts. (Sponsors: Axiom Infrastructure Canada II and Manufacturers Life Insurance)
- **Cheniere Energy Partners:** \$1BN in 8-year senior unsecured notes to refinance the outstanding senior secured term loan of the HoldCo of Creole Trail Pipeline, Sabine Pass LNG and Sabine Pass Liquefaction. (Sponsor: Cheniere Energy Partners)

INFRASTRUCTURE

- **Autopista del Guadalmedina Toll Road:** €229MM in senior secured notes in 23 and 11-year tranches issued to refinance the existing debt facilities of the 28km motorway which is located north of Malaga in Spain. (Sponsor: Sacyr-led consortium)
- **Quadgas Finance Plc (BBB):** Quadgas MidCo Limited, the intermediate holding company of Cadent Gas limited, issued through its financing company its debut GBP public bond. The company announced a 11-year benchmark transaction and finally issued £350MM at G+200bps. The orderbook was heavily weighted to UK buy and hold asset managers with meaningful sized anchor orders. **Credit Agricole CIB acted as Joint Active Bookrunner.**
- **Porterbrook Leasing Co Ltd (NAIC-2):** the company, one of the three major rolling stock operating companies in the UK, launched £150MM of senior secured notes with 5 years of WAL at G+170bps. Porterbrook finally upped the USPP to £250MM from 14 investors in two fundings: £100MM of 10-year with a 2.69% coupon at 5yr G+163bps and £150MM of 10-year with a 2.77% coupon at 5yr G+171bps (delayed funding). (August)
- **Société d'Infrastructure Gazières:** Société d'Infrastructure Gazières issued €586.4MM of 11-year bonds in private placements to refinance a €500MM 5.375% seven year note that expired on July 12. The issuer is a holding company jointly owned by CNP Assurances and Caisse des Dépôts whose sole asset is a 24.91% minority stake in natural gas network GRTgaz. (July)
- **Connect Plus (M25):** the project company that manages the M25 motorway around London priced its first public bond – rated A+ by S&P – issued for £893MM 29-year (c.13-year WAL) senior secured notes at G+115bps, below the IPTs of 125-130bps. The book was oversubscribed, predominantly by UK-based institutional investors and pension funds. (July)
- **Corelink Rail Infrastructure:** The £75MM senior secured notes were successfully structured with a tailor made documentation, including a long tenor maturity (18.5 years of average life) and a delayed draw down schedule. Corelink Rail Infrastructure Limited – a joint venture between vehicles of Deutsche Asset Management and Infracapital – serves three primary markets: London commuter services (out of London Euston), regional and local services (in and around the Birmingham area), and long distance West Coast Main Line services. **Credit Agricole CIB acted as a Joint Private Placement Agent.** (July)

EMEA TRANSACTION SPOTLIGHT

- **The Project:** Owned by funds managed by InfraVia Capital Partners, Access Capital Partners and Pantheon Ventures, Aurora Infrastructure specializes in owning and operating critical electricity networks for which reliability is a prerequisite. Six per cent of all electricity consumed in Finland flows through Aurora networks. Aurora clients include Neste's Kilpilahti industrial area and Outokumpu's Tornio site, both in Finland.
- **The Transaction:** Aurora Infrastructure Oy subsidiaries have refinanced their existing loans on 31 July 2018 and raised additional financing for future network investments, for a total amount of €310m. The 2018 refinancing structure is a combination of a Private Placement under a long term bullet financing and capex facilities provided by commercial banks. The maturity of the loans agreed upon in the new financing are twelve years for institutional tranches and seven years for bank tranches. **Credit Agricole CIB acted as Financial Advisor and Placement Agent on this transaction.** (July)

AMERICAS TRANSACTION SPOTLIGHT

- **The Project:** The Cajamarca Transmission Line is a 370km operating transmission line located in northern Peru connecting Carhuaquero-Cajamarca Norte-Cáclic-Moyobamba. The project is owned by Bowpower, the Madrid-based subsidiary of ACS Group and Global Infrastructure Partners.
- **The Transaction:** A \$100MM 29-year private placement and a \$75MM fixed-floating rate loan were issued at the same time. The hybrid structure was put in place to refinance the transmission line. The Notes were rated BBB-. The Loan and the Notes are pari passu.
- **Execution Highlight:** The successful hybrid bank-bond execution allowed to tackle two different pockets of liquidity at very attractive terms.

* Source: Crédit Agricole Corporate & Investment Bank, Bloomberg, PFI, IJGlobal.



GLOBAL PROJECT BONDS MARKET OVERVIEW (cont'd)

Primary Issuances

ENERGY										
Issuer	Geography	Currency	Size (m)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)	
Aurora Solar	Nam	CAD	309	Sep-18	15.0	8.0	4.113%	--	BBB+	
Cerberus' Spanish Solar Portfolio	EMEA	EUR	167	Sep-18	19.0	--	3.290%	--	Private	
Energia del Valle de Mexico II	LatAm	USD	469	Sep-18	22.3	17.0	6.020%	315bps	BBB-	
Cajamarca Transmission Line	LatAm	USD	100	Sep-18	29.0	--	--	--	-- / BBB- / --	
Northwestern Hydro Acquisition Co	Nam	CAD	650	Sep-18	16.5	Bullet	3.900%	--	A (low) (DBRS)	
Curtis-Teixeiro Biomass Plant	EMEA	EUR	23	Aug-18	Private	Amort	Private	Private	--	
Eikeland-Steinsland	EMEA	EUR	350	Aug-18	Private	--	Private	Private	--	
Aurora Infrastructure Power Grid	EMEA	EUR	240	Jul-18	Private	Bullet	Private	Private	--	
sPower Finance 2	Nam	USD	499	Jul-18	23.5	13.8	Private	--	Private	
NE Antares HoldCo	Nam	USD	23	Jul-18	18.8	11.5	4.826%	--	BBB-	
Sonnedix Espana Finace	EMEA	EUR	140	Jun-18	19	--	3.228%	3	--	

INFRASTRUCTURE										
Issuer	Geography	Currency	Size (m)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)	
Autopista del Guadalmedina Toll Road	EMEA	EUR	196	Sep-18	23.0	--	3.700%	--	Private	
		EUR	33		11.0	--	6.250%	--		
Quadgas Finance plc	EMEA	GBP	350	Sep-18	11.0	Bullet	3.375%	200bps	BBB (S&P)	
West Park Healthcare Centre	Nam	CAD	171	Aug-18	34.0	--	4.000%	T+164.9bps	A3 / -- / --	
		CAD	48		15.0	--	3.700%	T+140.6bps		
Porterbrook Leasing Co Ltd	EMEA	GBP	100	Aug-18	10	Bullet	2.69%	163	--	
		GBP	150		10	Bullet	2.77%	171	(delayed funds)	
		EUR	30		10	Bullet	--	T+115	--	
Severn Trent Plc	EMEA	GBP	25	Aug-18	10	Bullet	--	G+124	--	
		GBP	135		15	Bullet	--	G+135	--	
		GBP	140		20	Bullet	--	G+129	--	
Société d'Infrastructures Gazières [Storage company]	EMEA	EUR	586	Jul-18	11.0	Bullet	2.715%	175bps	--	
	EMEA	EUR	Private	Jul-18	Private	Bullet	Private	Private	--	
		USD	66		10.0	--	4.010%	115bps		
Port of Brisbane	Apac	USD	66	Jul-18	12.0	--	4.110%	125bps		
		USD	66		15.0	--	4.160%	130bps	BBB	
		AUD	81		15.0	--	4.550%	135bps		
		AUD	100		30.0	--	4.980%	165bps		
Connect Plus M25	EMEA	GBP	892	Jul-18	21.0	12.7	2.607%	120bps	A+ (S&P)	
Corelink Rail infrastructure	EMEA	GBP	75	Jul-18	32	18.5	Private	Private	--	

NATURAL RESOURCES										
Issuer	Geography	Currency	Size (m)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)	
Cheniere Energy Partners	Nam	USD	1000	Sep-18	8.00	--	5.625%	--	Ba2 / BB / --	
Australia Pacific LNG Processing	Apac	USD	1400	Aug-18	12.0	10.0	4.820%	200bps	BBB	
Séché Environnement	EMEA	EUR	150	Jul-18	7.0	Bullet	3.250%	270bps	--	
Opatho Gas Trans	Nam	USD	65	Jul-18	15.0	8.9	--	--	A-	
FLNG Liquefaction 3	Nam	USD	600	Jul-18	21.0	--	5.550%	T+265bps	-- / BBB- / BBB-	
FCC Energy Limited	EMEA	GBP	145	Jun-18	20.0	11.0	Private	Private	--	

H1 2018 Global Project Bond League Tables - IJGlobal				
League Table by Number of Transactions			League Table by Volume	
#	Institution Name	Transactions	#	Institution Name (\$MM)
1	BNP Paribas	5	1	Goldman Sachs 946
=	HSBC	5	2	HSBC 870
=	JP Morgan	5	3	JPMorgan 653
=	Sumitomo Mitsui	5	4	Royal Bank of Canada 643
5	Credit Agricole	4	5	Bank of America 503
=	Royal Bank of Canada	4	6	Citigroup 494
=	Barclays	4	7	Sumitomo Mitsui 478
8	Santander	3	8	BNP Paribas 419
=	Mitsubishi UFJ	3	9	Barclays 418
=	ING Group	3	10	Credit Agricole 412

* Source: Crédit Agricole Corporate & Investment Bank, Bloomberg, PFI, IJGlobal.



EMEA BOND MARKET OVERVIEW

Market update

EUR Bond Corporate Market

- Following the busiest post-summer break ever with the largest volumes for a month of August (c.€17Bn), the IG primary market continued to flood all along September. For the third time this month, more than €10Bn were raised during the last week, lifting **September's EUR IG corporate market total up to €35.8Bn**. This marks the second busiest September on record (after Sep-2012). By way of comparison, €32.2Bn of volume were issued in September 2017. This month was also marked by numerous large hybrid tranches by **EDF** that issued a two-part Euro senior/hybrid deal (comprising a €1Bn 12 years and a €1.25Bn PNC 6-year) and **Vodafone** which issued €2.5Bn through two EUR tranches, GBP 500m and USD 1.3Bn. Conditions have been in fact favourable in recent weeks which have tempted more issuers than usual to issue bonds this month: markets have shown a surprising ability to absorb the supply in September (well covered books with an average oversubscription of 3.5x and stable NIP)
- Market sentiment has gained momentum over the last couple of months but investors remain cautious overall compared with last year: YTD volume stands at **€218Bn** (€250Bn last year, i.e. c.-13% back) and the average oversubscription stands at **2.7x YTD** (vs. 3.3x in 2017). As a result, only 207 different corporates came in the market YTD where last year saw in total 290 different names. Still, the success of long dates tranches issued since end of August – among others by Michelin (20-year), Engie (15-year) or RTE (12-year & 20-year tranches) – has given signs that the market has been reopened for good quality papers with tenors of over 12 years.

Key recent transactions

- The French infrastructure group **VINCI (A3/A-)** successfully priced on September 18th a new €750m 7yr bond paying a 1% coupon and a €1Bn 12yr bond paying a 1.75% coupon, despite the rising trade tensions between Trump's administration and China. This marks the entity first Benchmark issue in the single currency since it issued a €500m floating rate note in April 2013. Vinci's subsidiaries ASF and Cofiroute are nevertheless regular issuers, and provided relevant comparables to assess fair value. Multi-tranches on longer maturities have been frequent since the end of the summer break, but in the case of Vinci, the issuer managed to limit the credit slope to a very low level. On the back of a very strong combined order book of €7.3Bn (skew towards the 12-yr tranche) at lunchtime, final pricings were set at m/s+45bps on the 7yr (IPTs at m/s+65bps area); and at m/s+65bps on the 12yr (IPTs at m/s+90bps), only 4bps per annum between the two maturities. Credit Agricole CIB was Global Coordinator on this transaction.
- The French electricity transmission system operator **Réseau de Transport d'Electricité (RTE)** successfully raised €1Bn through a double tranche transaction. Books opened with IPTs of m/s+70-75bps area for a €500m 12-year tranche and m/s+95-100bps for the 20-year tranche, both announced as no grow. Based on a joint order book over €7.5Bn at lunchtime, skewed towards the 20-year tranche, guidance were tightened to m/s+50bps area and m/s+70bps area respectively. The 12-year tranche was finally priced at m/s+48bps and the 20-year at m/s+68bps, implying limited NIPs of 3bps and 2bps respectively. The 11x oversubscription on the longer tranche is the highest recorded in the market since the Portuguese infrastructure company Brisa deal in May 2017 and the final demand for this maturity is the highest since a 20-year tranche issued by AB InBev in March 2016. Credit Agricole CIB was Joint Bookrunner on this transaction.

GBP Market

- Quadgas Finance plc** is the financing company of Quadgas MidCo Limited, an intermediate holding company of Cadent Gas Limited. Cadent Gas, formerly known as National Grid Gas Distribution and currently owned by a consortium of eight infrastructure funds, is the largest distributor of gas in the UK, supplying 11 million households and businesses through 131,000 kilometres of pipe. Quadgas Finance plc had previously tapped the private markets through a series of USPP tranches but this was the company's debut public bond transaction. **Credit Agricole CIB acted as Joint Active Bookrunner on this transaction.**
- The company hosted two days of fixed income investor meetings in London to provide an update on Cadent's (OpCo) credit story and to educate investors on the MidCo / OpCo structural features. Investors who were attracted to this MidCo structure were essentially looking for a premium over the existing Cadent bond's secondary curve. After assessing the conditions on the morning of September 10, Quadgas decided to announce a GBP 11 year benchmark transaction
 - IPTs were announced as Gilts + 205-210 bps for an expected GBP300 million deal size. Investor demand was strong with the orderbook surpassing GBP300 million within two hours and then up to GBP 575 million of orders.
 - An oversubscribed and concentrated book of buy and hold investors allowed the company to adjust upwards the deal size to **GBP350 million with a final spread of +200 bps over the 6.00% 2028 UKT.**



EMEA BOND MARKET OVERVIEW

EMEA market – Public secondary levels

ENERGY										
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid Spread	Bid YTM	
09/07/2014	2i Rete Gas	Italy	Baa2	BBB	2024	600	3,000%	114	1,73	
09/07/2014	2i Rete Gas	Italy	Baa2	BBB	2019	750	1,750%	22	0,10	
21/11/2014	2i Rete Gas	Italy	Baa2	BBB	2020	540	1,125%	32	0,21	
21/02/2017	2i Rete Gas	Italy	Baa2	BBB	2026	435	1,750%	142	2,29	
24/10/2017	2i Rete Gas	Italy	Baa2	BBB	2027	550	1,608%	147	2,46	
04/09/2018	2i Rete Gas	Italy	Baa2	BBB	2025	500	2,195%	145	2,12	
09/03/2017	A2A	Italy	Baa3	BBB	2024	300	1,250%	83	1,39	
10/12/2013	Elenia Finance	Finland	NR	BBB	2020	500	2,875%	35	0,37	
31/03/2017	Elia	Belgium	NR	BBB+	2027	250	1,375%	54	1,44	
20/11/2014	Fluxys Belgium	Belgium	NR	NR	2029	250	2,750%	98	2,18	
28/09/2017	Fluxys Belgium	Belgium	NR	NR	2027	300	1,750%	108	2,06	
22/11/2013	Madriena Red de Gas Finance	Spain	NR	BBB	2023	275	4,500%	60	1,13	
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2029	300	2,250%	113	2,23	
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2025	300	1,375%	86	1,56	
05/07/2017	National Grid	UK	Baa1	BBB+	2024	500	1,000%	51	1,07	
21/09/2017	NorteGas	Spain	NR	BBB-	2027	750	2,065%	136	2,34	
21/09/2017	NorteGas	Spain	NR	BBB-	2022	550	0,918%	70	0,98	
24/03/2014	Redexis Gas	Spain	Baa3	BBB	2021	650	2,750%	60	0,84	
20/09/2018	RTE	France	NR	A	2038	500	2,125%	59	2,12	
20/09/2018	RTE	France	NR	A	2030	500	1,500%	46	1,65	
30/08/2017	SSE	UK	A3	A-	2025	600	0,875%	55	1,27	
28/08/2018	SSE	UK	A3	A-	2027	650	1,375%	69	1,64	
13/03/2017	Statkraft	Norway	Baa1	A-	2025	500	1,125%	37	1,00	
19/07/2017	Terna	Italy	Baa1	BBB	2027	1 000	1,375%	105	1,99	
03/06/2013	Vier Gas Transport	Germany	NR	BBB+	2025	750	2,875%	21	0,90	
03/06/2013	Vier Gas Transport	Germany	NR	A-(Fitch)	2020	750	2,000%	11	0,04	
01/07/2013	Vier Gas Transport	Germany	NR	A-(Fitch)	2023	750	3,125%	14	0,57	
20/11/2015	Viesgo (IE2 Holdco)	Spain	NR	BBB-	2023	500	2,375%	82	1,34	
23/05/2016	Viesgo (IE2 Holdco)	Spain	NR	BBB-	2026	550	2,875%	130	2,14	

INFRASTRUCTURE AND TRANSPORTATION										
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid Spread	Bid YTM	
17/06/2014	Abertis	Spain	NR	BBB	2025	700	2,500%	119	1,88	
10/05/2016	Abertis	Spain	NR	BBB	2026	1 150	1,375%	140	2,24	
02/11/2016	Abertis	Spain	NR	BBB	2027	500	1,000%	135	2,28	
05/12/2013	Aeroporti Di Roma	Italy	Baa1	BBB+	2021	600	3,250%	90	1,04	
01/06/2017	Aeroporti Di Roma	Italy	Baa1	BBB+	2027	500	1,625%	139	2,39	
28/05/2013	Aeroports de Paris	France	NR	A+	2028	600	2,750%	33	1,36	
01/10/2014	Aeroports de Paris	France	NR	A+	2025	500	1,500%	25	0,91	
15/07/2015	Aeroports de Paris	France	NR	A+	2023	500	1,500%	9	0,53	
06/12/2017	Aéroports de Paris	France	NR	A+	2027	500	1,000%	27	1,25	
18/03/2015	Alpha Trains	Luxembourg	Baa2	NR	2025	350	2,064%	86	1,63	
01/06/2016	APRR	France	Baa2	A-	2026	700	1,125%	28	1,02	
16/11/2016	APRR	France	Baa2	A-	2031	500	1,875%	36	1,59	
16/11/2016	APRR	France	Baa2	A-	2027	500	1,250%	26	1,12	
31/05/2017	APRR	France	Baa2	A-	2032	500	1,625%	37	1,66	
06/11/2017	APRR	France	NR	A-	2033	700	1,500%	40	1,75	
04/05/2016	ASF	France	A3	A-	2026	500	1,000%	37	1,17	
05/01/2017	ASF	France	A3	A-	2027	1 000	1,250%	39	1,25	
05/04/2017	ASF	France	A3	A-	2026	500	1,125%	38	1,14	
10/01/2018	ASF	France	A3	A-	2030	1 000	1,375%	43	1,59	
21/06/2018	ASF	France	A3	A-	2028	700	1,375%	41	1,44	
26/01/2017	Atlantia	Italy	Baa2	BBB	2025	750	1,625%	189	2,65	
06/07/2017	Atlantia	Italy	Baa2	BBB	2027	1 000	1,875%	186	2,89	
18/09/2017	Autostrade	Italy	Baa1	BBB+	2029	700	1,875%	201	3,24	
03/05/2017	Brisa	Portugal	Baa3	NR	2027	300	2,375%	108	2,03	
25/06/2013	Brussels Airport	Belgium	Baa1	NR	2020	500	3,250%	12	0,07	
26/04/2017	Brussels Airport	Belgium	Aa1	NR	2024	300	1,000%	33	0,86	
03/02/2014	Heathrow Funding	UK	NR	A-	2030	750	1,500%	61	1,80	
13/05/2014	Heathrow Funding	UK	NR	A-	2022	600	1,875%	27	0,52	
28/06/2017	Heathrow Funding	UK	NR	A-	2032	500	1,875%	67	2,00	
17/11/2017	HIT	France	Baa3	NR	2027	500	1,625%	155	2,56	
17/11/2017	HIT	France	Baa3	NR	2023	500	0,625%	105	1,47	
09/10/2014	Infra Park (Indigo)	France	NR	BBB	2025	650	2,125%	58	1,27	
19/07/2013	SANEF	France	Baa1	NR	2019	300	2,500%	-3	0,09	
06/11/2015	SANEF	France	Baa1	NR	2026	600	1,875%	62	1,43	
11/10/2016	SANEF	France	Baa1	NR	2028	300	0,950%	72	1,82	
17/04/2018	Sydney Airport	Australia	Baa1	BBB+	2028	500	1,750%	71	1,71	
01/12/2017	Tank & Rast	Germany	Baa3	BBB-	2027	300	2,375%	190	2,95	
01/12/2017	Tank & Rast	Germany	Baa3	BBB-	2024	300	1,625%	146	2,12	
06/09/2017	Transurban	Australia	Baa1	BBB+	2028	500	1,750%	86	1,88	
20/01/2015	VTG Finance	Luxembourg	NR	NR	Perp	250	5,000%	151	7,64	



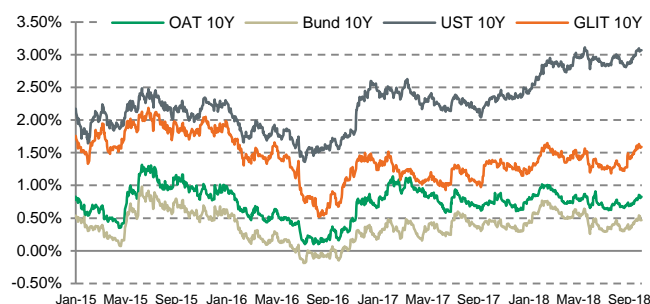
MACROECONOMIC ENVIRONMENT

- In Europe, ECB President Mario Draghi's comments provided in a testimony to the European Parliament at the end of the month suggests the ECB is on track to hike rates late next year. Mario Draghi said he saw a "relatively vigorous" pickup in underlying euro-area inflation as the tightening labour markets is pushing up wage growth adding that domestic price pressures are strengthening and broadening. It is still widely expected that a hike will come in the final quarter of next year.
- The Italian government finally announced it would target a budget deficit of 2.4%. This outcome is seen as a victory for the populist elements of the government, particularly the Five Star Movement. The credit rating implication for Italian debt is an increased chance that Moody's could downgrade by one-notch next month and that S&P could put Italian credit on negative outlook. Comments attributed to Finance Minister Giovanni Tria indicated that he will not resign, which should avoid BTPs selling off even more substantially. Bank of Italy Governor Ignazio Visco also said the country's debt, the largest among big European Union economies at 131% of GDP, must not be allowed to increase.
- In the US, the Fed increased its policy target range by 25 bps to 2.0-2.25% as expected. The communicated dot plot suggests that there should be an additional hike before year end (probably on December 19th), and 3 or 4 hikes in 2019. Furthermore, The FOMC raised its median 2018 GDP growth estimate to 3.1% from 2.8% and projects a deceleration in growth in 2019 (2.5%) and 2020 (2.0%) towards the economy's longer-run potential by 2021. Unemployment in 2018 was projected at 3.7% (vs. slightly higher than in June at 3.6%)
- Still in the US, most of market focus this month was poised on the trade-war saga. The latest episode saw the implementation of a new set of tariffs on \$200bn worth of Chinese exports, 10% instead of the 25% previously proposed. The new levies range on imports from farm products and machinery to chemicals. Trump's escalation is linked and will very likely increase ahead of the incoming Mid-term elections in November (US President is currently facing low approval ratings even among republican voters). On its side, China consequently hit back unveiling \$60bn of tariffs on US imports including aircrafts and coffee. In his address to the UN in late September, Donald Trump reiterated that the trade deficit with China "is just not acceptable".

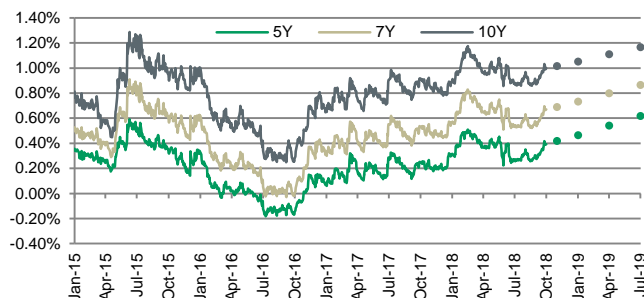
Swap rates (as of September 28th, 2018)

	EUR	MtM Var (%)	USD	MtM Var (%)	GBP	MtM Var (%)
3Y	0,69%		3,05%	6,5%	1,28%	5,9%
5Y	0,39%	39,7%	3,07%	6,7%	1,44%	7,4%
7Y	0,66%	22,1%	3,09%	6,7%	1,55%	7,5%
10Y	0,99%	13,4%	3,12%	6,5%	1,66%	7,5%
12Y	1,15%	9,4%	3,14%	6,3%	1,70%	7,1%
15Y	1,32%	7,1%	3,16%	6,2%	1,75%	7,1%
20Y	1,48%	5,2%	3,16%	6,0%	1,77%	6,9%

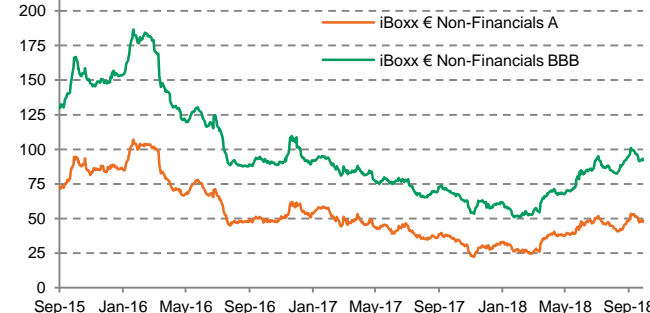
Treasury yields (10Y)



EUR swap rates (historic and forward levels)

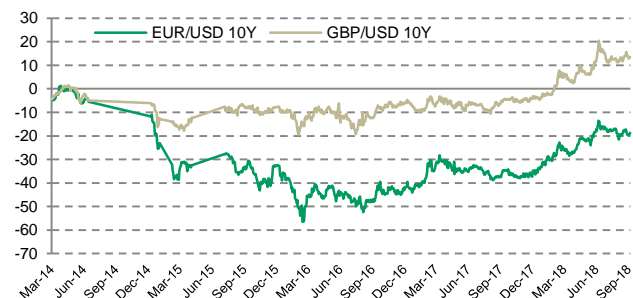


Credit spread evolutions (€)



iBoxx™ bond indices offer broad benchmarking and liquid tradable index solutions that track bond markets globally. Fuelled by multi-source pricing, iBoxx provides transparency to bond market performance.

10Y basis swap evolution



Main upcoming events

	Events / Data	Expected impact
18-Oct	EU council meeting	No hard Brexit (transition period) would be positive for GBP, slightly higher rates
25-Oct	ECB monetary meeting	N/A
31-Oct	Eurozone CPI (Oct)	Slightly higher rates

Sources: Crédit Agricole CIB, Bloomberg



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