

- In May, the outstanding amount of the overall market amounted to € 309.6 billion, with NEU CP roll rate at 97%. However, outstanding amount fell sharply over the year (-14.5%), with public and corporate issuers returning to pre-crisis levels.
- Financial sector issuance rates are little changed, the maximum variation over one month reaching 2 bps on the 1 and 9 months pillars. Corporate rates are unchanged for the 1 month maturity and on a slight growth for the 3 months (+3 bps). Rates for other maturities are almost unchanged, except for the 9-month pillar (-9 bps).
- Corporates NEU MTN issuances reached € 840 million at the end of May 2021. Issuance rates for all type of issuers are around 0% on the 2-year pillar and just above 0.5% on the 5-year pillar.

1. Market overview

Stocks (EUR billions) and annual variation

	May-21	Apr-21	May-20	Var. (%)
NEU CP	260,3	263,3	310,2	-16,1%
Financial issuers	152,8	159,2	156,2	-2,2%
Corporate issuers	64,4	63,7	77,0	-16,4%
Public issuers	38,9	36,3	71,1	-45,3%
Securitization vehicles	4,2	4,1	5,9	-28,8%
NEU MTN	49,3	50,5	51,8	-4,8%
Total	309,6	313,8	362,0	-14,5%

Source : Banque de France

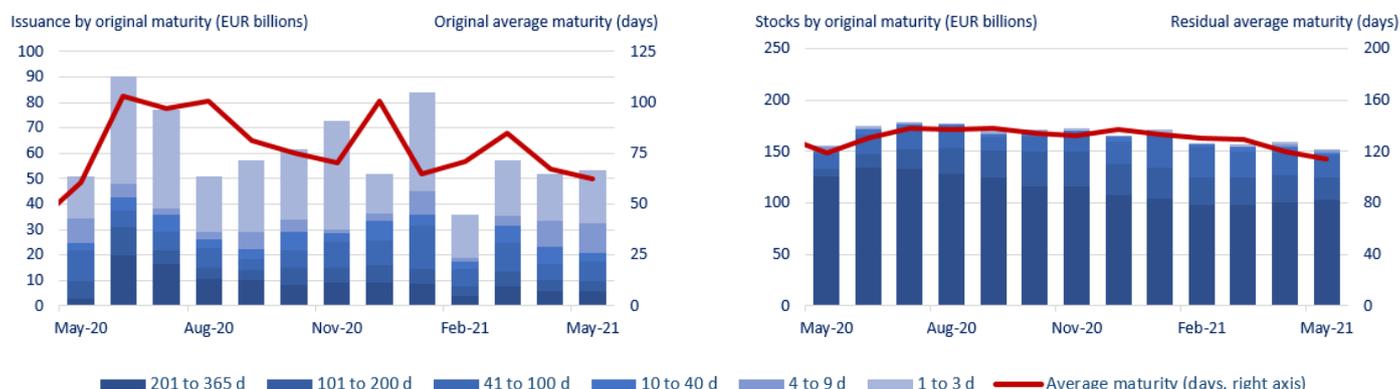
NEU CP roll rate



- NEU CP outstanding amount has decreased over one year (-16.1%). This drop is particularly notable for public issuers (-45.3%) and corporate issuers (-16.4%), whose outstanding amounts are down from the exceptionally high levels at the height of the health crisis.
- In May, NEU CP roll rate fell slightly to 97%.

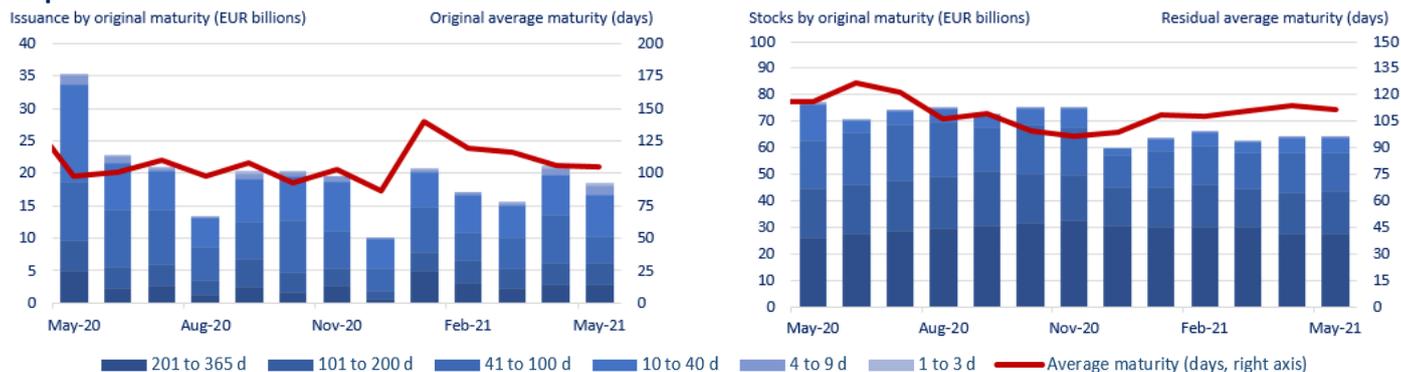
2. Issuances and stocks of NEU CP by sector and by original maturity

Financial issuers



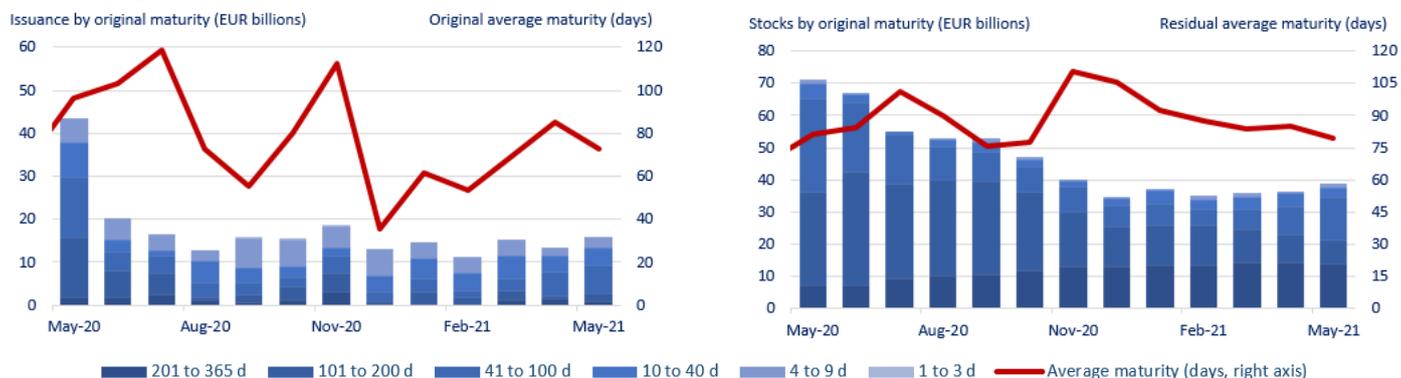
- In May, financial sector issuances increased slightly to € 53.4 billion, from € 51.7 billion in April.
- Issuances are moving towards shorter maturities. Issuances of 1-3 days represent 40% of the volume in May (35% in April). The average initial maturity of new issuances fell to 63 days in May (67 days in April).
- Outstanding amounts fell by € 6.3 billion, in line with the usual seasonal pattern for these issuers. The residual maturity of outstanding amounts continued to decline (114 days in May).

Corporate issuers



- In May, corporate issuance volumes fell slightly to € 18.5 billion (€ 21.3 billion in April). The decline was most pronounced in the 10 to 40 days bucket, which accounted for 21% of the whole volume in May (34% in April and 26% in May 2020). The average initial maturity at issuance was almost stable at 105 days (106 days in April).
- Outstanding amounts increased slightly over the month (+0.7 billion euros).

Public issuers



- In May, public sector NEU CP issuances increased to €15.9 EUR billions (€13.3 in April). The average original maturity at issuance fell slightly to 73 days (85 in April).
- Outstanding amounts increased by EUR 2.6 billion during the month.
- The average residual maturity fell again to reach 79 days at the end of May (85 days at end-April), a level very close to that of a year ago (81 days at end-May 2020).

3. Issuances and stocks of NEU MTN by original maturity

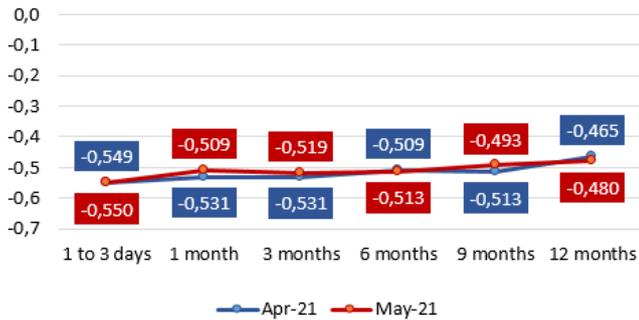


- NEU MTN issuances reached € 860 million in May, 87% of which was in the 1 to 2 years bucket.
- Outstanding amounts decreased by 1.2 billion over the month.
- The average residual maturity of the outstanding amount is little changed (3.2 years).

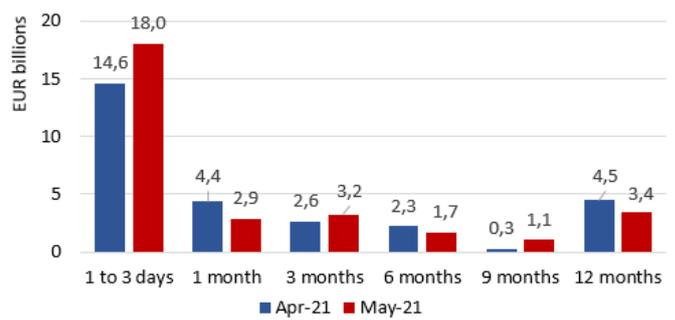
4. Average rates of NEU CP and maturities at issuance

Financial issuers

Average rates at issuance in Euros



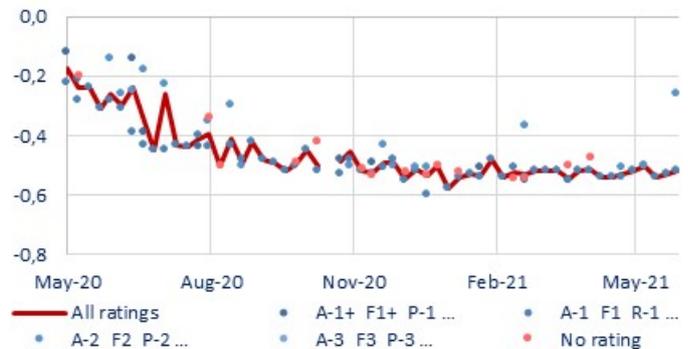
Cumulated issuances



- Average rates are little changed for all the maturities. The maximum variation compared to April reached 2 bps on the 1 and 9 months pillars.
- Volumes evolved in a disparate way on the different pillars: down on pillars 1, 6 and 12 months; up on pillars 1 to 3 days and pillars 3 and 9 months.

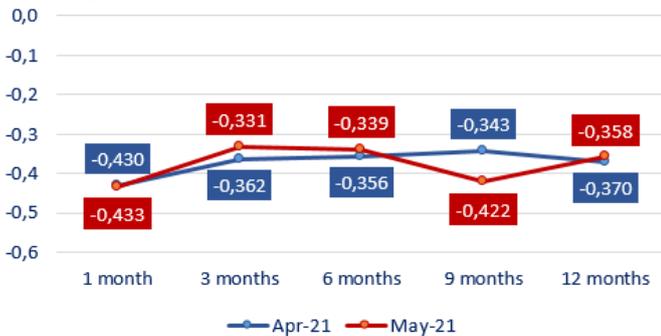
Dispersion of financial issuers' average rates at issuance on the 3-month maturity pillar (weekly data)

- Issuance rates levels of financial issuers are particularly tight on this maturity.
- Interest rate conditions remain broadly unchanged at around -0.50% since the start of the year.



Corporate issuers

Average rates at issuance in Euros



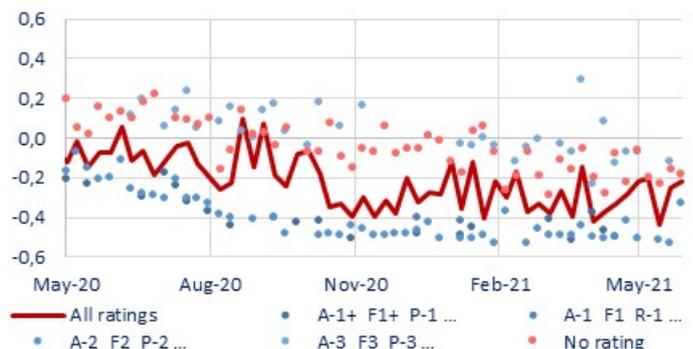
Cumulated issuances



- For the leading maturities, rates were unchanged for the 1-month pillar and on a slight growth for the 3-months pillar (+3 bps). For other maturities, rates are almost unchanged except for the 9-months pillar (-9 bps)
- With the exception of the 3-months pillar (-61%), issuance levels changed little between April and May.

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

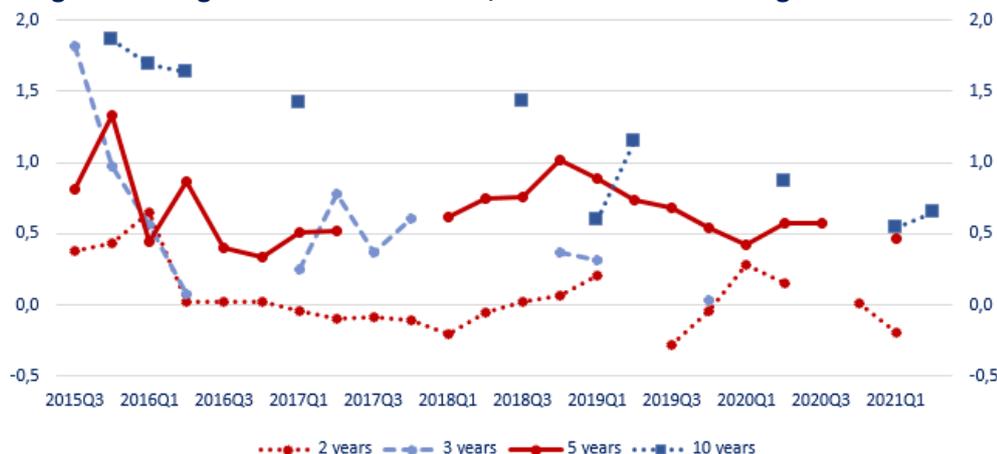
- The dispersion of corporate issuance rates is relatively low (40 to 50 bps) but slightly higher than a year ago (30 to 40 bps in May 2020).
- Interest rate conditions for highly rated issuers (A1+ ... and A1 ...) remain well oriented with an average rate around -0.5% in May 2021 compared to -0.2% one year earlier.



5. Focus: issuance terms for NEU MTN at the end of May 2021

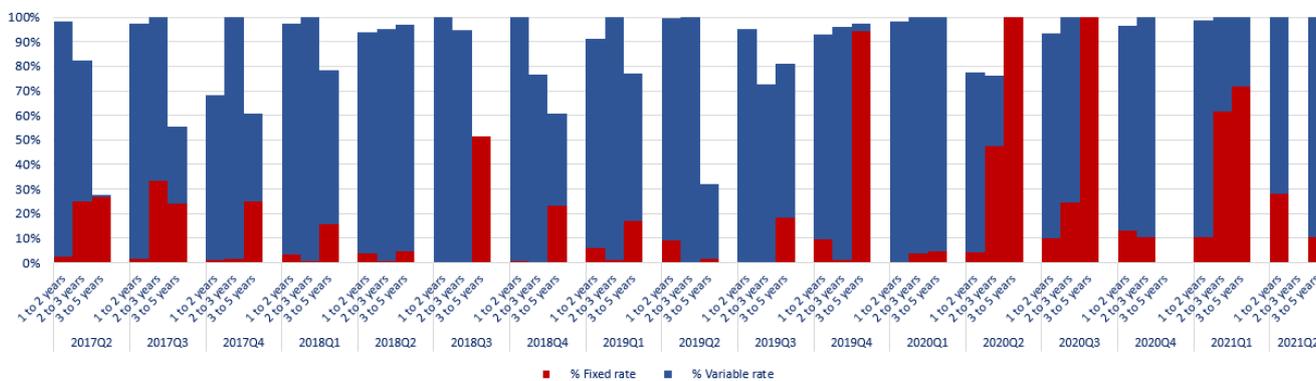
- Volumes are well oriented since the beginning of the year: € 514 million during the first quarter and 330 in April and May 2021. They already represent more than double the volumes issued in 2020, but remain slightly below the level observed in the first 5 months of 2019 (-2%).
- NEU MTN rate conditions for all the issuers have eased in recent years:
 - 10-year issuances done in 2021 were traded just above 0.5%, compared to rates above 1.5% in 2015/2016.
 - 2-year issuances have been traded around 0% (plus or minus 25 bps) since 2016; 5-year ones have been generally traded in a corridor between 0.5% and 1% since 2016.

Weighted average NEU MTN issue rates, all issuers and all ratings



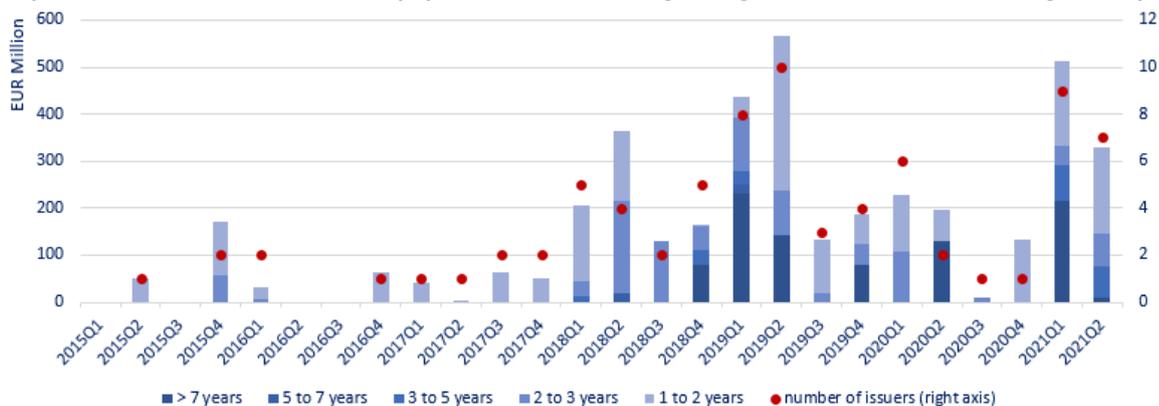
Whereas issuances were mainly at variable rates in previous years, there has been a significant increase in the share of fixed-rate issuances since the health crisis in the 2-3 years and 3-5 years maturities (48% and 100% respectively in Q2 2020 and 61% and 71% in Q2 2021), reflecting the market's expectations of how rates will evolve in the near future after the implementation of the PEPP and the maintenance of the forward guidance.

Percentages of fixed / variable rates with maturities between 1 and 5 years¹ (Q2 2021 ending in May)



- Corporate NEU MTN issuances have increased since the 2016 market reform.

Corporates NEU MTN issuances by quarter since the beginning of 2015 (Q2 2021 ending in May)



¹ Structured-rate issuances are excluded from the analysis.