



GLOBAL PROJECT BONDS MARKET OVERVIEW

Recently closed transactions

ENERGY

- **Whistler Pipeline (Baa3 / -- / --):** \$800MM in privately placed senior secured notes to finance the construction of the Whistler natural gas pipeline project in Texas. The transaction was structured to include both a \$880MM term loan and a \$800MM bond issued in two tranches: 10-year notes with 8 year average life and a 5.160% coupon and 11-year bullets notes with a 7.000% coupon. (Sponsors: Marathon Petroleum Corp, WhiteWater Midstream, Stonepeak Infrastructure Partners and West Texas Gas)
- **Risen Yarranlea Solar PV Project (IG):** AUD90 (\$59MM eq.) in 20-year fully amortizing senior secured notes to finance the construction of the uncontracted 134MW Yarranlea solar plant in Queensland Australia. (Sponsor: Risen Energy)
- **Guaimbe and Ouroeste Solar:** BRL820MM (\$227MM eq.) in 10-year green labeled debentures backing a portfolio of two Brazilian solar assets with an aggregated capacity of 241MW, comprised of the Guaimbe and the Ouroeste projects. These assets benefits from long-term PPAs maturing between 2033 and 2040 with fixed prices annually adjusted for inflation. (Sponsor: AES Tiete)
- **SabinePass Liquefaction (Baa3 / BBB- / BBB-):** \$2.0BN in 144A/Reg S senior secured notes backing the Sabine Pass Liquefaction project in Texas. The 4.500% 10-year bullet notes priced at a 388bps spread over treasuries. (Sponsor: Cheniere Energy)

INFRASTRUCTURE

- **Currenta:** €75MM in senior secured notes to finance MIRA's acquisition of the largest German chemicals park operator, Currenta. The private placement is part of a €1.1BN debt package priced at between 225-325bps. Currenta was previously a joint venture between Bayer (60%) and Lanxess (40%) who sold their stakes in two processes. (Sponsor: MIRA)
- **Your Housing Group:** £120MM in private placement notes to fund the construction of 10,000 homes over the next 10 years in the UK. The private placement was split in two tranches with a tenor of 34 years and a coupon of 2.500%. YHG provides over 28,000 affordable homes across the North West, Yorkshire and Midlands. (Sponsor: Your Housing Group)
- **VTG (-- / BBB / --):** Rolling stock leasing company VTG "rolled over" €342MM of existing USPP to refinance part of its debt and fund future investments in rail car. The 6-year bullet senior secured notes was part of a €2.9BN refinancing which also includes a €550MM 2-year bridge loan priced well under 100bps. (Sponsors: Morgan Stanley Infrastructure Partners and OMERS) **Crédit Agricole CIB acted as Joint Placement Agent.**
- **ELL Luxembourg 2 S.à r.l.:** Privately placed senior secured notes were issued to back the acquisition of ELL, an electric locomotive leasing company, by Axa and Predica from KKR and fund part of future Capex requirement. The private placement was part of a global €690MM debt package. (Sponsors: Axa and Predica) **Crédit Agricole CIB acted as Sole Placement Agent.**
- **ODEG:** €75MM in private placement notes to buy seven new trains for the fourth lot of the €1.3BN Netz Elbe Spree PPP, one of the Germany's largest rolling stock schemes. The new trains are due to enter operation in 2022 under a 12-year contract with Berlin-Brandenburg Transport Authority VBB. (Sponsors: BeNEX and Netinera)
- **3i BIIF PFI Tidal Portfolio:** £248MM in senior secured notes to refinance 70 Private Finance Initiative (PFI) operational assets held by 3i BIIF fund and mainly located in the UK. The notes were privately placed to institutional investors across two tranches priced around 225bps: £39MM with a 16-year tenor and £209MM with a 18-year tenor. The notes are part of a £601MM debt refinancing. (Sponsor: 3i Group). **Crédit Agricole CIB acted as Joint Placement Agent.**
- **3i EOPF PPP Bravo Portfolio:** €24MM in 15-year private placement notes to fund 3i EOPF's acquisition of DIF's Bravo Portfolio which consists of 8 PPP projects located in France in key sectors including social infrastructure, transports and environment. **Crédit Agricole CIB acted as Placement Agent.**

EMEA TRANSACTION SPOTLIGHT:

ELL Luxembourg 2 S.à r.l

- **The Issuer:** European Locomotive Leasing (ELL) is a Vienna-based company providing full-service electric locomotive leasing solutions to the European railway industry.
 - ✓ ELL has a very young fleet of more than 150 electric locomotives leased to more than 20 customers across Europe including Austria, Germany and Switzerland.
 - ✓ Founded in 2014, ELL is as of today the 5th largest lessor in continental Europe on the electric locomotive segment.
 - ✓ In June 2019, KKR agreed to sell ELL to AXA (50%) and Predica (50%).
- **The Transaction:** The senior secured private placement notes were part of an overall €690MM debt package.
 - ✓ Proceeds from this issuance will be used to finance the acquisition and fund part of future Capex requirement.
 - ✓ **Crédit Agricole CIB acted as Sole Placement Agent**

AMERICAS TRANSACTION SPOTLIGHT:

Whistler Pipeline

- **The Issuer:** SPV backed by the 450-mile Whistler natural gas pipeline project to be built in Texas with a capacity to transport 2 billion cubic feet per day.
 - ✓ The project is backed by 10-year shipping contracts signed with oil and gas companies.
 - ✓ The sponsor group includes Marathon Petroleum Corp, WhiteWater Midstream, Stonepeak Infrastructure Partners and West Texas Gas.
- **The Transaction:** \$800MM in privately placed senior secured notes in two tranches described below, issued in parallel to a \$880MM term loan with a tenor of construction plus 6.5 years.
 - ✓ \$400MM 5.160% 10-year notes with a spread of +465bps on top of 8-year treasuries
 - ✓ \$400MM 7.000% 11-year bullets with a spread of +633bps.

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)	
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%	--	--	
Hancock HoldCo US Renewable Portfolio	NAm	USD	130	Mar-20	--	5	3.000%	--	BBB- (Kroll)	
Alton Road Solar PV Plant	NAm	USD	32	Mar-20	--	--	--	--	--	
Dracena Solar PV Plants	LatAm	BRL	350	Mar-20	17	--	--	--	--	
University of Iowa Utility System P3	NAm	USD	615	Mar-20	--	--	--	--	--	
Atlas Chilean Solar Portfolio	LatAm	USD	253	Mar-20	17	--	--	--	-- / -- / BBB-	
Transmissora de Energia Linha Verde II SA	LatAm	BRL	210	Mar-20	24	--	--	IPCA + 533 bps	AA+(bra)	
Cadent Gas	EMEA	EUR	500	Mar-20	12	--	0.75%	--	Baa1 / BBB+ / A-	
Eolienne Belle - Riviere Wind Farm	NAm	USD	43	Feb-20	20	--	--	--	--	
Golden South Wind Farm	NAm	USD	199	Feb-20	25	--	--	--	--	
Janauba Transmissora de Energia Eletrica	LatAm	BRL	575	Feb-20	25	--	4.830%	--	--	
Pride Investments SA	EMEA	EUR	342	Feb-20	21	--	1.541%	--	-- / AA / --	
GSRP Portfolio I	NAm	USD	500	Feb-20	25	12	3.770%	190 bps	-- / -- / BBB	

INFRASTRUCTURE										
Issuer	Geography	Currency*	Size (MM)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)	
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 BIIIF 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	--	--	--	--	--	
Ruta del Algarrobo	LatAm	UF	9.3	Mar-20	25	--	3.000%	--	A+ (local)	
Alpha Trains	EMEA	EUR	130	Mar-20	7	Bullet	--	--	-- / -- / BBB	
Aéroports de Paris	EMEA	EUR	2,500	Mar-20	6.5 / 10	--	2.125% / 2.75%	240 bps / 290 bps	-- / A- / --	
Q-Park	EMEA	EUR	1,455	Feb-20	5 / 6 / 7	--	1.500% / -- / 2.000%	-- / Euribor + 200 bps / --	-- / BB- / --	
Parkdema	EMEA	EUR	27	Feb-20	6	--	--	--	--	
TransJamaica Highway Ltd	LatAm	USD	225	Feb-20	16	11	5.750%	Jamaican Sovereign + 150 bps	-- / B+ / BB-	



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 May 2020

EUR Bond Corporate Market

- May monthly issuance volume reached a all time record at €62.9BN, exceeding April 2020 record of €62.5BN. The IG corporate market has continued to perform strongly during May with 82 issuances, bringing the total volume of the year to €237.4BN (i.e. 60% above 2019 YTD).
- The abundance of supply in the beginning of May created signs of indigestion among investors. Over the second week of May, the oversubscription levels decreased: from 4.9x over April to 2.3x while NIPs rose to 25bps (vs 6bps the week before). The bank holidays allowed investors to take a breather. NIPs headed back to healthy levels and decreased to 15bps in average for the month of May while oversubscription levels reached 3.4x in average for May.
- There is still a clear discrepancy between issuers in terms of pricings, depending on the sector (more or less affected by the covid-19), the CSPP eligibility and the rating.
- On May 28th, BASF and Essilor Luxottica secured very economic funding with negative NIPs.

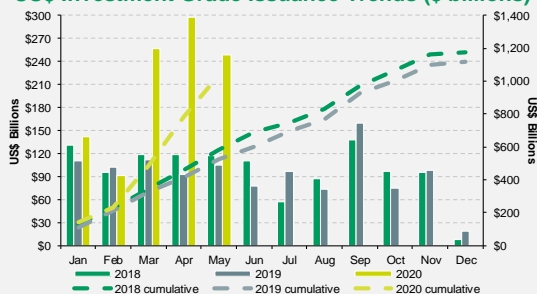
Key Transactions

- Eni (Baa1 / A- / A-):** €2.0BN for a 6-year and 11-year dual-tranche transaction. The issuer closed its transaction at m/s+165bps and m/s+210bps on the back of respective orderbooks worth €4.8BN and €4.3BN. **Crédit Agricole CIB acted as a Joint Bookrunner.**
- E.ON (Baa2 / BBB / --):** €2.0BN for a short 3-year, a short 8-year and a long green 11-year triple-tranche transaction. The orderbooks grew up to a combined size of €4.0BN leading to a combined oversubscription level of 1.8x. The guidance was announced at m/s+80-85bps area for a €750MM size, at m/s+110bps area for a €500MM size and at m/s+115-120bps area for a €500MM size respectively. The final terms were then fixed at m/s+80bps for a size of €1.0BN, m/s+110bps for a size of €500MM and m/s+110bps for a size of €500MM.
- Neoen:** €170MM in 5-year convertible green bonds to finance or refinance solar and wind energy production or storage activities. The transaction is the first ever European green convertible bond issue. The transaction was priced at best Issuer terms: 40% premium / 2.000% coupon, wall-crossed, delta placement limited to €20MM (LO-driven transaction), priced at €33MM. Vigeo Eiris provided a Second Party Opinion. The green label reinforced the ESG angle, notably attracting solid French LO participation. **Crédit Agricole CIB acted as Joint Bookrunner.**
- REDEXIS GAS FINANCE B.V. (-- / BBB- / --):** €500MM in 5-year no grow bond guaranteed by REDEXIS GAS SA, the second largest gas transmission and fourth largest gas distribution in Spain. IPTs were at m/s+265bps area. Books exceeded \$3.0BN, allowing the issuer to price at m/s+225bps, i.e. a 10bps NIP.
- Suez (Baa1 / -- / --):** €750MM for 15-year benchmark transaction at IPTs of m/s+145bps area. Orderbooks grew gradually up to €1.8BN, after which point spreads were tightened at m/s+125bps area. The transaction finally priced at m/s+125bps for an announced size of €750MM on the back of €1.6BN orderbooks.

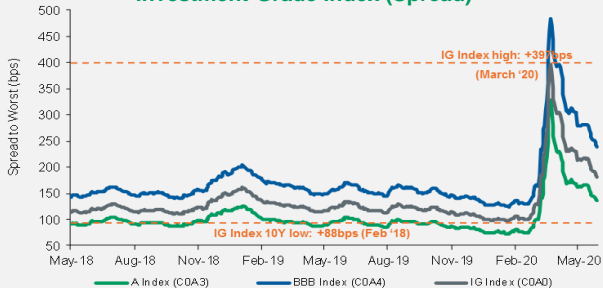
US Investment Grade Public Corporate Bond Market

- With \$248BN in May, YTD US investment grade issuance surpassed \$1TN, representing approximately 98% ahead of last year's pace.
- Deals continue to be well-received by investors with overbooks averaging over 4.5x oversubscribed last week, and we don't see a let-up in demand coming any time soon with another \$7.5BN of inflows into IG funds. Concessions are continuously moving tighter with the weekly average at just 2bps vs ~10bps for the month and ~16bps for the year. Yields continue to remain mostly range-bound shifting slightly with the latest headlines. 10Y and 30Y UST closed at 0.659% and 1.406% respectively, vs 0.659% and 1.371% the prior Friday.
- Investor optimism remained high as prospects for an economic recovery continued to outweigh the negative sentiment surrounding Trump's war of words against China for its actions on the pandemic and in Hong Kong.
- Corporate spreads continue re-tightening from their peak on March 23rd with sharp movements 33bps tighter on the month. ICE BAML Corporate Index closed the month at +180bps.

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



Investment-Grade Index (Spread)



USPP Market Highlight

- Following last month \$6.2BN issuance, the month of May saw a volume of \$6.0BN in USPP vs \$7.5BN last year. However, with \$22.7BN issued, the YTD volume still lag by 11% vs. last year.
- There were 44 issues by 22 issuers this month vs. 51 issues by 26 issuers last month, and 69 issues by 31 issuers last year.
- Despite an increase in cross-border transactions, domestic transactions continued to outpace cross-border transactions in May at \$4.2BN 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 56% of the total YTD issuance, with Energy accounting for 46% of the YTD issuances and Infrastructure 10%.



EMEA BOND MARKET OVERVIEW

EMEA market – Public secondary levels

Sources: Crédit Agricole CIB, Bloomberg.

ENERGY								02/06/2020	02/06/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid I Spread	Bid YTM	I Spread	I Spread
04/09/2018	Zi Rete Gas	Italy	Baa2	BBB	2025	500	2,195%	124	0,97	52	-48
31/03/2020	E.ON	Germany	Baa2	BBB	2025	750	1,000%	71	0,44	NA	-59
09/01/2020	E.ON	Germany	Baa2	BBB	2030	500	0,750%	95	0,86	56	-60
09/01/2020	E.ON	Germany	Baa2	BBB	2023	750	0,000%	67	0,37	36	-53
31/10/2019	E.ON	Germany	Baa2	BBB	2031	500	0,625%	99	0,93	29	-63
02/12/2019	EDF	France	A3	A-	2049	1 250	2,000%	213	2,20	53	-27
07/04/2020	EDP	Portugal	Baa3	BBB-	2027	750	1,625%	115	0,92	NA	-65
13/01/2020	EDP	Portugal	Baa3	BBB-	2080	750	1,700%	377	3,50	146	-59
30/01/2020	Elenia Finance	Finland	NR	BBB+	2027	500	0,375%	101	0,78	44	-26
10/10/2019	Enel	Italy	Baa2	BBB+	2027	1 000	0,375%	102	0,80	36	-57
20/03/2020	Engie	France	A3	A-	2028	750	1,750%	91	0,72	NA	-89
20/03/2020	Engie	France	A3	A-	2032	750	2,125%	85	0,62	NA	-125
16/01/2020	Eni	Italy	Baa1	A-	2030	1 000	0,625%	148	1,36	76	-43
07/10/2019	Eni	Italy	Baa1	A-	2034	750	1,000%	155	1,58	69	-44
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2026	500	1,661%	229	2,05	99	-16
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2023	600	0,815%	156	1,26	100	-2
27/11/2019	Gas Network Ireland	Ireland	A3	A	2024	300	0,125%	95	0,66	63	-13
01/04/2020	Iberdrola	Spain	Baa1	BBB+	2025	750	0,875%	69	0,40	NA	-46
02/12/2019	Italgas	Italy	Baa2	BBB+	2031	500	1,000%	139	1,33	57	-37
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2029	300	2,250%	200	1,84	75	-16
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2025	300	1,375%	129	1,00	58	-13
13/01/2020	National Grid	UK	A3	A-	2025	500	0,190%	78	0,50	46	-46
28/08/2019	National Grid	UK	Baa3	BBB	2082	750	2,125%	268	2,46	70	-109
28/08/2019	National Grid	UK	Baa3	BBB	2079	500	1,625%	226	1,97	52	-226
06/04/2020	Naturgy	Spain	BBB (Fitch)	BBB+	2026	1 000	1,250%	105	0,78	NA	-50
09/01/2020	Red Electrica	Spain	A-(Fitch)	A-	2028	700	0,375%	70	0,52	35	-31
20/09/2018	RTE	France	NR	A	2038	500	2,125%	90	0,99	35	-39
20/09/2018	RTE	France	NR	A	2030	500	1,500%	69	0,58	23	-39
05/09/2019	Snam	Italy	Baa2	BBB+	2034	600	1,000%	124	1,27	47	-19
26/03/2020	Suez	France	Baa1	NR	2027	850	1,250%	85	0,62	Na	-50
07/04/2020	Veolia Environnement	France	Baa1	BBB	2028	700	1,250%	94	0,75	NA	-36
08/01/2020	Veolia Environnement	France	Baa1	BBB	2031	500	0,664%	105	0,96	45	-26
29/08/2019	Vier Gas Transport	Germany	NR	A-	2034	500	0,500%	109	1,12	48	-21
17/09/2018	Vier Gas Transport	Germany	NR	A-	2028	500	1,500%	79	0,61	40	-26

INFRASTRUCTURE								02/06/2020	02/06/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid I Spread	Bid YTM	I Spread	I Spread
30/01/2020	Abertis	Spain	BBB(Fitch)	BBB-	2028	600	1,250%	290	2,71	120	-36
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2029	600	1,625%	293	2,78	104	-64
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2025	700	0,625%	266	2,38	138	-36
01/04/2020	APRR	France	A-(Fitch)	A-	2027	500	1,250%	103	0,79	NA	-47
10/01/2020	APRR	France	A-(Fitch)	A-	2023	500	0,000%	76	0,45	59	-27
10/01/2019	APRR	France	A-(Fitch)	A-	2028	500	1,250%	103	0,90	61	-31
14/11/2018	APRR	France	A-(Fitch)	A-	2030	500	1,500%	103	0,90	61	-31
15/02/2019	ASF	France	A3	A-	2031	1 000	1,375%	99	0,90	44	-42
21/06/2018	ASF	France	A3	A-	2028	700	1,375%	89	0,71	54	-35
07/04/2020	Bouygues	France	A3	A-	2028	1 000	1,125%	105	0,86	NA	-20
03/05/2017	Brisa	Portugal	Baa3	A-(Fitch)	2027	300	2,375%	211	1,89	109	-6
24/04/2020	HIT	France	BBB (Fitch)	BBB-	2027	600	2,500%	260	2,37	NA	-20
28/08/2019	Hochtief	Germany	NR	BBB	2031	250	1,250%	188	1,81	67	-49
28/08/2019	Hochtief	Germany	NR	BBB	2027	500	0,500%	137	1,17	57	-50
09/10/2014	Infra Park (Indigo)	France	NR	BBB	2025	650	2,125%	181	1,53	133	-7
12/07/2017	Infra Park (Indigo)	France	NR	BBB	2037	125	2,951%	272	2,79	149	6
19/06/2019	Indigo (tap)	France	NR	BBB	2028	100	1,625%	219	2,00	142	9
31/03/2020	Orange	France	Baa1	BBB+	2027	750	1,250%	82	0,60	NA	-58
31/03/2020	Orange	France	Baa1	BBB+	2032	750	1,625%	96	0,91	NA	-69
07/02/2020	SBB	Sweden	BBB-(Fitch)	BBB-	2027	750	1,000%	303	2,82	178	38
30/03/2016	TDF	France	NR	BBB-	2026	800	2,500%	274	2,48	116	-8
20/02/2020	Teréga SAS	France	Baa3	NR	2028	400	0,625%	194	1,75	100	14
11/01/2019	Vinci	France	A3	A-	2029	950	1,650%	100	0,83	51	-45
18/09/2018	Vinci	France	A3	A-	2030	1 000	1,750%	98	0,88	49	-45

RAIL & AERO								02/06/2020	02/06/2020	vs. End of Feb	vs. End of March / Issuance
Pricing date	Issuer	Country	Moody's	S&P	Maturity	Size	Coupon	Bid I Spread	Bid YTM	I Spread	I Spread
18/03/2015	Alpha Trains	Luxembourg	BBB (Fitch)	NR	2025	350	2,064%	142	1,14	26	15
01/06/2017	Aeroporti Di Roma	Italy	Baa3	BB+	2027	500	1,625%	298	2,77	153	9
26/03/2020	Aeroports de Paris	France	NR	A	2026	1 000	2,125%	144	1,19	NA	-89
26/03/2020	Aeroports de Paris	France	NR	A	2030	1 500	2,750%	161	1,49	NA	-108
11/06/2019	Aeroports de Paris	France	NR	A	2034	800	1,125%	152	1,55	105	-63
04/10/2018	Aeroports de Paris	France	NR	A	2038	500	2,125%	182	1,91	121	-44
26/04/2017	Brussels Airport	Belgium	Baa1	BBB+(Fitch)	2024	300	1,000%	183	1,53	129	17
01/04/2020	Deutsche Bahn	Germany	AA (Fitch)	NR	2029	750	1,375%	92	1,04	NA	-23
05/03/2019	Heathrow Funding	UK	A-(Fitch)	BBB+	2034	650	1,875%	214	2,15	76	-97
28/06/2017	Heathrow Funding	UK	A-(Fitch)	BBB+	2032	500	1,875%	211	2,08	94	-85
01/04/2020	Royal Schiphol	Netherlands	A1	A+	2029	750	2,000%	125	1,09	NA	-85



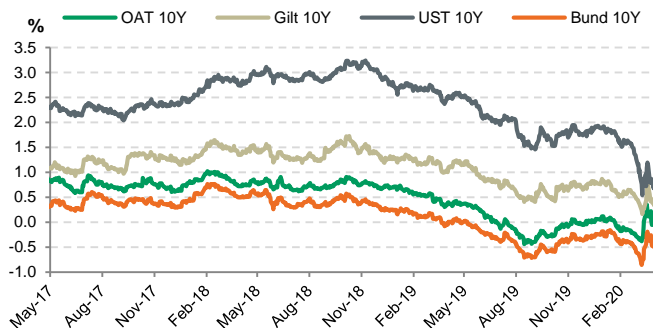
MACROECONOMIC ENVIRONMENT

- In Europe, the European Commission presented its ambitious proposal for a Recovery Fund to help its members fight the COVID-19 pandemic and its consequences. The so-called Next Generation EU fund will allow the EU to borrow €750.0BN in the market (the bulk of it concentrated over 2020-24) and redistribute the proceeds to the Member States either in the form of grants (€500.0BN) or loans (€250.0BN). Markets reacted positively to this ambitious plan which could pave the way for a stronger European federal budget. However, for the positive momentum to continue, it will likely require more newsflow that indicates a growing consensus towards a debt burden-sharing plan (including from the Frugal Four). Progress could be slow and may require numerous meetings before reaching a consensus.
- Meanwhile, in recent weeks, the ECB backstop via the PEPP has been increasingly active with an average purchase of €5.0BN a day. Furthermore, the ECB is likely to increase the PEPP by €750.0BN at its 4 June meeting to a total of €1.5TRN. This could allow it to continue until February 2021 and to face a potential deterioration of financial conditions.
- In the Fed Minutes, Chair Powell highlighted the unprecedented scope and speed of the current downturn, which he cautioned could lead to a slower than hoped for recovery. Powell also pointed to the "swift and forceful" response, both in terms of fiscal and monetary policy. He left the door open for further action, though highlighting the fact that the negative rates were not considered.
- On top of this, the health situation is improving, lockdowns are easing and central banks are standing ready to act if needed. In this phase of the Covid-19 crisis, the focus will be squarely on any second waves of infections and government suppression strategies. On the back of these positive news, the overriding mood for EUR rates so far has been risk-positive and EGB rallied.
- However risks remain strong in the market. The growing tensions between the US and China, currently focusing on the status of Hong Kong, already weight on market sentiment and their effects could increase as the market focus starts to shift from Covid-19. Furthermore, the UK-EU negotiations on a post-Brexit relationship lack of progress. The UK has until the end of June to ask for an extension of the extension period, but so far, PM Boris Johnson has rejected this possibility thus paving the way for a hard Brexit at year end.

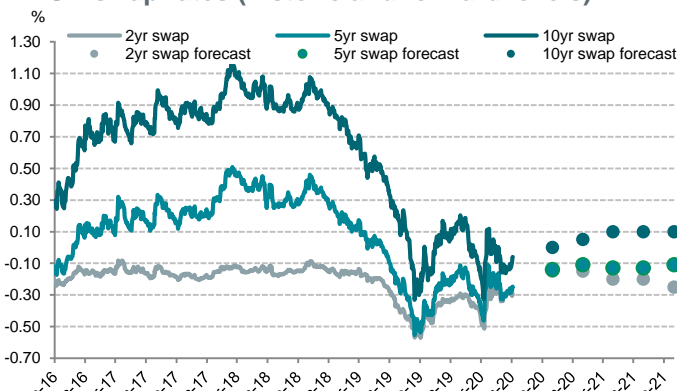
Swap rates (as of May 31st 2020)

	EUR	MtM Var (%)	USD	MtM Var (%)	GBP	MtM Var (%)
3Y	-0,31%	-12,7%	0,27%	-16,3%	0,26%	-37,7%
5Y	-0,29%	-13,8%	0,37%	-6,1%	0,30%	-30,5%
7Y	-0,23%	-11,9%	0,50%	1,8%	0,34%	-24,0%
10Y	-0,13%	-17,1%	0,66%	9,6%	0,40%	-16,0%
12Y	-0,06%	-29,7%	0,75%	13,3%	0,43%	-13,0%
15Y	0,02%	-975,0%	0,83%	16,9%	0,45%	-10,3%
20Y	0,09%	123,8%	0,92%	20,7%	0,45%	-6,7%

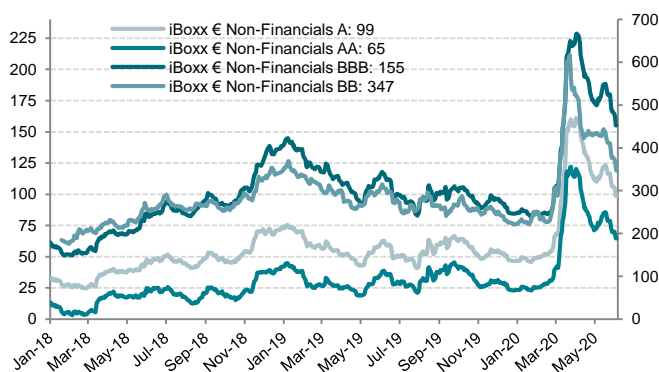
Government yields (10Y)



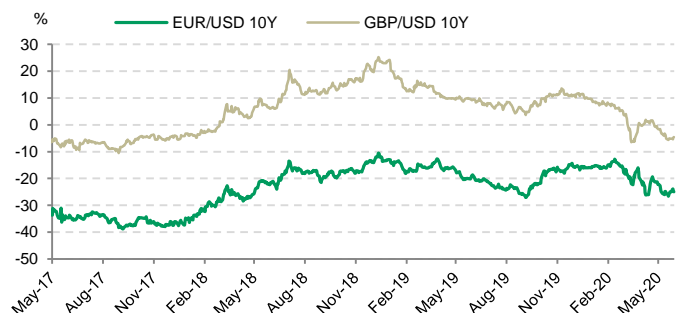
EUR swap rates (historic and forward levels)



Credit spread evolutions (EUR)



10Y basis swap evolution



Main upcoming events

	Events / Data	Expected impact
4-June	ECB monetary meeting + updated forecasts	Risk is for higher EUR, lower LT rates and equity on weak prospects and lack of new ammunition
10-June	Fed meeting+ 'dot-plot' update	Lower short term USD rates and USD
Mid-June	OPEC meeting	Stable oil price at around USD30-40/bi

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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