



DC Infrastructure

Credit Market Update

Thursday 9th April 2020

Share Indices and Base rates – EUR, GBP & USD

Base rates in the US and Europe have risen as investors move back towards riskier assets on speculation that the coronavirus pandemic has peaked; in the UK, the announcement of monetary financing has caused rates to fall

Euro Mid-Swap Rates - Price (Mid) (%)

| | Today | Yesterday | 1 week | 1 month | 1 year |
|---------|--------|-----------|--------|---------|--------|
| 5-year | (0.18) | (0.02) | 0.05 | 0.22 | (0.19) |
| 7-year | (0.11) | (0.03) | 0.05 | 0.24 | (0.31) |
| 10-year | 0.01 | (0.03) | 0.06 | 0.26 | (0.47) |
| 11-year | 0.05 | (0.04) | 0.06 | 0.27 | (0.51) |
| 12-year | 0.09 | (0.03) | 0.06 | 0.28 | (0.55) |
| 15-year | 0.17 | (0.04) | 0.05 | 0.28 | (0.64) |

UK Gilts - Yield to Maturity (%)

| | Today | Yesterday | 1 week | 1 month | 1 year |
|---------|-------|-----------|--------|---------|--------|
| 5-year | 0.15 | (0.05) | (0.03) | (0.03) | (0.64) |
| 7-year | 0.16 | (0.06) | (0.01) | 0.02 | (0.71) |
| 10-year | 0.33 | (0.05) | (0.00) | 0.09 | (0.72) |
| 15-year | 0.52 | (0.05) | (0.04) | 0.14 | (0.84) |

UST - Yield to Maturity (%)

| | Today | Yesterday | 1 week | 1 month | 1 year |
|---------|-------|-----------|--------|---------|--------|
| 5-year | 0.42 | (0.03) | 0.03 | (0.25) | (1.93) |
| 7-year | 0.60 | (0.03) | 0.09 | (0.15) | (1.81) |
| 10-year | 0.73 | (0.04) | 0.13 | (0.07) | (1.73) |
| 15-year | 0.89 | (0.03) | 0.11 | (0.05) | (1.71) |

Indices - price (bps)

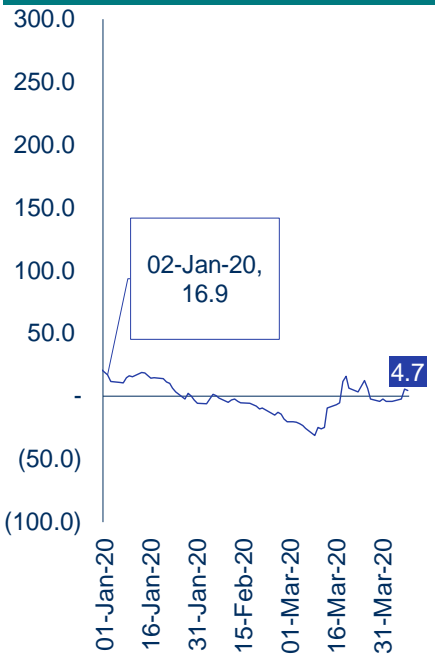
| | Today | Yesterday | 1 week | 1 month | 1 year | | | | |
|----------------------------|----------|-----------|---------|---------|----------|-----------|---------|-----------|----------|
| FTSE 100 | 5,756.1 | 78.3 | + 1.38% | 275.8 | + 5.03% | (204.2) | - 3.43% | (1,747.8) | - 23.54% |
| S&P 500 | 2749.98 | 90.6 | + 3.41% | 223.1 | + 8.83% | (132.3) | - 4.59% | (218.8) | - 7.60% |
| Dow Jones | 23,433.6 | 779.7 | + 3.44% | 2,020.1 | + 9.43% | (1,584.6) | - 6.33% | (3,496.7) | - 13.37% |
| CAC 40 | 4463.12 | 20.4 | + 0.46% | 242.2 | + 5.74% | (173.5) | - 3.74% | (993.7) | - 18.28% |
| DAX | 10,406.4 | 73.5 | + 0.71% | 835.5 | + 8.73% | (69.1) | - 0.66% | (1,517.7) | - 12.81% |
| FTSE MIB | 17530.22 | 149.4 | + 0.86% | 696.2 | + 4.14% | (340.0) | - 1.90% | (4,291.0) | - 19.80% |
| UK 5Y5Y Inflation swap (%) | 3.49 | (0.0) | - 0.42% | (0.0) | - 0.95% | 0.1 | + 2.43% | (0.2) | - 4.38% |
| EU 5Y5Y Inflation swap (%) | 0.99 | 0.0 | + 0.86% | 0.0 | + 0.68% | 0.1 | + 8.12% | (0.4) | - 26.95% |
| Brent crude spot | 34.2 | 1.3 | + 4.08% | 4.2 | + 14.16% | (3.0) | - 8.17% | (37.8) | - 53.49% |

Base rates, iBoxx spreads & implied all-ins

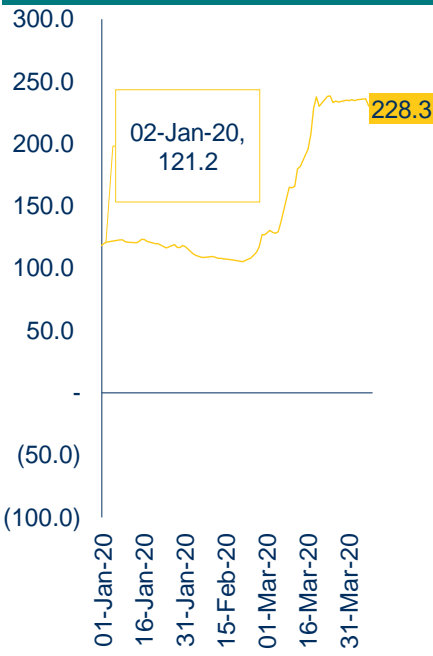
While Euro spreads have flattened off, UK spreads have fallen dramatically since their peak in mid-March

Euro

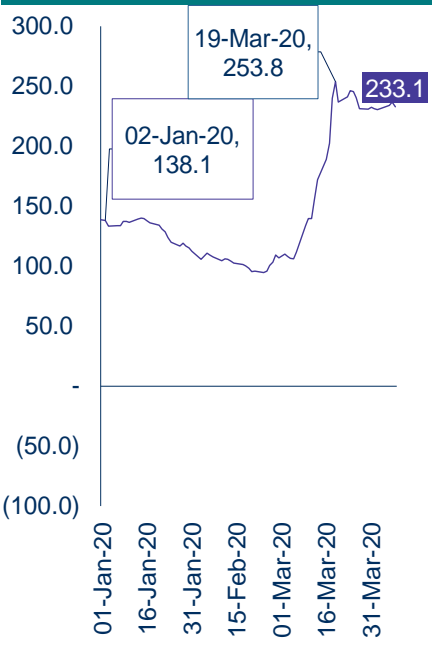
EUR 10-year mid-swap rate, bps



iBoxx EUR Infra BBB spread, bps



EUR implied all-in, bps



GBP

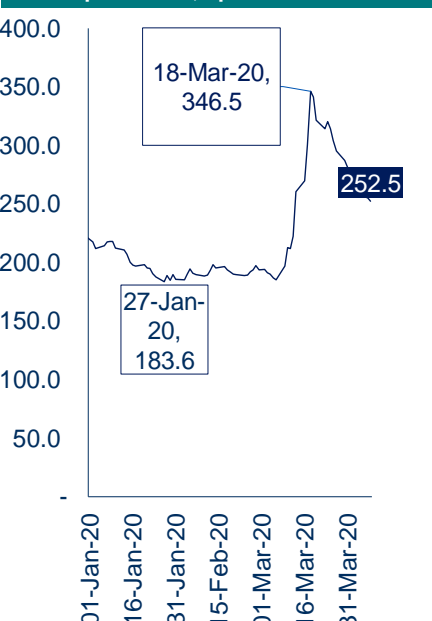
UK 10-year treasury YTM, bps



iBoxx GBP Infra BBB spread, bps



GBP implied all-in, bps

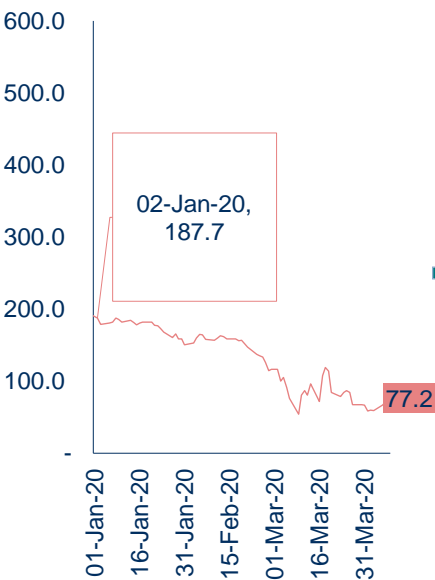


Base rates, iBoxx spreads & implied all-ins

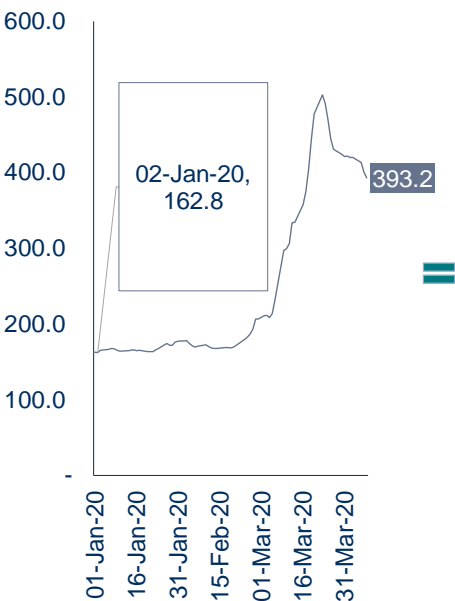
US spreads have fallen from their peaks at the end of March; the gap between the spreads of IG and sub-IG bonds has widened significantly during the crisis

USD - investment-grade

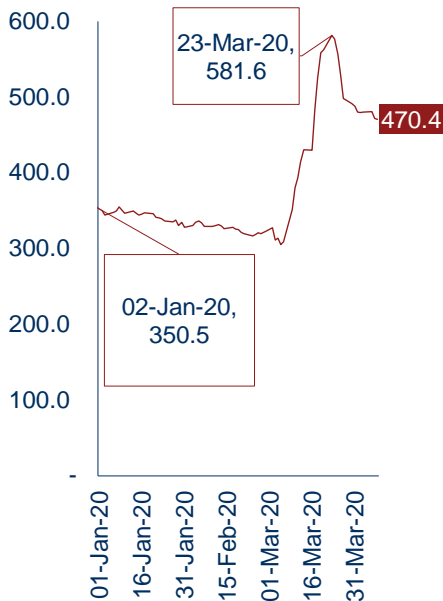
US 10-year treasury YTM, bps



iBoxx USD Infra BBB spread, bps

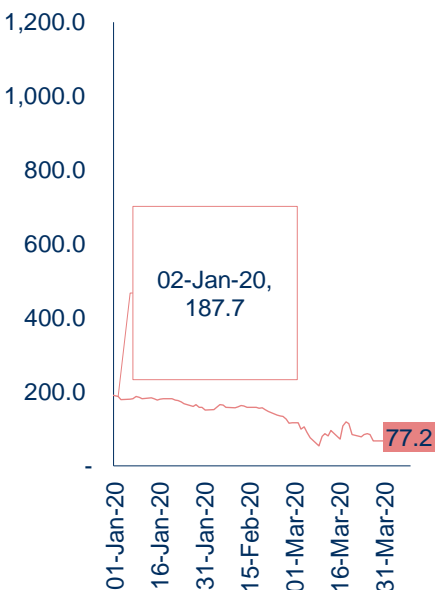


USD implied all-in, bps

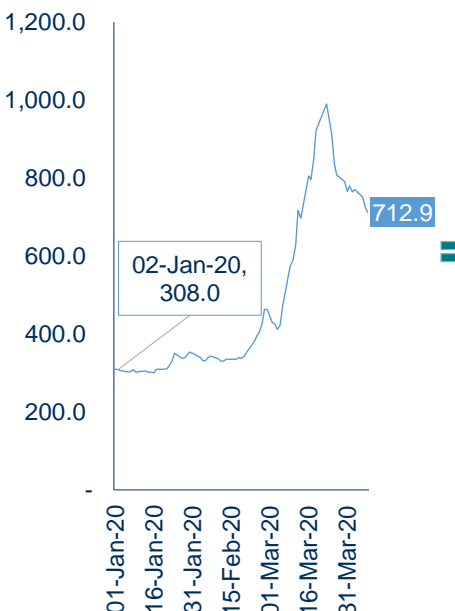


USD - high-yield

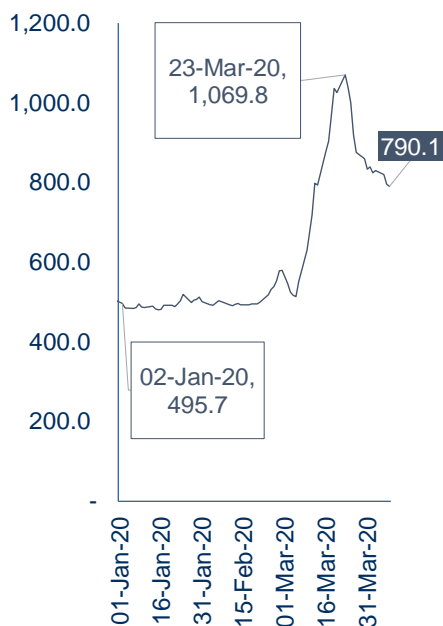
US 10-year treasury YTM, bps



iBoxx USD Infra BB spread, bps

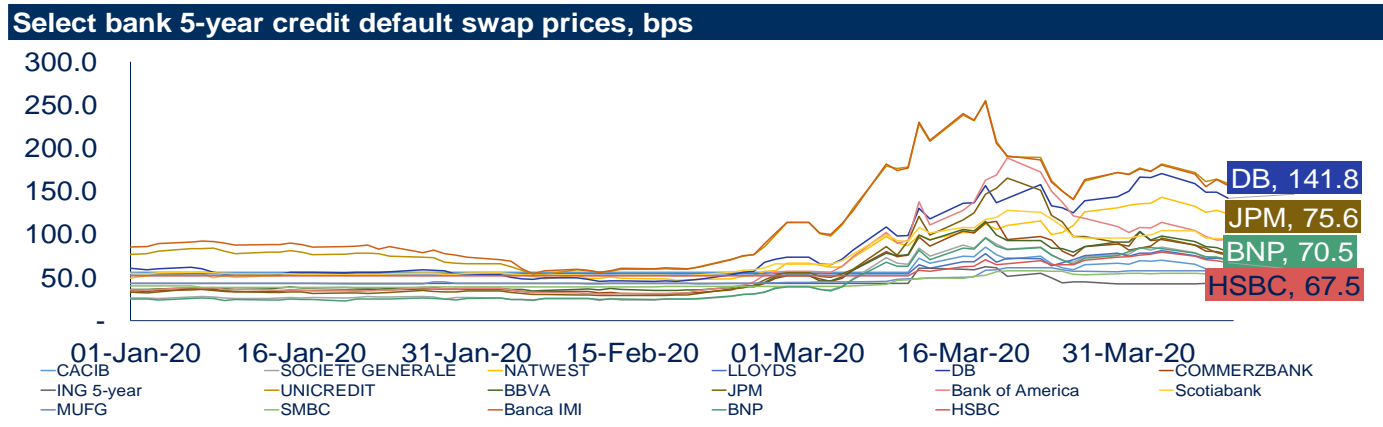
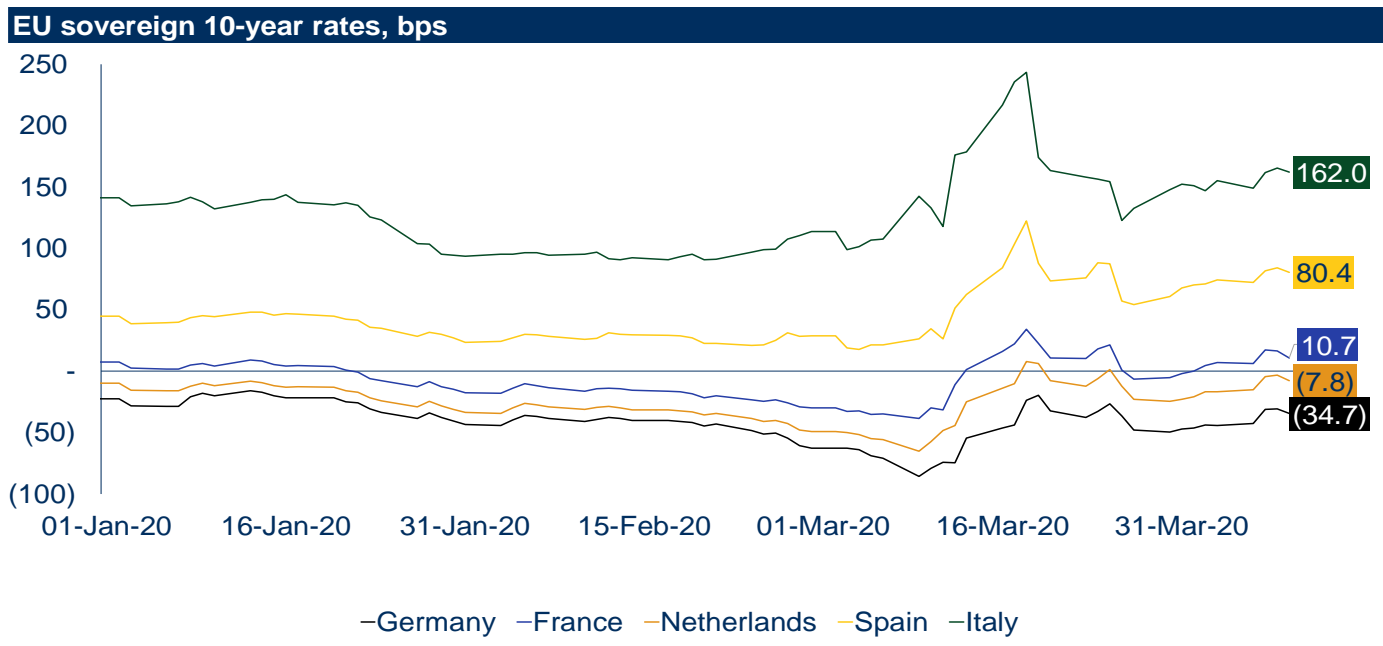
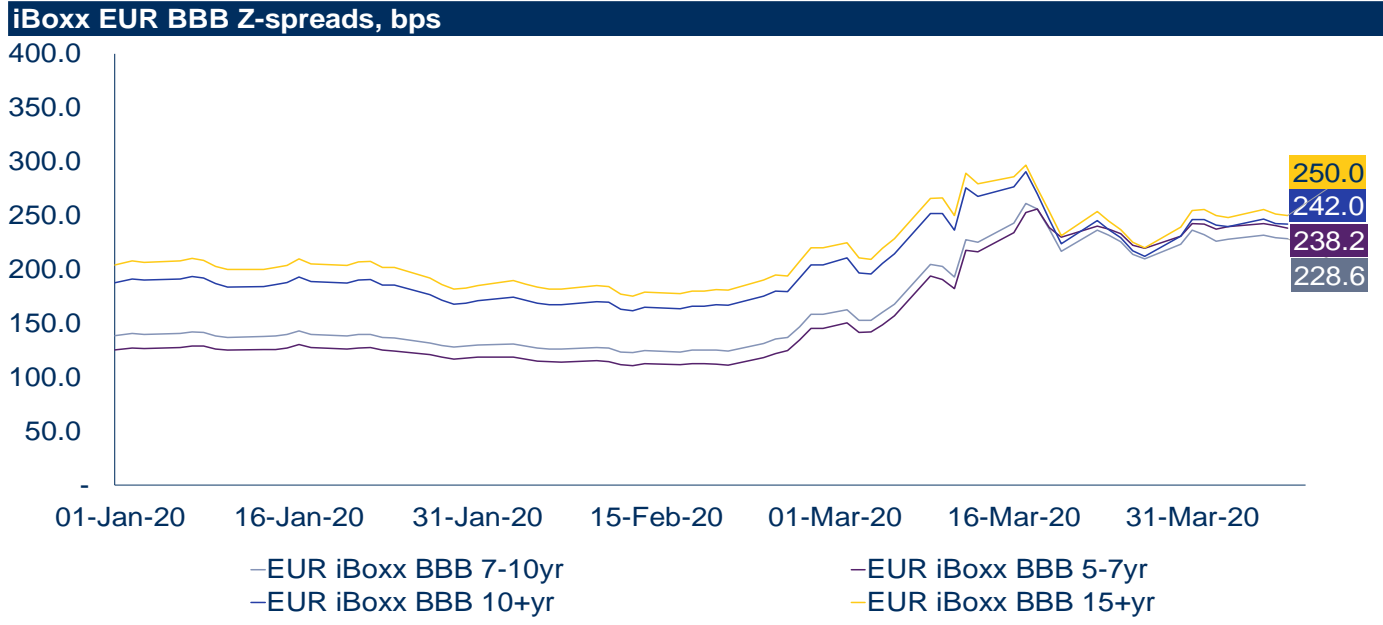


USD implied all-in, bps



iBoxx spreads, EU sovereign rates, and bank credit default swaps

Rates and CDS prices across the Eurozone have stabilised since the beginning of the crisis



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