

- In September, the overall market outstanding amounted to € 300 billion after € 303 billion in August. The NEU CP outstanding amounts of corporates and financial issuers are down while those of the public sector are increasing.
- The yield curve of financial issuers is roughly flat up to 9 months (between -0.55 and -0.52%). The weighted average rate on the 1-year pillar stands at -0.48% (+ 3bps).
- The corporate issuance yield curve flattens out in September.
- The roll rate stood at 97% in September. Since the start of the year, the roll rate has been positive at the start of each quarter and then drops below the renewal threshold (100%) for the following two months.

1. Market overview

Stocks (EUR billions) and annual variation

	Sep-21	Aug-21	Sep-20	Var. (%)
NEU CP	253,2	257,1	301,7	-16,1%
Financial issuers	149,4	153,4	171,2	-12,7%
Corporate issuers	61,9	64,3	72,5	-14,6%
Public issuers	37,2	34,7	53,0	-29,8%
Securitization vehicles	4,7	4,7	5,0	-6,0%
NEU MTN	46,6	45,7	50,7	-8,1%
Total	299,8	302,8	352,4	-14,9%

NEU CP Roll rates

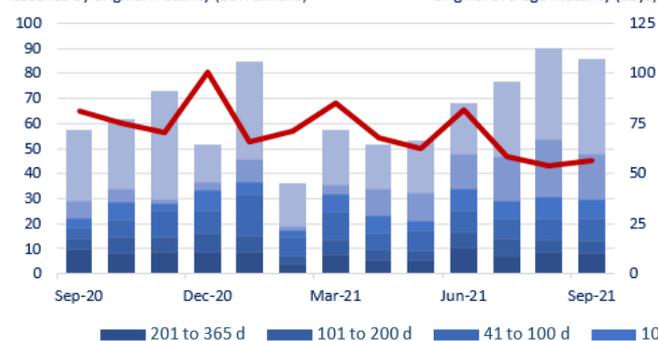


- NEU CP's outstanding amounts fell to € 299.8 billion in September (-1.0% compared to August). The decrease is mainly concentrated on corporate (-3.7%) and financial (-2.6%) issuers. On the contrary, public sector outstanding amounts are on the rise (+ 7.2%).
- The roll rate stood at 97% in September. Since the start of the year, the roll rate has been positive at the start of each quarter then drops below the renewal threshold (100%) for the following two months, which reflects a synchronization of the infra-annual seasonality of corporate and banking issuers.

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

Financial issuers

Issuance by original maturity (EUR billions)

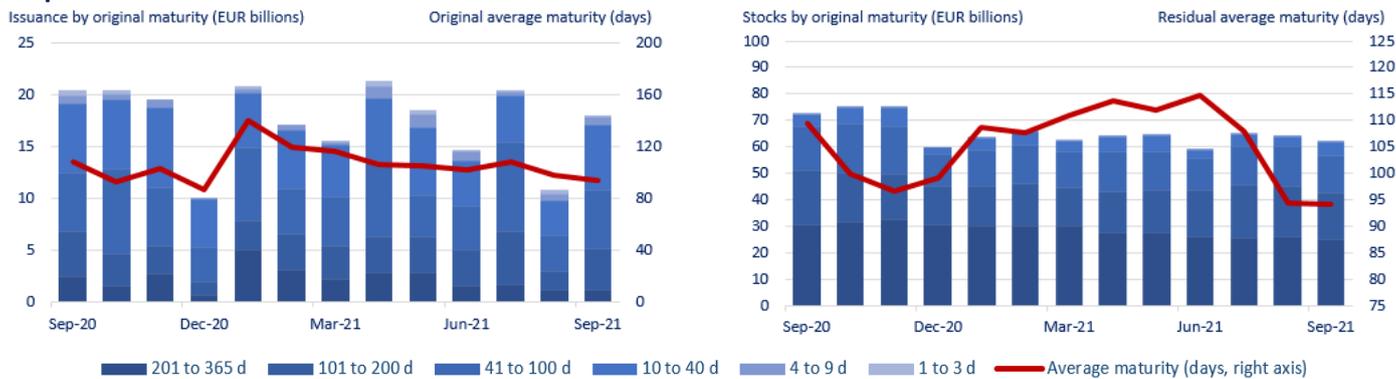


Stocks by original maturity (EUR billions)



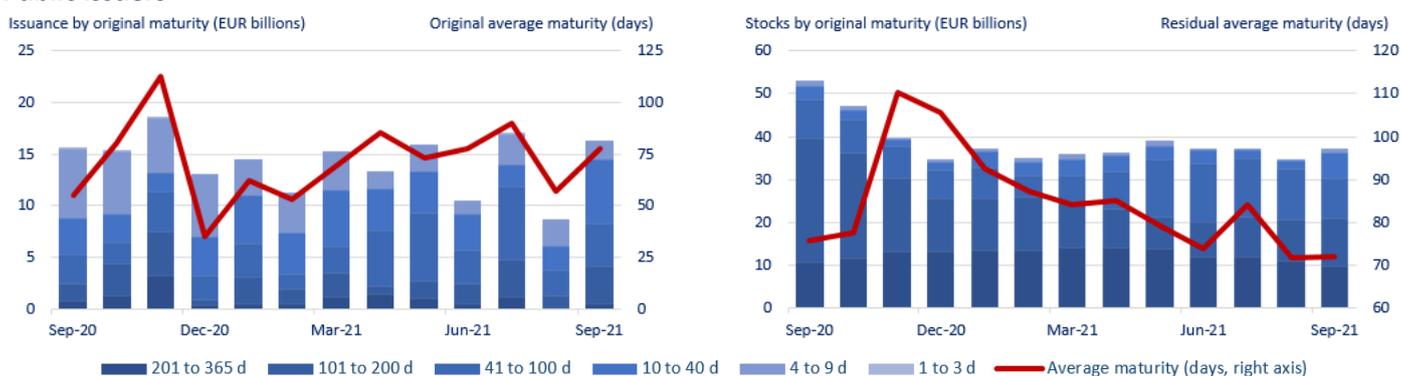
- Financial sector issuances remained high in September due to an increased use of shorter maturities. They reached € 86 billion in September, compared to € 57 billion a year earlier.
- The average initial duration stabilizes (56 days in September 2021, after 54 days in August 2021 and 58 days in July)
- The outstanding amounts are down (- € 4.0 billion) while the average residual maturity rebounds (122 days in September after 118 days in August).

Corporate issuers



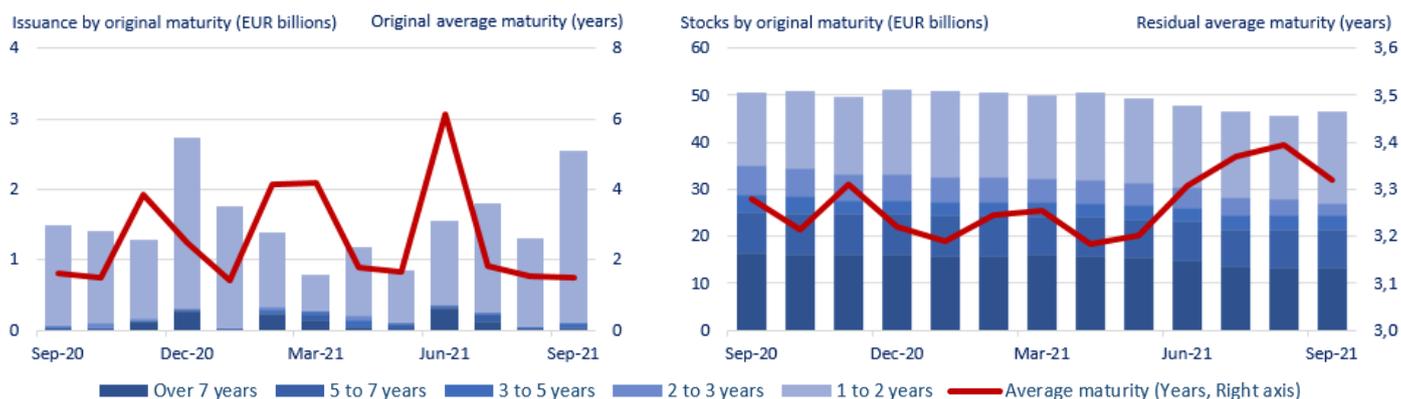
- Corporate issuances rebounded in September (€ 18 billion) from the summer low (€ 10.8 billion in August). The increase is mainly attributable to the 10 to 40 days bucket (40%) and to the 41 to 100 days and 101 to 200 days (30% each).
- The average initial duration at issuance drops slightly to 93 days in September (98 days in August).
- Outstanding amounts fell slightly to € 61.9 billion after € 64.3 billion in August.

Public issuers



- Public sector issuances reached € 16.3 billion in August (€ 8.7 billion in August) and the average initial duration of issuances rebounded to 78 days (57 days in August).
- The outstanding amounts started to rise again (+ € 2.5bn) while the average residual maturity stabilized at 72 days (unchanged compared to August).

3. Issuances and stocks of NEU MTN by original maturity



- NEU MTN's issuances doubled in September and reached € 2.5 billion (€ 1.3 billion in August).
- Outstanding amounts increased by € 0.9 billion in September. The average residual maturity fell slightly under the effect of short-term issuances (1 to 2 years maturity bucket).

Average rates of NEU CP and maturities at issuance

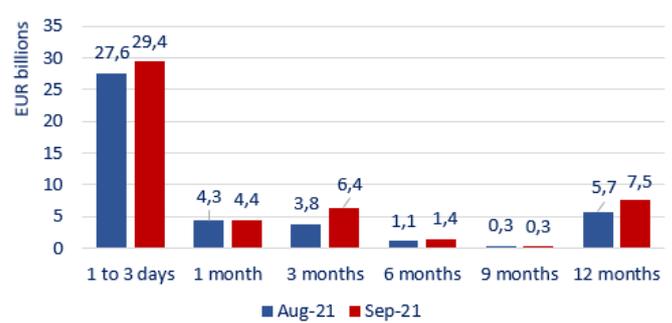
Financial issuers

Average rates at issuance in Euros



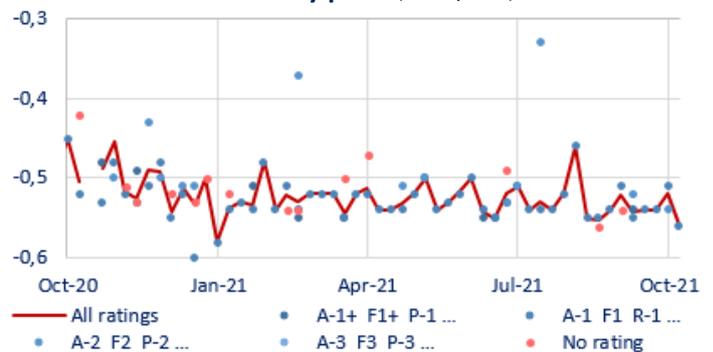
- The yield curve for financial issuers is roughly flat up to 9 months (between -0.55 and -0.52%). The weighted average rate on the 1-year pillar increased slightly (+ 3bps) and stood at -0.48%.
- Volumes at issuance increase slightly over the shortest durations (1-3 days). They rise more markedly on the pillars at 3 months (+ 68%), as well as 6 and 12 months (+ 30%) and are stable over the other periods.

Cumulated issuances



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

- The issuance rate levels of financial issuers are generally particularly tight on this maturity.
- Only a few issuances stand out from the average.
- Interest rate conditions of rated issuances have remained in a narrow range between -0.50% and -0.55% since November 2020.



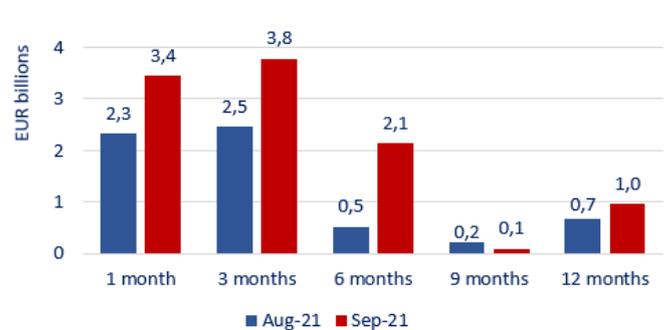
Corporate issuers

Average rates at issuance in Euros



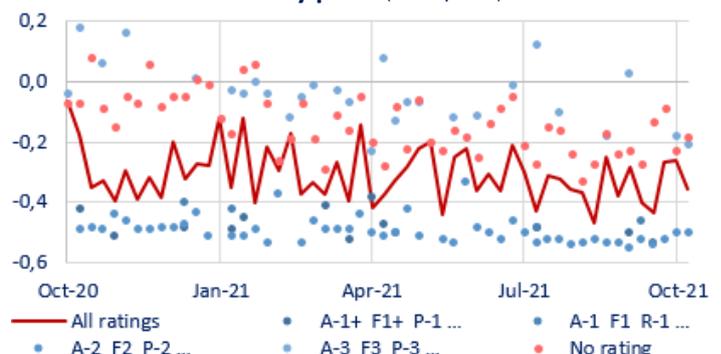
- The volatility of the corporate yield curve decreased compared with August.
- Among the most used pillars, the 1-month rate eased (-7 bps) while that of the 3-month pillar tightened slightly (+3 bps). The average rate on the 6-month pillar recorded a significant drop (-13 bps) in a context of a sharp increase in the volume issued (x4).

Cumulated issuances



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

- Average rates of issuers with an investment grade rating (A1 A2) have been stable below -0.5% for several weeks.
- Meanwhile, spreads paid by unrated issuers compared with the A1 A2 population tend to get increasingly lower throughout the year.



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

5. Sectoral focus: Financial issuers on the NEU CP market at end september 2021

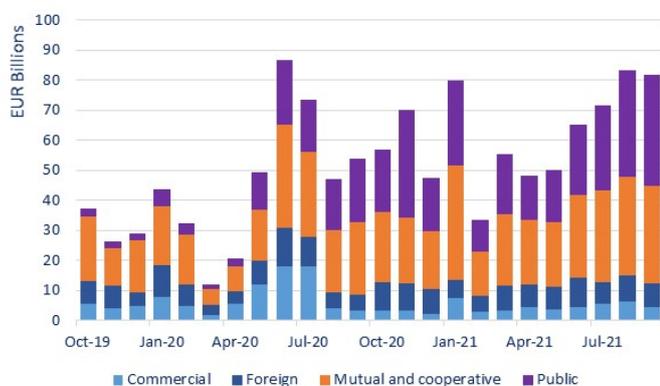
Financial sector, in its broad sense, represents an outstanding amount of 155 billion euros at the end of September 2021, down slightly compared to the previous focus at the end of March (160 billion euros). Banks account for the bulk of the outstanding amount, with 138 billion euros (89%). The other activities (insurance, financial services and securitization) share the remainder in roughly equal proportions.

The breakdown of outstanding amounts by major categories of issuers has changed little compared to the end of March. Mutual and cooperative banks account for 44% of outstanding amounts, followed by foreign banks (32%), commercial banks (12%) and public banks (11%).

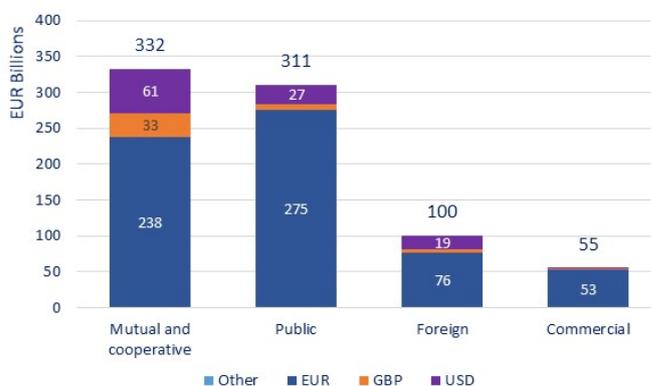
The different categories of banks make differentiated use of the NEU CP market in terms of their use of currencies:

- Public banks (LBP, CDC and BPI) issuance is mainly in EUR (88% of volumes) and USD (9% of volumes).
- Commercial banks (BNP and Société Générale) issuance is almost exclusively in EUR (96% of volumes). These groups can use their other programs (USCP in particular) to finance themselves in foreign currencies.
- Mutual and cooperative as well as foreign banks finance themselves in foreign currencies (USD and GBP) through the NEU CP market in greater proportions (respectively 28% and 24% of volumes).

Issuances by type of bank (EUR Billions)



Issuances by currency and type of bank (12-month cumulated)

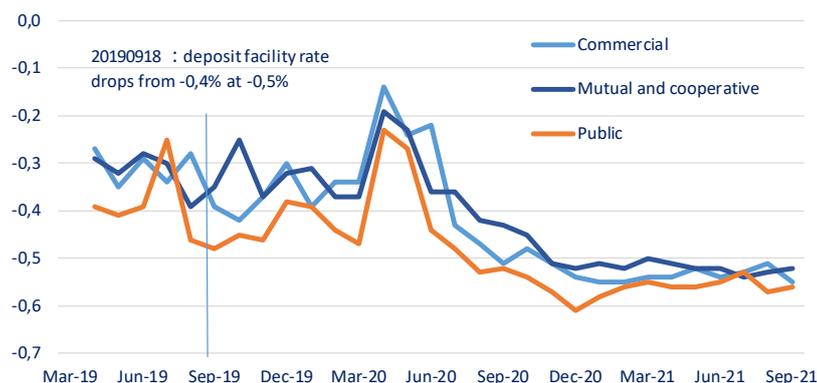


Remuneration conditions² of major categories of banks have now been below -0.5% for more than a year and have fluctuated since the start of the year in a narrow corridor between -0.50 and -0.55%, just a few bps from €STR (-0.58% at the end of September).

At the height of the crisis (April and May 2020), the average rates of the different categories of banks on the 3-month pillar increased in similar proportions (+20 bps). The level of interest rates during this period should be considered with caution due to the low level of volumes and the shortening of duration at issuance.

Interest rates return to their pre-crisis levels after a few months (June for mutual and public banks, July for commercial banks) and have remained for over a year at levels below -0.5%. The slightly higher average rate of mutual and corporate banks compared to commercial is explained by the higher share of transactions carried out with own-clients (NEU CP offered as investment support).

Average-weighted rate of 3-month euro issuance, by type of banks (including investment operations with own clients)



Note: by difference with previous charts, foreign banks have been reallocated to the three type of banks (commercial, mutual and cooperative, and public)

Data and calculations: Banque de France

² Weighted average rates, all nationalities and ratings combined, including transactions with own-clients.

Contact us: stcn.publi@banque-france.fr

Series currently available on BDF statistical portal: [Webstat](#)