

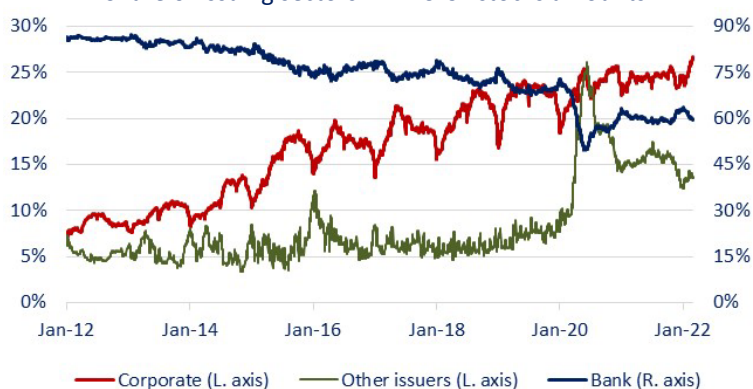
- The market outstanding amounts fell again in February 2022, by 10 billion euros, to stand at 275.6 billion euros. The fall in stocks reflects mostly the situation of financial issuers that seems to be on the lookout since the start of the year.
- In line with market expectations (towards rise in the ECB reference rates), the issuances rates of financial issuers start showing some steepening in February, with an increase of 5 bps over the 6 month, 9 bps over the 9 month and 12 bps over the 12 month .
- The NEU CP market remains mainly a market used by large corporates (CAC 40) while offering new possibilities to a larger number of corporates of the SBF 120 type.
- Entry of Social Housing entities on the market these most recent years (stocks of €3 billion in February 2022 whereas it was close to nil four years earlier).

## 1. Market overview

### Stocks (EUR billions) and annual variation

	Feb-22	Jan-22	Feb-21	Var. (%)
NEU CP	229,7	239,5	263,4	-12,8%
Financial issuers	137,1	147,4	158,3	-13,4%
Corporate issuers	61,4	59,4	65,9	-6,8%
Public issuers	26,0	27,9	34,9	-25,5%
Securitization vehicles	5,2	4,8	4,3	20,9%
NEU MTN	45,9	45,9	50,6	-9,3%
<b>Total</b>	<b>275,6</b>	<b>285,4</b>	<b>314,0</b>	<b>-12,2%</b>

### Share of issuing sectors in NEU CP stocks amounts



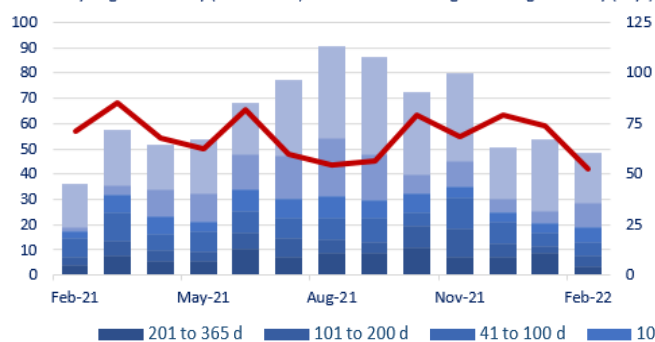
- While they had fallen sharply during the Covid crisis, banking issuers stocks gradually recovered in the second part of 2020 and most of 2021. Bank stocks have started falling again since the beginning of 2022, with banks showing a wait-and-see attitude in the context of a possible change in the monetary policy of the Euro-system.
- The relative share of corporate issuers is growing strongly at the start of the year, in line with the reduction in stocks of banks and public issuers.
- The decline in public sector stocks reflects the operations of social organizations (their stocks have returned to pre-Covid crisis levels) while local authorities' stocks remain well oriented.

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

### Financial issuers

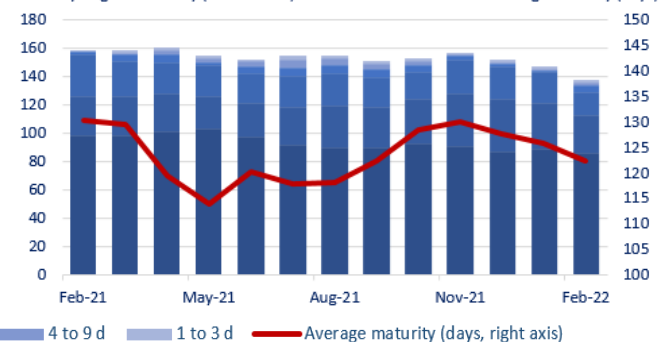
#### Issuance by original maturity (EUR billions)

#### Original average maturity (days)



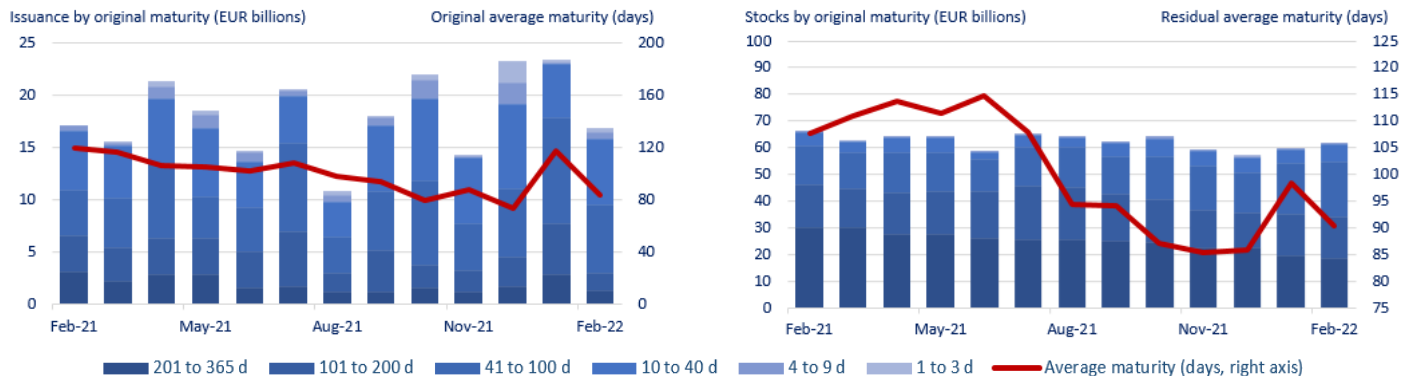
#### Stocks by original maturity (EUR billions)

#### Residual average maturity (days)



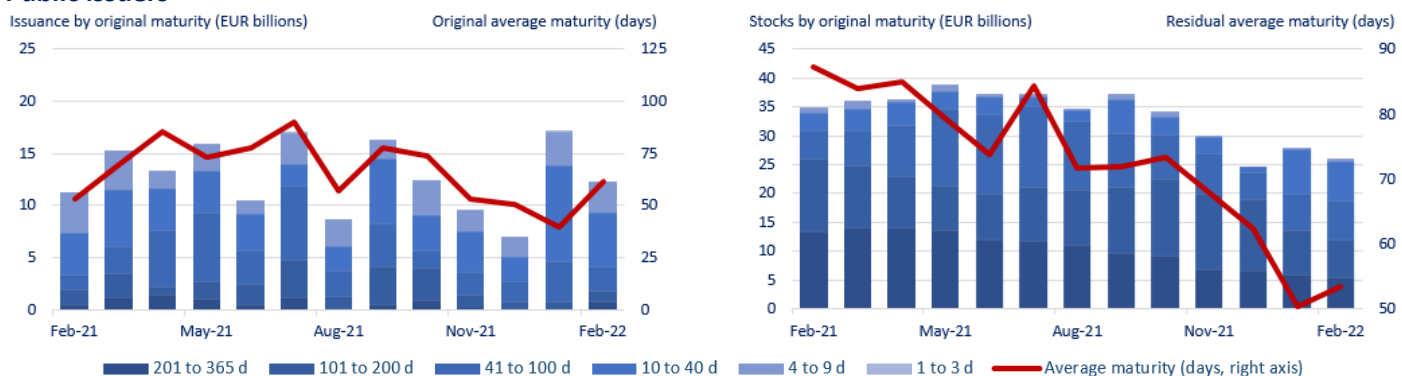
- Issuances by the financial sector are around 50 billion euros for the third month in a row. This is a normal level for a month of February when compared with previous years.
- The average initial duration of issuances fell significantly to 53 days in February 2022, compared to 74 days in January.
- Stocks amounted to 137 billion euros in February, down 10 billion euros over one month.

## Corporate issuers



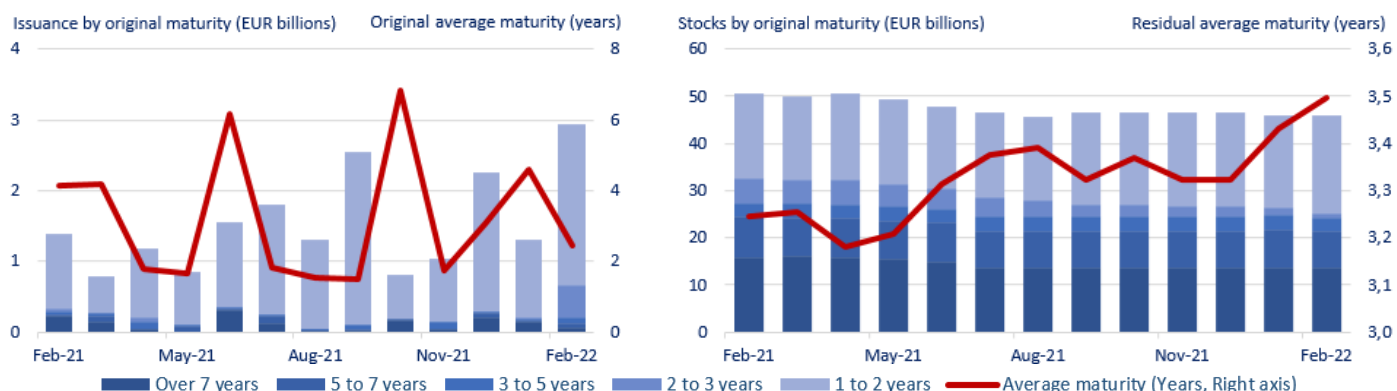
- Corporate issuances reached 17 billion euros in February 2022. The average initial duration of issuances fell to 83 days in February (after a peak of 118 days in January linked to long issuances from the start of the year).
- Issuances in January and February are stable over one year (€40 billion in 2022 compared to €38 billion in 2021), yet remains below pre-Covid crisis levels (€55 billion on annual average from 2018 to 2020).
- Stocks increased to 61.4 billion euros, up 2 billion euros over one month.

## Public issuers



- Public sector issuances reached €12.3 billion in February after €17.1 billion in January.
- The average initial duration of issuances rebounds to 62 days (40 days in January)
- Stocks fell to €26 billion, down €2 billion. The decline in stocks mainly reflects the operations of social security organizations, while local authorities stocks keep on increasing. Local authorities relative share in public sector stocks amounted to 38% in February 2022 as compared to 22% in February 2021.

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

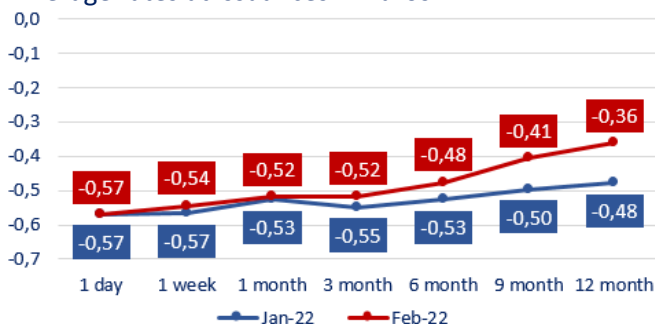


- NEU MTN issuances reached almost €3 billion in February, over short durations with an average duration of issuances of 2.5 years. These issuances matches with the roll of matured notes.
- Stocks remained stable at €45.9 billion, while the residual average maturity keeps on increasing.

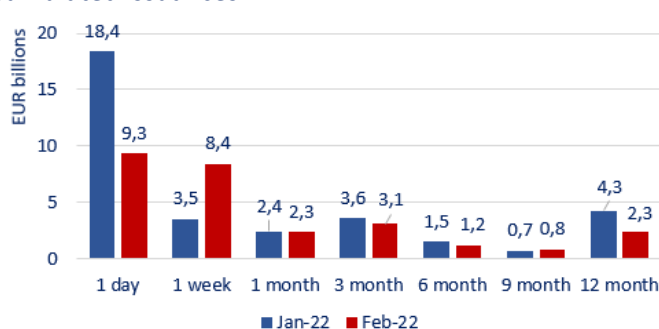
#### 4. Average rates of NEU CP and maturities at issuance

##### Financial issuers

Average rates at issuances in Euros



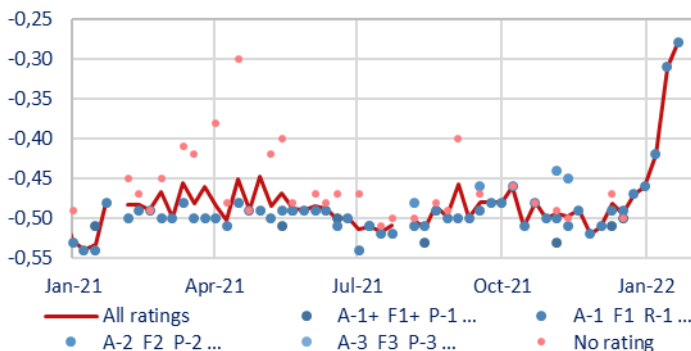
Cumulated issuances



- Issuances rates of financial issuers show a steepening, which ranges from +3 bps on the 3-month to +12 bps on the 12-month pillar. This development may be linked in particular to expectations of a rise in Euro-system rates by market participants.
- Issuances volumes fell on almost all maturities, and especially on the 1-day pillar and the 12-month pillar (the volumes were divided by 2). On the other hand, issuances are progressing on the 1-week pillar.

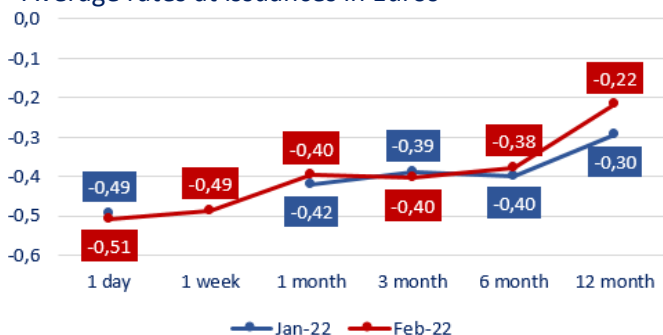
##### Dispersion of financial issuers' average rates<sup>1</sup> at issuances on the 12-month maturity pillar (weekly data)

- Rise in rates on the 12-month pillar in the current context and the wait-and-see attitude of financial issuers.
- The levels of interest rates at issuances of financial issuers are generally particularly tight on this maturity. Only a few emissions stand out from the average.

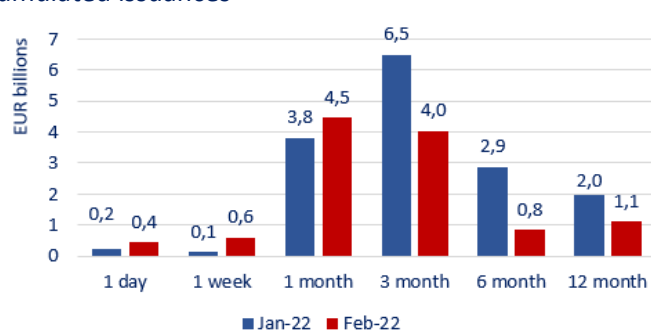


##### Corporate issuers

Average rates at issuances in Euros



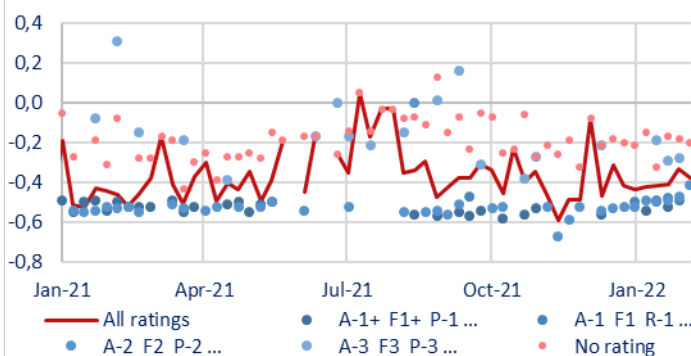
Cumulated issuances



- Issuances rates for corporate issuers are generally stable for up to 6 months. The average issuances rate is around -0.5% for very short maturities (1 day and 1 week) and around -0.4% for maturities between 1 and 6 months.
- Volumes are up slightly on the shortest terms (up to 1 month) and down on the others. February usually stand a step down in terms of issuances volumes, issuers adjusting their cash requirements from what was issued at year-start.

##### Dispersion of corporate issuers' average rate at issuances on the 1-month maturity pillar (weekly data)

- Average rates of well-rated issuers have been stable below -0.5% for several weeks.
- Spreads of unrated issuers are tending to narrow down with a slow and steady rise of the rates of best-rated issuers.



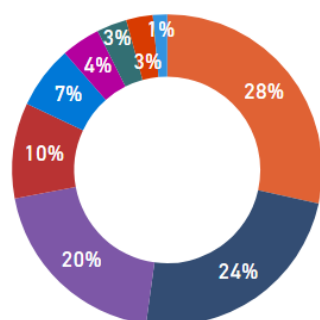
<sup>1</sup> Outliers are not displayed so as to improve the clarity and detail of charts by dispersion of average rates.

## 5. Sectoral focus: corporate issuers on the NEU CP market at end February 2022

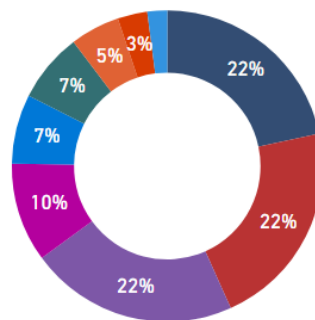
Unless otherwise indicated, the graphs presented are excluding real estate activity.

### Corporate Issuers from industries and services activities by ICB<sup>2</sup> sectors

NEU CP Stocks (€ 52,6 Bn<sup>3</sup> at end February 2022)



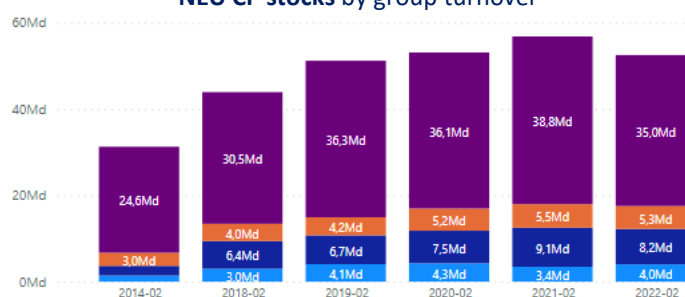
Number of Issuers



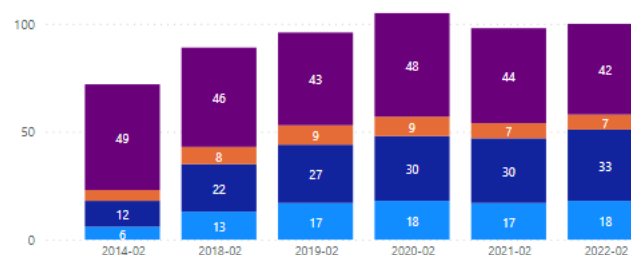
- The NEU CP market offers financing to the entire economy. Utilities, Consumer Goods and Industrial Sectors represent 72% of overall outstanding amounts.
- The increase in the share of Utilities (25% of stocks in August 2021 and 28% in February 2022) reflects an increase in the stocks of the main French energy groups.

### Corporate financing through NEU CP according to group turnover

NEU CP stocks by group turnover



Number of Issuers by group turnover

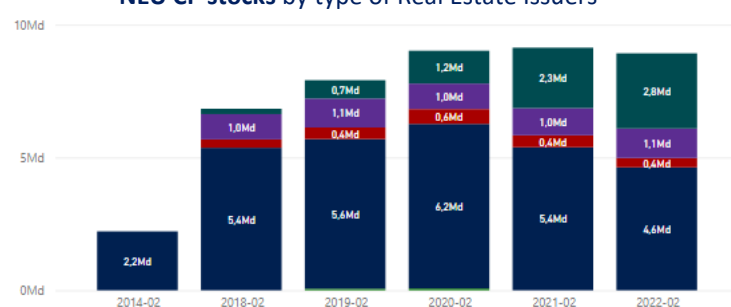


Turnover (group) ● 1. turnover below € 1.5 Bn ● 2. turnover between € 1.5 Bn and € 5 Bn ● 3. turnover between € 5 Bn and € 10 Bn ● 4. turnover over € 10 Bn

- While being essentially open to the largest corporates (CAC 40), access to financing via NEU CP commercial paper tends to extend to a greater number of SBF 120 type corporates. Issuers whose group turnover is lower to €5 billion went from 18 in February 2014 to 36 in February 2018 then 50 in February 2022.
- The change in average stocks is directly linked to the size of the issuers. While average stock is almost stable for issuers whose turnover is less than €1.5 billion (-5% in 8 years), it increases by 32% for issuers with turnover between €1.5 and €5 billion, 24% for issuers with turnover between €5 and 10 billion and 66% for issuers with turnover above €10 billion.

### Financing of real estate companies on the NEU CP market (€8.8 billion in February 2022)

NEU CP stocks by type of Real Estate Issuers



Number of Issuers



Real Estate Company Type ● Other ● Real Estate company ● Real Estate company (captive) ● Real Estate Developer ● Social Housing

Source and calculations : Banque de France, Service des titres de créances négociables

<sup>2</sup> Industry Classification Benchmark (ICB) is a standard used in financial markets for the categorization of companies. This standard is managed by FTSE RUSSEL <https://www.ftserussell.com/data/industry-classification-benchmark-icb>. In the case of this note on the NEU CP market, level 1 sectors "consumer staples" and "consumer discretionary" have been split into "consumer goods" and "consumer services".

<sup>3</sup> Excluding Real Estate activities.

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