

Corporate Credit Monthly Update

March 2026

Europe

In the euro area, PMI indices improved in February, confidence indicators rebounded and manufacturing activity remained in expansion territory. At the same time, the resilience of corporate profitability and expectations of continued fiscal spending, particularly in Germany, supported market sentiment. The strong performance of financial and cyclical sectors helped offset persistent geopolitical uncertainty and growing questions regarding the valuation of companies linked to artificial intelligence. Inflation remained below the ECB's medium-term target, reinforcing expectations of an accommodative monetary policy stance, although the central bank continues to emphasise its data-dependent approach.

In fixed income markets, intermediate-maturity German government bonds (7–10 years) saw their yields decline by 16 basis points to 2.55% at month-end. Within European corporate credit, Investment Grade delivered the strongest performance (+0.52%), supported by its higher sensitivity to risk-free rates. High Yield also posted a positive return (+0.29%). Unlike in the United States or emerging markets, the performance gap between Investment Grade and High Yield remained limited in Europe, as the move in sovereign yields largely outweighed changes in credit risk premia. In this environment—despite heightened volatility and technological uncertainties—dispersion therefore remained contained. The yield on the European corporate bond market stood at 5.24% at the end of the month.

In the United States, geopolitical risks dominated the news flow and captured market attention, particularly towards the end of the month. Data released in February confirmed a gradual slowdown in economic growth, partly reflecting a decline in public and external demand in the closing months of last year. Despite this deceleration, the core of the economy remains resilient at this stage of the cycle, supported by the relative strength of the labour market and household spending. Confidence indicators pointed to a modest improvement in both business and consumer sentiment. In the labour market, employment growth remained moderate but still robust by historical standards. At the same time, inflationary pressures continued to ease, while household spending expanded at a more moderate pace after several quarters of strong momentum. Towards the end of the month, fiscal uncertainty resurfaced following a Supreme Court ruling cancelling certain tariffs, reigniting questions around US trade policy. Meanwhile, oil prices rose by nearly +3% over February, driven by escalating tensions between the United States and Iran and the deployment of US military assets in the Middle East. A series of US–Israeli strikes against Iran triggered retaliatory actions by Tehran against targets in the region, further heightening geopolitical uncertainty and pushing both oil and natural gas prices higher, a trend that intensified in early March. As is often the case during periods of tension, the US dollar strengthened, gaining +0.6% over the month against a basket of major currencies, while gold ended February up +8%. The earnings season also drew to a close and proved solid overall. With more than 95% of S&P 500 companies having reported, the resilience of corporate fundamentals has been confirmed. Average earnings growth reached +14%, almost double the initial expectations of +7.2%.

February was favourable for US bond markets. Yields on 7–10-year US Treasuries declined by 30 basis points to close at 3.86%, providing support to corporate credit. Investment Grade corporate bonds rose by +1.28%, benefiting from their sensitivity to sovereign yields and from portfolio repositioning amid geopolitical and sector-specific uncertainties, while High Yield advanced more modestly (+0.19%), partly reflecting a widening of spreads in a context of heightened volatility in equity markets. At month-end, the yield on the US corporate bond market stood at 6.75%.

United States

Emerging

Emerging markets demonstrated resilience in February, supported by the strength of natural resource prices. However, this momentum was overshadowed by a sharp deterioration in the global logistics environment, placing these economies at the centre of disruptions linked to the security of global trade flows. Maritime traffic through the Strait of Hormuz was almost entirely halted as the conflict in the Middle East intensified, prompting insurers to withdraw war-risk coverage. These disruptions pushed energy prices higher. Around 10% of the global container fleet is estimated to have been affected by delays, increasing the risk of congestion at major global port hubs, particularly in Europe and Asia, and leading to rising logistics costs.

The emerging market bond universe also confirmed its resilience, delivering positive performance despite a stronger US dollar. Within corporate credit, the High Yield segment stood out with a return of +0.75%, outperforming its US and European counterparts. This relative outperformance reflects the sectoral composition of emerging market High Yield, which is more heavily exposed to tangible asset sectors (commodities and energy) and therefore less sensitive to volatility in the global technology sector. In the same vein, Investment Grade bonds posted a gain of +1.30%. The widening of credit spreads among lower-rated issuers remained less pronounced than in developed markets, confirming the relative strength of fundamentals. At month-end, the yield on the emerging market bond market stood at 7.31%.

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InPost (EU)

InPost, a leading European out-of-home e-commerce enablement platform, has announced a recommended all-cash offer for all its outstanding shares at €15.6 per share, representing a 50% premium to the undisturbed share price on 2 January 2026. The offer, which values the company at €10.2 billion, is unanimously supported by the Boards and already backed by shareholders representing 48% of the capital. The consortium is structured around Advent and FedEx at 37% each, A&R at 16%, and PPF reinvesting to retain 10%. The consortium has secured up to €5 billion in fully committed financing and does not plan major strategic changes, with founder and CEO Rafał Brzoska remaining in place. Completion of the transaction is targeted for the second half of 2026.

Euronet Worldwide (US)

Euronet Worldwide, a leading electronic financial transaction solutions provider, reported solid full-year 2025 results, despite lower-than-expected fourth-quarter performance. For the twelve months ended 31 December 2025, Euronet posted revenues of \$4.24 billion, up 6% versus 2024 (and +4% on a constant currency basis), while adjusted EBITDA rose 10% (+6% at constant currency) to \$744 million. Net leverage increased in 2025, largely due to the share buyback program implemented in 2025 (\$668 million spent), but remains very low at 0.7x, and liquidity remains ample (\$1.04 billion in unrestricted cash and cash equivalents at year-end).

IHS (EM)

IHS, the leading pan-African and LATAM telecom tower operator, announced in February the sale of its Latin American tower operations to Macquarie Asset Management, for an enterprise value of \$952 million. More significantly, MTN, the leading South African telecom operator, and minority shareholder of IHS, agreed to acquire the approximately 75% stake in IHS Holding it does not already own for \$2.2 billion in cash. The deal gives MTN direct ownership of infrastructure that it previously leased and marks a shift from its earlier asset-divestment strategy. Another major shareholder, Wendel, has also agreed to back the transaction. Combined, MTN and Wendel hold 40% of the voting shares, and the deal will require a two-thirds majority to go through (conclusion expected in 2026).

Significant Primary Issues

Europe

Issuer	Yield	Maturity	Amount	Rating
Azelis	4.125%	2031	€400M	BB+
Elior	5.625%	2030	€650M	BB-

United States

Issuer	Yield	Maturity	Amount	Rating
Michael Cos	8.50%	2033	\$2.0Bn	B-
Wyndham Hotels & Resorts	5.625%	2033	\$650M	BB-

Emerging

Issuer	Yield	Maturity	Amount	Rating
Allwyn Entertain.	4.625%	2031	€550M	BB
El Puerto de Liverpool	5.765%	2038	\$500M	BBB

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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

Macro-Economic Events

Europe

Eurozone: inflation rebounded to 1.9% in February, exceeding expectations of 1.7%, and following a low point in January. This acceleration, driven by data in France, Italy, and Spain, offset the slight slowdown observed in Germany. At the same time, consumer confidence improved to -12.2 points, although the increase was more modest than anticipated. The index remains below its historical average, reflecting persistent household caution in response to ongoing price dynamics, which are also closely monitored by the ECB.

Germany: consumer sentiment deteriorated again, with the index falling to -24.7 in March, down from -24.2 in February and below market expectations. Despite signs of a modest economic recovery, household pessimism remains entrenched. This caution, reinforced by geopolitical instability and uncertainties surrounding social policies, keeps the propensity to save elevated at the expense of domestic consumption, thereby slowing the pace of economic stimulus.

Spain: relations with Washington deteriorated after Madrid refused to allow the use of two military bases for operations related to Iran. In response, the United States threatened to suspend trade agreements and labelled Spain a “poor ally.” Any potential suspension of trade could affect Spanish export sectors, particularly agri-food. This development comes amid ongoing disagreements between the two countries regarding Spain’s contribution to NATO defence spending targets.

US & EM

United States: the Composite PMI fell to 52.3 in February from 53 in January, marking the slowest rate of private sector expansion since April 2025. This slowdown reflects weakening new orders and a marked contraction in export demand. Employment increased only marginally for the third consecutive month, recording its slowest growth since last April, while remaining robust by historical standards. Input costs rose slightly, driven by tariffs and higher labour costs, while producer prices increased at their fastest pace since August. Overall, however, the broader inflationary trend remains moderate.

India: the country continues to act as a global growth engine, with GDP forecasts for 2026 revised upwards to +7.6%, supported by strong domestic consumption. The budget presented in February emphasised fiscal discipline, aiming to reduce the deficit while accelerating strategic investments in digital infrastructure. Last year’s growth rate, the highest among G20 economies, underscores the resilience of the domestic market, particularly in the face of the 50% tariffs imposed by Washington in August.

Brazil: the country strengthened its position as a key exporter in February, reporting a record trade surplus driven by an exceptional soybean harvest and increased iron ore demand from Asian economies. At the same time, the government launched a large-scale US\$20 billion energy transition plan aimed at modernising the national power grid.

Market Data Indices

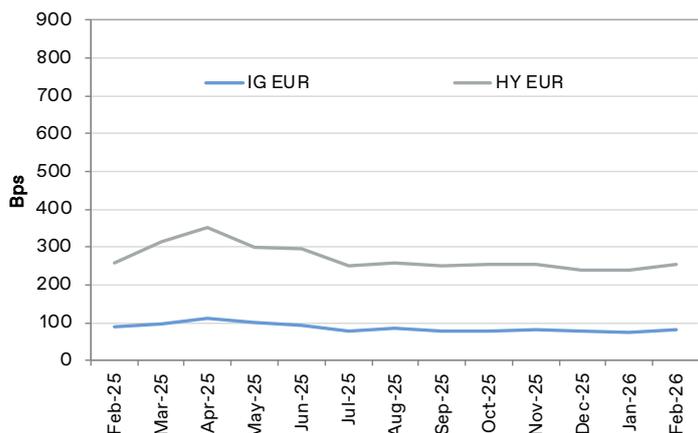
Indices (end of February)	Performance			
	MTD	YTD	Duration	Yield
High Yield				
Corporates High Yield Europe	0.29%	0.99%	3.10	5.24%
Corporates High Yield United States	0.19%	0.68%	2.90	6.75%
Corporates High Yield Europe Excluding Financials	0.31%	0.93%	2.97	5.08%
Corporates High Yield United States Excluding Financials	0.35%	0.89%	2.89	6.41%
High Yield Emerging Markets	0.75%	2.19%	3.84	7.31%
Investment Grade				
Corporates Investment Grade Europe	0.52%	1.32%	4.56	3.20%
Corporates Investment Grade United States	1.28%	1.55%	6.70	4.73%
Investment Grade Emerging Countries	1.30%	1.40%	5.95	4.63%
Governments				
7-10 Year German Bond	1.58%	2.21%		2.55%
7-10 Year US Bond	2.50%	2.18%		3.86%

Inflation (end of February)					
Realized inflation	February	January	December	6M	12M
Realized inflation in Europe (rolling 12-month)	1.90%	1.70%	2.00%	2.00%	2.30%
Realized inflation in the United States (rolling 12-month)		2.40%	2.70%	2.90%	2.80%

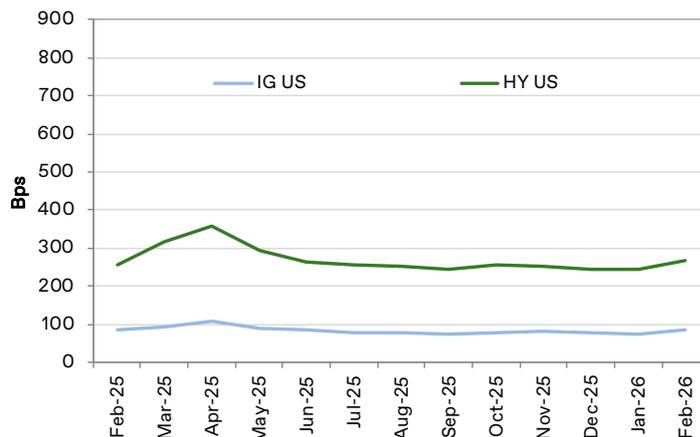
Month-to-date = MTD
Year-to-date = YTD

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EUR Corporate Bond Spreads (OAS) by Index



US Corporate Bond Spreads (OAS) by Index



Corporate Bond Spreads

	February	January	December	12 months
Europe				
Corporates Investment Grade Europe	83	73	78	90
Corporates High Yield Europe	276	260	267	286
Corporates High Yield Europe Excluding Financials	255	240	238	257
Corporate Bonds rated A Europe	76	66	71	81
Corporate Bonds rated BBB Europe	93	84	90	103
Corporate Bonds rated BB Europe	177	169	173	184
Corporate Bonds rated B Europe	367	335	333	304
United States				
Corporates Investment Grade United States	85	74	78	87
Corporates High Yield United States	300	273	272	283
Corporates High Yield United States Excluding Financials	266	244	245	257
Corporate Bonds rated A United States	71	60	64	75
Corporate Bonds rated BBB United States	106	93	99	106
Corporate Bonds rated BB United States	183	165	166	179
Corporate Bonds rated B United States	333	294	283	278
Emerging Countries				
Investment Grade Emerging Countries	91	85	87	104
High Yield Emerging Countries	362	348	372	367
Corporate Bonds rated A Emerging Countries	72	67	68	81
Corporate Bonds rated BBB Emerging Countries	121	113	118	140
Corporate Bonds rated BB Emerging Countries	234	220	230	254
Corporate Bonds rated B Emerging Countries	385	364	375	383

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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