

Corporate Credit Monthly Update

January 2026

Europe

In Europe, the macroeconomic environment remains characterised by moderate growth, with activity indicators in December continuing to show marked disparities across countries and sectors. The overall momentum remains fragile, reflecting both the cumulative impact of monetary tightening in recent years and subdued domestic demand. The labour market, however, has continued to demonstrate resilience, as evidenced by generally robust employment figures. Inflation, now close to the ECB's target, remains on its normalisation path. The central bank kept its key policy rates unchanged, confirming the stabilisation of its monetary policy stance. In the United Kingdom, the Bank of England cut its policy rate by 25 basis points to 3.75%, following a stronger-than-expected decline in inflation and signs of a slowdown in economic activity and the labour market. Political uncertainty persisted across several major European countries, with tensions and questions surrounding their fiscal trajectories weighing on growth prospects.

Against this backdrop, European bond markets delivered mixed performance, amid rising sovereign yields and pronounced differences in performance across credit segments. German government bonds underperformed over the month (-1.01%), with 10-year Bund yields reaching their highest levels in several years. Yields on the 7-10-year segment rose by 17 basis points to 2.76% at the end of December. This move was also influenced by the upward trend in long-term US interest rates. In this environment, the Investment Grade segment posted a slightly negative performance (-0.14%), weighed down by its sensitivity to sovereign yield movements, despite broadly stable credit spreads. By contrast, High Yield delivered a positive performance (+0.35%), supported mainly by carry and by a technical backdrop that remains favourable. The yield in the European corporate bond market stood at 5.29% at month-end.

In the United States, the economy remains resilient overall. The majority of indicators continue to point to robust growth momentum. At the same time, inflation confirmed its slowdown in December, although some data were still partially disrupted by the federal government shutdown. Against this backdrop, the Federal Reserve cut its policy rate by 25 basis points, bringing it into a range of 3.50% to 3.75%. This decision helped to push borrowing costs back to their lowest levels since late 2022, as the labour market is now experiencing a genuine, albeit gradual, slowdown. In commodity markets, oil prices declined by around 2% over the month, weighed down by a persistently oversupplied market and signs of weakening demand. The US dollar depreciated by 1.1% against its basket of major currencies, taking its decline to 9.4% over the full year 2025. This move occurred in a context of monetary easing and reflects increased investor appetite for risk assets, reducing demand for the greenback. By contrast, gold rose by 2.9% over the month to reach a new all-time high and ended the year with a very sharp gain (+65%). On the geopolitical front, the capture of Nicolás Maduro in Venezuela by US special forces brought defence-related issues back to the forefront. This event was followed by new statements from Donald Trump regarding his intention to annex Greenland, contributing to a more tense geopolitical environment and heightened investor vigilance with regard to international risks.

US bond markets posted mixed performance in December, against a backdrop of significant volatility in Treasury yields. Movements were uneven along the yield curve. Short-term yields declined towards the end of the period, while longer maturities rose. Yields on the 7-10-year segment increased by 15 basis points to reach 4.06% at month-end. This configuration reflects a combination of factors, including policy rate cuts, moderating inflationary pressures and soft labour market data. Corporate credit markets proved relatively resilient. Credit spreads narrowed overall and are now trading close to their lowest levels in many years, reflecting what has been a highly supportive technical environment for the asset class alongside a still-stable perception of credit risk. The High Yield segment significantly outperformed Investment Grade over the month, with respective performances of +0.60% and -0.26%. High Yield benefited from higher carry and lower sensitivity to rising long-term rates. At month-end, the yield in the US corporate bond market stood at 6.56%.

United States

Emerging

In emerging countries, economic momentum remained favourable in December. Corporate earnings growth continued to be robust, while the gradual strengthening of global GDP growth and the easing of monetary policy across many countries helped improve the outlook. In this context, even significant geopolitical shocks, such as the recent events in Venezuela, had a surprisingly limited impact on markets.

Investment flows into emerging markets rebounded sharply, reaching USD 36.7 billion in December, following outflows of USD 5.4 billion recorded in November. Debt was the primary driver of this recovery, with inflows totalling USD 29.4 billion. Within credit markets, Investment Grade bonds posted broadly flat performance (-0.04%), while the High Yield segment delivered a stronger performance (+0.89%), also benefiting from attractive carry and tightening credit spreads. At month-end, the yield in the emerging bond market stood at 7.31%.

Edited: 12/01/2026

PeopleCert Wisdom (EU)

PeopleCert, a UK-based provider of certification and examination-based assessments for IT and language qualifications, issued €300 million of senior secured notes due 2031 to refinance its 2026 maturities. This refinancing coincides with the transformative acquisition of City & Guilds for £150 million. The integration of City & Guilds is expected to more than double PeopleCert’s revenue, though it will increase leverage by at least 1.5x, bringing the total leverage ratio to around 4.0x. The acquisition aligns well with PeopleCert’s strategy, expanding its reach into new certification and qualification segments. Pre-acquisition, PeopleCert boasted strong free cash flow, supported by an asset-light model and high margins. Post-acquisition, cash generation is expected to remain stable, with potential acceleration from FY27 as the integration of City & Guilds is completed. If the integration proceeds as planned over the next two years, the company could deleverage rapidly.

Coty (US)

Coty, a leading US beauty conglomerate, has announced the sale of its remaining 25.8% stake in Wella to KKR and intends to use the proceeds to pay down debt. Coty will receive an upfront cash consideration of USD 750 million, as well as 45% of any proceeds from a potential IPO of the business, after KKR’s preferred return has been met. Last month, Coty reported underwhelming results, with adjusted EBITDA for Q1 2025/2026 declining by 18%, on net revenue down 6% (-8% LFL). Leverage at end-September increased to 3.7x; however, management stated that it expects strong cash flow generation in the second part of H1 to reduce leverage back to 3.5x. Supported by the aforementioned disposal, the company also reiterated its medium-term target to reduce net leverage to around 3.0x.

Aegea (EM)

Aegea, the largest water and sewage company in Brazil, has filed a request with the Brazilian SEC to convert its issuer registration from Category B to Category A, a move that would allow the company to become publicly listed. The current shareholders are Equipav (52.7%), GIC (34.3%) and Itaúsa (12.9%). Previously, Aegea reported solid results for the third quarter of 2025, with pro forma net revenues increasing by 24% year-on-year and adjusted EBITDA rising by 29%.

Significant Primary Issues

Europe

Issuer	Yield	Maturity	Amount	Rating
Asmodee Group	4.25%	2031	€320M	BB-
PeopleCert Wisdom	5.50%	2031	€300M	B+

United States

Issuer	Yield	Maturity	Amount	Rating
Asurion LLC	8.00%	2032	\$3.3Bn	BB-
Celanese US	7.00%	2031	\$600M	BB

Emerging

Issuer	Yield	Maturity	Amount	Rating
<i>No new issues in December.</i>				

Edited: 12/01/2026

Macro-Economic Events

Europe

Eurozone: Inflation eased further, declining from 2.1% in November to 2.0% in December, its lowest level since August. It has therefore returned to the ECB's medium-term target, reinforcing expectations that policy rates will be kept unchanged in the near term. This slowdown reflects moderation in both services inflation and non-energy industrial goods inflation, combined with a more pronounced decline in energy prices. By contrast, food, alcohol and tobacco prices rose slightly, limiting the overall disinflationary trend. Among the major economies, harmonised inflation declined in Germany, France and Spain, while Italy recorded a slight reacceleration, highlighting the continued heterogeneity of inflation dynamics across the euro area.

Germany: The seasonally adjusted unemployment rate remained stable at 6.3% in December, closing a year marked by a slow and uneven recovery in the labour market of Europe's largest economy. Employment growth largely stagnated, while labour demand remains subdued, reflecting persistent economic weakness following two years of contraction. In addition, US tariffs continue to weigh on exports and the industrial sector, limiting the scope for near-term improvement.

US & EM

United States: The trade deficit narrowed sharply to USD 29.4 billion in October, its lowest level since June 2009. The implementation of tariffs led to significant distortions in trade flows. Imports declined by 3.2% to USD 331.4 billion, their lowest level in 21 months, driven by sharp declines in pharmaceuticals and transport equipment, partially offset by increases in IT and telecommunications equipment. Exports meanwhile rose by 2.6% to a record USD 302 billion, supported in particular by non-monetary gold and precious metals, despite a decline in government goods and services.

China: The manufacturing index rose unexpectedly to 50.1 in December, after reaching a four-month low of 49.9 in November. The latest figures therefore point to a modest recovery in industrial activity, supported by an increase in new orders, despite a slight decline in export sales. However, this improvement in demand remains largely confined to the domestic market, as the government continues to seek to stimulate household spending.

Venezuela: On 3 January, President Nicolás Maduro and his wife were captured during a US military operation and transferred to the United States, where they were charged with narco-terrorism, accusations which they contested during their court appearance on 5 January. The Trump administration presented the operation as aimed at securing US energy interests, thereby heightening geopolitical uncertainty. The government nevertheless remained in place. Delcy Rodríguez was appointed interim president and ordered the release of several political prisoners, against a backdrop of severely weakened institutions.

Market Data Indices

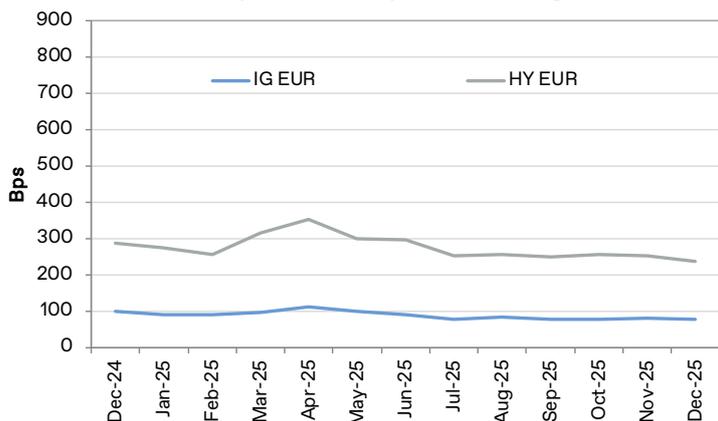
Indices (end of December)	Performance			
	MTD	YTD	Duration	Yield
High Yield				
Corporates High Yield Europe	0.35%	5.20%	3.10	5.29%
Corporates High Yield United States	0.60%	8.59%	2.85	6.56%
Corporates High Yield Europe Excluding Financials	0.38%	5.37%	2.99	5.03%
Corporates High Yield United States Excluding Financials	0.58%	8.55%	2.88	6.28%
High Yield Emerging Markets	0.89%	9.07%	3.87	7.31%
Investment Grade				
Corporates Investment Grade Europe	-0.14%	2.91%	4.49	3.33%
Corporates Investment Grade United States	-0.26%	7.78%	6.65	4.82%
Investment Grade Emerging Countries	-0.04%	8.77%	5.91	4.77%
Governments				
7-10 Year German Bond	-1.01%	-0.61%		2.76%
7-10 Year US Bond	-0.67%	8.28%		4.06%

Inflation (end of December)					
Realized inflation	December	November	October	6M	12M
Realized inflation in Europe (rolling 12-month)	2.00%	2.10%	2.10%	2.00%	2.40%
Realized inflation in the United States (rolling 12-month)	2.70%	2.70%	N/A	2.70%	2.90%

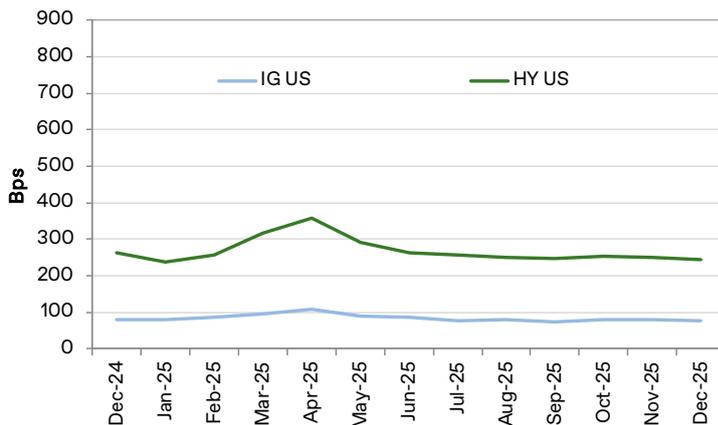
Month-to-date = MTD
Year-to-date = YTD

Edited: 12/01/2026

EUR Corporate Bond Spreads (OAS) by Index



US Corporate Bond Spreads (OAS) by Index



Corporate Bond Spreads

	December	November	October	12 months
Europe				
Corporates Investment Grade Europe	78	82	76	101
Corporates High Yield Europe	267	278	276	309
Corporates High Yield Europe Excluding Financials	238	253	254	289
Corporate Bonds rated A Europe	71	73	68	91
Corporate Bonds rated BBB Europe	90	94	88	114
Corporate Bonds rated BB Europe	173	184	182	205
Corporate Bonds rated B Europe	333	354	350	337
United States				
Corporates Investment Grade United States	78	81	79	81
Corporates High Yield United States	272	281	285	289
Corporates High Yield United States Excluding Financials	245	252	255	262
Corporate Bonds rated A United States	64	66	65	69
Corporate Bonds rated BBB United States	99	103	100	100
Corporate Bonds rated BB United States	166	167	175	182
Corporate Bonds rated B United States	283	290	294	287
Emerging Countries				
Investment Grade Emerging Countries	87	92	83	103
High Yield Emerging Countries	372	380	354	375
Corporate Bonds rated A Emerging Countries	68	70	63	79
Corporate Bonds rated BBB Emerging Countries	118	125	113	140
Corporate Bonds rated BB Emerging Countries	230	244	226	256
Corporate Bonds rated B Emerging Countries	375	386	399	391

Source: Anaxis AM

ANAXIS AM

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.

Anaxis Asset Management
9 rue Scribe
75009 Paris

+33 (0)9 73 87 13 20
info@anaxis-am.com
www.anaxis-am.com

