

Euro Credit Market Views



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In a nutshell

September marked the end of a long phase of spread tightening. In recent weeks, credit spreads have widened across the euro and dollar markets:

- Euro investment grade: +25 bp in September, peaking at 100 bp at month-end. Since the start of October, spreads have come back to around 93 bp.
- Euro high yield: spreads moved from 260 bp end of August to around 330 bp. CCC-rated issuers clearly underperformed.
- US investment grade: spreads are trading in a 75-85 bp range.

- US high yield: widening at the end of September, from 265 bp to around 330 bp. Here too, CCC issuers underperformed.

Three factors mainly explain this widening:

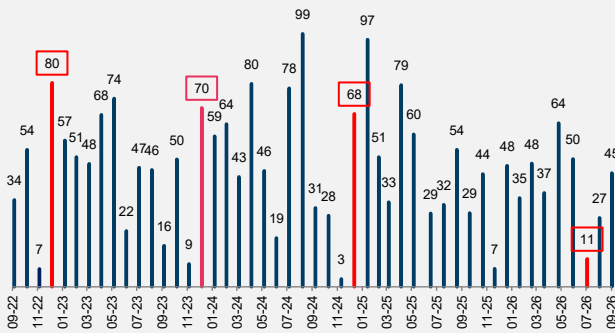
- Tensions in sovereign yields spilled over into credit (September). Since the end of June, global bond yields have risen sharply, driven by higher energy prices, resilient growth and a rising term premium. Indeed, investors are demanding more yield to buy the long end of the curves, reflecting fiscal concerns, the recurrence of exogenous shocks, and increased competition for capital from AI-related investment. The September increase is explained more by the term premium. Rising yields are increasingly testing fiscal constraints, which leaves France particularly exposed.
- Record euro primary issuance (September). US issuers issued heavily in euros, and European high yield set a new single-day issuance record on September 16.
- Doubts over the AI trade (end of September): skepticism briefly resurfaced over whether mega-cap tech companies can generate adequate returns relative to their massive capital expenditure.

Overall, this move reflects geopolitical tensions and interest rate volatility more than any real deterioration in corporate fundamentals. The rise in yields since mid-year has considerably increased the appeal of carry assets. Even though very long-dated yields may remain volatile through year-end, several market segments offer attractive yields. This is notably the case for investment-grade credit.

Primary market Investment Grade

Euro IG primary market

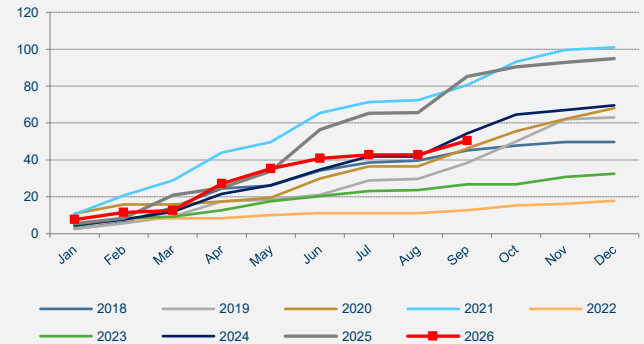
Monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Inst., Data as of 28 September 2026

Euro IG primary market

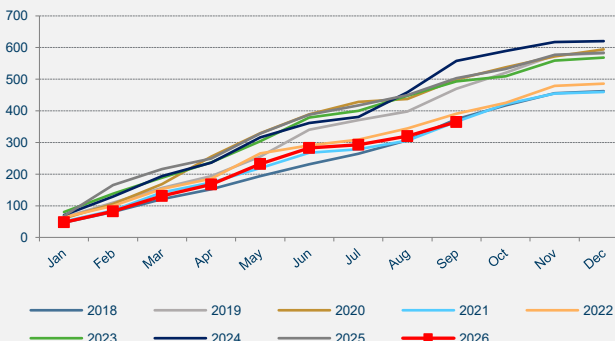
Cumulative monthly issuance (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 September 2026

Euro HY primary market

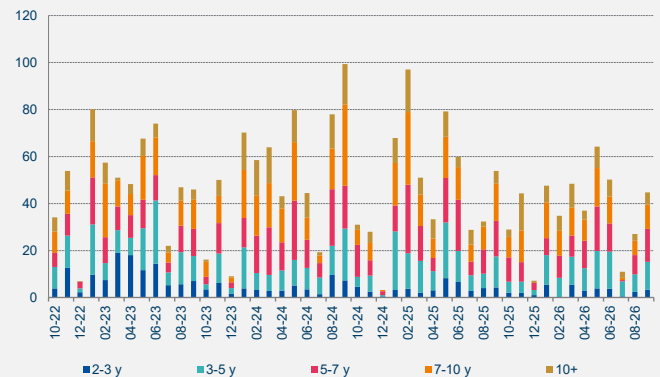
Cumulative flows (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 September 2026

Euro IG primary market

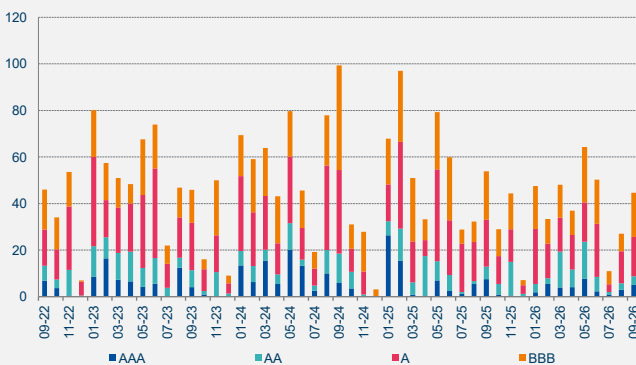
Monthly volume by maturity (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 September 2026

Euro IG primary market

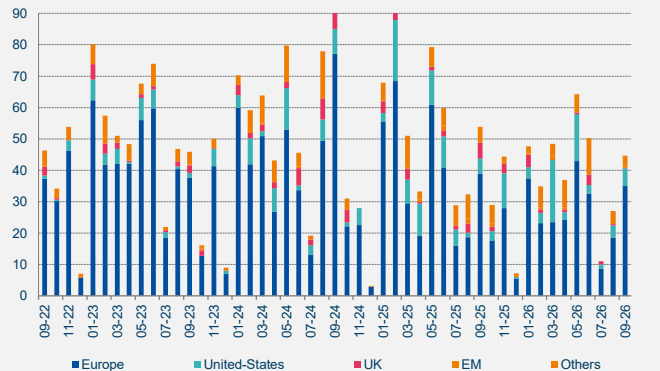
Monthly volume by rating (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 September 2026

Euro IG primary market

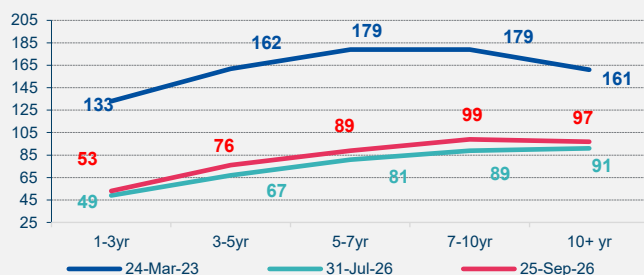
Monthly volume by country (in €bn)



Source: Bloomberg, Amundi Inv. Institute, Data as of 28 September 2026

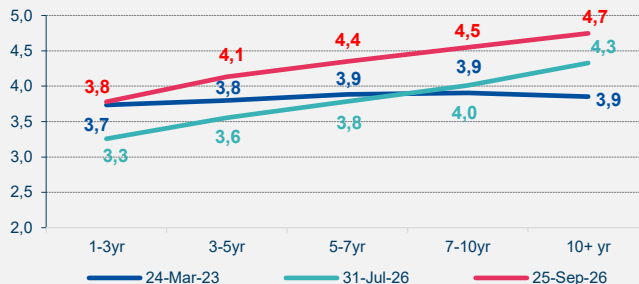
Market data

Euro IG A : OAS (in bp)



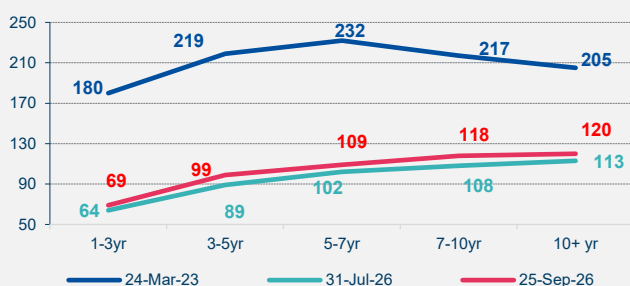
Source: Bloomberg, Amundi Investment Institute

Euro IG A : yield (in %)



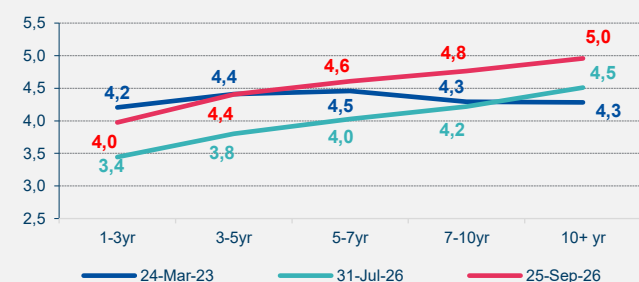
Source: Bloomberg, Amundi Investment Institute

Euro IG BBB : OAS (in bp)



Source: Bloomberg, Amundi Investment Institute

Euro IG BBB : yield (in %)



Source: Bloomberg, Amundi Investment Institute

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