

Corporate Credit Monthly Update

February 2026

Europe

In January, the eurozone operated in a more constructive macroeconomic environment, marked by inflation falling back below 2% and growth slightly above expectations. GDP growth of 0.3% in Q4 confirmed the relative resilience of economic activity, supporting investor confidence. In this context, the ECB maintained a wait-and-see stance, with markets now pricing in a prolonged scenario of policy rate stability. The euro appreciated against the US dollar, reaching its highest level since 2021, supported by perceived improvements in the growth differential and a retreat in the greenback. Later in the month, the European corporate earnings season took precedence over macro indicators, providing further market support. Banking sector results stood out in particular, delivering solid earnings and encouraging outlooks. Finally, valuations deemed lower than in the United States continued to attract international investors, despite a political backdrop characterised by President Trump's threats of new tariffs amid escalating tensions over Greenland.

On the fixed income side, the easing of sovereign yields provided a significant boost to performance. European intermediate-term government bonds (7–10 years) saw yields fall by around 5 basis points to 2.71% at month-end. This supported a strong performance in European corporate credit, with both Investment Grade (+0.80%) and High Yield (+0.70%) outperforming their US counterparts. While credit spread tightening was broadly comparable across regions, the decline in sovereign rates amplified eurozone returns. Limited primary issuance also bolstered demand in the secondary market, contributing to a compression of risk premia. The yield on the European corporate market closed the month at 5.16%.

In the United States, the economy also demonstrated resilience, although it remains dominated by persistent inflation. The labour market, however, showed signs of normalisation. Job creation stood at nearly 50,000, while the unemployment rate remained around 4.4%. These figures reflect a slowdown in hiring over recent months, without signalling any dramatic deterioration. In this context, the Fed kept policy rates unchanged, citing both solid growth and persistently high inflation, thereby maintaining borrowing costs at their highest levels since late 2022. At the end of January, the nomination of Kevin Warsh as Chair of the Federal Reserve, effective in May, made headlines. A candidate with strong credibility and generally supportive of a relatively restrictive monetary policy, his appointment—which remains subject to Senate confirmation—helped to stabilise the dollar in early February. Oil prices rose nearly 15% over the month, driven by geopolitical risks in the Middle East, a supply shock in the Permian Basin caused by a winter storm, and the resolution of the Greenland crisis at Davos. The US dollar depreciated by 1.2% against its major currency basket, reaching its lowest level in several months. Gold reached a new record above \$5,300 per ounce, buoyed by the weaker dollar and ongoing safe-haven demand amid volatility, particularly in the bond markets. The fourth-quarter earnings season began on a very positive note. Supported by solid fundamentals, US companies reported earnings growth of 12.0%, well above expectations of 8.4%.

US fixed income markets showed a mixed performance in January. Treasury yields rose along the curve, with intermediate-term sovereign yields (7–10 years) increasing by 10 basis points to 4.16% at month-end, while short-term yields peaked earlier in the month before retreating, ending largely unchanged. Multiple factors contributed to these movements, notably renewed uncertainty around trade policy and, by contagion, a notable rise in Japanese sovereign yields. The latter, driven by domestic fiscal concerns, was perceived as a potential signal for the US fiscal trajectory. Despite higher sovereign yields, corporate credit markets held up well. Investment Grade rose +0.27% and High Yield +0.50%. The latter benefited from higher coupons cushioning the impact of rising rates and reflected a continued appetite for risk among investors. At month-end, the US corporate market yield stood at 6.64%.

United States

In other regions, January unfolded against a complex geopolitical backdrop, generating uncertainty for global financial markets. Nevertheless, the resilience of economic activity, combined with a weaker US dollar and continued inflows from investors seeking diversification, supported emerging market asset performance. Commodities also enjoyed a strong start to the year, underpinned by favourable supply and demand dynamics, further enhancing the relative appeal of certain emerging economies.

Emerging market bonds began the year on a constructive trajectory, extending the momentum observed in 2025. All segments posted positive returns in January, despite a more volatile market environment. Hard-currency sovereign bonds advanced, largely driven by lower-rated categories. Rising US Treasury yields posed a headwind, but their impact was mitigated by a compression of sovereign spreads. In corporate credit, High Yield delivered robust performance (+1.43%), outperforming Investment Grade (+0.09%). Credit spread tightening, more pronounced among lower-rated issuers, again reflected the persistent appetite for risk. At month-end, the yield on the emerging market bond universe stood at 7.24%.

Emerging

Edited: 10/02/2026

AMS (EU)

AMS, a semiconductor company focused on sensing, light, and optical solutions, announced that it will sell its non-optical analog and mixed-signal sensor portfolio to Infineon for €570m, at an attractive 9.5x EV/EBITDA, with closing expected in 2Q26, completing its non-core asset disposal programme. €130m of proceeds will be used to partially repay convertible bonds and senior notes. The transaction refocuses the business on consumer markets and may dilute margins, as AMS OSRAM retains manufacturing assets and faces potential fab under-utilisation. Net leverage is expected to decline from 3.3x to around 2.5x, supported by strong preliminary 4Q25 results and c. €500m of FCF generation. Overall, the deal is credit-positive due to valuation and deleveraging, though it reduces future EBITDA margins and FCF.

Levi Strauss & Co. (US)

Levi Strauss & Co., a leading manufacturer of jeans and other apparels, reported solid organic growth of +5.0% YoY (ex-FX), driven by both unit gains and pricing contribution, during 4Q25. Quarterly adjusted EBITDA declined by 10% YoY as a result of incremental tariff costs, although leverage remained flattish at around 1.8x on a lease-adjusted basis. Positively, management's initial FY26 outlook is constructive, with expectations of mid-single-digit revenue growth as well as 40 to 60 bps of operating margin expansion.

Liquid Telecom (EM)

Liquid Telecom, the sub-Saharan telecoms fibre operator further detailed its refinancing plans during its 9M26 earnings call. In particular, the management intends to receive more than USD 150m in fresh equity capital to be used as part of a debt refinancing plan, including USD 25m already received from NVIDIA, and a USD 100m from asset sales (African Data Centres). The company intends to refinance its USD 620m senior secured bonds by the end of 1st quarter 2026, targeting a smaller sized USD bonds as well the recently approved by creditors USD and ZAR term loans.

Significant Primary Issues

Europe

Issuer	Yield	Maturity	Amount	Rating
Cheplapharm	6.75%	2032	\$950M	B+
Fabbrica Ita Sintetici	5.25%	2031	€300M	BB-

United States

Issuer	Yield	Maturity	Amount	Rating
Albertsons Cos	5.625%	2032	\$3.3Bn	BB+
Neptune Bidco	9.50%	2033	\$1.5Bn	B-

Emerging

Issuer	Yield	Maturity	Amount	Rating
MLP Group	4.75%	2031	€350M	Ba2
Renew Treasury	6.50%	2031	\$600M	Ba3

Central Bank Activity

	Current Rate	Previous Rate	Last Change	Next Decision
BCE	2.00%	2.25%	June 2025	19/03/2026
BoE	3.75%	4.00%	Dec. 2025	19/03/2026
BNS	0.00%	0.25%	June 2025	19/03/2026
FED	3.50-3.75%	3.75-4.00%	Dec. 2025	19/03/2026
BoJ	0.75%	0.50%	Dec. 2025	19/03/2026

Edited: 10/02/2026

Macro-Economic Events

Europe

Eurozone: annual inflation came in at 1.7% in January, down from 2.0% in December, in line with market expectations. This marks the lowest level since September 2024. Service-sector inflation slowed to its lowest point in four months, while energy prices continued to decline, falling -4.1%, after a -1.9% decrease in December. In contrast, inflation for unprocessed food and non-energy industrial goods rose, while that of processed food, alcohol, and tobacco remained stable. Across the main economies of the region, inflation decreased in France, Spain, and Italy, but rose slightly in Germany.

ECB: the Central Bank held interest rates unchanged at its first meeting of 2026, reaffirming that inflation is expected to converge towards its 2% medium-term target. The ECB noted that the eurozone economy remains resilient, while highlighting uncertain prospects, particularly due to risks linked to international trade policies and geopolitical tensions.

France: the 2026 state budget was approved by Parliament, ending several months of institutional deadlock that had raised concerns about the fiscal trajectory of the eurozone's second-largest economy. The government, led by Prime Minister Sébastien Lecornu, revised its deficit target upwards. Initially set at 4.7% of GDP, it now stands at approximately 5%, following political concessions made during parliamentary negotiations.

US & EM

United States: US consumer confidence fell sharply in January, reaching its lowest level since May 2014, amid growing concerns over price developments and the labour market. The Conference Board index dropped by 9.7 points to 84.5, well below market expectations. Perceptions of job availability fell to their lowest level in nearly five years.

China: the manufacturing PMI rose to 50.3 in January, up from 50.1 in December, indicating a slight expansion in industrial activity and the fastest growth since October. Production accelerated moderately, largely supported by an increase in new export orders. In response to the rise in new orders and production, firms expanded their workforce for the first time in three months, although the increase remained modest.

Mexico: GDP grew by 0.8% quarter-on-quarter in Q4 2025, following a -0.3% contraction in the previous quarter. This exceeded market expectations and marked the highest quarterly growth in over a year. The rebound follows a period affected by the trade dispute with the United States, supply chain uncertainty, and slower export demand due to tariffs, which had weighed on activity in Q3. For the full year, GDP increased by 0.5%, representing the slowest annual growth in Mexico since the global economic crisis of 2020.

Market Data Indices

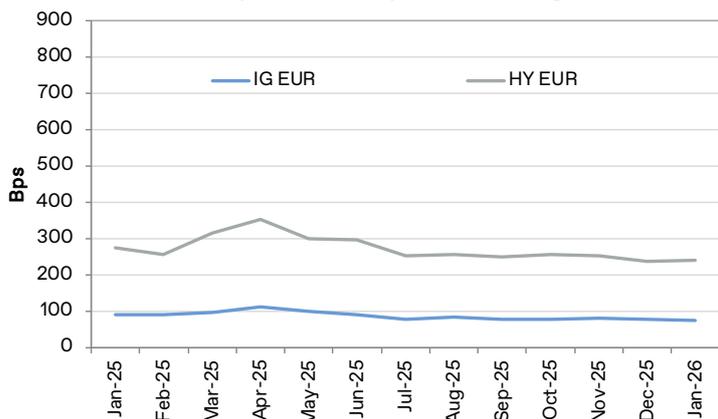
Indices (end of January)	Performance			
	MTD	YTD	Duration	Yield
High Yield				
Corporates High Yield Europe	0.70%	0.70%	3.12	5.16%
Corporates High Yield United States	0.50%	0.50%	2.90	6.64%
Corporates High Yield Europe Excluding Financials	0.62%	0.62%	3.00	5.00%
Corporates High Yield United States Excluding Financials	0.54%	0.54%	2.91	6.35%
High Yield Emerging Markets	1.43%	1.43%	3.85	7.24%
Investment Grade				
Corporates Investment Grade Europe	0.80%	0.80%	4.52	3.24%
Corporates Investment Grade United States	0.27%	0.27%	6.64	4.84%
Investment Grade Emerging Countries	0.09%	0.09%	5.90	4.81%
Governments				
7-10 Year German Bond	0.63%	0.63%		2.71%
7-10 Year US Bond	-0.31%	-0.31%		4.16%

Inflation (end of January)	Performance				
	January	December	November	6M	12M
Realized inflation					
Realized inflation in Europe (rolling 12-month)	1.70%	2.00%	2.10%	2.00%	2.50%
Realized inflation in the United States (rolling 12-month)		2.70%	2.70%	2.70%	3.00%

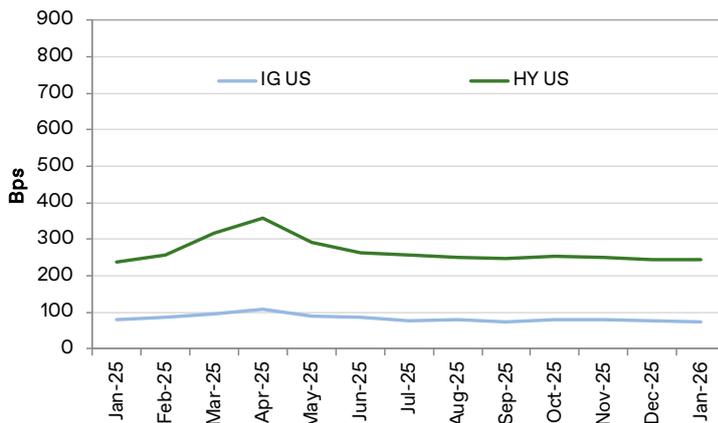
Month-to-date = MTD
Year-to-date = YTD

Edited: 10/02/2026

EUR Corporate Bond Spreads (OAS) by Index



US Corporate Bond Spreads (OAS) by Index



Corporate Bond Spreads

	January	December	November	12 months
Europe				
Corporates Investment Grade Europe	73	78	82	90
Corporates High Yield Europe	260	267	278	296
Corporates High Yield Europe Excluding Financials	240	238	253	274
Corporate Bonds rated A Europe	66	71	73	80
Corporate Bonds rated BBB Europe	84	90	94	104
Corporate Bonds rated BB Europe	169	173	184	193
Corporate Bonds rated B Europe	335	333	354	310
United States				
Corporates Investment Grade United States	74	78	81	80
Corporates High Yield United States	273	272	281	263
Corporates High Yield United States Excluding Financials	244	245	252	239
Corporate Bonds rated A United States	60	64	66	68
Corporate Bonds rated BBB United States	93	99	103	99
Corporate Bonds rated BB United States	165	166	167	160
Corporate Bonds rated B United States	294	283	290	259
Emerging Countries				
Investment Grade Emerging Countries	85	87	92	99
High Yield Emerging Countries	348	372	380	362
Corporate Bonds rated A Emerging Countries	67	68	70	76
Corporate Bonds rated BBB Emerging Countries	113	118	125	136
Corporate Bonds rated BB Emerging Countries	220	230	244	244
Corporate Bonds rated B Emerging Countries	364	375	386	375

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

