

- Outstanding amounts declined to €283 billion in December (-10.4% year-on-year). The decrease is mainly attributable to public issuers (-29% over one year). The stocks of securitization vehicles (ABCP) increased slightly (+8.9% over one year).
- The yield curve for financial issuers fell in December for all maturities. The variations are small over durations longer than 6 months (between 1 and 2 bps) and more significant over shorter durations (5 bps over 1 to 3 days and 4 bps over 3 months).
- Corporates interest rate curve eased sharply in December on all maturities, particularly the longest ones (-6 bps on the 6-month pillar and -10 bps on the 1-year). This development mainly reflects structural effects (issuances on the 6-month, 9-month and 12-month durations are concentrated on a limited number of particularly solid issuers).

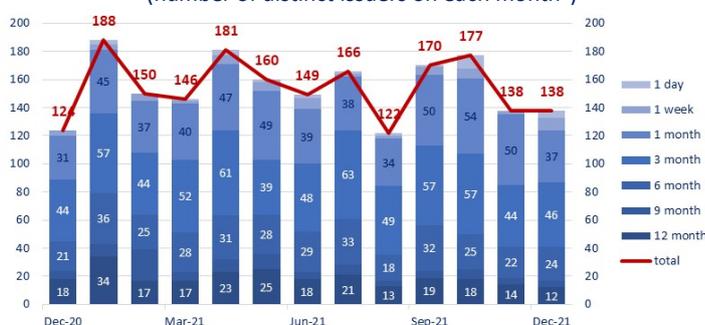
## 1. Market overview

### Stocks (EUR billions) and annual variation

	Dec-21	Nov-21	Dec-20	Var. (%)
<b>NEU CP</b>	<b>236,4</b>	<b>249,3</b>	<b>264,7</b>	<b>-10,7%</b>
Financial issuers	149,7	155,7	165,3	-9,4%
Corporate issuers	57,1	58,8	60,1	-5,0%
Public issuers	24,7	30,0	34,8	-29,0%
Securitization vehicles	4,9	4,8	4,5	8,9%
<b>NEU MTN</b>	<b>46,7</b>	<b>46,5</b>	<b>51,2</b>	<b>-8,8%</b>
<b>Total</b>	<b>283,1</b>	<b>295,8</b>	<b>315,9</b>	<b>-10,4%</b>

Source : Banque de France

### Corporate issuers on the various maturity pillars (number of distinct issuers on each month<sup>1</sup>)



- Outstanding amounts declined to €283 billion in December (-10.4% year-on-year). The decrease is mainly attributable to public issuers (-29% year-on-year), with outstanding amounts returning to pre-Covid crisis levels.
- The outstanding amount of financial and corporate issuers was also down year on year (-9.4 and -5% respectively). The outstanding amount of securitization vehicles (ABCP) increased (+8.9% over one year).
- The number of corporate issuers on the main pillars increased slightly in December 2021 compared to December 2020 (138 and 124 separate issuers). The peak at the beginning of each quarter reflects the widespread use of the 3-month pillar in the financing strategy of a significant number of corporate issuers.

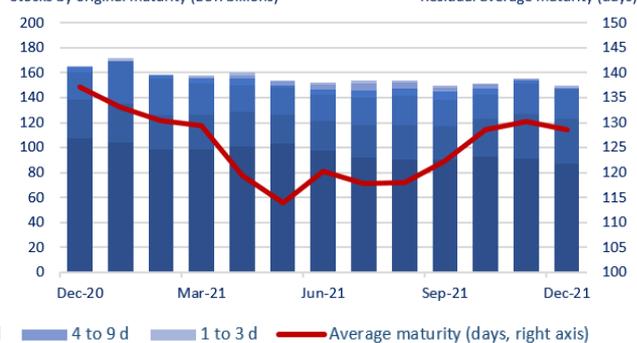
## 2. Issuances and stocks of NEU CP by sector and by original maturity

### Financial issuers

#### Issuance by original maturity (EUR billions)



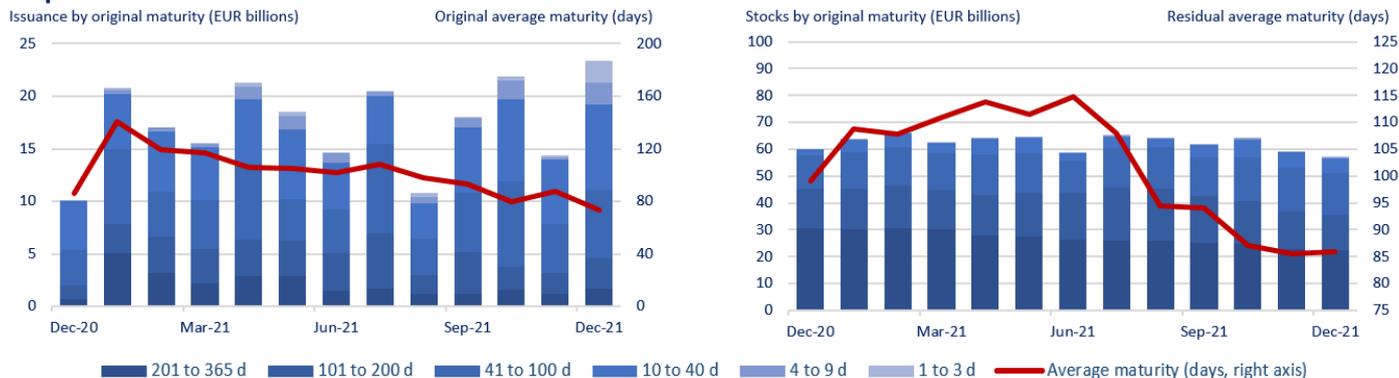
#### Stocks by original maturity (EUR billions)



- Issuances fell to €49 billion in December 2021, down sharply over one month (€80 billion in November) and at a level very close to the issuances made the previous year (€52 billion).
- The average initial duration of issuances rebounded to 81 days (68 days in November). Conversely, the average residual maturity fell slightly in December (129 days) while remaining at a high level.

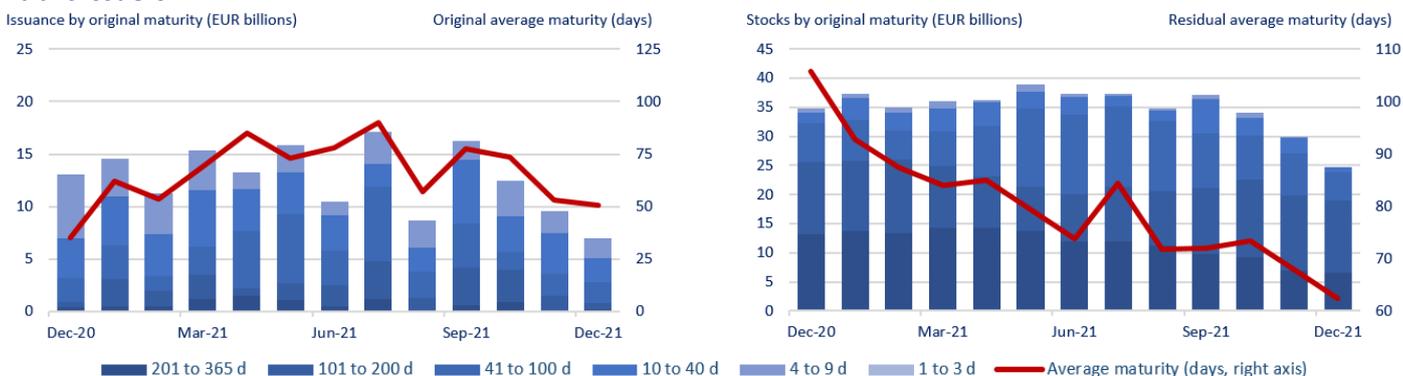
<sup>1</sup> One issuer may be counted several times, once for each maturity.

## Corporate issuers



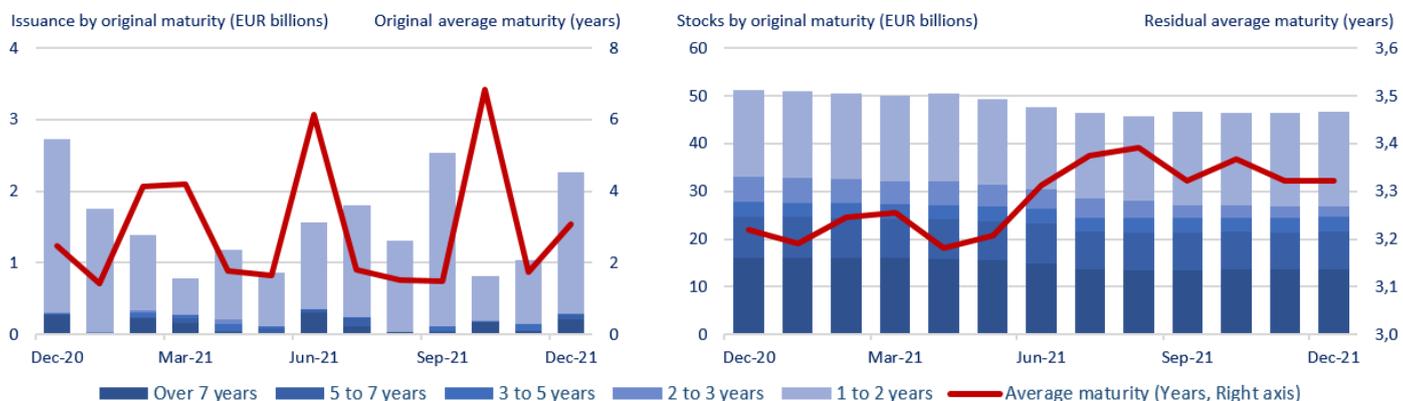
- Corporate issuers issued €23.3 billion in December 2021, a particularly high level compared to the usual issuance volumes at year-end (€13.8 billion on average over the previous seven years).
- The average initial duration at issuances fell to 74 days (88 days in November) while the average residual duration remained stable at 86 days.
- Stocks fell slightly in December (-2.9% over one month), a trend consistent with the seasonal phenomenon of the closing of annual accounts but the magnitude is particularly weak this year (already underway in November).

## Public issuers



- Public sector issuances decreased further, in line with the downward trend that began since September. Those issuances reached 7 billion euros in December, which is half the amount issued usually on the NEU CP market by public issuers in December of a given year before the health crisis (measured as the average of December 2016, 2017 and 2018).
- The average initial duration at issuances fell slightly at 50 days in December, after 53 days in November.
- Outstanding amounts fell sharply to €24.7 billion; while the average residual term fell significantly to 62 days, compared to 106 days a year earlier.

### 3. Issuances and stocks of NEU MTN by original maturity



- NEU MTN issuances rebounded to €2.3 billion in December, at 87% on the 1 to 2 year tranche.
- Outstanding amounts increased slightly to €46.7 billion; the residual maturity is stable at 3.3 years.

## 4. Average rates of NEU CP and maturities at issuance

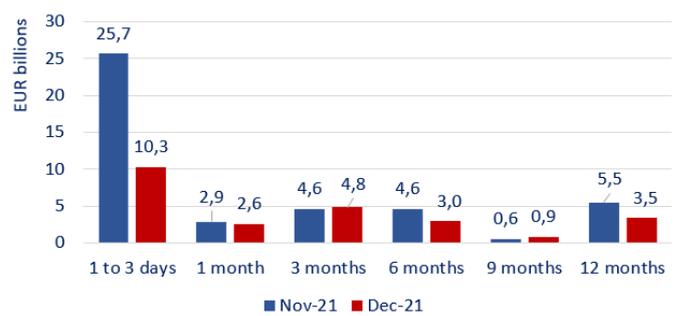
### Financial issuers

#### Average rates at issuance in Euros



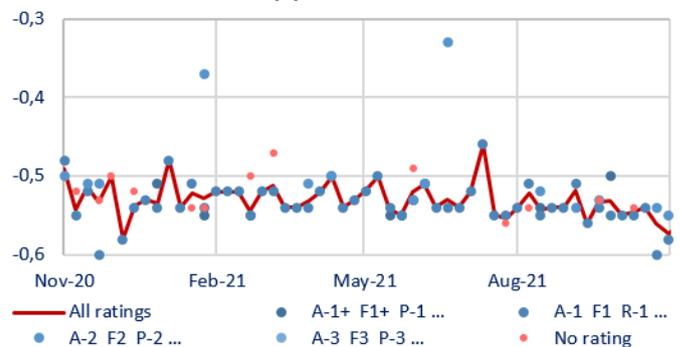
- The yield curve for financial issuers fell in December for all maturities. Variations are narrow over durations longer than 6 months (between 1 and 2 bps) and larger over shorter durations (5 bps over 1 to 3 days and 4 bps over 3 months).
- Issuances are down on most maturities, particularly the 1 to 3 day and the 6 and 12 month pillars. Issuances on the 1-month, 3-month and 9-month pillars are almost unchanged.

#### Cumulated issuances



### Dispersion of financial issuers' average rates<sup>2</sup> at issuance on the 3-month maturity pillar (weekly data)

- Interest rates at issuance of financial issuers remain within a narrow band (spreads below 10 bps).
- Only a few issuances, carried out by unrated issuers, stand out from the average.
- Interest rate conditions have mainly remained in a range between -0.45% and -0.55% for the past year.



### Corporate issuers

#### Average rates at issuance in Euros



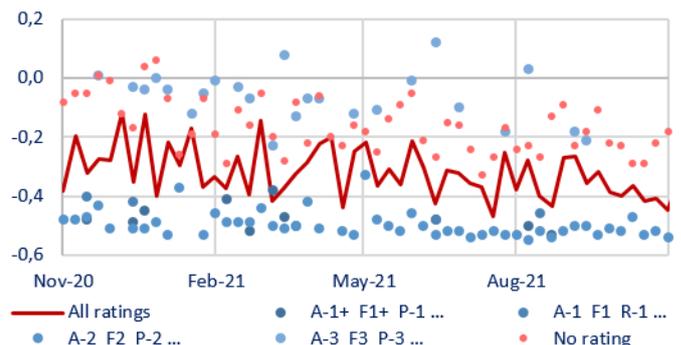
- Corporates interest rate curve eased sharply in December on all maturities, particularly the longest ones (-6 bps on the 6-month pillar and -10 bps on the 1-year). This development mainly reflects structural effects (issuances on the 6-month, 9-month and 12-month durations are concentrated on a limited number of particularly solid issuers).
- Issuance volumes rebounded strongly in December after a sluggish November. The rebound was particularly marked on the 3-month pillar and on the shortest issuances (1 to 3 days).

#### Cumulated issuances



### Dispersion of corporate issuers' average rate at issuance on the 3-month maturity pillar (weekly data)

- The average rates of investment grade issuers vary little. They have been fluctuating around -0.5% for several months.
- The average rates of unrated issuers move within a wider fluctuation band.

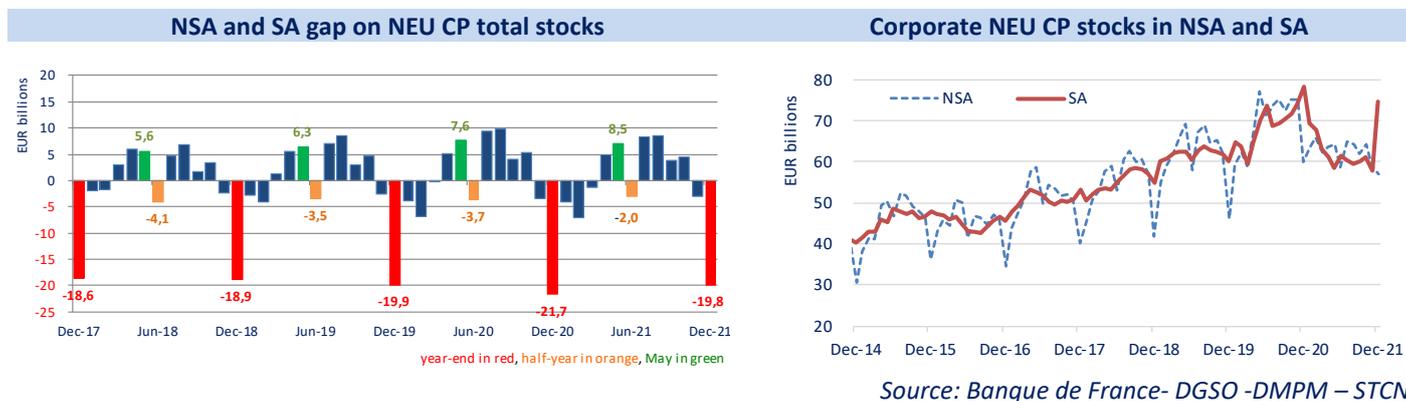


<sup>2</sup> Outliers are not displayed so as to improve the clarity and detail of charts by dispersion of average rates.

## 5. Seasonality of NEU CP and NEU MTN outstanding amounts

The NEU CP market is impacted by seasonal effects<sup>3</sup>, which are corrected in seasonality adjusted (SA)<sup>4</sup> series. Thus, outstanding amounts reach a maximum in May before going down in June, then usually picking up again during the summer months before falling back sharply in December.

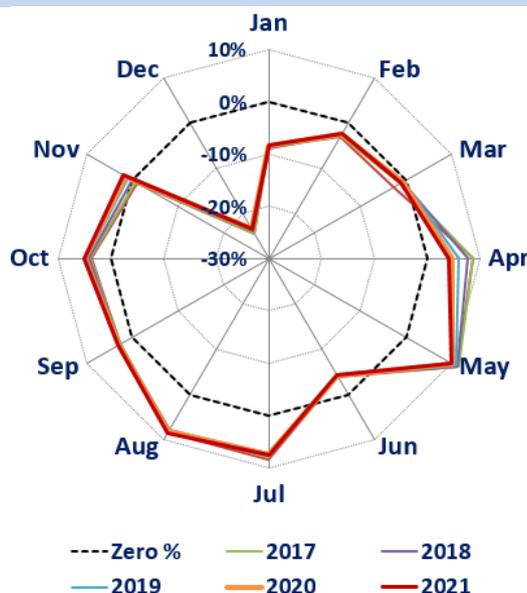
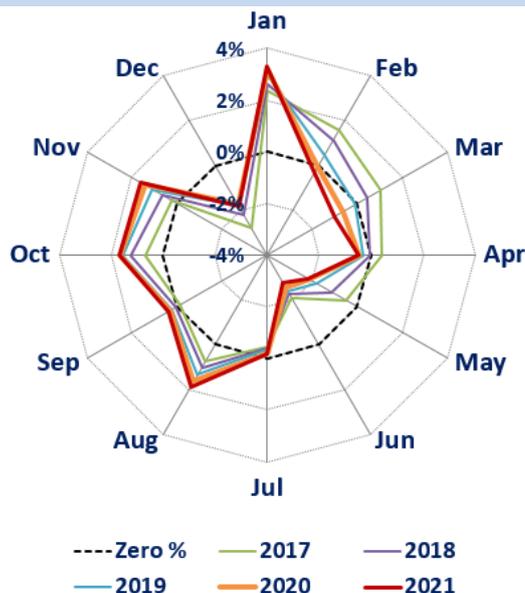
This seasonality is usually much more marked for corporate issuers (related to the closing of accounts) than for banking issuers. The seasonality of corporate outstanding amounts has been impacted since the start of the COVID crisis by the implementation of alternative financing (PGE). The level of the SA series in December 2021 might change significantly in this context<sup>5</sup>. The seasonality of banks that has evolved in recent years (outstanding amounts getting increasingly lower in February / March and May) has stabilized in 2021 on the trends attained in the previous year.



### Seasonality of outstanding amounts by category of issuers (SA and NSA gap as a % of outstandings)

#### Bank NEU CP (-1,8% as of Dec. 2021)

#### Corporate NEU CP (-23,4% as of Dec. 2021)



Source : Banque de France – DGSO-DMPM-STCN

The seasonality of banking NEU CP changed in recent years: the decline of stocks in December has faded while the peak registered at the beginning of the year (January) tends to increase. Outstanding amounts then go increasingly down between February and May. Conversely, there is a gradual increase of stocks in August and October/November. The distortion of the seasonality of bank NEU CP stocks is a phenomenon that began at early 2020 and continued during the health crisis.

The seasonality of corporates NEU CP appears very stable over the last few years and is linked to the closing of the half-yearly (limited effect) and annual (significantly larger effect) accounts. There is a less marked increase of stocks in April, offset by slightly higher stocks in November.

<sup>3</sup> The decrease in NEU CP market activity at the end of the year is explained in particular by the closing of balance sheets, which results in less demand from investors on the one hand, and a decrease in issuance and an increase in redemptions on the part of issuers on the other. On the contrary, the month of May usually represents the annual high in terms of activity.

<sup>4</sup> SA (seasonally adjusted) NEU CP outstanding series calculated from month-end gross NEU CP series (ARIMA Census X12).

<sup>5</sup> Seasonality adjustment is tricky when it comes to adjust recent change of trends in a NSA series.