

Primary Market View €

The news of the month

Confidence must be earned

Amundi
ASSET MANAGEMENT

The essential

- **Spreads continued to widen in May** despite the tightening observed at the end of the month.
- **Eurozone inflation peaked in May at 8.1% compared to 7.4% in April.** Worries over the next few months could focus on the spread of high energy prices to the rest of the economy. Indeed, core inflation (price index excluding energy and food) jumped from 3.5% to 3.8%.
- **The ECB also seems determined to fight inflation.** The latest announcements have confirmed the ECB's hawkish position. Indeed, the ECB remains more worried today about the risk of de-anchoring inflation expectations than about the downside risks weighing on growth.
- **Concerns about future growth and inflation should keep the environment volatile for corporate bonds.** The volumes recorded on the primary High Yield euro market remain extremely modest. We are not worried in the short term; the two-year funding needs remain low.

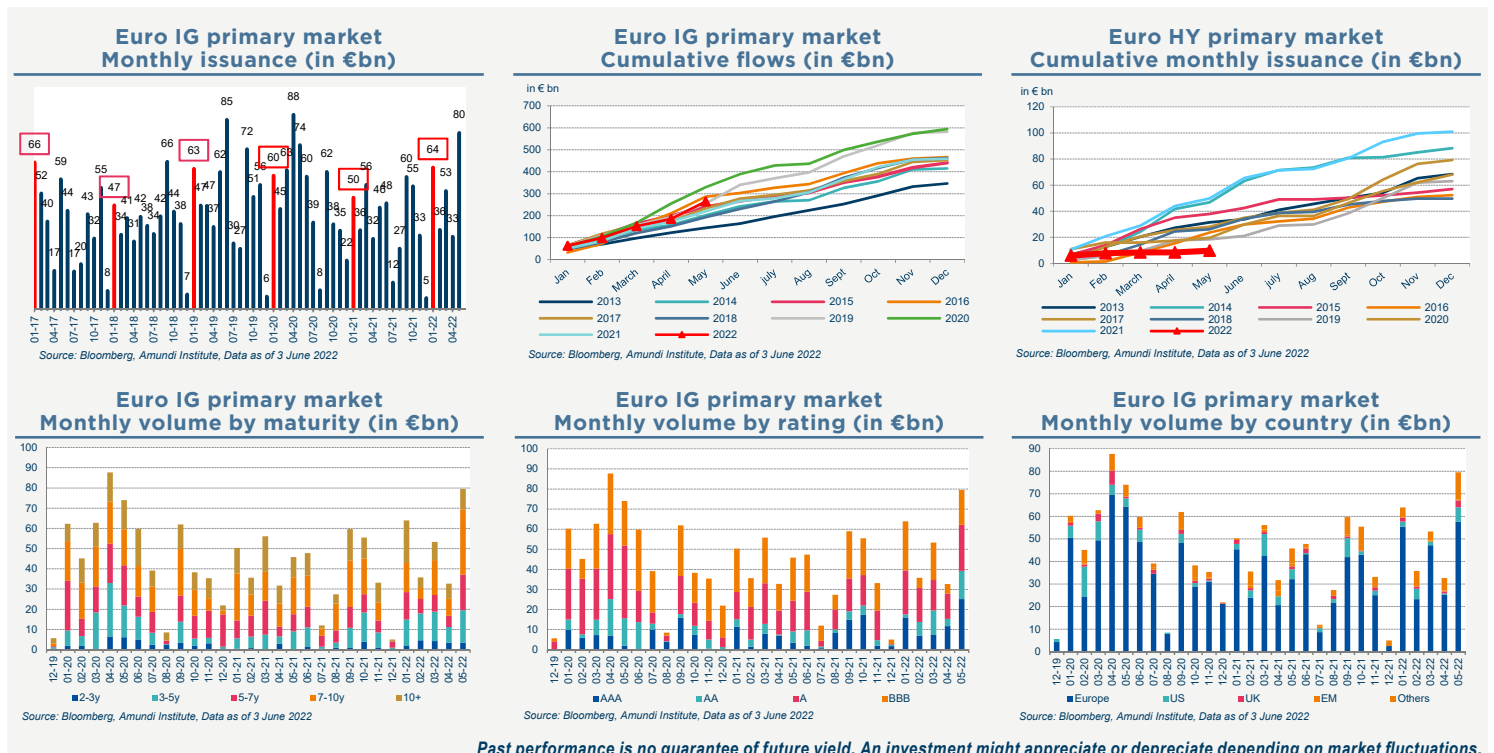


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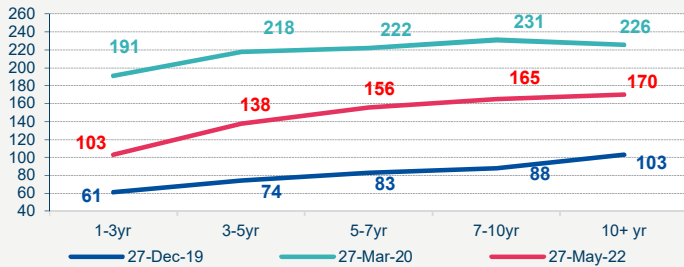
Primary market Investment Grade



Past performance is no guarantee of future yield. An investment might appreciate or depreciate depending on market fluctuations.

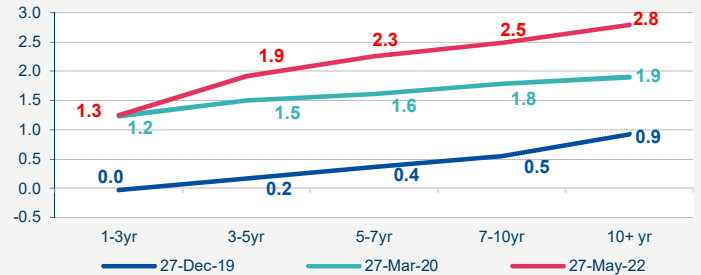
Market data

Euro IG A: OAS (in bp)



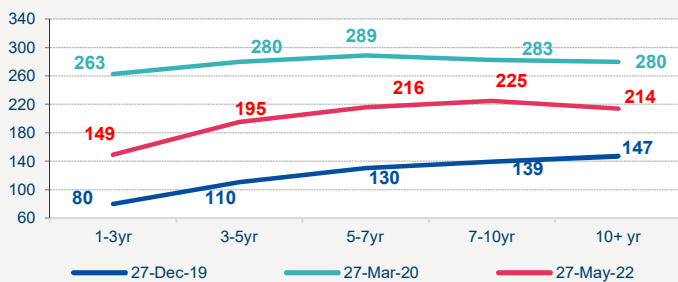
Source: Bloomberg, Amundi Institute

Euro IG A: yield (in %)



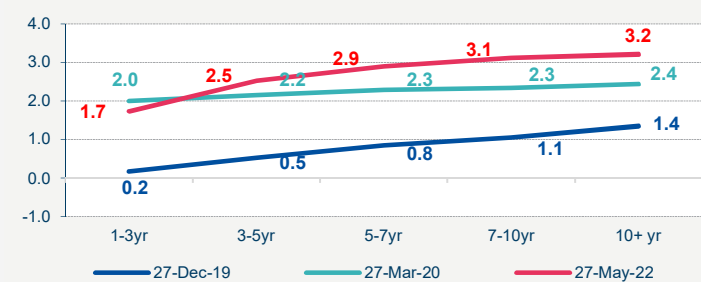
Source: Bloomberg, Amundi Institute

Euro IG BBB: OAS (in bp)



Source: Bloomberg, Amundi Institute

Euro IG BBB: yield (in %)



Source: Bloomberg, Amundi Institute

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