

- The overall outstanding amounts declined to €274.8 billion in March, after €276.5 billion in February. The increase in stocks of public issuers (+€4 billion), corporates (+€2.8 billion) and securitization vehicles (+€1.1) did not fully offset the decline in banks' outstanding amounts (-€8.6 billion).
- The steepening of the yield curve of financial issuers, initiated in February, continued in March.
- Corporate rates rose evenly by around 10 bps on all pillars between 1 week and 6 months.
- The decline in bank stocks (-17% year-on-year) is mainly attributable to euro area banks (-20%). These banks are showing a wait-and-see stance in a context of expectations concerning potential tuning of ECB key rates. Stocks in foreign currencies held up well (-8% year-on-year), while those carried by banks outside the euro area were even up slightly (+2% year-on-year).

1. Market overview

Stocks (EUR billions) and annual variation

	Mar-22	Feb-22	Mar-21	Var. (%)
NEU CP	229,8	230,5	260,7	-11,9%
Financial issuers	129,3	137,9	157,9	-18,1%
Corporate issuers	64,2	61,4	62,4	2,9%
Public issuers	30,0	26,0	36,0	-16,7%
Securitization vehicles	6,3	5,2	4,4	43,2%
NEU MTN	45,0	46,0	50,1	-10,2%
Total	274,8	276,5	310,8	-11,6%

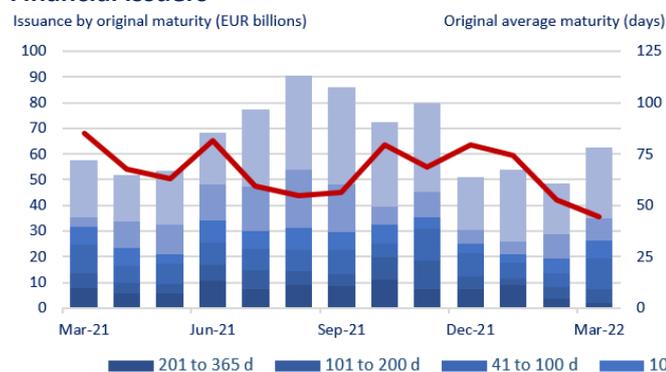
NEU CP Roll rates



- The outstanding amount of NEU CP remained virtually stable in March (-€0.7 billion). Variations by major issuing sectors show opposite trends: the decrease of banks' amount continued in March (-€8.6 billion) whereas the other segments of the NEU CP market were up, particularly for public issuers (+€4 billion) and corporates (+€2.8 billion).
- The NEU CP roll rate stood at 99% in March, after 89% in February.

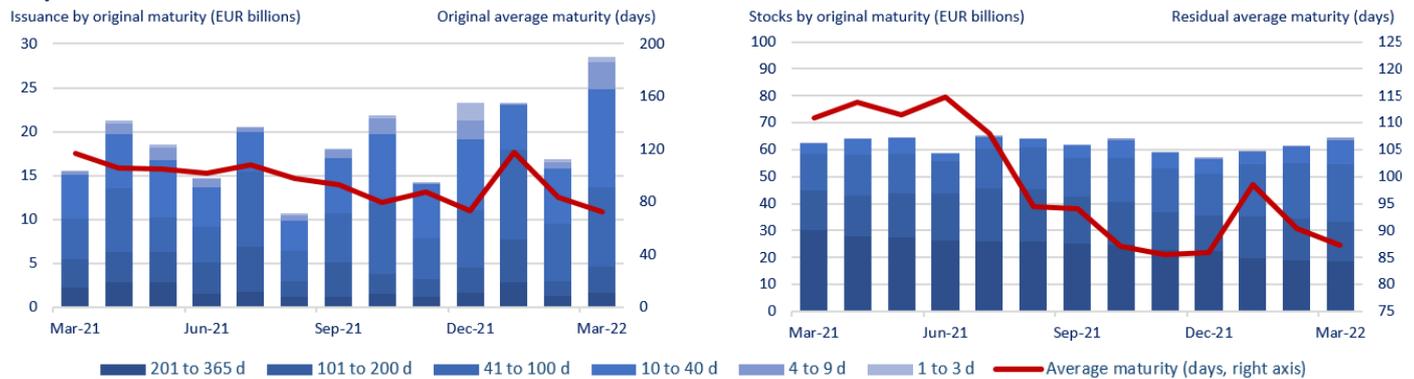
2. Issuances and stocks of NEU CP by sector and by original maturity

Financial issuers



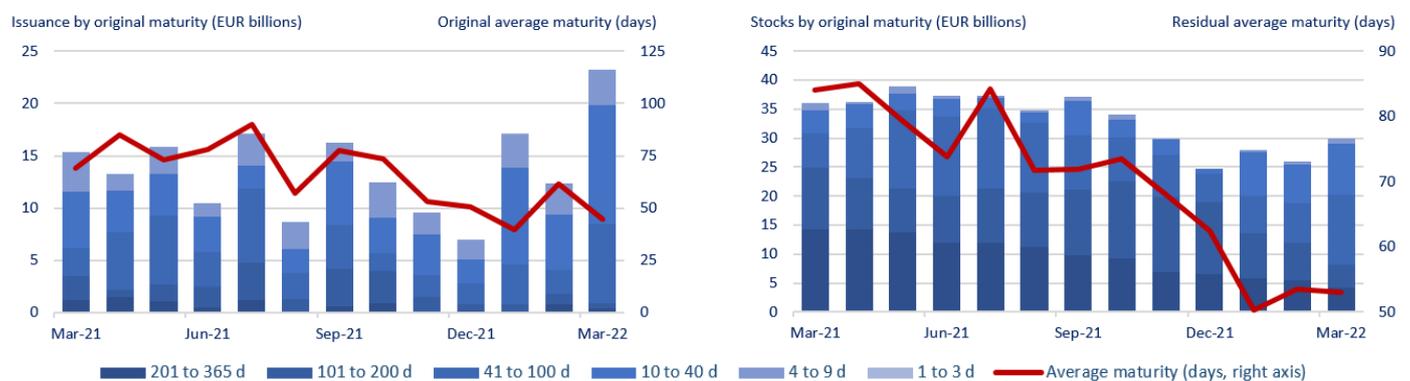
- Financial sector issuances rebounded in March (€62.5 billion) after three consecutive months that were rather sluggish (€51 billion on average).
- The average initial duration continues to decline to 44 days, after 53 days in February.
- The average remaining maturity continues to decline and reached 118 days in March (122 days in February).

Corporate issuers



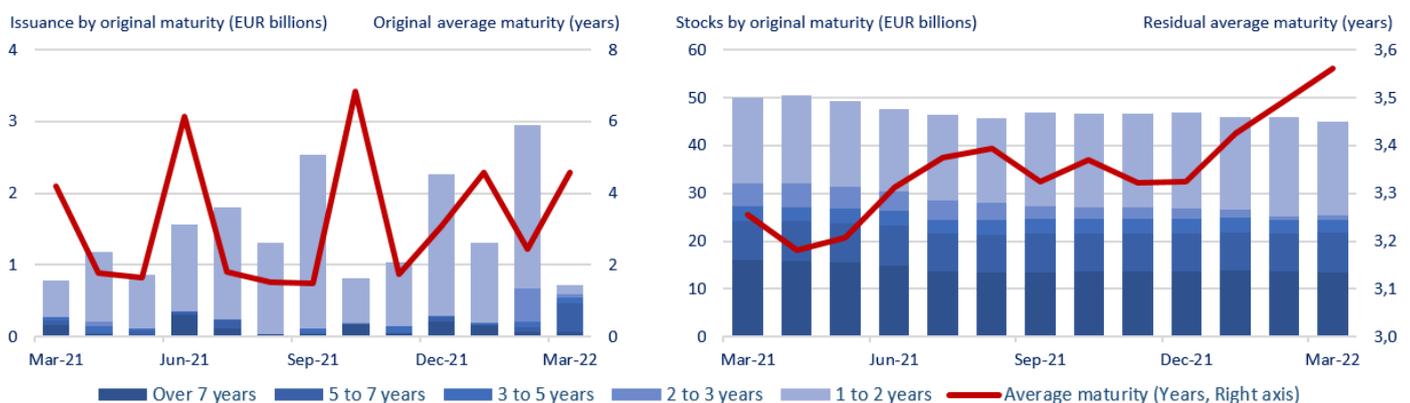
- Issuances by corporates rose sharply in March to €28.6 billion, compared to €15.5 billion a year earlier. This increase reflects in particular the choice of certain corporate issuers to position themselves on shorter durations than usual (mostly the 1 and 2 week pillars).
- The average initial duration of issuances continues to fall to 72 days, after 83 days in February.
- Stocks continue to rise, which began in December. It is up by €7.1 billion in the first quarter of 2022.

Public issuers



- Issuances by the public sector rebounded in March with €23.3 billion (almost doubling compared to €12.3 billion issued in February), which allowed stocks to return to their November 2021 level, at €30 billion euros.
- Social security organizations represent $\frac{3}{4}$ of issuances while local authorities make up for the remaining quarter (which represents €5.6 billion, a record level for monthly NEU CP issuances for this category of issuers).
- The average remaining term stabilizes just above 50 days.

3. Issuances and stocks of NEU MTN by original maturity



- NEU MTN issuances fell sharply in March to €720 million in the absence of issuances in the 1 to 2-year bucket, which is usually the driver of the NEU MTN market, in terms of issuance volumes. This can be linked to market expectations of upcoming adjustments of key rates.
- Stocks fell by €1 billion in March. The average residual maturity continues to increase and exceeds 3.5 years.

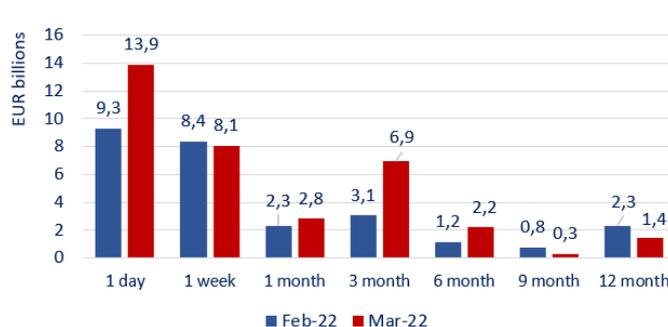
Average rates of NEU CP and maturities at issuance

Financial issuers

Average rates at issuance in Euros



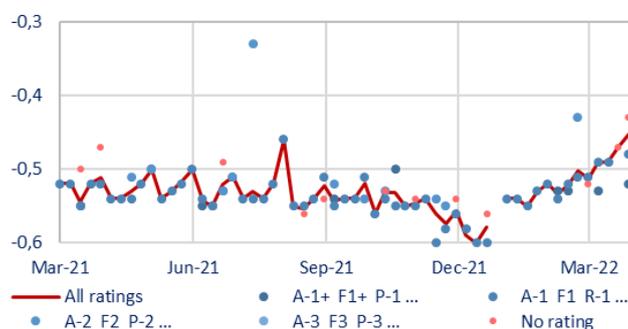
Cumulated issuances



- The steepening of the yield curve that began in February continued in March. The average rates increased by +4 bps respectively over the 3 months, +6 bps over the 6 months, +12 bps over the 9 months and +18 bps over the 12 months.
- Issuances increased on the 1-day and 3-month pillars, whereas they decreased on the longer pillars (9 months and 12 months).

Dispersion of financial issuers' average rates¹ at issuance on the 3-month maturity pillar (weekly data)

- Average issuer rates have taken 10 bps since the lowest point at mid-December.
- The dispersion of average rates by rating category increases a few these last weeks.

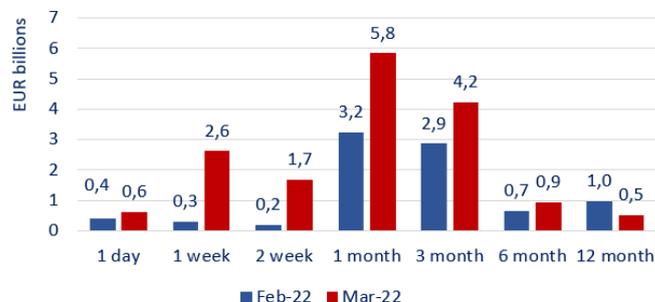


Corporate issuers

Average rates at issuance in Euros



Cumulated issuances



- Average rates remain stable on overnight refinancing while they increase almost evenly on all pillars between 1 week and 6 months (increase of between +7 and +11 bps depending on the pillars). The spike on the 12-month pillar is in line with the increase of risk free rates, but also reflects the effects of the evolution of the structure by rating from month to month, inherent to the corporate segment.
- Issuances are increasing strongly on the 1- and 2-week pillars, which had been used very little up to now.

Dispersion of corporate issuers' average rates at issuance on the 1-month maturity pillar (weekly data)

- Average issuer rates have taken 10 bps in a few weeks.
- The dispersion of average rates by rating category is increasing.



¹ Outliers are not displayed so as to improve the clarity and detail of charts by dispersion of average rates.

5. Sectoral focus: Financial issuers on the NEU CP market at end march 2022

Outstanding amounts in the financial sector stood at €136 billion in March 2022, compared to €156 billion in September 2021. Banks accounted for €121 billion of stocks, compared to €138 billion six months earlier. As regards other financial activities, securitization increased to €6.3 billion (€4.7 billion in September 2021), insurance and other financial services were down to €9 billion (€13 billion in September 2021).

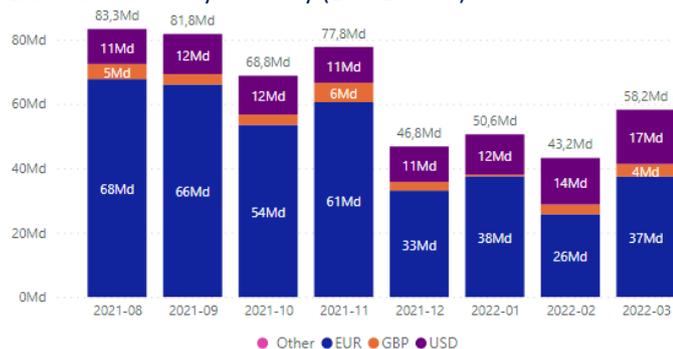
- The drop in stocks over one year is due to banks in the euro area (-21%) while those of banks outside the euro area increased slightly (+2%).
- The drop in euro area banks' stocks appears even regardless of their headquarters (French or foreign) and their category (commercial banks, mutual banks or public banks).
- There is also some degree of resistance of the level of stocks of NEU CPs issued in foreign currencies. The annual decrease (-8%) appears to be half that of issuances in euros (-19%).

	NEU CP stocks (Mds €)			YoY variation
	Mar-22	Sep-21	Mar-21	
Euros	126,3	117,6	102,7	-19%
Foreign currencies	19,8	20,6	18,2	-8%
Mutual banks	67,8	61,4	54,4	-20%
Commercial banks	18,0	16,7	14,2	-21%
Public banks	17,4	15,3	13,6	-22%
Foreign banks (EA)	20,3	20,8	15,9	-22%
Foreign banks (outside EA)	21,9	23,3	22,3	2%
Total	146	138	121	-17%

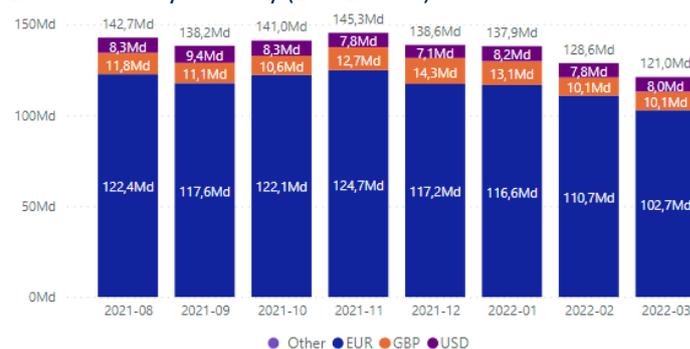
The activity of banks on the NEU CP market has remained well oriented in recent months as regards issuances in foreign currencies. Issuances in USD even rose sharply in March with €17 billion.

On the other hand, activity fell significantly in issuances in euros, which amounted to a monthly average of €33 billion over the last four months (compared to €62 billion on average over the previous four months).

Banks issuances by currency (EUR Billions)



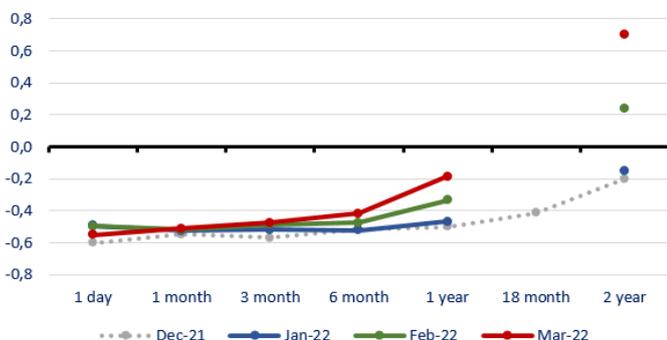
Banks stocks by currency (EUR Billions)



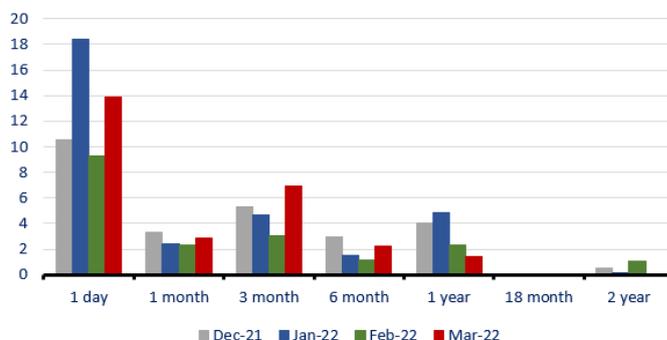
The decline of stocks and issuances of Euro Area banks NEU CPs in euros reflects some kind of wait-and-see behavior.

When Euro Area banks do refinance themselves, they do through increasingly shorter periods, in a context of expectations of a rise in interest rates that can be seen in the steepening of the average rate curve of issuances over terms of up to two years.

Banks average rates at issuances



Volume issued (EUR billions)



Data and calculations: Banque de France