



## GLOBAL PROJECT BONDS MARKET OVERVIEW

### Recently closed transactions

#### ENERGY

- **Mankato Energy Center (NAIC-2):** \$407MM in 19-year privately placed senior secured notes to refinance the operating Mankato CCGT in Minnesota. The tenor of the notes matches the remaining life of the offtake contract with Northern States Power (A2 / A- / A+). The fully amortizing notes priced at a 2.900% coupon with a spread of 235bps over treasuries and a 8-year weighted average life. (Sponsor: Southwest Generation)
- **LPSLT 2020-2GF (A Class A / BBB Class B / BB Class C by Kroll):** \$252MM ABS backed by a portfolio of over 8,700 residential solar loans in the US, with a 743 average FICO score originated and serviced by Loanpal, LLC. This transaction, which is GoodFinch inaugural securitization, was issued in three tranches achieving an aggregated advance rate of 84.0%. (Sponsor: GoodFinch)
- **Tengizchevroil (Baa2 / BBB / --):** \$1.3BN in senior secured notes to finance capital expenditures related to the \$42BN oil field future growth project (FGP) and wellhead pressure management project (WPMP) in Kazakhstan. The FGP is 77% complete and expected to come online in 2023, while the WPMP is expected to be complete in late 2022. The dual-tranche offering is comprised of \$500MM 5-year notes with a 2.750% coupon rate and \$750MM in a 10-year tranche with a 3.375% coupon rate. (Sponsors: Chevron and ExxonMobil)
- **Rothes CoRDe and Becton Energy EfW plants:** A fully amortizing private placement to refinance a portfolio of two operating renewable combined heat and power (CHP) plants with a 26MW aggregated capacity located in the United Kingdom. The Rothes CoRDe power plant, located in Scotland, uses a combination of woodchip and a by-product of the whisky distillation industry known as draff, to generate electricity. Becton Energy is a bio-liquids fired power plant located in London providing heat to Cadent Gas Limited and electricity to Thames Water Utilities Limited. (Sponsor: Arjun Infrastructure Partners)

#### INFRASTRUCTURE

- **Kingston Student Living LLP ( -- / AA / --):** £90MM in privately placed 35-year senior secured notes to finance the refurbishment of 1,216 existing rooms and 117 new rooms, as well as the redevelopment of facilities in the campus of Kingston University in London. The concession runs for 50 years. Engie Regeneration will undertake the refurbishment works under a fixed-price, engineering, procurement, construction (EPC) contract. The transaction comprises two tranches of fixed and index-linked debt and benefits from a guarantee on principal and interest payments by Assured Guaranty. (Sponsors: Equitix, Engie Regeneration and Kingston University)
- **DP World Antwerp (A-):** €164MM in 20-year secured private placement to increase automation and container capacity at the port of Antwerp, Belgium. The Port of Antwerp is the second-largest container terminal in Europe, with Antwerp Gateway serving a wide catchment area. The transaction, which benefited from a delay draw feature, priced at a 1.750% coupon and had a 15-year weighted average life. (Sponsor: DP World Antwerp Holding NV, COSCO Shipping Ports NV, Terminal Link S.A.S. and Duisburger Hafen AG.)
- **Azzurra Aeroporti (Baa3 / -- / --):** €660MM in dual-tranche senior secured notes backing the Nice Airport to refinance its €653MM term loan raised in November 2016. The €360MM 4-year tranche priced at a 2.125% coupon while the €300MM 7-year notes priced at a 2.625% coupon. (Sponsors: Atlantia, EDF Invest and the Principality of Monaco)

#### EMEA TRANSACTION SPOTLIGHT:

##### Azzurra Aeroporti

- **The issuer:** Azzurra Aeroporti is the holding company of Aéroports de la Côte d'Azur, which is owned by Atlantia (52.7%), Atlantia's subsidiary Aeroporti di Roma (7.8%), EDF Invest (19.4%) and the Principality of Monaco (20.1%).
- **The transaction:**
  - ✓ €360MM 4-year tranche with a 2.125% coupon: a spread of 255bps over mid-swaps and €300MM 7-year tranche at 2.625% or 300bps over mid-swaps.
  - ✓ The bonds will refinance €653MM of 5-year bank loans that are set to mature in November 2021. Azzurra Aeroporti raised the loans to fund the acquisition of a 64% stake in ACA in 2016, when the Nice Airport operator was privatized.

#### AMERICAS TRANSACTION SPOTLIGHT:

##### Mankato Energy Center

- **The issuer:** Mankato Energy Center is backing a 760MW operating CCGT plant in Minnesota owned by Southwest Generation, a portfolio company of JP Morgan Asset Management's Infrastructure Investments Fund.
  - ✓ The gas-fired plant benefits from a PPA with Northern States Power, a subsidiary of Xcel Energy.
  - ✓ Southwest Generation acquired the asset in April 2020 from Xcel Energy, which had bought it from Southern Power a few months earlier.
- **The transaction:**
  - ✓ \$407MM in 19-year fully amortizing senior secured notes with a 8-year weighted average.
  - ✓ The privately placed notes priced at a 2.900% coupon with a spread of 235bps over interpolated treasuries.
  - ✓ The notes refinances the current bank facilities.

Sources: Crédit Agricole CIB, Bloomberg, PFI, IJGlobal.



## GLOBAL PROJECT BONDS MARKET OVERVIEW (cont'd)

### Primary Issuances

ENERGY									
Issuer	Geography	Currency*	Size (MM)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)
Mankato Energy Center	NAm	USD	407	Jul-20	19	8	2.900%	235 bps	NAIC-2
LPSLT 2020-2GF	NAm	USD	252	Jul-20	27	6 / 6 / 7	2.750% / 3.860% / 3.500%	240 bps / 350 bps / 640 bps	A / BBB / BB (Kroll)
Tengizchevroil	EMEA	USD	1,300	Jul-20	5 / 10	Bullets	2.750% / 3.375%	--	Baa2 / BBB / --
Roths CoRDe and Beckton Energy Biomass	EMEA	GBP	--	Jul-20	--	--	--	--	--
Sunnova Helios IV Issuer	NAm	USD	159	Jun-20	35	9 / 6	2.980% / 7.250%	262 bps / --	A- / BB- (Kroll)
Mosaic Solar Loan Trust 2020-1	NAm	USD	280	Jun-20	26	5 / 5 / 2 / 2	2.100% / 3.100% / 4.470% / 6.910%	175 bps / 275 bps / 425 bps / 675 bps	AA- / A- / BBB- / BB- (Kroll)
Mill City Solar Loan 2020-1	NAm	USD	162	Jun-20	27	6 / 7 / 6	3.590% / 4.250% / 2.000%	--	A / BBB / BB (Kroll)
Loanpal Solar Loan 2020-1	NAm	USD	211	Jun-20	27	6 / 6 / 4	3.780% / 5.350% / 2.000%	--	A / BBB / BB (Kroll)
River Bend Fuel	NAm	USD	70	Jun-20	7	Bullet	2.510%	195 bps	NAIC-2
FSL Issuer S.A.U.	EMEA	EUR	305	Jun-20	21	--	--	--	-- / AA / --
Ellevio	EMEA	SEK	1,650	Jun-20	7	Bullet	1.728% / floating	--	-- / BBB / --
Obton	EMEA	EUR	8	Jun-20	15	--	--	--	--
Malpartida Solar	EMEA	EUR	30	Jun-20	--	--	--	--	--
Whistler Pipeline	NAm	USD	800	May-20	10 / 11	8 / 11	5.160% / 7.000%	465 bps / 633 bps	Baa3 / -- / --
Risen Yarranlea Solar PV Project	APac	AUD	90	May-20	20	--	--	--	IG
Guaimbe and Ouroeste Solar	LatAm	BRL	820	May-20	10	--	--	--	--
SabinePass Liquefaction	NAm	USD	2,000	May-20	10	10	4.500%	388 bps	Baa3 / BBB- / BBB-
Catalyst Old River Hydroelectric LP	NAm	USD	560	Apr-20	9	6	4.000%	--	BBB- (DBRS)
Folha Larga 1 Wind Farm	LatAm	BRL	140	Apr-20	1	--	0.520%	--	--
Albion Community Power	EMEA	GBP	57	Apr-20	--	--	--	--	--
Adani Transmission Ltd	APac	USD	90	Mar-20	30	16	5.200%	427 bps	-- / BBB- / --
Pinecone Power, LLC	NAm	USD	55	Mar-20	7	--	7.180%	--	--
INFRASTRUCTURE									
Issuer	Geography	Currency *	Size (MM)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)
Kingston Student Living LLP	EMEA	GBP	90	Jul-20	35	--	--	--	-- / AA / --
DP World Antwerp	EMEA	EUR	164	Jul-20	20	-	1.750%	--	-- / -- / --
Azzura Aeroporti	EMEA	EUR	660	Jul-20	4 / 7	-	2.125% / 2.625 %	--	Baa3 / -- / --
Brisbane Airport	APAC	AUD	850	Jun-20	6 / 11	Bullets	3.100% / 4.500%	--	Baa2 / BBB / --
Meridian Water Heat Network	EMEA	GBP	15	Jun-20	--	--	--	--	--
Trident	EMEA	GBP	75	Jun-20	31 / 33	--	--	--	--
S-Bahn Hannover rolling stock PPP	EMEA	EUR	340	Jun-20	27	--	--	--	--
Currenta	EMEA	EUR	75	May-20	--	--	--	--	--
VTG	EMEA	EUR	342	May-20	6	Bullet	--	--	-- / BBB / --
Your Housing Group	EMEA	GBP	120	May-20	34	--	2.500%	--	--
ELL Luxembourg 2 S.à.r.l	EMEA	EUR	--	May-20	--	-	--	--	--
ODEG	EMEA	EUR	75	May-20	--	--	--	--	--
3i BIIF PFI Tidal Portfolio	EMEA	GBP	248	May-20	16 / 18	--	--	--	--
3i EOFP PPP Bravo Portfolio	EMEA	EUR	24	May-20	15	--	--	--	--
Violin FTTH	EMEA	EUR	717	Apr-20	7	--	--	--	--
Transurban Toll Roads	EMEA	EUR	600	Apr-20	10	--	--	MS + 310 bps	Baa1 / BBB+ / A-
Nova Scotia Highway 104 Expansion PPP	NAm	CAD	189	Mar-20	16 / 23	--	2.800% / --	--	A3 / -- / --
A3 Nordbayern GmbH & Co. KG	EMEA	EUR	400	Apr-20	--	--	--	--	--



FY 2019 Global Project Bond League Tables (Source: PFI)

#	Lead Manager	(\$MM)	# deals
1	JP Morgan	6,675	27
2	MUFG	4,855	26
3	Citi	4,582	32
4	SMBC	3,974	22
5	Morgan Stanley	3,495	8
6	Mizuho	3,465	17
7	Crédit Agricole	3,406	26
8	RBC	2,649	12
9	Santander	2,132	24
10	Goldman Sachs	1,996	15

FY 2019 Global Project Bond League Tables (Source: IJGlobal)

#	Lead Manager	(\$MM)	# deals
1	SMBC	4,622	27
2	JP Morgan	4,374	18
3	Citi	3,755	22
4	MUFG	3,729	23
5	Mizuho	3,403	17
6	Crédit Agricole	2,707	20
7	Societe Generale	1,917	8
8	RBC	1,860	11
9	Santander	1,820	24
10	Barclays	1,795	10

\* Currency of issuance.

Sources: Crédit Agricole CIB, Bloomberg, PFI, IJGlobal.



GLOBAL BOND MARKET OVERVIEW

Market update July 2020

EUR Bond Corporate Market

- June was the third record month in a row with a total of €62.8BN priced on the primary. But the last few weeks have seen the number of issues decline : indeed issuers are slowly entering in their black out period. However, the summer lull could be shorter this year and market could remain opened longer.
- Most recently, sentiment in Europe's high grade corporate bond market has been rocked by the renewed focus on the coronavirus pandemic. The boosts from supportive central bank policy changes seem to have already dissipated.
- The success of deals continue to be mainly driven by the sectors of the issuers and their exposure to covid-19 crisis. This leads to a wide range of new issue premiums as it was negative NIPs for Utilities such as ESB or Terna to NIP as high as 20bps like for NEPI Rockcastle and Auchan.

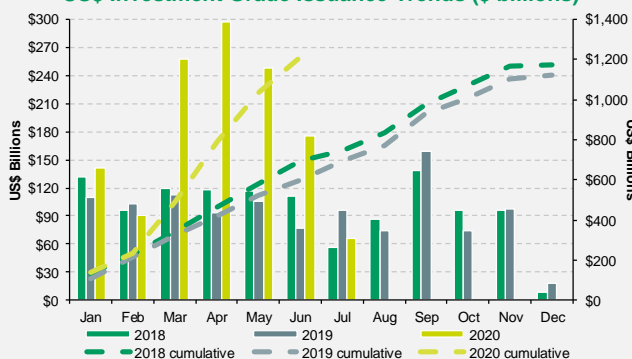
Key Recent Transactions

- ✓ **Infrastrutture Wireless Italiane (BBB-/BB+):** INWIT priced a €1.0BN 9-year senior unsecured transaction to refinance acquisition bank debt. IPTs were released at MS+260-270bps and the final terms were eventually set at MS+220bps. The orderbook reached €4.25BN. **Crédit Agricole CIB acted as Joint Bookrunner.**
- ✓ **National Grid (A3/A-):** priced an opportunistic £350MM 8-year deal. The transaction was initially announced at G+125-130bps on GBP 300m expected. As orderbook reached €850MM, guidance was released at G+110-115bps. With a robust post guidance orderbook, final spread was set at G+110bps.
- ✓ **Fraport (NR/NR):** launched a dual-tranche transaction consisting of a 4-year and a 7-year tranche. IPTs were released at m/s+220bps area and m/s+260bps area, respectively. The orderbook was spotted in excess of €1.3BN, the leads were able to release guidance spreads at m/s+210bps area and m/s+250bps. Finally, Fraport set the final spreads and final sizes at m/s+210bps on the first €300MM leg and m/s+250bps on the second €500MM leg respectively.

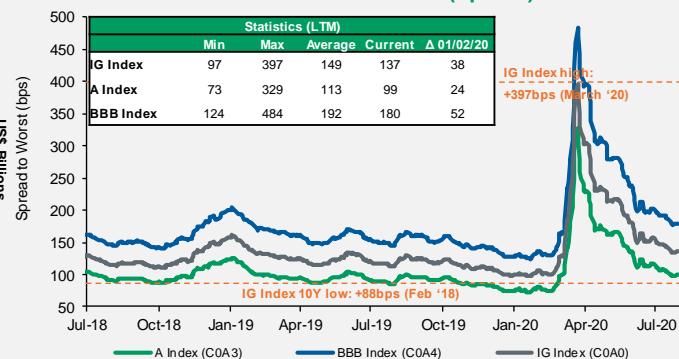
US Investment Grade Public Corporate Bond Market

- While YTD volumes at \$1.28TN already outperforms full-year 2019 issuance levels and stands ~84% ahead of last year's pace, July volumes at \$66BN marks a slow down. Syndicate desks are expecting the slowdown to linger through August and into 2H as the recent rush for liquidity has likely constrained companies' balance sheets, pushing leverage higher.
- Issues last week saw demand around 3.5x oversubscribed leading to movements of 30bps on average from IPT-to-pricing, and landing with an average new issue concession of 5bps.
- Investor sentiment ranges from being overly optimistic about corporate earnings and economic recovery to pricing in the potential for a prolonged COVID-19-induced recession. There is growing concern among the investor community on the economic impact should it not be extended. Last week, the Fed announced the extension of its purchasing programs until Dec 31st, and left rates unchanged, as expected. The FOMC maintained a dovish tone and left rates near zero on Wednesday, while highlighting that the virus continues to pose considerable risks. Q2 GDP contracted at a 32.9% annual rate following a 5.0% decline in Q1. The number slightly beat estimates at -34.5%, but still set a historically low print as the lowest since World War II. Jobless claims reversed their downward trend for a second week in a row, rising to 1,434k from 1,416k the previous week.

US\$ Investment Grade Issuance Trends (\$ billions)



Investment-Grade Index (Spread)



USPP Market Highlight

- July has seen the largest volume of issuance in USPP since the beginning of the year at \$6.2BN vs \$5.7BN last month, but less than in the previous July (\$7.2BN). The YTD volume reaches \$35.3BN, a 6% lag vs. last year.
- There were 36 issues by 13 issuers this month vs 38 issues by 19 issuers last month, and 55 issues by 22 issuers last year.
- Domestic transactions continued to outpace cross-border transactions in July at \$4.5BN vs \$1.8BN respectively. Domestic USPP are keeping their lead on a YTD basis with 67% of the 2020 issuances.
- Energy and Infrastructure (including transportation) issuances account for 42% of the total YTD issuance, with Energy accounting for 33% of the YTD issuances and Infrastructure 9%.

USPP Spreads in bps			
Weighted Average Life	NAIC-1	NAIC-2	NAIC-3
5	165-220	175-200	450-550
10	150-240	200-275	450-525
12-14	200-260	225-275	450-525
15	210-275	225-265	450-550



## EMEA BOND MARKET OVERVIEW

### EMEA market – Public secondary levels

Sources: Crédit Agricole CIB, Bloomberg.

ENERGY											31/07/2020	31/07/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid   Spread	Bid YTM	I Spread	I Spread			
04/09/2018	2i Rete Gas	Italy	Baa2	BBB	2025	500	2,195%	74	0,33	2	-98			
31/03/2020	E.ON	Germany	Baa2	BBB	2025	750	1,000%	49	0,09	NA	-81			
09/01/2020	E.ON	Germany	Baa2	BBB	2030	500	0,750%	72	0,49	33	-83			
09/01/2020	E.ON	Germany	Baa2	BBB	2023	750	0,000%	45	0,03	14	-75			
31/10/2019	E.ON	Germany	Baa2	BBB	2031	500	0,625%	80	0,60	10	-82			
02/12/2019	EDF	France	A3	A-	2049	1 250	2,000%	191	1,85	31	-49			
07/04/2020	EDP	Portugal	Baa3	BBB-	2027	750	1,625%	84	0,48	NA	-96			
13/01/2020	EDP	Portugal	Baa3	BBB-	2080	750	1,700%	304	2,64	73	-132			
30/01/2020	Elenia Finance	Finland	NR	BBB+	2027	500	0,375%	72	0,36	15	-55			
10/10/2019	Enel	Italy	Baa2	BBB+	2027	1 000	0,375%	72	0,38	6	-87			
20/03/2020	Engie	France	A3	A-	2028	750	1,750%	64	0,32	NA	-116			
20/03/2020	Engie	France	A3	A-	2032	750	2,125%	72	0,36	NA	-138			
16/01/2020	Eni	Italy	Baa1	A-	2030	1 000	0,625%	91	0,66	19	-100			
07/10/2019	Eni	Italy	Baa1	A-	2034	750	1,000%	90	0,81	4	-109			
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2026	500	1,661%	189	1,52	59	-56			
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2023	600	0,815%	125	0,82	69	-33			
27/11/2019	Gas Network Ireland	Ireland	A3	A	2024	300	0,125%	71	0,30	39	-37			
01/04/2020	Iberdrola	Spain	Baa1	BBB+	2025	750	0,875%	50	0,09	NA	-65			
02/12/2019	Italgas	Italy	Baa2	BBB+	2031	500	1,000%	75	0,57	-7	-101			
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2029	300	2,250%	165	1,36	40	-51			
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2025	300	1,375%	92	0,51	21	-50			
13/01/2020	National Grid	UK	A3	A-	2025	500	0,190%	44	0,02	12	-80			
28/08/2019	National Grid	UK	Baa3	BBB	2082	750	2,125%	236	2,02	38	-141			
28/08/2019	National Grid	UK	Baa3	BBB	2079	500	1,625%	220	1,78	46	-232			
06/04/2020	Naturgy	Spain	BBB (Fitch)	BBB+	2026	1 000	1,250%	65	0,26	NA	-90			
09/01/2020	Red Electrica	Spain	A-(Fitch)	A-	2028	700	0,375%	48	0,17	13	-53			
20/09/2018	RTE	France	NR	A	2038	500	2,125%	66	0,62	11	-63			
20/09/2018	RTE	France	NR	A	2030	500	1,500%	49	0,25	3	-59			
05/09/2019	Snam	Italy	Baa2	BBB+	2034	600	1,000%	80	0,69	3	-63			
26/03/2020	Suez	France	Baa1	NR	2027	850	1,250%	72	0,36	Na	-63			
07/04/2020	Veolia Environnement	France	Baa1	BBB	2028	700	1,250%	73	0,40	NA	-57			
08/01/2020	Veolia Environnement	France	Baa1	BBB	2031	500	0,664%	83	0,61	23	-48			
29/08/2019	Vier Gas Transport	Germany	NR	A-	2034	500	0,500%	78	0,69	17	-52			
17/09/2018	Vier Gas Transport	Germany	NR	A-	2028	500	1,500%	46	0,15	7	-59			

INFRASTRUCTURE											31/07/2020	31/07/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid   Spread	Bid YTM	I Spread	I Spread			
30/01/2020	Abertis	Spain	BBB(Fitch)	BBB-	2028	600	1,250%	198	1,66	28	-128			
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2029	600	1,625%	218	1,91	29	-139			
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2025	700	0,625%	146	1,06	19	-156			
01/04/2020	APRR	France	A-(Fitch)	A-	2027	500	1,250%	57	0,20	NA	-93			
10/01/2020	APRR	France	A-(Fitch)	A-	2023	500	0,000%	43	0,00	26	-60			
10/01/2019	APRR	France	A-(Fitch)	A-	2028	500	1,250%	61	0,34	19	-73			
14/11/2018	APRR	France	A-(Fitch)	A-	2030	500	1,500%	61	0,34	19	-73			
15/02/2019	ASF	France	A3	A-	2031	1 000	1,375%	56	0,34	1	-85			
21/06/2018	ASF	France	A3	A-	2028	700	1,375%	43	0,11	8	-81			
07/04/2020	Bouygues	France	A3	A-	2028	1 000	1,125%	77	0,46	NA	-48			
03/05/2017	Brisa	Portugal	Baa3	A-(Fitch)	2027	300	2,375%	169	1,35	67	-48			
24/04/2020	HIT	France	BBB (Fitch)	BBB-	2027	600	2,500%	191	1,55	NA	-89			
28/08/2019	Hochtief	Germany	NR	BBB	2031	250	1,250%	153	1,33	32	-84			
28/08/2019	Hochtief	Germany	NR	BBB	2027	500	0,500%	92	0,58	12	-95			
10/06/2020	Iliad	France	NR	NR	2026	650	2,375%	192	1,51	144	4			
09/10/2014	Infra Park (Indigo)	France	NR	BBB	2025	650	2,125%	326	3,21	203	60			
12/07/2017	Infra Park (Indigo)	France	NR	BBB	2037	125	2,951%	265	2,33	188	55			
19/06/2019	Indigo (tap)	France	NR	BBB	2028	100	1,625%	59	0,24	NA	-81			
31/03/2020	Orange	France	Baa1	BBB+	2027	750	1,250%	78	0,60	NA	-87			
31/03/2020	Orange	France	Baa1	BBB+	2032	750	1,625%	235	2,01	109	-30			
07/02/2020	SBB	Sweden	BBB- (Fitch)	BBB-	2027	750	1,000%	216	1,77	58	-66			
30/03/2016	TDF	France	NR	BBB-	2026	800	2,500%	121	1,02	NA	-69			
13/05/2020	Telefonica	Spain	Baa3	BBB	2032	750	1,807%	82	0,47	NA	-63			
13/05/2020	Telefonica	Spain	Baa3	BBB	2027	1 250	1,201%	171	1,38	77	-9			
20/02/2020	Teréga SAS	France	Baa3	NR	2028	400	0,625%	140	1,38	NA	-40			
11/01/2019	Vinci	France	A3	A-	2029	950	1,650%	101	0,87	NA	-34			
18/09/2018	Vinci	France	A3	A-	2030	1 000	1,750%	52	0,22	3	-93			
								52	0,28	2	-91			

RAIL & AERO											31/07/2020	31/07/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid   Spread	Bid YTM	I Spread	I Spread			
18/03/2015	Alpha Trains	Luxembourg	BBB (Fitch)	NR	2025	350	2,064%	144	1,04	28	17			
01/06/2017	Aeroporti Di Roma	Italy	Baa3	BB+	2027	500	1,625%	241	2,06	96	-48			
26/03/2020	Aeroports de Paris	France	NR	A	2026	1 000	2,125%	101	0,64	NA	-132			
26/03/2020	Aeroports de Paris	France	NR	A	2030	1 500	2,750%	132	1,06	NA	-137			
11/06/2019	Aeroports de Paris	France	NR	A	2034	800	1,125%	135	1,25	87	-80			
04/10/2018	Aeroports de Paris	France	NR	A	2038	500	2,125%	154	1,50	93	-72			
26/04/2017	Brussels Airport	Belgium	Baa1	BBB+ (Fitch)	2024	300	1,000%	163	1,21	109	-3			
01/04/2020	Deutsche Bahn	Germany	AA (Fitch)	NR	2029	750	1,375%	87	0,85	NA	-28			
05/03/2019	Heathrow Funding	UK	A-(Fitch)	BBB+	2034	650	1,875%	177	1,66	39	-134			
28/06/2017	Heathrow Funding	UK	A-(Fitch)	BBB+	2032	500	1,875%	176	1,60	59	-120			
01/04/2020	Royal Schiphol	Netherlands	A1	A+	2029	750	2,000%	75	0,46	NA	-135			



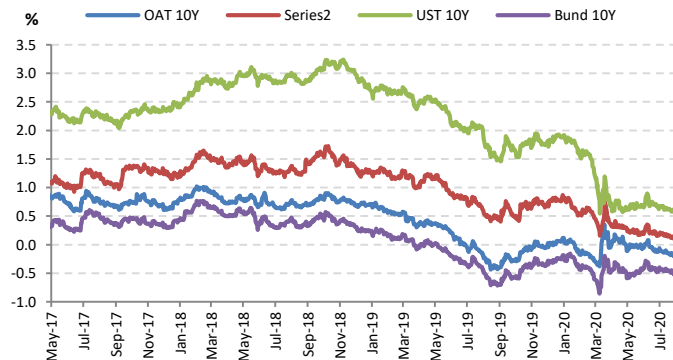
## MACROECONOMIC ENVIRONMENT

- On July 21, The European Council finally reached an agreement on the next seven-year EU budget (MFF) as well as the EU recovery fund Next Generation EU (NGEU). The MFF will amount to €1.074TN while the recovery fund will amount to €750BN. For the first time in its history, Europe will raise significant amount on markets to support its economy as a single federation. Beyond the economic impact, the fund could support a slightly quicker recovery, the political impact is significant: this is the first genuine step towards a European Treasury. The US is expected moving in the same direction as a new relief package is becoming necessary with the previous one expiring. While the market expects that a roughly \$1TN plan to ultimately be voted by early August, the negotiations are likely to be difficult in the coming days.
- The number of positive covid-19 tests continue to grow in the US and EM countries, providing little reassurance with the corresponding increase in lockdown measures. Nevertheless good news came, as an experimental coronavirus vaccine made by US government scientists and Moderna, a biotech company, showed promising results during the first two phases of the testing process. Will that be enough to fuel another phase of rally? The historic news on the European Budget should support risk appetite at least for European assets in the short term. It is not clear though if these measures will be sufficient to counterbalance the growing sentiment in the market that the pandemic (and its impacts) will probably last probably longer than initially expected.
- US – China tensions continue to evolve and fizzle in the background - after the US accused China of espionage, specifically surrounding vaccine development. As a result it ordered China's consulate to close in Huston. A tit for tat response from China was to close the US outpost in Chengdu. The escalation is for the time being superficial and has little to no economic impact.

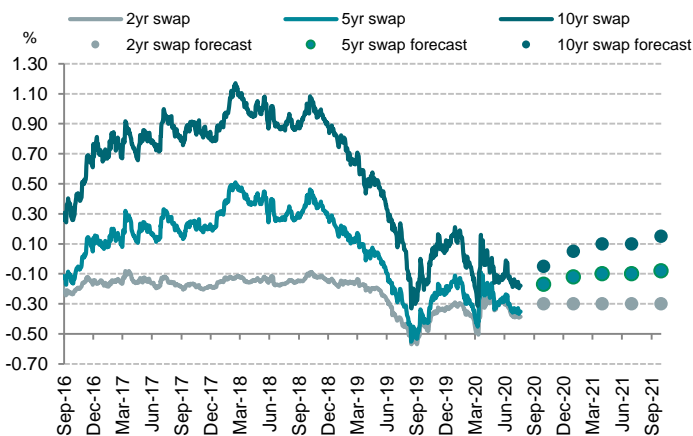
### Swap rates

	EUR	MtM Var (%)	USD	MtM Var (%)	GBP	MtM Var (%)
<b>3Y</b>	-0,43%	15,0%	0,19%	-18,8%	0,11%	-44,8%
<b>5Y</b>	-0,40%	20,8%	0,27%	-19,9%	0,16%	-39,0%
<b>7Y</b>	-0,34%	31,8%	0,39%	-18,4%	0,21%	-31,7%
<b>10Y</b>	-0,23%	69,2%	0,55%	-16,5%	0,30%	-23,5%
<b>12Y</b>	-0,16%	174,5%	0,62%	-16,0%	0,34%	-20,0%
<b>15Y</b>	-0,07%	-285,3%	0,69%	-15,8%	0,39%	-15,8%
<b>20Y</b>	-0,01%	-108,5%	0,76%	-15,6%	0,42%	-11,5%

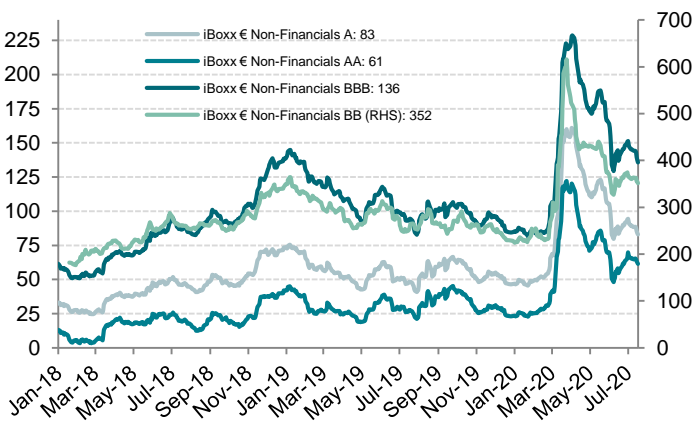
### Government yields (10Y)



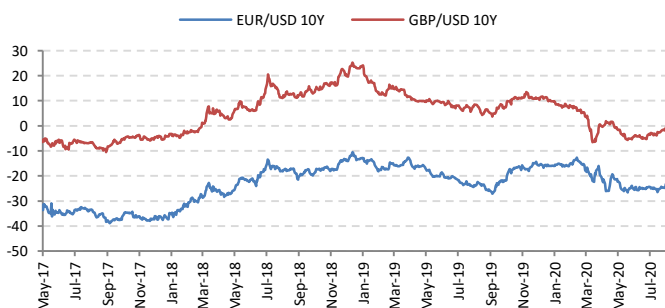
### EUR swap rates (historic and forward levels)



### Credit spread evolutions (EUR)



### 10Y basis swap evolution



### Main upcoming events

	Events / Data	Expected impact
<b>5-Aug</b>	Deadline for the Bundesbank participation in ECB PSPP	We expect the German government to prove the German Constitutional Court that the QE is legal. Downward pressure on EGB spreads, upward pressure on long term EUR rates.
<b>10-Sept</b>	ECB monetary meetings	No change expected, forecasts to show a gradual and incomplete recovery.
<b>16-Sept</b>	Fed monetary meetings	To remain very dovish, continues the QE, and could announce a Yield curve control. Lower USD rates at the front end of the curve.

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.

Sources: Bloomberg, Crédit Agricole CIB.





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