



## GLOBAL PROJECT BONDS MARKET OVERVIEW

### Recently closed transactions

#### ENERGY

- **Alternus' PV Portfolio:** €110MM in green-labelled senior secured notes to refinance a 153MW portfolio of solar PV plants in Germany, Italy, the Netherlands and Romania. (Sponsor: Alternus Energy Group)
- **EnfraGen's Portfolio (Ba3 / BBB- / --):** \$710MM in 144A/Reg S 10-year senior secured notes to refinance the EnfraGen power portfolio comprised of 19 power assets totaling 1.7GW located in Chile, Panama and Colombia. The bullet transaction priced at a 5.375% coupon and included a \$1.0BN project finance loan tranche. (Sponsor: Glenfarne Group and Partners Group)
- **DesertLink LLC / Silver Run Electric LLC / Republic Transmission LLC (A and A low by DBRS):** Three subsidiaries of LS Power issued 30-year privately placed senior secured notes backing 3 transmission lines in the US. The \$102MM, \$72MM and \$29MM notes had WALs between 19 and 22 years with spreads over U.S. Treasuries between 115bps and 120bps, resulting in coupons between 2.570% and 2.620%. A \$100M 10-year bullet holdco tranche for the portfolio rated BBB high by DBRS was launched. (Sponsor: LS Power)
- **UEP Penonome II (Ba3 / -- / --):** \$263MM in 18-year senior secured notes backing a Panamanian renewable energy portfolio comprised of 5 wind farms totaling 215MW and 4 solar projects totaling 40MW. The transaction monetized 5-year of merchant cash flows after the end of the assets' PPAs. The notes have a 10-year WAL and priced at a 6.500% coupon. (Sponsor: InterEnergy Group)
- **Cory Riverside EfW:** £50MM in senior secured notes to finance the purchase of energy from waste projects in the UK. The transaction comprised a fixed-rate private placement and an index-linked tranche. (Sponsors: Dalmore Capital, Semperian Capital Management, Fiera Infrastructure, Swiss Life AM)

#### INFRASTRUCTURE

- **Prince George's County Education & Community Partners, LLC ( A2 / -- / -- ): \$476MM** in 33-year senior secured notes to finance the construction of five new middle schools and one new K-8 school in Prince George County, Maryland. (Sponsors: Fengate Capital Management Ltd. and Gilbane Development Company)
- **Supernap Italia:** €63MM in senior secured notes backing the Supernap 40MW data center near Milan which is only powered with renewable energy. (Sponsor: Switch)
- **Adani International Container Terminal (Baa3 / BBB- / BBB-):** \$300MM in 144A / Reg S 10-year amortizing senior secured notes to refinance Adani International Container Terminal in India. The notes have a WAL of 7 years with a 20.5% balloon repayment at maturity. The transaction priced at a 3.000% coupon, inside initial guidance of 3.50% area - the lowest among Indian US dollar offerings with tenors longer than 7 years since August 2015. (Sponsors: Adani & Special Economic Zone and Terminal Investment)
- **A-88 Motorway (Alicorne):** €333MM in 35-year privately placed senior secured notes to refinance the 45km long Falaise-Sées portion of the A88 motorway in Normandy, France which is owned and operated by Alicorne. The notes priced at a 1.900% coupon. (Sponsor: Caisse des Dépôts & Consignations (CDC), Ardian Infrastructure, Egis Projects, NGE, Spie Batignolles and Demathieu et Bard)
- **Barcelona Metro Line 9:** €555MM refinancing the Barcelona's Metro Line 9. The transaction has a 10-year maturity and is comprised of a fixed and a floating rate tranche. (Sponsors: Brookfield, ACS' Iridium Concesiones, Queenspoint, Equitix and Dalmore Capital)
- **FS Italiane Railway:** €250MM in a 10-year private placement, which priced at a 0.641% coupon. The bond's proceeds will be earmarked to RFI railway infrastructure investments. (Sponsor: FS Italiane Railway) **Crédit Agricole CIB acted as a Sole Bookrunner**

#### EMEA TRANSACTION SPOTLIGHT:

##### FS Italiane

- **The issuer:** FS Italiane Railway (FS) is a public railway company exclusively owned by the Italian State.
- Rete Ferroviaria Italiana (RFI), the operator of the Italian national railway network and a wholly-owned subsidiary of the FS Italiane Group, is carrying out a major investment program to enhance Italy's network of high-speed lines.
- **The transaction:**
  - ✓ The bond issued at 0.641% is the lowest fixed coupon ever paid by FS for a capital market transaction.
  - ✓ The bond has a 10-year tenor and the proceeds will entirely be used to hedge RFI's railway infrastructure investments.
  - ✓ The well-received credit profile of FS and the market momentum with rates at historic lows, provided strong economics for the issuer.

✓ **Crédit Agricole CIB acted as Sole Bookrunner.**

#### AMERICAS TRANSACTION SPOTLIGHT:

##### EnfraGen Portfolio

- **The issuers:** EnfraGen Energia Sur SAU / EnfraGen Spain SAU / Prime Energia SpA are owned by the independent power producer EnfraGen Energia.
  - ✓ 1.7GW power portfolio comprised of 19 assets located in Chile, Panama and Colombia. The portfolio mixes gas-fired, diesel-fueled, solar PV and hydro assets in operation and in construction.
  - ✓ EnfraGen is owned by Glenfarne Group and Partners Group, two private equity firms.
- **The transaction:**
  - ✓ Structured as an hybrid, the transaction included a \$1.0BN loan tranche and a \$710MM 10-year bullet project bond.
  - ✓ The Ba3 / BBB- / -- rated notes, issued under the 144A/Reg S format, priced at a 5.375% coupon, inside the 5.75% initial price guidance.
  - ✓ The pricing tightening illustrates investors appetite for Latin-American power assets.

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)	
Alternus' PV Portfolio	EMEA	EUR	110	Dec-20	--	--	--	--	--	
EnfraGen's Portfolio	LatAm	USD	710	Dec-20	10	Bullet	5.375%	--	Ba3 / BBB- / --	
DesertLink LLC	NAm	USD	102	Dec-20	30	22	2.570%	115 bps	A (DBRS)	
Silver Run Electric LLC	NAm	USD	72	Dec-20	30	19	2.570%	115 bps	A (DBRS)	
Republic Transmission LLC	NAm	USD	29	Dec-20	30	19	2.620%	120 bps	A (DBRS)	
UEP Penonome II	LatAm	USD	263	Dec-20	18	--	6.500%	--	Ba3 / -- / --	
Cory Riverside EfW	EMEA	GBP	50	Dec-20	--	--	--	--	-- / -- / --	
FEL Energy VI S.à r.l.	LatAm	USD	953	Nov-20	20	15	5.750%	--	Baa3 / BBB- / BBB-	
Yarnel & Natelu Solar Projects	LatAm	USD	29	Nov-20	20	--	--	--	-- / BBB / --	
Portland Natural Gas Transmission System	NAm	USD	125	Nov-20	10	--	2.840%	--	NAIC-2 (BBB)	
WEC Infrastructure LLC	NAm	USD	410	Nov-20	12	5	2.750%	235 bps	BBB (Kroll)	
Star Energy Geothermal Salak & Star Energy Geothermal Darajat 2	APAC	USD	1,110	Oct-20	9 / 18	--	3.250% / 4.850%	--	Baa3 / -- / BBB-	
AMF Florence LLC	NAm	USD	772	Oct-20	15	7	3.210%	275 bps	NAIC-2 (BBB-)	
TEC Hedland Pty Ltd	APAC	AUD	800	Oct-20	22	--	4.070%	275 bps	BBB (Kroll)	
CLP Wind Farms	APAC	INR	2,970	Oct-20	2 / 3	--	6.900% / 7.900%	--	AA (local)	
Western Vista Solar	NAm	USD	135	Oct-20	20	13	3.460%	260 bps	BBB (Kroll)	
Galaxy Pipeline Assets BidCo	EMEA	USD	4,000	Oct-20	7 / 16 / 20	4 / 12 / 18	1.750% / 2.625% / 3.250%	142 bps / 185 bps / 168 bps	Aa2 / -- / AA	

INFRASTRUCTURE										
Issuer	Geography	Currency *	Size (MM)	Date	Tenor	WAL	Pricing	Spread at Issuance	Ratings (Moody's / S&P / Fitch)	
Prince George's County Education & Community Partners, LLC	NAm	USD	476	Dec-20	33	--	--	--	A2 / -- / --	
Supernap Italia	EMEA	EUR	63	Dec-20	--	--	--	--	--	
A88 Motorway (Alicorne)	EMEA	EUR	333	Dec-20	35	--	1.900%	--	--	
Adani International Container Terminal	APAC	USD	300	Dec-20	10	7	3.000%	--	Baa3 / BBB- / BBB-	
Barcelona Metro Line 9	EMEA	EUR	555	Dec-20	10	--	--	--	--	
Alicorne	EMEA	EUR	330	Dec-20	35	--	1,900%	--	--	
FS Italiane	EMEA	EUR	250	Dec-20	10	--	0.641%	--	--	
Vista Ridge Regional Water Supply	NAm	USD	1,020	Nov-20	29	16	2.570%	140 bps	NAIC-1 (A)	
ENA Master Trust	LatAm	USD	400	Nov-20	28	19	4.000%	--	Baa1 / BBB+ / BBB+	
Brussels Airport	EMEA	EUR	300	Nov-20	10 / 15 / 20 / 25 / 30	Bullets	2.430% / 2.550% / 2.940% / 2.980% / 3.130%	--	Baa1 / -- / BBB+	
Viveracqua	EMEA	EUR	248	Nov-20	14 / 17 / 24	--	--	--	--	
VTTI	EMEA	EUR	194	Nov-20	--	--	--	--	--	
Future Valleys project Company	EMEA	GBP	--	Nov-20	--	--	--	--	--	
Perth Airport Pty Ltd	APAC	USD	150	Oct-20	5 / 7 / 10 / 12	Bullets	3.030% / 3.320% / 3.620% / 3.830%	265 bps / 270 bps / 275 bps / 285 bps	Baa2 / BBB / --	
VTG	EMEA	EUR	200 / 260 / 90	Oct-20	12 / 15 / 20	--	--	--	-- / BBB / --	
Koole Terminals	EMEA	EUR	145	Oct-20	10	--	--	--	-- / -- / --	



Q3 2020 Global Project Bond League Tables (Source: PFI)

#	Lead Manager	(\$MM)	# deals
1	JP Morgan	3,014	17
2	MUFG	2,381	18
3	Crédit Agricole	1,933	12
4	Citi	1,822	10
5	Goldman Sachs	1,771	9
6	RBC	1,716	9
7	HSBC	1,565	10
8	Scotiabank	1,405	8
9	BofA	1,346	10
10	BNP Paribas	1,156	6

Q3 2020 Global Project Bond League Tables (Source: IJGlobal)

#	Lead Manager	(\$MM)	# deals
1	MUFG	3,350	21
2	JP Morgan	2,029	16
3	RBC	1,965	10
4	BNP Paribas	1,965	14
5	Barclays	1,700	8
6	Citi	1,664	10
7	BofA	1,334	10
8	SMBC	1,325	11
9	Crédit Agricole	1,246	9
10	Santander	1,191	16

\* Currency of issuance.

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



## GLOBAL BOND MARKET OVERVIEW

### Market update December 2020

#### EUR Bond Corporate Market

- 2020 is a record year with a total of €439.5BN bond priced on the primary EUR corporate bond market (vs €373.7BN in 2019 FY).
- 15 issuers seized the very last window of issuance of 2020 and a total of €8.9BN was priced in December under excellent conditions.
- Activity is now progressively picking up with 6 new deals on the screens since markets have reopened. January is expected to be very busy in terms of new issues, even if volatility could increase due to the uncertainty linked to the vaccination process.
- ESG market has known a massive expansion in recent years. 2020 levels reached an all-time high with €42.0BN totally printed compared to the 2019 total of €27.8BN. These ESG issuances are very attractive to investors. The over-subscription average of 5.1x and 4.3x respectively in 2020 and 2019 outperform the non-ESG ones.

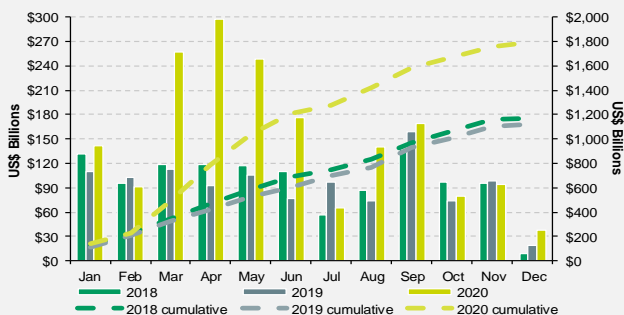
#### Key Recent Transactions

- ✓ **Akuo Energy:** €60MM in 6-year green privately placed senior notes priced at 4.250% aiming to refinance Akuo's power plants. Since the beginning of the year, Akuo has commissioned 8 new power plants for a total capacity of more than 100MW. This brings the Group's operating and construction capacity to 1.3GW.
- ✓ **Autostrade per l'Italia SpA (Ba3/BB-/BB+):** the Italian infrastructure construction services company Autostrade per l'Italia SpA started working a euro benchmark 8-year at m/s +275 area guidance on the back of a strong demand exceeding €2.0BN. Funds from the new trade are earmarked for general corporate purposes, including capital expenditures and investments, as well as the repayment of existing indebtedness. At final terms, spreads were tightened at m/s+250bps as order books reached more than €3.8BN. Final size of the transaction was set at €1.3BN.
- ✓ **SNAM SpA (Baa2/BBB+/BBB+):** Italian company launched its second ever Transition Bond. This is only the third in the format from a corporate borrower. Leads opened books and released IPTs for an expected €500MM 8-year at m/s+70bps area. At guidance, spreads were tightened at m/s+45bps area on the back of orderbooks exceeding €2.3BN. Final terms were set 7bps inside the guidance range at m/s+38bps for a final size of €600MM. This strong tightening allowed the firm to price with a reoffer yield close the 0%. **CACIB acted as a Joint Bookrunner on this transaction**

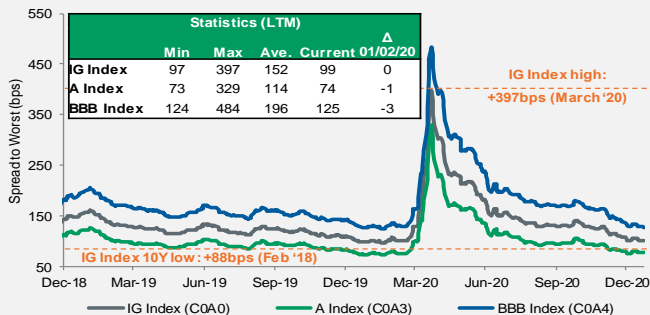
#### US Investment Grade Public Corporate Bond Market

- This past year was challenging in many ways, but the record-setting performance of the IG market was a welcomed silver lining.
- 2020 volumes totaled \$1.8TR, ~60% ahead of 2019 as issuers sought liquidity at the onset of the pandemic and took advantage of historically low rates in the latter half of the year. The month of December, generally a calm month, saw \$30.0BN in issuance - ahead of the two last years.
- At 3% of total volumes, ESG is a small but rapidly growing category. The US Market is expected to overtake EUR in this space come 2021, an impressive feat given the EUR market's historic dominance.
- While the coronavirus' arrival in early 2020 sent the world into an unprecedented lockdown and the global economy into tailspin, markets rebounded to close the year at record highs, despite the late-December emergence of a new, and likely more infectious, COVID strain.
- Although rates have remained mostly range-bound in December, the 5Y, 10Y, and 30Y USTs closed ~75-100bps tighter on the year at 0.36%, 0.91% and 1.64%, respectively.

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



#### Investment-Grade Index (Spread)



#### USPP Market Highlight

- 2020 volume ended at \$70.0BN with 250 issuances (record breaking on both fronts since 2010).
- There was a surge in domestic issuances during 2020. X-Border landed at 29% for 2020 (typically around ~40% in previous years).
- The month of December was slow with \$3.3BN issued – half the amount issued last year.
- Energy and Infrastructure (including transportation) issuances account for 38% of the total 2020 volume, with Energy and Infrastructure accounting respectively for 30% and 9% of the total.



## EMEA BOND MARKET OVERVIEW

### EUR market – Public secondary levels

Sources: Crédit Agricole CIB, Bloomberg

ENERGY									31/12/2020	31/12/2020	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	2i Rete Gas	Italy	Baa2	BBB	2025	500	2,195%	64	0,16	-15	-115	
31/03/2020	E.ON	Germany	Baa2	BBB	2025	750	1,000%	35	-0,12	NA	-102	
09/01/2020	E.ON	Germany	Baa2	BBB	2030	500	0,750%	47	0,21	4	-112	
09/01/2020	E.ON	Germany	Baa2	BBB	2023	750	0,000%	35	-0,17	-4	-93	
31/10/2019	E.ON	Germany	Baa2	BBB	2031	500	0,625%	50	0,28	-26	-118	
02/12/2019	EDF	France	A3	A-	2049	1 250	2,000%	128	1,30	-26	-106	
07/04/2020	EDP	Portugal	Baa3	BBB-	2027	750	1,625%	58	0,15	NA	-130	
13/01/2020	EDP	Portugal	Baa3	BBB-	2080	750	1,700%	216	1,68	-11	-216	
30/01/2020	Elenia Finance	Finland	NR	BBB+	2027	500	0,375%	68	0,24	4	-66	
10/10/2019	Enel	Italy	Baa2	BBB+	2027	1 000	0,375%	49	0,07	-23	-116	
20/03/2020	Engie	France	A3	A-	2028	750	1,750%	46	0,07	NA	-143	
20/03/2020	Engie	France	A3	A-	2032	750	2,125%	50	0,08	NA	-164	
16/01/2020	Eni	Italy	Baa1	A-	2030	1 000	0,625%	55	0,26	-19	-138	
07/10/2019	Eni	Italy	Baa1	A-	2034	750	1,000%	59	0,49	-29	-142	
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2026	500	1,661%	117	0,73	-9	-124	
27/11/2019	FCC Servicios Medioambiente	Spain	NR	BBB-(Fitch)	2023	600	0,815%	64	0,11	1	-101	
27/11/2019	Gas Network Ireland	Ireland	A3	A	2024	300	0,125%	47	-0,03	8	-68	
01/04/2020	Iberdrola	Spain	Baa1	BBB+	2025	750	0,875%	40	-0,09	NA	-82	
02/12/2019	Italgas	Italy	Baa2	BBB+	2031	500	1,000%	45	0,24	-42	-136	
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2029	300	2,250%	143	1,09	15	-76	
05/04/2017	Madriena Red de Gas Finance	Spain	NR	BBB	2025	300	1,375%	107	0,58	30	-41	
13/01/2020	National Grid	UK	A3	A-	2025	500	0,190%	41	-0,09	2	-90	
28/08/2019	National Grid	UK	Baa3	BBB	2082	750	2,125%	197	1,56	4	-175	
28/08/2019	National Grid	UK	Baa3	BBB	2079	500	1,625%	164	1,13	-6	-284	
06/04/2020	Naturgy	Spain	BBB (Fitch)	BBB+	2026	1 000	1,250%	47	0,00	NA	-113	
09/01/2020	Red Electrica	Spain	A- (Fitch)	A-	2028	700	0,375%	36	-0,01	-3	-69	
20/09/2018	RTE	France	NR	A	2038	500	2,125%	48	0,47	-12	-86	
20/09/2018	RTE	France	NR	A	2030	500	1,500%	38	0,11	-14	-76	
05/09/2019	Snam	Italy	Baa2	BBB+	2034	600	1,000%	53	0,42	-27	-93	
26/03/2020	Suez	France	Baa1	NR	2027	850	1,250%	50	0,08	NA	-89	
07/04/2020	Veolia Environnement	France	Baa1	BBB	2028	700	1,250%	47	0,09	NA	-87	
08/01/2020	Veolia Environnement	France	Baa1	BBB	2031	500	0,664%	56	0,30	-8	-79	
29/08/2019	Vier Gas Transport	Germany	NR	A-	2034	500	0,500%	47	0,36	-18	-87	
17/09/2018	Vier Gas Transport	Germany	NR	A-	2028	500	1,500%	32	-0,05	-12	-78	

INFRASTRUCTURE									31/12/2020	31/12/2020	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%	114	0,75	-53	-209	
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2029	600	1,625%	130	0,97	-52	-220	
03/07/2019	Abertis	Spain	BBB(Fitch)	BBB-	2025	700	0,625%	55	0,07	-83	-258	
07/09/2020	APRR	France	A-(Fitch)	A-	2029	500	0,125%	37	0,02	NA	-15	
01/04/2020	APRR	France	A-(Fitch)	A-	2027	500	1,250%	30	-0,13	NA	-127	
10/01/2020	APRR	France	A-(Fitch)	A-	2023	500	0,000%	32	-0,22	4	-82	
10/01/2020	APRR	France	A-(Fitch)	A-	2028	500	1,250%	34	0,03	-13	-105	
15/02/2019	ASF	France	A3	A-	2031	1 000	1,375%	39	0,14	-20	-106	
21/06/2018	ASF	France	A3	A-	2028	700	1,375%	29	-0,09	-14	-103	
07/04/2020	Bouygues	France	A3	A-	2028	1 000	1,125%	38	0,01	NA	-94	
03/05/2017	Brisa	Portugal	Baa3	A- (Fitch)	2027	300	2,375%	78	0,37	-29	-143	
09/09/2020	HIT	France	BBB (Fitch)	BBB-	2029	600	1,625%	118	0,86	NA	-81	
24/04/2020	HIT	France	BBB (Fitch)	BBB-	2027	600	2,500%	93	0,51	NA	-184	
28/08/2019	Hochtief	Germany	NR	BBB	2031	250	1,250%	127	1,04	4	-113	
28/08/2019	Hochtief	Germany	NR	BBB	2027	500	0,500%	74	0,33	-16	-123	
10/06/2020	Iliad	France	NR	NR	2026	650	2,375%	208	1,62	NA	-68	
09/10/2014	Infra Park (Indigo)	France	NR	BBB	2025	650	2,125%	69	0,19	14	-126	
12/07/2017	Infra Park (Indigo)	France	NR	BBB	2037	125	2,951%	179	1,75	89	-54	
19/06/2019	Indigo (tap)	France	NR	BBB	2028	100	1,625%	150	1,11	76	-57	
31/03/2020	Orange	France	Baa1	BBB+	2027	750	1,250%	39	-0,03	NA	-109	
31/03/2020	Orange	France	Baa1	BBB+	2032	750	1,625%	50	0,30	NA	-119	
07/02/2020	SBB	Sweden	BBB- (Fitch)	BBB-	2027	750	1,000%	121	0,79	-4	-144	
30/03/2016	TDF	France	NR	BBB-	2026	800	2,500%	99	0,53	-23	-147	
13/05/2020	Telefonica	Spain	Baa3	BBB	2032	750	1,807%	87	0,67	NA	-104	
13/05/2020	Telefonica	Spain	Baa3	BBB	2027	1 250	1,201%	55	0,14	NA	-94	
10/09/2020	Teréga SA	France	Baa2	NR	2030	500	0,875%	85	0,57	NA	-34	
20/02/2020	Teréga SA	France	Baa3	NR	2028	400	0,625%	119	0,81	25	-61	
12/05/2020	Verizon	US	Baa1	BBB+	2040	800	1,850%	101	1,02	NA	-79	
12/05/2020	Verizon	US	Baa1	BBB+	2033	1 350	1,300%	70	0,54	NA	-57	
11/01/2019	Vinci	France	A3	A-	2029	950	1,650%	35	0,00	-21	-117	
18/09/2018	Vinci	France	A3	A-	2030	1 000	1,750%	33	0,06	-20	-114	

RAIL & AERO									31/12/2020	31/12/2020	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%	140	0,92	7	-4	
01/06/2017	Aeroporto Di Roma	Italy	Baa3	BB+	2027	500	1,625%	184	1,42	39	-105	
26/03/2020	Aeroports de Paris	France	NR	A	2026	1 000	2,125%	44	-0,01	NA	-197	
26/03/2020	Aeroports de Paris	France	NR	A	2030	1 500	2,750%	61	0,32	NA	-202	
11/06/2019	Aeroports de Paris	France	NR	A	2034	800	1,125%	89	0,77	43	-124	
04/10/2018	Aeroports de Paris	France	NR	A	2038	500	2,125%	94	0,93	39	-126	
26/04/2017	Brussels Airport	Belgium	Baa1	BBB+ (Fitch)	2024	300	1,000%	136	0,85	75	-37	
01/04/2020	Deutsche Bahn	Germany	AA (Fitch)	NR	2029	750	1,375%	43	0,44	NA	-76	
05/03/2019	Heathrow Funding	UK	A- (Fitch)	BBB+	2034	650	1,875%	129	1,17	0	-173	
28/06/2017	Heathrow Funding	UK	A- (Fitch)	BBB+	2032	500	1,875%	128	1,09	20	-159	
01/04/2020	Royal Schiphol	Netherlands	A1	A+	2029	750	2,000%	44	0,10	NA	-171	



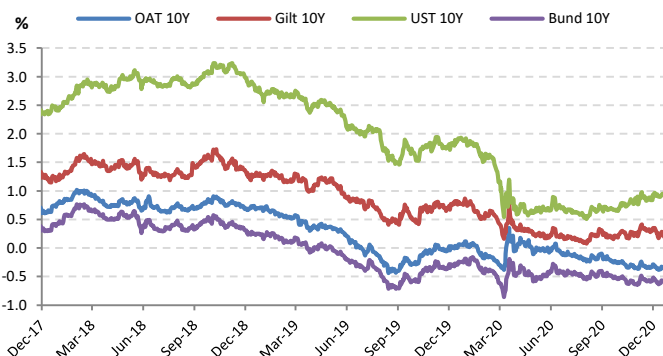
## MACROECONOMIC ENVIRONMENT

- The UK and the EU finally found an agreement on a post-Brexit deal, hence avoiding a brutal exit from the single market on December 31<sup>st</sup>. On the other side of the Atlantic the US voted for a €900.0BN bill enabling a direct payment to American households. As a result, markets ended 2020 and are starting 2021 on a strong foot. Risk appetite remains in excessive territory after having been excessive during all of December but one day.
- Even if several markets are at a historic extreme – equity prices at an all-time high, the USD at a three-year low, Credit and European Government Bonds spreads close to or even below their pre-crisis level – remain constructive for risk assets in the coming months. The market backdrop remains supportive in CACIB's view with strong fiscal backdrops, very supportive monetary conditions and central banks willing to remain behind the curve, positioning not yet excessive.
- That said, valuations are tight and there are downside economic risks in the coming months, as the epidemic is not under control. The vaccination process is expected to be long and drawn-out, implying that volatility could increase and returns are likely to be less stellar than in 2020. As a striking example, UK Prime Minister Boris Johnson, confronted to an alarming spread of the new, more contagious variant of the coronavirus and the risk of the health system being overwhelmed, announced on Monday January 4<sup>th</sup> a nationwide lockdown that will last until mid-February.

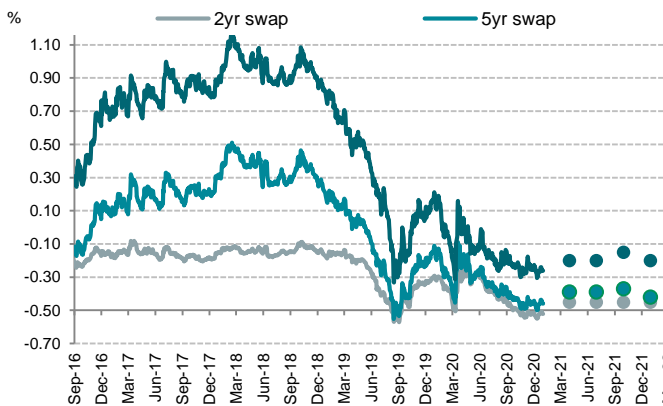
### Swap rates

	EUR	MtM Var (%)	USD	MtM Var (%)	GBP	MtM Var (%)
3Y	-0,50%	-3,7%	0,25%	-6,0%	0,10%	-11,9%
5Y	-0,46%	-4,3%	0,45%	11,2%	0,20%	-0,2%
7Y	-0,39%	-4,5%	0,67%	16,6%	0,29%	0,0%
10Y	-0,26%	-9,3%	0,95%	17,6%	0,41%	-1,8%
12Y	-0,19%	-1,0%	1,08%	17,4%	0,47%	-1,4%
15Y	-0,09%	-3,8%	1,21%	16,8%	0,53%	-1,1%
20Y	-0,01%	-50,7%	1,34%	16,0%	0,59%	-1,0%

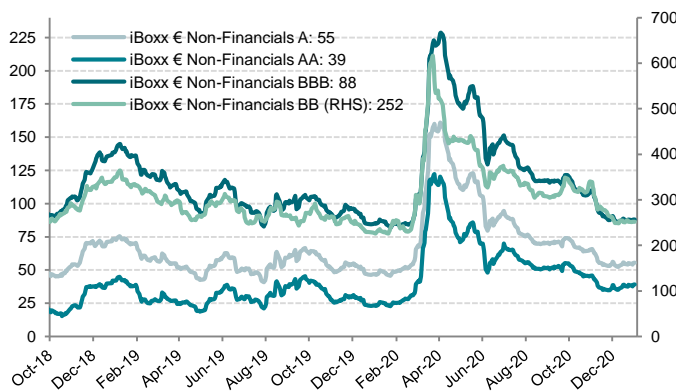
### Government yields (10Y)



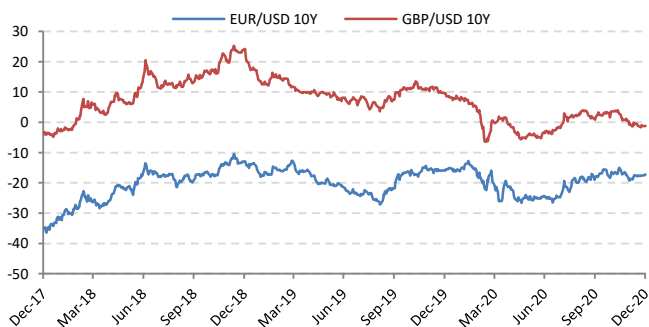
### EUR swap rates (historic and forward levels)



### Credit spread evolutions (EUR)



### 10Y basis swap evolution



### Main upcoming events

	Events / Data	Expected impact
07- Jan	ECB Monetary Policy Statement	European Central Bank Monetary Policy Statement contains the outcome of the ECB's decision on asset purchases and a commentary about the economic conditions that influenced their decision.
06- May	Scottish parliament election	A likely victory for the SNP could pave the way for a second independence referendum which could fuel political and economical uncertainty in the UK in the first half of 2021.

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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