Corporate Credit Monthly Update

April 2026

Europe

In the euro area, inflation rebounded to 2.5% in March, slightly below market expectations, after having fallen below the ECB's target in recent months. At the same time, activity indicators point to a gradual but still fragile improvement. The manufacturing PMI returned to expansionary territory at 51.6, while the services PMI softened slightly. Growth prospects therefore remain uncertain, against a backdrop of persistent geopolitical tensions and rising energy costs. Prior to the Middle East conflict, central banks across major economies were either engaged in rate-cutting cycles or adopting a broadly neutral stance; however, the current environment has led markets to rapidly reassess their expectations for the monetary policy path. This uncertainty has resulted in a marked increase in sovereign yields, particularly at the front end of the curve, reflecting heightened volatility and a notable repricing of risk.

In European fixed income markets, March was characterised by this investor adjustment. German sovereign bonds in the intermediate segment (7–10 years) saw yields rise by 39 basis points to reach 2.94% at month-end, reflecting revised macroeconomic expectations. Within corporate credit, the underperformance of European High Yield (-2.59%) relative to its US and emerging market peers highlights its particular sensitivity to higher energy costs and a more constrained environment. This pressure stems from the region's structural dependence on oil and gas imports and their direct impact on corporate operating margins, which increases vulnerability to price volatility. In addition, uncertainty surrounding inflation and the future path of monetary policy weighed particularly on cyclical segments. The yield on the European corporate market stood at 6.30% at month-end.

United States

In the United States, March PMI readings pointed to both a slowdown in growth and signs of persistent inflation following the outbreak of the Middle East conflict. The US economy nevertheless remains resilient, supported by still-robust consumption and investment. The labour market is also holding firm, with no clear indication of an imminent recession. Manufacturing business sentiment improved slightly, supported by expectations of lower tariffs following the Supreme Court's decision. At its March meeting, the Federal Reserve left rates unchanged, while highlighting increasing uncertainty related to the geopolitical backdrop. At the same time, oil prices surged by 50% over the month amid expectations of an energy shortage, reaching their highest level since 2022, the year marked by Russia's invasion of Ukraine. The US dollar strengthened by 2.4% against a basket of major currencies, while precious metals underwent a significant correction. Gold, in particular, declined by 11.5% over the month, driven by the combined effect of rising real interest rates, a stronger dollar and revised monetary policy expectations.

In March, US markets were impacted by the intensification of geopolitical tensions, resulting in increased volatility across both equities and bonds. Yields on intermediate US Treasuries (7–10 years) rose by 38 basis points to close at 4.24%, their highest level since last summer. This move largely reflects the surge in oil prices and the repricing of monetary policy expectations in response to inflationary risks. Within corporate credit, US High Yield (-1.19%) outperformed Investment Grade (-2.0%), the latter being more adversely affected by its higher duration sensitivity in the context of a sharp rise in yields. Spreads widened across both rating segments. While High Yield was impacted by the correction in sovereign rates, spread widening remained relatively contained compared to Europe and emerging markets. This relative outperformance was supported by a protective carry effect from elevated coupons, as well as by US energy independence, which makes the economy less vulnerable to inflationary shocks stemming from the Middle East. At month-end, the yield on the US corporate market stood at 7.39%.

Emerging

In emerging markets, developments in March were also dominated by the Middle East conflict. This led to significant disruptions in the supply of commodities, notably oil and gas, but also fertilisers, aluminium and various chemical inputs essential to global production chains. As a result, this supply shock is expected to fuel broad-based inflation while weighing on global economic growth. Asian economies, which are particularly dependent on energy imports from the region, appear the most exposed—especially as the blockade of the Strait of Hormuz severely limits available alternatives. In practice, this situation has already prompted some governments to take exceptional measures, as illustrated by the Philippines declaring a state of energy emergency. That said, the magnitude of these effects will largely depend on the duration of the conflict and the extent of the damage to production capacity.

Emerging market credit recorded its worst month since 2023 in March, weighed down by a stronger US dollar and higher energy costs. The downturn was particularly pronounced in oil-importing countries, rekindling concerns over sovereign defaults and triggering a marked widening of spreads. In this context of rising yields, Emerging Market Investment Grade was the most heavily impacted, posting a return of -2.51%, as its longer duration made it more vulnerable than High Yield (-2.01%). Amid heightened volatility, primary market activity virtually stalled in the second half of the month, with issuers waiting for rates to stabilise. Nevertheless, fundamentals remain sound, notably supported by prior refinancing activity that has pushed out debt maturities, which should help keep default rates at currently low levels despite the sharp repricing. At month-end, the yield on the emerging market bond market stood at 8.21%.

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Companies in the Spotlight

Recordati (EU)

Recordati, an Italian pharmaceutical company specializing in orphan drugs, has confirmed that CVC has submitted a non-binding offer for all the shares it does not already own, valuing the pharma company's equity at EUR 10.9bn. At an indicative price of EUR 52 per share, the company said the offer corresponds to a c. 12% premium versus the prior day's closing price. In February, Recordati reported preliminary FY 2025 revenue up 11.8% to EUR 2.6bn, and EBITDA up 14.5% to EUR 991m.

Dana Incorporated (US)

Dana Incorporated, a leading US manufacturer of power-conveyance and energy management solutions for vehicles and machinery, held a Capital Markets Day in March 2026. The company targets c. 6% annual sales growth to reach c. $10bn by 2030, driven by backlog, core products, aftermarket, and applied technologies. It aims to expand EBITDA margins from c. 10.5% in 2026 to 14–15% by 2030 through manufacturing efficiencies, cost reductions, and improved product mix. Following the sale of its Off-Highway business, leverage is expected to fall to c. 1.0x and free cash flow margins to improve to c. 6%, enabling a $2bn shareholder return program.

AngloGold Ashanti (EM)

AngloGold Ashanti, a leading gold mining company based in South Africa, announced a tender offer for up to $650m across all its senior unsecured bonds, representing the majority of its debt stack. The issuer aims to optimise its funding cost and take advantage of the strong cash generation accumulated last year amid record-high gold prices. For FY 2025, AngloGold reported revenues of $9.893bn, up 70.8% versus 2024, while adjusted EBITDA reached $5.7bn (+141% YoY). The South African miner reported net negative leverage as of end-December 2025.

Central Bank Activity

	Current Rate	Previous Rate	Last Change	Next Decision
BCE	2.00%	2.25%	Juin 2025	30/04/2026
BoE	3.75%	4.00%	Déc. 2025	30/04/2026
BNS	0.00%	0.25%	Juin 2025	18/06/2026
FED	3.50-3.75%	3.75-4.00%	Dec. 2025	29/04/2026
BoJ	0.75%	0.50%	Dec. 2025	28/04/2026

Significative Primary Issues

Europe

Issuer	*Yield*	*Maturity*	*Amount*	*Rating*
Fibercop	5.375%	2031	€1.00Bn	BB+
OAK-Eagle (Electronics Arts)	6.25%	2033	€1.08Bn	B

United States

Issuer	*Yield*	*Maturity*	*Amount*	*Rating*
Ford Motor	5.43%	2031	$1.50Bn	BBB-
Nexstar Media	7.25%	2034	$1.725Bn	BB-

Emerging

Issuer	*Yield*	*Maturity*	*Amount*	*Rating*
Helios Tower HTA GP	6.821%	2031	$500M	Ba3
Liquid Telecom	10.75%	2031	$300M	B-

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Macro-Economic Events

Europe

Eurozone: inflation rebounded to 2.5% in March, slightly below expectations (2.6%), compared with 1.9% in February. This marks the highest reading since January 2025, well above the ECB's 2% target. Energy costs rose sharply by 4.9%, recording their first year-on-year increase in nearly 12 months and the strongest since February 2023, driven by the Middle East conflict. At the same time, services inflation eased, as did inflation for non-energy industrial goods and for food, alcohol and tobacco. Core inflation, excluding energy, also moderated. Geographically, among the euro area's major economies, inflation accelerated markedly in Germany, France, Spain and the Netherlands, while remaining stable in Italy.

Germany: the GfK consumer climate indicator fell to -28 heading into April, down from -24.8 in the previous period and below market expectations of -26.5. This represents its lowest level since March 2024, as households brace for a surge in energy costs linked to the conflict with Iran, which could fuel inflation. In addition, economic expectations deteriorated significantly to -6.9. Consumers fear that the fragile recovery of the German economy could be undermined should the conflict persist.

Greece: the country will be reclassified into the MSCI Developed Markets (DM) index in May 2027, bringing an end to its status as the only euro area market still classified as emerging. This reclassification marks the culmination of the country's economic recovery following the sovereign debt crisis that began in 2009, which required three international bailout programmes totalling more than €240 billion. Having regained its Investment Grade rating at the end of 2023, Greece is taking a further step forward, although the transition will remain selective: not all Greek companies currently included in the Emerging Markets (EM) index will be transferred to the Developed Markets index.

US & EM

United States: the US labour market proved more resilient than expected in March, with 178,000 non-farm jobs created. This figure significantly exceeded the consensus forecast of 59,000 and marks the highest level since December 2024. The unemployment rate edged down to 4.3%, although this decline was largely attributable to a reduction in labour force participation. The healthcare sector was the main driver of job creation, with 76,000 new positions. Wage growth remained moderate, at +3.5% year-on-year. Markets are now pricing in a 77.5% probability that the Federal Reserve will keep rates unchanged through year-end.

China: the official manufacturing PMI rose from 49.0 in February to 50.4 in March, exceeding expectations of 50.1. This represents the highest level since March 2025 and a rebound following two months of contraction. Activity was notably supported by increased public spending at the start of the year and by resilient exports, driven by global demand linked to artificial intelligence.

Market Data Indices

Indices (end of March)	Performance			
High Yield	**MTD**	**YTD**	**Duration**	**Yield**
Corporates High Yield Europe	-2.59%	-1.63%	3.26	6.30%
Corporates High Yield United States	-1.19%	-0.51%	3.15	7.39%
Corporates High Yield Europe Excluding Financials	-2.46%	-1.55%	3.14	6.14%
Corporates High Yield United States Excluding Financials	-1.13%	-0.25%	3.18	7.05%
High Yield Emerging Markets	-2.01%	0.14%	3.87	8.21%
Investment Grade				
Corporates Investment Grade Europe	-2.32%	-1.03%	4.52	3.86%
Corporates Investment Grade United States	-2.00%	-0.48%	6.62	5.15%
Investment Grade Emerging Countries	-2.51%	-1.14%	5.79	5.16%
Governments				
7-10 Year German Bond	-2.68%	-0.53%		2.94%
7-10 Year US Bond	-2.32%	-0.19%		4.24%

Inflation (end of March)					
Realized inflation	March	February	January	6M	12M
Realized inflation in Europe (rolling 12-month)	2.50%	1.90%	1.70%	2.20%	2.20%
Realized inflation in the United States (rolling 12-month)		2.40%	2.40%	3.00%	2.40%

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

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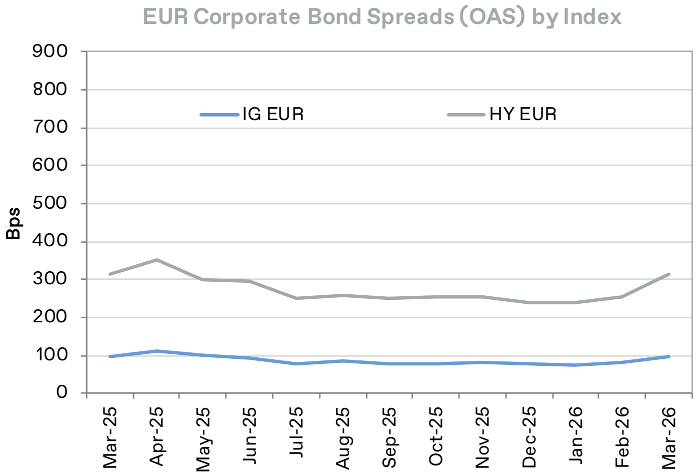

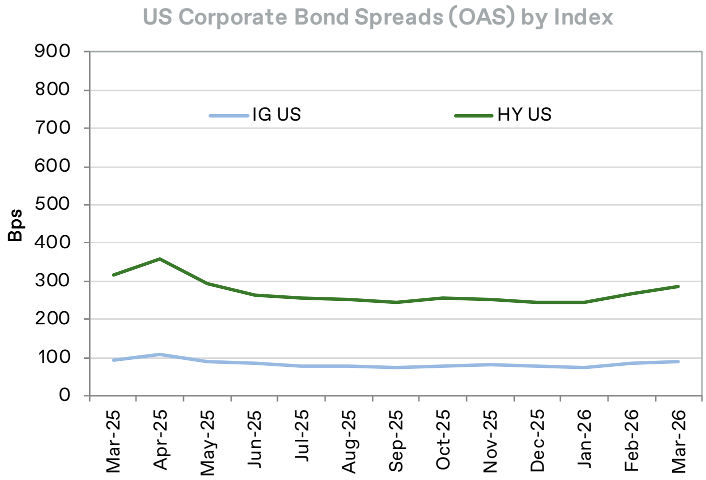

Corporate Bond Spreads

	March	February	January	12 months
Europe				
Corporates Investment Grade Europe	96	83	73	97
Corporates High Yield Europe	333	276	260	332
Corporates High Yield Europe Excluding Financials	315	255	240	315
Corporate Bonds rated A Europe	87	76	66	87
Corporate Bonds rated BBB Europe	109	93	84	110
Corporate Bonds rated BB Europe	216	177	169	218
Corporate Bonds rated B Europe	457	367	335	376
United States				
Corporates Investment Grade United States	89	85	74	95
Corporates High Yield United States	322	300	273	348
Corporates High Yield United States Excluding Financials	287	266	244	318
Corporate Bonds rated A United States	75	71	60	80
Corporate Bonds rated BBB United States	112	106	93	117
Corporate Bonds rated BB United States	202	183	165	221
Corporate Bonds rated B United States	354	333	294	356
Emerging Countries				
Investment Grade Emerging Countries	105	91	85	107
High Yield Emerging Countries	417	362	348	403
Corporate Bonds rated A Emerging Countries	86	72	67	83
Corporate Bonds rated BBB Emerging Countries	135	121	113	147
Corporate Bonds rated BB Emerging Countries	274	234	220	272
Corporate Bonds rated B Emerging Countries	456	385	364	436

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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