

Corporate Credit Monthly Update

May 2026

Europe

In the euro area, April data indicate that economic activity remains broadly resilient, albeit within a markedly more uncertain environment. Unsurprisingly, international developments have constituted a negative external shock, and vulnerabilities persist. Inflation rebounded to 3% year-on-year and could rise further amid higher energy prices. Economic indicators are weakening. The composite PMI fell to 48.6, back into contraction territory, while consumer confidence declined to levels last seen in 2022. That said, some supportive factors are still present, notably the expected economic rebalancing driven by Germany's fiscal support measures. On the monetary front, the ECB and the Bank of England left their policy rates unchanged, in line with expectations. Both institutions remain in wait-and-see mode in the face of inflationary and geopolitical uncertainty, pending further developments in the Middle East situation.

In fixed income markets, intermediate Bund yields (7-10-year maturities) were broadly stable, edging 2 basis points higher to 2.96% at month-end. Volatility nevertheless remained elevated across European sovereign debt markets, reflecting the energy price shock caused by the Middle East conflict. Yields have risen sharply since tensions with Iran escalated, pushing borrowing costs higher and placing significant strain on public finances. Ten-year yields reached 4.92% in the United Kingdom (their highest level since 2008), 3.73% in France and 3.1% in Germany (their highest levels since 2011), while Italy faces mounting fiscal risks with close to 17% of GDP due for refinancing in 2026. Within corporate credit, High Yield outperformed Investment Grade, reflecting a renewed appetite for risk despite the challenging backdrop. European assets also outperformed their US counterparts, supported by a more pronounced tightening in spreads following the widening observed in March. At month-end, the yield on the European corporate bond market stood at 5.80%.

In the United States, economic activity confirmed its resilience during April. First-quarter GDP growth, at an annualised rate of +2%, points to a solid rebound following the federal government shutdown. However, momentum appears increasingly uneven across sectors of the economy. Forward-looking indicators now suggest a loss of momentum in the services sector. At the same time, inflationary pressures persist. Headline inflation continues to run above the Federal Reserve's 2% target, and recent releases confirm that rising energy costs are the primary driver of price increases. Household consumption, the cornerstone of the US economy, is also showing signs of underlying fragility. While overall spending levels remain resilient, growth is increasingly being driven by price effects rather than real volume expansion. Faced with historically low savings rates and elevated energy costs, US consumers are becoming increasingly selective in their spending behaviour. Spending patterns observed in April point to a gradual reallocation towards essential categories and online services, to the detriment of discretionary consumption. From a monetary policy perspective, the Federal Reserve maintained the status quo at its April meeting, leaving rates unchanged for a third consecutive meeting and reiterating its intention to maintain a restrictive stance for as long as necessary to contain inflation. The month was also marked by extreme volatility in oil markets. Following a historic one-day decline of -19% in WTI prices after ceasefire announcements, crude prices ultimately rebounded to close the month up +3.6%. Finally, the renewed appetite for risk weighed on the US dollar, which depreciated by nearly -2% against a basket of major global currencies.

In bond markets, US Treasury yields rose across the curve, driven by higher oil prices, inflation concerns and uncertainty surrounding the future path of Federal Reserve policy. The yield curve nevertheless remained relatively flat, reflecting the fragile balance between expectations of slower economic growth and persistent inflationary pressures. The 7-10-year Treasury yield increased modestly by 7 basis points to close at 4.31%. Corporate credit, meanwhile, staged a strong rebound in April, largely offsetting the weakness recorded in March. High Yield (+1.69%) significantly outperformed Investment Grade (+0.51%). This marks a notable recovery for High Yield, particularly in light of the recent outflows experienced by the segment in the United States. Fund flows gradually stabilised over the course of the month, supporting spread tightening. By month-end, the yield on the US corporate bond market stood at 6.98%.

United States

Emerging

In emerging countries, governments have multiplied emergency support measures in an attempt to limit the impact of soaring energy prices, a strategy that is raising serious concerns regarding the sustainability of public debt. Faced with this shock and ongoing supply chain disruptions, the IMF expects at least a dozen countries to seek new lending programmes in order to stabilise their finances. This widespread fiscal pressure is fuelling fears of renewed sovereign debt tensions among the most vulnerable economies should the Middle East conflict persist. Sovereign bond yields therefore followed a volatile trajectory, while higher energy prices simultaneously pushed back expectations for interest rate cuts.

EM corporate credit nevertheless rebounded in April, largely shrugging off geopolitical tensions amid continued investor appetite for risk. Performance was particularly strong, led by the High Yield segment, which significantly outperformed the broader market (+2.8%). This performance can partly be explained by a technical rebound following the sharp underperformance recorded in March, as investors gradually returned to higher-beta segments. Performance was also primarily driven by credit spreads, which tightened significantly over the course of the month, particularly among lower-rated issuers. All sectors and regions posted positive performance. Unsurprisingly, the strongest-performing sectors were oil & gas and metals & mining, reflecting commodity price dynamics. At month-end, the yield on the emerging market bond universe stood at 7.68%.

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FiberCop (EU)

FiberCop, the Italian telecommunications infrastructure company, executed a comprehensive liability management transaction in April 2026, issuing €500m in new bonds (5.375% due April 2031, rated Ba1/BB+/BB), while simultaneously launching tender offers for up to €500m of existing higher-coupon bonds. The new issue priced at 101 and showed strong aftermarket performance (trading at 101.75), demonstrating the company's improving credit profile and access to favorable refinancing terms. This is particularly positive for credit holders, as it extends the maturity profile while reducing interest costs, and reflects the company's strong market access.

Ardagh Metal Beverage Packaging (US)

Ardagh Metal Beverage Packaging (AMBP), a leading global metal beverage can packager, delivered a strong Q1 2026 performance, materially ahead of guidance, with revenues up 19% to \$1.5bn and adjusted EBITDA rising 15% to \$189m, mainly driven by a sharp improvement in Europe. European profitability benefited from strong input-cost recovery, a favourable volume/mix and growing specialty demand, while the Americas remained weighed down by aluminium supply-chain disruptions and softer North American volumes, partly offset by robust growth in Brazil. Despite seasonal cash outflows and leverage still elevated at 5.5x, management reaffirmed its FY26 EBITDA guidance of \$750-775m, supported by resilient contractual pass-through mechanisms, solid energy hedging and continued capacity expansion plans in Western Europe.

Canpack (EM)

Canpack, a leading Polish can producer, released soft Q4 2025 results, with margins penalized by cost inflation and the placement of its Russian operations under temporary external administration by Presidential Decree. The adjusted net leverage reached 2.77x at the end of December 2025. The company also issued \$500m of U.S. dollar-denominated notes due 2031 and €500m of euro-denominated notes due 2032, both pricing at the tight end of the range after being upsized given the strong demand. The proceeds of the notes will be used to repay the issuer's €600m senior notes due 2027 as well as for general corporate purposes.

Significant Primary Issues

Europe

Issuer	Yield	Maturity	Amount	Rating
Capsugel	5.75%	2033	€750M	B+
United Group	6.375%	2033	€625M	B

United States

Issuer	Yield	Maturity	Amount	Rating
Lifepoint Healthcare	7.00%	2034	\$1.50Bn	B
Univision Comm.	8.875%	2033	\$1.50Bn	B

Emerging

Issuer	Yield	Maturity	Amount	Rating
DB Terra Chile	8.01%	2031	\$435M	BB+
Grupo Nutresa SA	7.92%	2031	\$1.25Bn	BB-

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Central Bank Activity

	Current Rate	Previous Rate	Last Change	Next Decision
BCE	2.00%	2.25%	Juin 2025	11/06/2026
BoE	3.75%	4.00%	Déc. 2025	18/06/2026
BNS	0.00%	0.25%	Juin 2025	18/06/2026
FED	3.50-3.75%	3.75-4.00%	Dec. 2025	17/06/2026
BoJ	0.75%	0.50%	Dec. 2025	16/06/2026

Macro-Economic Events

Europe

Eurozone: growth slowed modestly in the first quarter, with GDP rising by only +0.1% quarter-on-quarter, below market expectations of +0.2%. This subdued momentum notably reflects the energy-related tensions stemming from the Middle East conflict, which disrupted oil and gas flows and weighed on activity across several major European economies. The regional picture remains mixed: growth stalled in France, and Italy revised down its outlook, while Germany benefited from increased fiscal support through infrastructure and defence spending. The macroeconomic environment is also being affected by renewed inflationary pressures. Inflation rebounded to 3% in April, its highest level since September 2023, compared with 2.6% in March. This combination of weaker growth and resurgent inflation is complicating the ECB’s task, with some policymakers now considering the possibility of a monetary tightening as early as this year.

Germany: the Ifo Business Climate Index fell by 1.9 points to 84.4 in April, its lowest level since May 2020. The figure came in below market expectations of 85.5. The decline highlights growing concerns over the impact of the ongoing Middle East conflict on Germany’s already fragile economic recovery.

France: France has repatriated all of its gold reserves under national control. The Banque de France sold 129 tonnes of gold previously stored in the United States in order to repurchase an equivalent volume in Europe, generating an exceptional accounting gain of €12.8 billion amid record-high gold prices. The institution stressed that the operation was driven by technical modernisation requirements rather than political considerations. While gold is reaffirming its role as a stabilising asset during periods of crisis, other central banks, such as De Nederlandsche Bank, continue to place confidence in international storage agreements and do not intend to follow the French strategy.

US & EM

United States: according to data from the University of Michigan, US consumer sentiment fell to 49.8 in April, its lowest level since the survey began in 1978. The figure declined by -6.6% compared with March and by -4.6% year-on-year, amid rising inflation and geopolitical uncertainty linked to the war involving Iran. Inflation accelerated rapidly from 2.4% in February to 3.3% in March, driven by the conflict-induced surge in energy prices. This sharp deterioration in consumers’ purchasing environment, combined with elevated day-to-day living costs, is weighing heavily on household morale, with consumers now expecting inflation to approach 5% over the next twelve months.

China: Moody’s revised the outlook on China’s sovereign rating from “negative” to “stable” while affirming its A1 rating. The decision reflects China’s competitiveness and economic resilience in the face of current challenges, controlled management of local government debt and targeted support for high-productivity sectors. Moody’s therefore aligns its stance with the stable outlooks already maintained by S&P (A+) and DBRS (A).

Market Data Indices

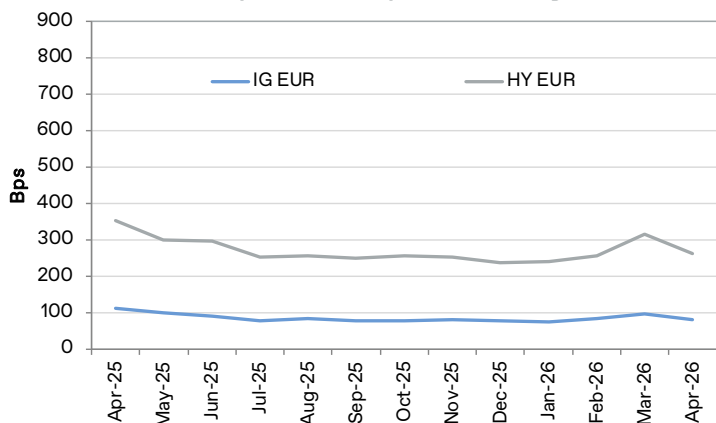
Indices (end of April)	Performance			
	MTD	YTD	Duration	Yield
High Yield				
Corporates High Yield Europe	1.88%	0.22%	3.21	5.80%
Corporates High Yield United States	1.69%	1.17%	3.04	6.98%
Corporates High Yield Europe Excluding Financials	1.83%	0.25%	3.10	5.63%
Corporates High Yield United States Excluding Financials	1.57%	1.32%	3.07	6.69%
High Yield Emerging Markets	2.80%	2.94%	3.88	7.68%
Investment Grade				
Corporates Investment Grade Europe	0.97%	-0.06%	4.51	3.72%
Corporates Investment Grade United States	0.51%	0.03%	6.62	5.13%
Investment Grade Emerging Countries	1.27%	0.11%	5.85	5.04%
Governments				
7-10 Year German Bond	0.15%	-0.38%		2.96%
7-10 Year US Bond	-0.11%	-0.30%		4.31%

Inflation (end of April)					
Realized inflation	April	March	February	6M	12M
Realized inflation in Europe (rolling 12-month)	3.00%	2.60%	1.90%	2.10%	2.20%
Realized inflation in the United States (rolling 12-month)		3.30%	2.40%	N/A	2.30%

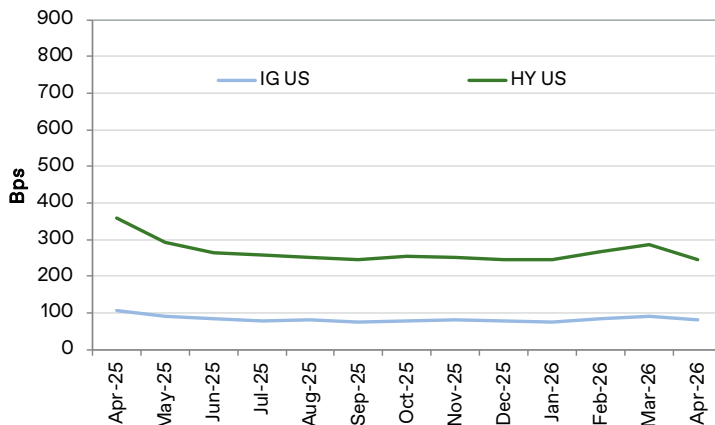
Month-to-date = MTD
Year-to-date = YTD

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EUR Corporate Bond Spreads (OAS) by Index



US Corporate Bond Spreads (OAS) by Index



Corporate Bond Spreads

	April	March	February	12 months
Europe				
Corporates Investment Grade Europe	81	96	83	112
Corporates High Yield Europe	281	333	276	370
Corporates High Yield Europe Excluding Financials	261	315	255	352
Corporate Bonds rated A Europe	73	87	76	101
Corporate Bonds rated BBB Europe	94	109	93	127
Corporate Bonds rated BB Europe	181	216	177	247
Corporate Bonds rated B Europe	375	457	367	413
United States				
Corporates Investment Grade United States	80	89	85	107
Corporates High Yield United States	275	322	300	387
Corporates High Yield United States Excluding Financials	246	287	266	357
Corporate Bonds rated A United States	67	75	71	89
Corporate Bonds rated BBB United States	100	112	106	134
Corporate Bonds rated BB United States	167	202	183	252
Corporate Bonds rated B United States	303	354	333	396
Emerging Countries				
Investment Grade Emerging Countries	84	105	91	122
High Yield Emerging Countries	351	417	362	469
Corporate Bonds rated A Emerging Countries	67	86	72	95
Corporate Bonds rated BBB Emerging Countries	109	135	121	164
Corporate Bonds rated BB Emerging Countries	224	274	234	313
Corporate Bonds rated B Emerging Countries	373	456	385	518

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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