

Euro Credit Market Views



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In a nutshell

For 2025:

Euro credit markets are posting a third consecutive year of strong performance. In 2025, Investment Grade (IG) and, notably, High Yield (HY) bonds outperformed government bonds, with excess yield versus sovereign debt of 3.5% for Euro HY and 2.3% for Euro IG.

Primary corporate debt issuance reached record levels in 2025 across both the Investment Grade and High Yield segments. At the same time, demand remained robust as investors sought to capture attractive yields.

Despite slowing growth, corporate fundamentals remained solid. Over recent years issuers have managed their balance sheets prudently, and the strong primary market activity allowed them to anticipate refinancing needs effectively. 12 month expected default rates for European High Yield remain contained at 2-3%, with most defaults concentrated in the lowest-rated names.

For 2026:

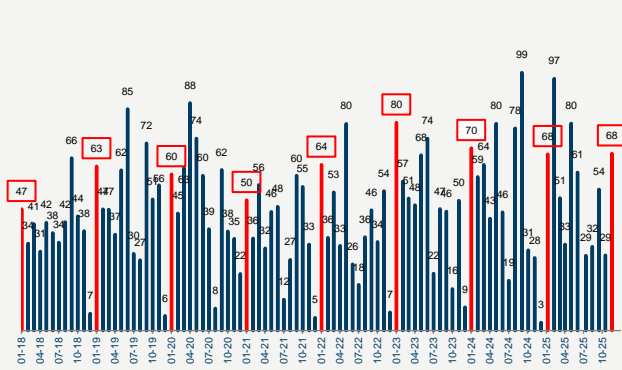
The economic environment remains favorable to credit markets. We expect growth of around 2% in the United States and a stabilization near 1% in the euro area. We anticipate the Fed will continue its rate-cutting cycle, with a terminal rate near 3.25%. The ECB currently keeps rates at 2% but retains room to act if growth or inflation weaken too much in 2026.

Solid fundamentals and strong investor demand should continue to support the asset class: demand for corporate bonds is expected to remain high given attractive yields relative to money-market rates. As a reference, current yields are approximately 3.2% for Euro IG and 5.1% for Euro HY, well above their historical averages and offering a meaningful pick-up versus money market.

Primary market Investment Grade

Euro IG primary market

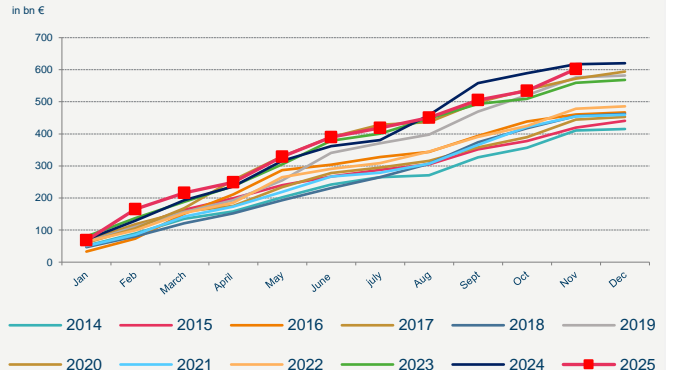
Monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

Euro IG primary market

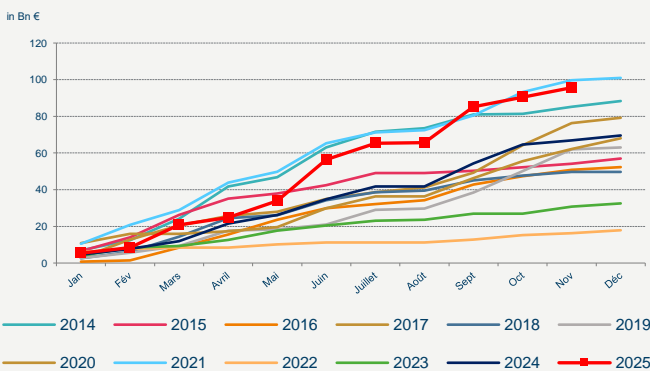
Cumulative flows (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

Euro HY primary market

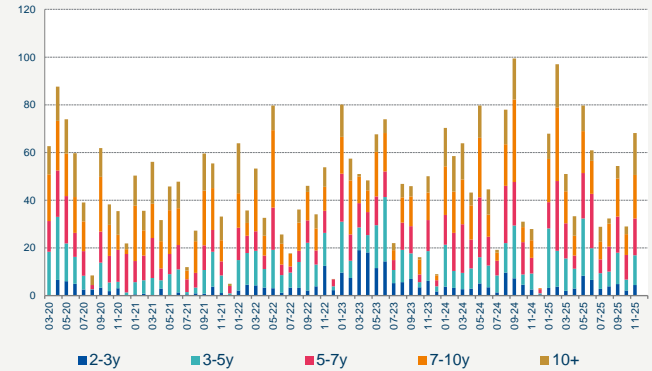
Cumulative monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

Euro IG primary market

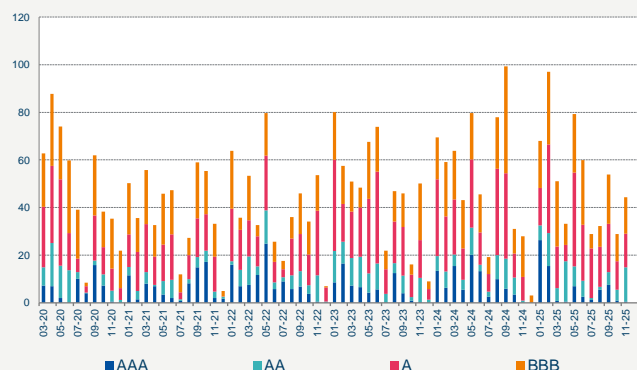
Monthly volume by maturity (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

Euro IG primary market

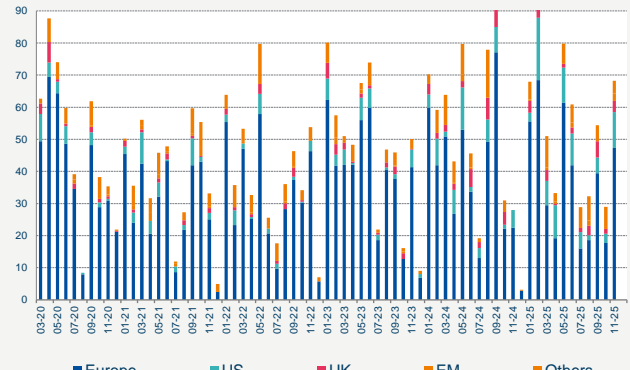
Monthly volume by rating (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

Euro IG primary market

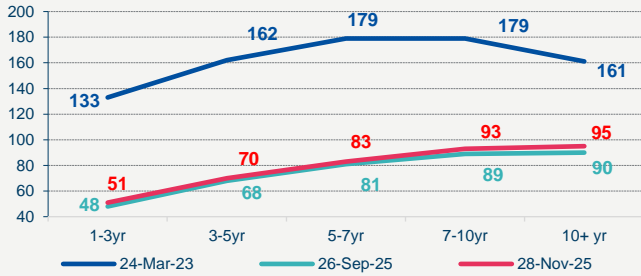
Monthly volume by country (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 30 November 2025

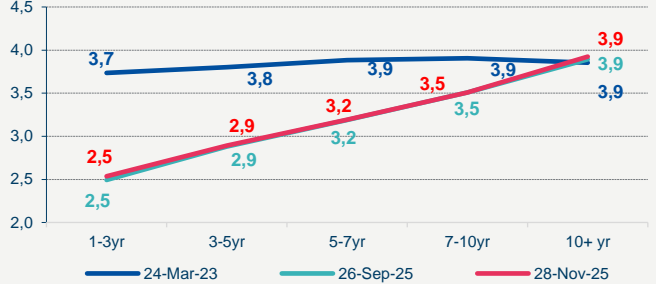
Market data

Euro IG A : OAS (in bp)



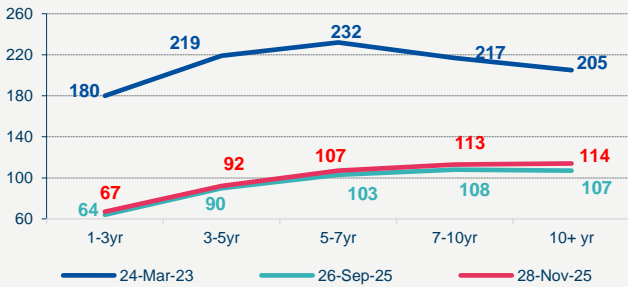
Source: Bloomberg, Amundi Investment Institute

Euro IG A : yield (in %)



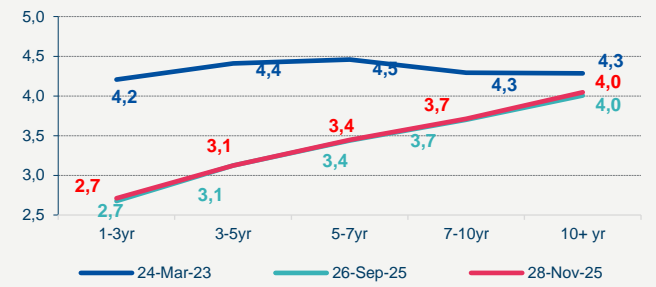
Source: Bloomberg, Amundi Investment Institute

Euro IG BBB : OAS (in bp)



Source: Bloomberg, Amundi Investment Institute

Euro IG BBB : yield (in %)



Source: Bloomberg, Amundi Investment Institute

IMPORTANT INFORMATION

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