



DC Infrastructure

Credit Market Update

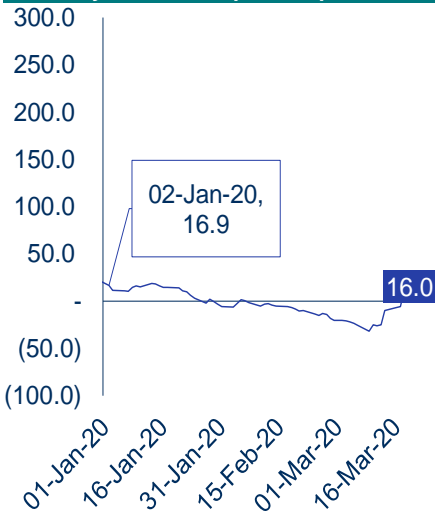
Friday 20th March 2020

Base rates, iBoxx spreads & implied all-ins

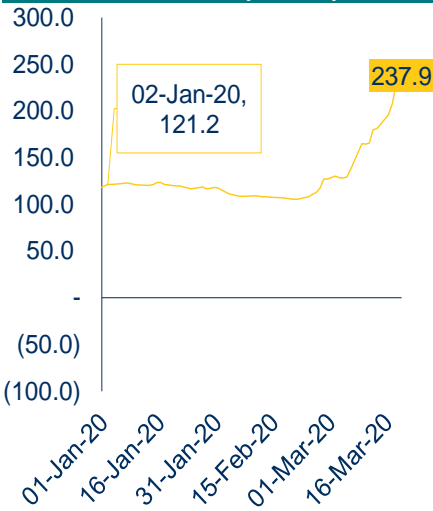
The current market environment is unprecedented: while equity markets are materially down, the benchmark rates and credit spreads have increased

Euro

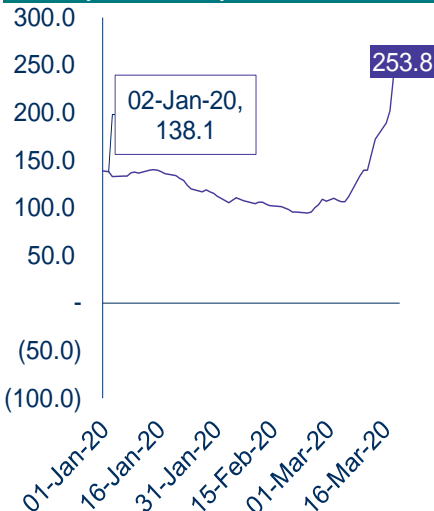
EUR 10-year mid-swap rate, bps



iBoxx EUR Infra BBB spread, bps

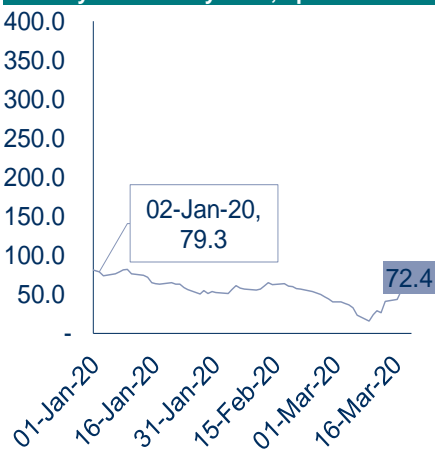


EUR implied all-in, bps

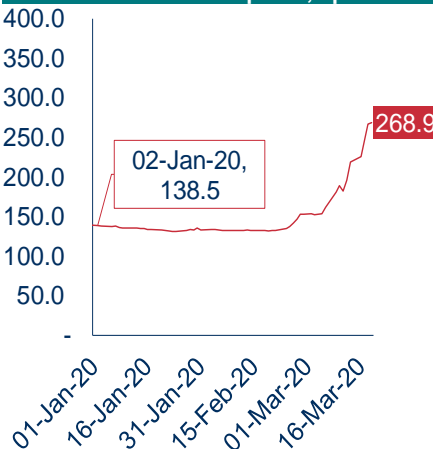


GBP

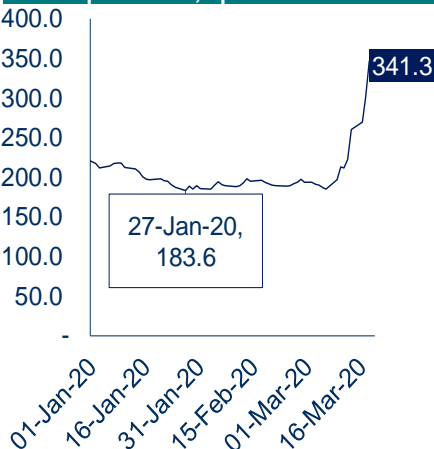
UK 10-year treasury YTM, bps



iBoxx GBP Infra BBB spread, bps

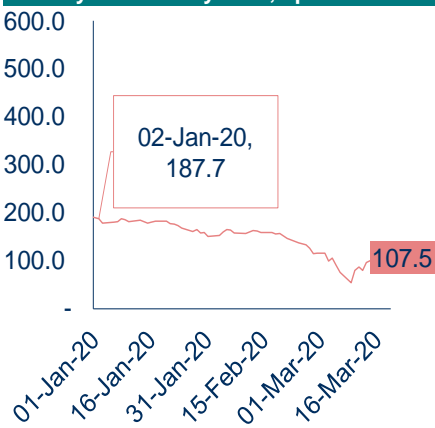


GBP implied all-in, bps

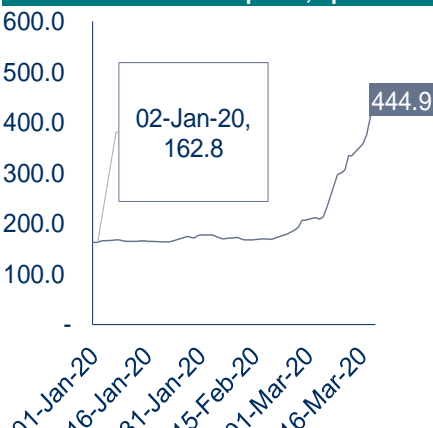


USD

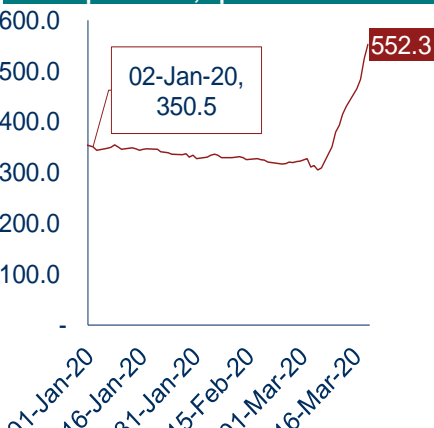
US 10-year treasury YTM, bps



iBoxx USD Infra BBB spread, bps



USD implied all-in, bps



Base rates – EUR, GBP & USD

Whilst benchmark rates had begun to rise rapidly at the beginning of the week, fresh stimulus packages announced by governments and central banks on Thursday have sent rates downwards again

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

	Today	Yesterday	1 week	1 year
5-year	(0.15)	(0.06)	0.22	(0.25)
7-year	(0.05)	(0.08)	0.28	(0.34)
10-year	0.07	(0.09)	0.31	(0.52)
15-year	0.18	(0.07)	0.29	(0.77)

UK Gilts - Yield to Maturity (%)

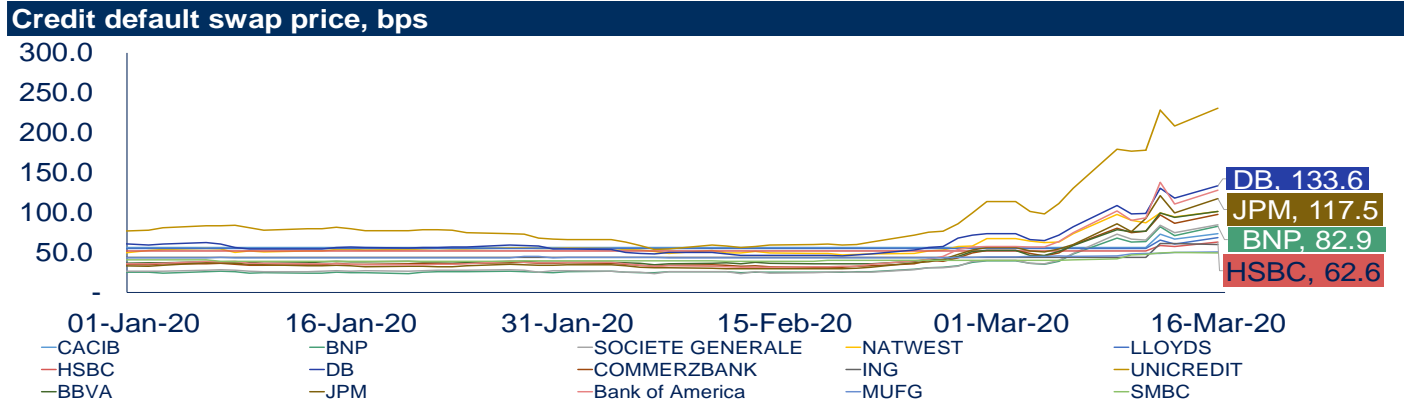
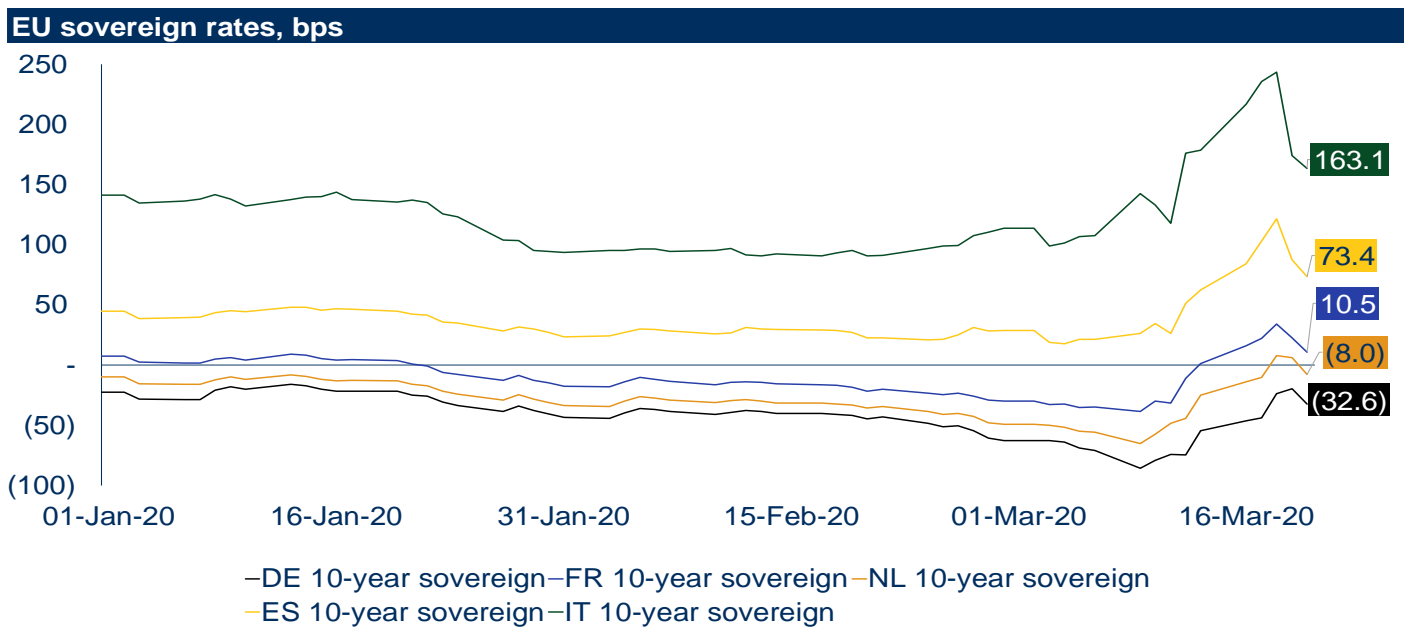
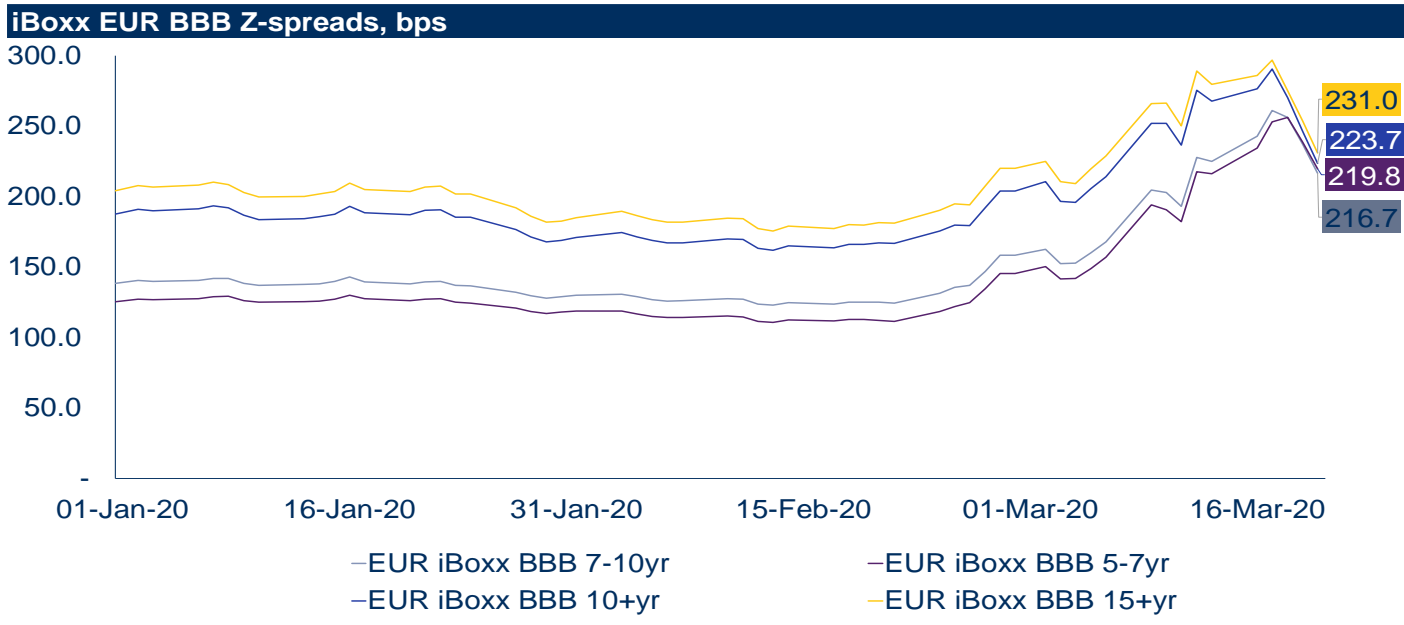
	Today	Yesterday	1 week	1 year
5-year	0.33	(0.14)	0.10	(0.61)
7-year	0.38	(0.17)	0.19	(0.65)
10-year	0.56	(0.16)	0.30	(0.65)
15-year	0.71	(0.19)	0.25	(0.80)

UST - Yield to Maturity (%)

	Today	Yesterday	1 week	1 year
5-year	0.55	(0.18)	(0.08)	(1.91)
7-year	0.78	(0.20)	0.10	(1.75)
10-year	0.92	(0.22)	0.11	(1.67)
15-year	1.00	(0.23)	0.09	(1.73)

iBoxx spreads and EU sovereign rates

All tenor credit spreads had widened and all sovereigns in Europe were being impacted in unanimity prior to Thursday's stimulus packages. The bank market has also seen their CDS widened irrespective of central bank stimulus. This is a good proxy for borrowing costs, which we expect to increase



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