

- Outstanding amounts were stable in January 2022 over one month, and down sharply over one year (-13.3%). The decline over one year is mainly attributable to public and financial issuers.
- The yield curve for financial issuers rose slightly in January for all maturities (3 bps at maximum).
- The corporate yield curve is rising. The increase remains rather restrained (between 5 and 7 bps) over the most used durations (between 1 and 6 months). The more marked increase over the longest terms must be interpreted with caution (low volumes on the 9 month and structure of issuances on the 12 month).
- The NEU CP roll rate stand just above the breakeven point, at 101%. This level remains relatively low compared to the level typical for a start-of-year month (these last three years, NEU CP roll rate in January stood between 110% and 138%).

1. Market overview

Stocks (EUR billions) and annual variation

	Jan-22	Dec-21	Jan-21	Var. (%)
NEU CP	238,9	238,2	277,4	-13,9%
Financial issuers	146,8	151,5	172,0	-14,7%
Corporate issuers	59,4	57,1	63,5	-6,5%
Public issuers	27,9	24,7	37,4	-25,4%
Securitization vehicles	4,8	4,9	4,5	6,7%
NEU MTN	45,9	46,7	51,0	-10,0%
Total	284,8	284,9	328,4	-13,3%

Source : Banque de France

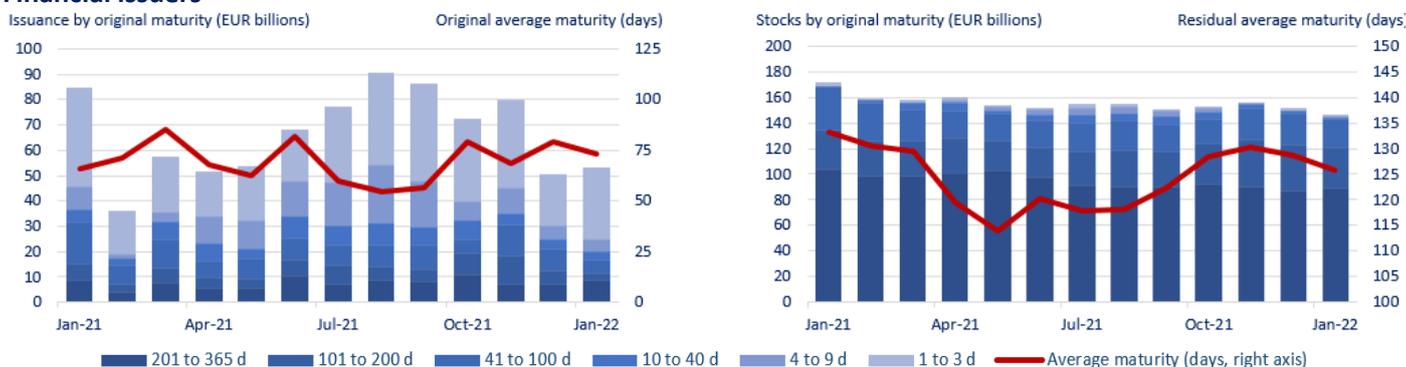
NEU CP Roll rate



- While stable over one month, outstanding amounts fell sharply over one year (-13.3%). The fall was particularly marked on public issuers (-25.4%), which returned to levels of stocks from before the health crisis, and financial (-14.7%) whose increasingly lower outstanding amounts reflects the abundance of liquidity.
- The NEU CP roll rate stand just above the breakeven point, at 101%. Compared to previous years, the roll rate in January 2022 is lower for financial issuers, while it is broadly stable for corporate and public issuers.

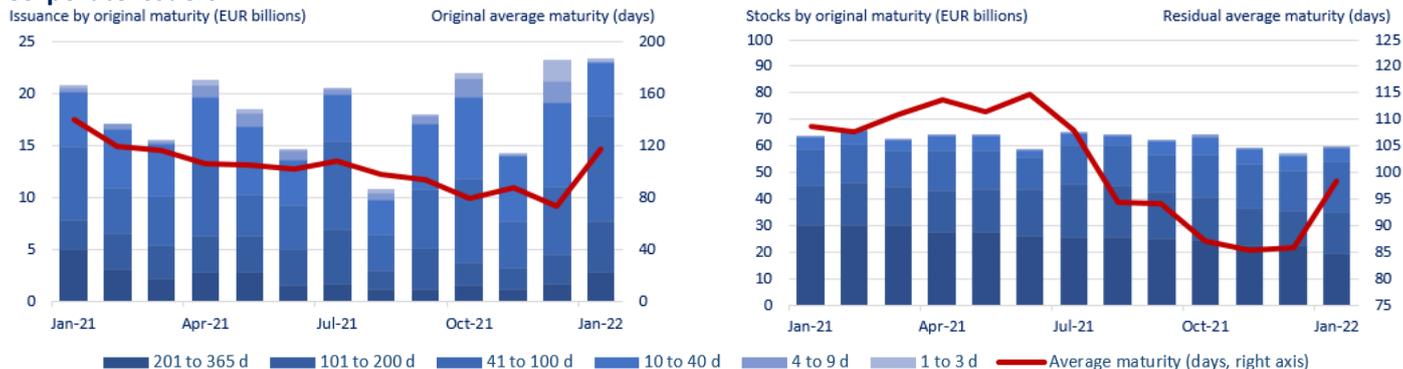
2. Issuances and stocks of NEU CP by sector and by original maturity

Financial issuers



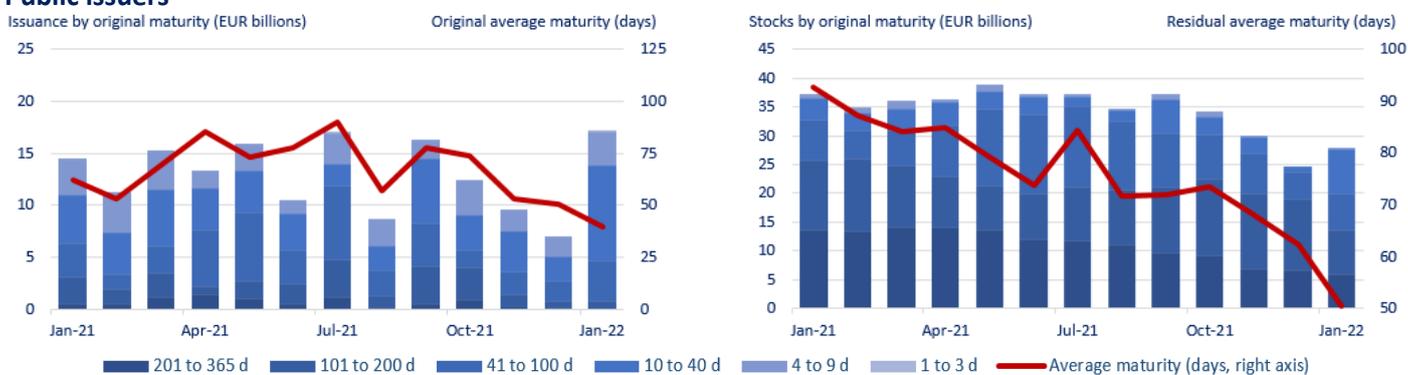
- Issuances increased only very slightly in January 2022 and stood very far from the standard levels for the start of the year (€53.3 billion in January 2022 compared to €84.7 billion in January 2021).
- The average initial duration at issuance fell slightly in January to 73 days (79 days in December) as well as the average residual maturity (126 days). Outstanding amounts fell below €150 billion and, with €146.8 billion at the end of January 2022, reached their lowest end-of-month level for more than 15 years.

Corporate issuers



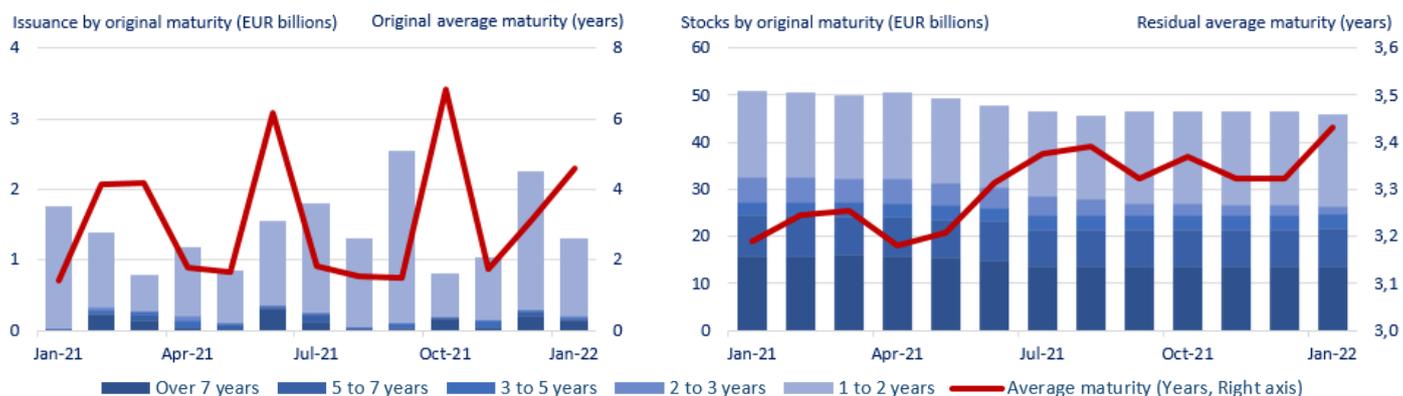
- Corporate issuances remained at a particularly high level in January. In the beginning of 2022, long-maturities issuances are especially marked on the bucket between 100 and 200 days with the roll of issuances carried out in July 2021.
- The average initial duration at issuances rose sharply to 120 days (compared to 74 days in December) and drives the marked rebound in the average residual maturity.
- Although outstanding amounts are on the rise again at the start of the year, this movement is of a much lesser magnitude than in previous years.

Public issuers



- Public sector issuances rose sharply in January. They reached 17 billion euros, more than double the previous month (7 billion euros in December 2021).
- The average initial maturity at issuances is down (40 days, after 50 days in December).
- Outstanding amounts are on the rise again to €27.9 billion (+€3.2 billion), while the average residual maturity continued to fall to 50 days (at almost half the level of the previous year: 93 days).

3. Issuances and stocks of NEU MTN by original maturity



- NEU MTN issuances rebounded to €1.3 billion in December, at 85% on the 1 to 2 year tranche.
- Outstanding amounts fell to €45.9 billion (-0.8), while the average residual maturity of stocks increases to 3.4 years.

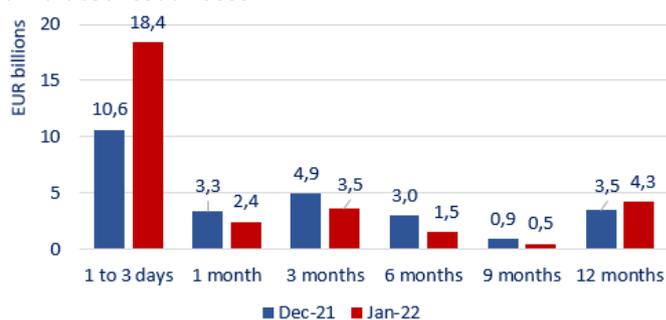
4. Average rates of NEU CP and maturities at issuances

Financial issuers

Average rates at issuances in Euros



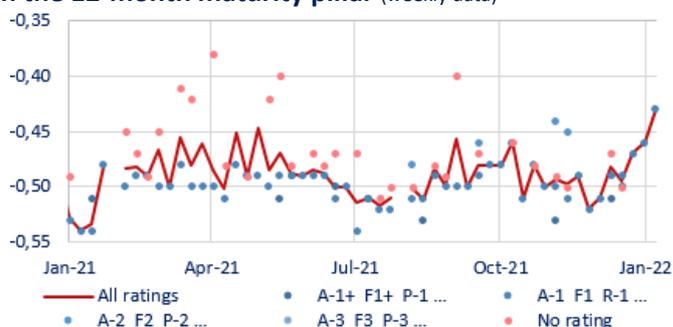
Cumulated issuances



- The yield curve for financial issuers increased slightly in January for all maturities. Variations remain rather low over all durations (3 bps at maximum)
- While very short-term issuances recovered significantly, they are also progressing slightly on the 12-month pillar, although remaining far from the levels typical of the beginning of a new year. Banks usually proceed with long-term issuances in order to cover financing needs for the year to come. Volumes are down over the other durations.

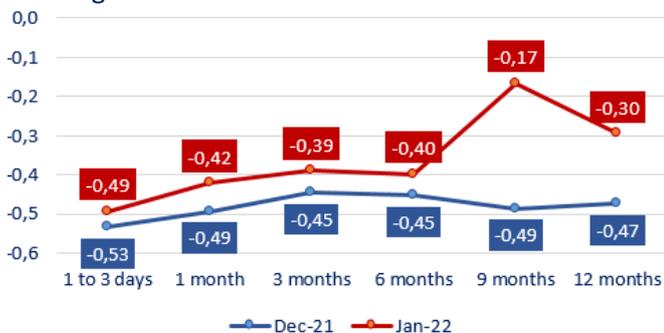
Dispersion of financial issuers' average rates¹ at issuances on the 12-month maturity pillar (weekly data)

- Rates at issuances of financial issuers on the 12-month pillar increased by 10 bps over one month.
- This trend may mark the beginning of a change in market expectations regarding the evolution of rates in the euro zone.

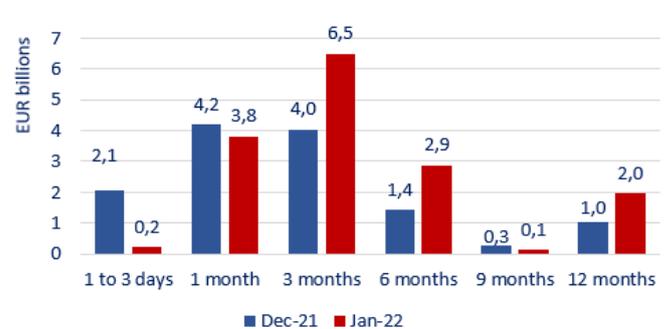


Corporate issuers

Average rates at issuances in Euros



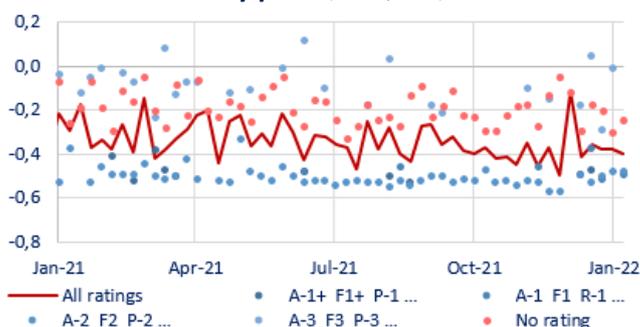
Cumulated issuances



- Corporate issuers yield curve is up slightly (between 5 and 7 bps) over the most used maturities, those between 1 and 6 months. The markedly larger increase over longer maturities should be considered with caution: low volumes on the 9 month pillar and structure of issuances on the 12 months pillar (3/4 of issuances in December 2021 were carried out by the best-rated issuers; those of January 2022 for more than half by unrated issuers).
- Issuances volumes rebounded strongly on the 3-month, 6-month and 12-month pillars. They are stable on the 1-month pillar and the level of very short-term issuances is returning to normal after an atypical December.

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

- The average rates of well-rated issuers rise by a few bps in January 2022. They remain around -0,5%.
- Average rates for unrated issuers will tighten in January 2022.

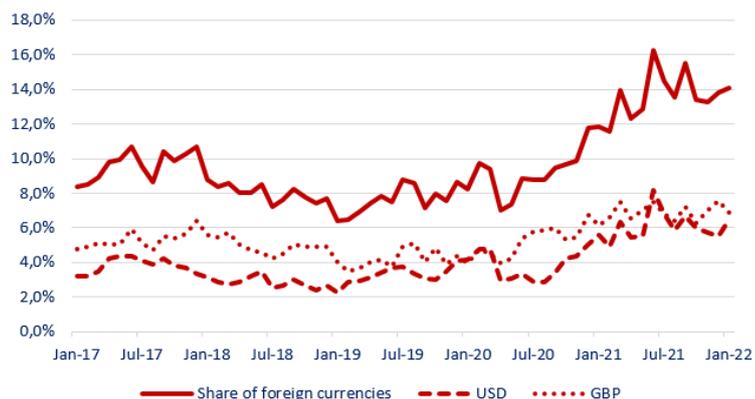


¹ Outliers are not displayed so as to improve the clarity and detail of charts by dispersion of average rates.

5. Focus on conditions of NEU CP issuances in foreign currencies

- The share of NEU CP issued in foreign currencies fell slightly at the end of January 2022 (14.1%), after rising up to 16.3% in June 2021.
- Outstanding amounts in foreign currencies are heavily concentrated in GBP (6.9%) and USD (6.5%).
- Issuances in CNY represent 0.7% of NEU CP outstandings after having reached 1.5% in September 2021 (i.e. €3.7 billion of NEU CP issued in CNY).
- The financial sector and public issuers remain the main issuers of foreign currencies.

Share of foreign currencies in NEU CP outstanding amounts

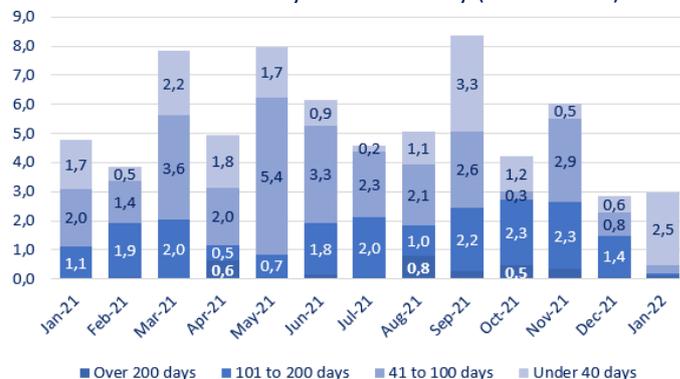


Remuneration conditions and level of issuances in GBP (by maturity pillars)

Average rate at issuances, SONIA in monthly average



Issuances volume by initial maturity (EUR billions)



- Average issuances rates in GBP follow closely the SONIA benchmark, with spreads generally remaining below 10 bps.
- The drop of GBP issuances volume over the past two months and the significant change in the structure by maturity in January 2022 should be linked to the rate hike cycle initiated by the BOE. The SONIA has been at 0.45% since February 3, 2022, compared to 0.05% until December 15, 2021.

Remuneration conditions and level of issuances in USD (by maturity pillars)

Average rate at issuances, SOFR in monthly average



Issuances volume by initial maturity (EUR billions)



- Spreads compared to SOFR benchmark have been stable for nearly a year now, and remain at levels close to those observed before the Covid-related health crisis (30 to 50 bps depending on the maturity).
- NEU CP in USD are mostly issued on short maturities (1 to 40 days) with average volumes increasing over one year.

Source and calculations: Banque de France, Commercial paper and medium-term note department, with the exception of SONIA (Bank of England) and SOFR (FED).