



Corporate Credit Monthly Update

November 2025

Europe

Eurozone growth for the third quarter was confirmed at 0.2%, a modest yet still positive pace that highlights the economy's relative resilience amid an uncertain global backdrop. The expansion is now driven by Spain and France, while Germany and Italy remain stagnant, weighed down by weak external trade and a subdued manufacturing sector. Momentum therefore appears fragile and uneven. Some countries continue to benefit from firm domestic demand, but the major exporting economies remain affected by the ongoing industrial adjustment. Inflation eased to 2.1% in October, after 2.2% in September, hovering slightly above the ECB's target. This very gradual disinflation is occurring alongside a still-stable labour market (unemployment at 6.3%), which continues to support household spending. Politically, France remains a source of volatility. Prime Minister Lecornu resigned before being reinstated, after his government survived two no-confidence votes thanks to concessions on pension reform. These developments underscore the fragility of institutional stability in a tense governance environment. The ECB, for its part, remains cautious and is likely to keep rates at their current level in the coming months, pending more convincing evidence of a sustained decline in inflation.

In bond markets, 7–10-year German Bunds delivered a positive return (+0.77%) in October, supported by stabilising macroeconomic data. Their yield fell by 7 basis points to 2.53% at month-end. French sovereign bonds, initially under pressure due to political tensions, recovered after the confidence votes, prompting a moderate easing of yields across the curve. In European corporate credit, Investment Grade bonds were the strongest performers in October, supported by lower sovereign yields and a measured tightening in spreads. The High Yield segment was more mixed, with the riskiest issues weighing on performance. Overall, European credit ended the month in positive territory, at +0.75% for Investment Grade and +0.08% for High Yield. The yield on the European corporate bond market stood at 5.19% at the end of the month.

In the United States, the economy continues to demonstrate notable resilience. While growth is slowing from last year's strong pace, there are still no signs of a downturn at this stage. Corporate earnings remain solid, supported by still-robust domestic demand, while the labour market — though less tight — remains a key pillar of this outlook. However, the government shutdown, the longest on record, has delayed the release of several key indicators, complicating real-time assessment of economic momentum. Inflation, stable at around 3%, may hint at an underlying disinflationary risk: tariffs are pushing costs higher in the short term, but retaliatory measures and weakening demand could exert downward pressure on prices. At the end of October, the Fed cut its policy rate by 25 basis points for the second time this year, bringing the target range to 3.75%–4%. The decision reflects the delicate balance between supporting a labour market losing some pace and safeguarding monetary credibility amid inflation that remains present. In commodities, oil fell by around –3% in October, as concerns about excess supply outweighed ongoing geopolitical tensions. The dollar strengthened to a three-month high after several Fed officials played down expectations of another rate cut in December. Diplomatically, the Middle East shows signs of slightly greater stability than in recent months, while tensions between the United States, Russia and China remain unresolved.

US markets delivered a positive performance in October. Treasury yields edged lower across the curve, with 7–10-year maturities falling by 5 basis points to close at 4%. However, more mixed macroeconomic data, the prolonged government shutdown and uncertainty over the near-term monetary policy path all contributed to heightened volatility. In credit markets, spreads widened moderately across all rating segments, reflecting increased investor caution. US Investment Grade gained +0.42%, while High Yield returned +0.18%. The yield on the US corporate bond market stood at 6.78% at month-end.

United States

Emerging

Emerging economies maintained a robust pace in October, supported by technology companies, solid trade flows and a more accommodating monetary backdrop. Asia continues to lead the recovery, driven by demand linked to artificial intelligence and investment in digital infrastructure. Taiwan and South Korea are benefiting fully from this rebound in the industrial cycle, while India is attracting foreign investment flows amid a more stable diplomatic environment. Despite a month beginning with trade tensions, China saw its outlook improve following the announcement of a tariff truce, helping to restore market confidence. Overall, the economic fundamentals of emerging countries are strengthening, as evidenced by a broad reallocation toward growth assets and improving current-account positions across several regions.

Building on a favourable first half of the year, October again proved positive for emerging-market debt. Risk appetite remained firm against a backdrop of easing US yields, which helped support performance. Spreads were broadly stable across emerging-market corporate credit. Investment Grade and High Yield bonds delivered similar returns (+0.80% and +0.79% respectively). At month-end, the average yield on the emerging-market bond universe stood at 7.38%.

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MasOrange (EU)

MasOrange, the Spanish telecommunications operator, received an EUR 4.25Bn offer for full ownership of the company from Orange, its co-existing shareholder. The offer is non-binding, with signing expected before end-2025. The transaction will require regulatory clearance, which is expected in H1 26. While the transaction figure is lower than the EUR 4.8Bn previously anticipated, the deal is very positive for existing MasOrange credit holders, given Orange's strong credit profile.

Adient (US)

Adient, a leading U.S. automotive seating supplier, reported solid Q3 FY25 results despite volume headwinds in EMEA and China, and raised its full-year FY25 guidance for revenue and adjusted EBITDA by 4% and 3%, respectively. Consolidated sales of \$3.7 billion increased 1% year-over-year, while adjusted EBITDA of \$226 million rose 12%, driven by improved business performance partially offset by lower volume/mix and net commodity impacts. Management provided further reassurance regarding the impact of tariffs, stating that Adient is “well positioned to be a net beneficiary from U.S. onshoring”, which could support its U.S. volumes in FY26. Net leverage remains within the company's targeted range of 1.5x to 2.0x.

Digi Communications (EM)

Digi Communications, a leading Romanian telecom operator, issued €600 million in new 6-year senior secured notes to refinance its SSN 2028 and part of its Term Loan A. Management took advantage of favorable conditions in the primary market to improve the company's debt maturity profile and prepare for the potential IPO of its Spanish subsidiary (Digi Spain). For the last twelve months ending June 2025, Digi Communications reported total revenues of €2.08 billion and adjusted EBITDA of €685 million. Despite increasing capex to continue expanding its own network across key markets (Romania, Spain, Belgium, and Portugal), management reaffirmed its net leverage target of 3.25x.

Significant Primary Issues

Europe

Issuer	Yield	Maturity	Amount	Rating
Samsonite (EUR)	4.375%	2033	€350M	BB+

United States

Issuer	Yield	Maturity	Amount	Rating
Albertsons	5.50%	2031	\$700M	BB+
Coty	5.61%	2031	\$900M	BBB-

Emerging

Issuer	Yield	Maturity	Amount	Rating
China Water Affairs	5.94%	2030	\$150M	BB+
Digi Romania	4.625%	2031	€600M	BB-

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Macro-Economic Events

Europe

Eurozone: the region's economy grew slightly above expectations in the third quarter, supported by strong performances in Spain and France, which offset stagnation in Germany and Italy. The euro area outperformed forecasts with 0.2% growth, underscoring its resilience despite ongoing geopolitical and trade uncertainties. Spain and France have now become the main drivers of this expansion, while Germany continues to struggle with a loss of industrial competitiveness, although higher public spending could provide some support to growth going forward.

ECB: the central bank kept interest rates unchanged in October for a third consecutive monthly meeting. This decision reflects its confidence in the euro area's resilience and the easing of inflationary pressures. Inflation is now hovering around the medium-term 2% target, while the overall outlook remains broadly stable. The economy has continued to grow despite an uncertain global backdrop, supported by a robust labour market, strong private-sector balance sheets and the lagged effects of earlier rate cuts.

Germany: the business climate index rose to 88.4 in October from 87.7 in September, beating expectations of 88. Firms are becoming more optimistic about a potential economic recovery in the year ahead, even though current conditions are still viewed as far from favourable.

US & EM

United States: the pace of job cuts in October was well above the historical average for the month. Several sectors are now undergoing a correction following the pandemic-driven boom. Key drivers include the adoption of artificial intelligence, slower consumer and corporate spending, and rising costs leading to budget constraints and hiring freezes. Those made redundant are finding it more difficult to secure new positions quickly, which could further deepen the softening in the labour market. Year-to-date, the US government itself has been responsible for the largest number of layoffs, followed by the private-sector technology industry.

China: the economy finally showed signs of stabilisation in October, with consumer prices rising by 0.2% and core inflation reaching a 20-month high of 1.2%. Producer-price deflation eased, although weak demand and geopolitical tensions continue to maintain deflationary risks. The government announced fiscal support amounting to 700 billion yuan, which provided reassurance, though further stimulus measures may be required in the months ahead.

Market Data Indices

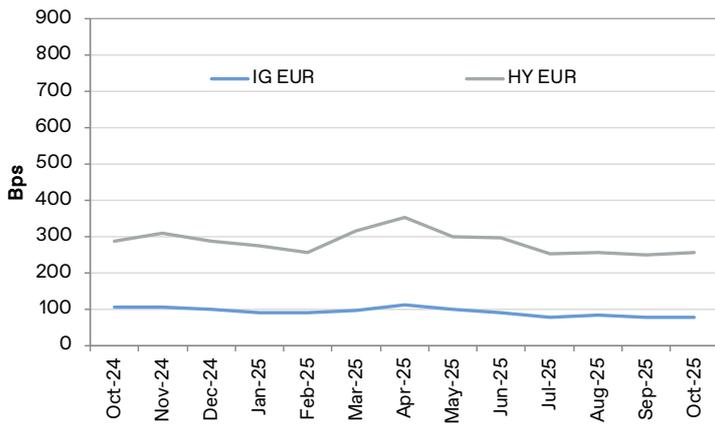
Indices (end of October)	Performance			
	MTD	YTD	Duration	Yield
High Yield				
Corporates High Yield Europe	0.08%	4.71%	3.14	5.19%
Corporates High Yield United States	0.18%	7.34%	2.97	6.78%
Corporates High Yield Europe Excluding Financials	0.17%	4.85%	3.03	5.02%
Corporates High Yield United States Excluding Financials	0.20%	7.28%	3.01	6.49%
High Yield Emerging Markets	0.79%	8.33%	3.87	7.38%
Investment Grade				
Corporates Investment Grade Europe	0.75%	3.25%	4.52	3.12%
Corporates Investment Grade United States	0.42%	7.36%	6.73	4.82%
Investment Grade Emerging Countries	0.80%	8.62%	6.08	4.73%
Governments				
7-10 Year German Bond	0.77%	0.62%		2.53%
7-10 Year US Bond	0.69%	7.93%		4.00%

Inflation (end of October)					
Realized inflation	October	September	August	6M	12M
Realized inflation in Europe (rolling 12-month)	2.10%	2.20%	2.00%	2.20%	2.00%
Realized inflation in the United States (rolling 12-month)		3.00%	2.90%	2.30%	2.60%

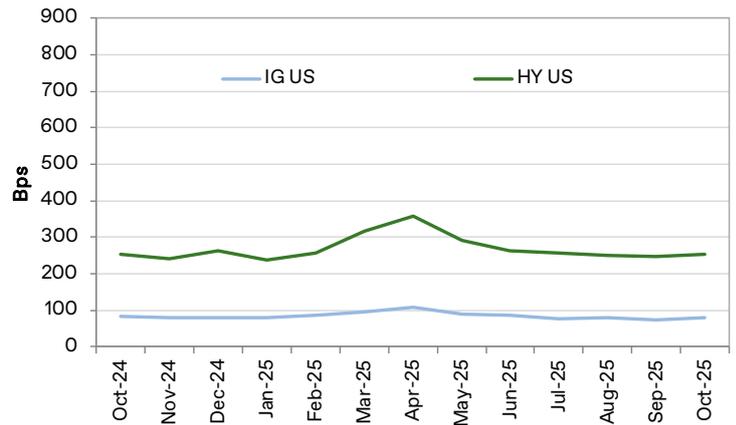
Month-to-date = MTD
Year-to-date = YTD

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EUR Corporate Bond Spreads (OAS) by Index



US Corporate Bond Spreads (OAS) by Index



Corporate Bond Spreads

	October	September	August	12 months
Europe				
Corporates Investment Grade Europe	76	78	84	104
Corporates High Yield Europe	276	272	282	317
Corporates High Yield Europe Excluding Financials	254	249	257	287
Corporate Bonds rated A Europe	68	70	76	94
Corporate Bonds rated BBB Europe	88	90	97	120
Corporate Bonds rated BB Europe	182	179	188	205
Corporate Bonds rated B Europe	350	323	330	360
United States				
Corporates Investment Grade United States	79	75	80	85
Corporates High Yield United States	285	273	275	284
Corporates High Yield United States Excluding Financials	255	246	252	254
Corporate Bonds rated A United States	65	62	67	70
Corporate Bonds rated BBB United States	100	94	100	105
Corporate Bonds rated BB United States	175	172	174	176
Corporate Bonds rated B United States	294	271	282	279
Emerging Countries				
Investment Grade Emerging Countries	83	83	90	99
High Yield Emerging Countries	354	352	351	361
Corporate Bonds rated A Emerging Countries	63	65	70	79
Corporate Bonds rated BBB Emerging Countries	113	112	122	133
Corporate Bonds rated BB Emerging Countries	226	228	245	238
Corporate Bonds rated B Emerging Countries	399	408	403	380

Source: Anaxis AM

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Anaxis specialises in corporate credit for investors who firmly believe in fundamental investing based on in-depth knowledge of issuers. For more than 15 years, Anaxis has focused on corporate credit strategies and has developed comprehensive expertise and methods renowned for their reliability by its clients.

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