

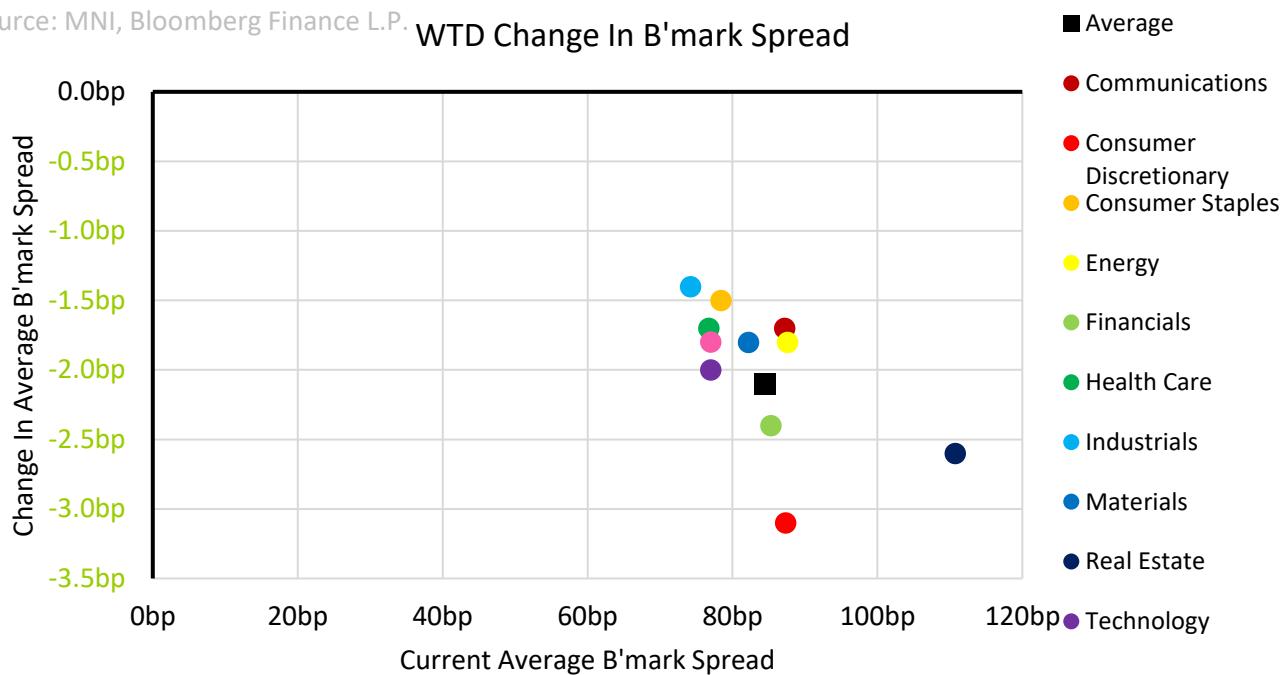
MNI Credit Weekly - 15 August 2025

Donal Golden, David Hayes, Francois Kotze, Niall Madigan, Piri Muthu, Anthony Barton

Executive Summary: Summer Lull

- **Spreads** tightened another 2bp with no major change to the macro picture and seasonally low supply.
- Mixed **macro** data left Fed pricing little changed, while technical pressure continues to steepen the DBR curve. The next Fed Chair remains topical with attention turning to Jackson Hole next week.
- **Fund Flows** remained positive in Euro-IG/HY, and USD-IG had a standout inflow.
- **Supply** was low with €5bn this week (all from fins for a second week running. Aggregate books were weaker with the average NIC slightly higher at 0bp. Expectations are higher for next week.

Source: MNI, Bloomberg Finance L.P. WTD Change In B'mark Spread



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Companies Mentioned

Amcor, Auchan, Aviva, Brenntag, Carlsberg, Castellum, Celanese, Citycon, Commonwealth Bank of Australia, Danske Bank, Deutsche Bahn, Deutsche Pfandbriefbank, E.On, Fortum, Google, Grand City, Grenke, Hannover Re, Heidelberg Materials, IHG, K+S, Kering, LANXESS, Mondi, Nasdaq, Nationwide, Nykredit Realkredit, Origin Energy, Orsted, Pandora, Porsche SE, Rakuten, Rolls-Royce, RWE, Shurgard, Simon Property Group, Stellantis, Stoneweg, Svenska Handelsbanken, Swedbank, Swiss Re, TAG Immo, Talanx, Telstra, Vestas Wind, VFC

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Developed Markets and Policy Summary

The familiar mix of data, geopolitics, and fiscal angst dominated markets for much of the week.

U.S. inflation data sent mixed signals. The July CPI report showed a further acceleration in monthly core inflation, but the increase was driven by the volatile “supercore” category. In contrast, core goods inflation—closely watched for clues on tariff pass-through—was surprisingly soft. This category merely held the still-solid monthly pace seen in June, while median core goods inflation moderated after a strong prior month.

However, PPI data was somewhat more concerning, followed by a firmer-than-expected import price reading, though this was influenced by negative revisions.

Amid the data flow, a former St. Louis Fed economist suggested the central bank should **hold** rates steady at its next meeting despite signs of a softer economy, noting that inflation remains above the 2% target, though he added that a rate cut was still likely in any case.

Fed pricing is set to end the week little changed, with 23bp of easing priced for September, 37.5bp for October, and 58bp priced by year-end. SOFR-implied terminal rate expectations remain just above 3.00%. Further along the curve, 2-year and 5-year U.S. Treasury yields hit their lowest levels since May before the PPI release pulled them back into recent ranges.

Immediate attention now turns to U.S. President Trump's Friday meeting with Russian President Putin. Our political risk team's full event primer can be found [here](#). Looking ahead, next week's focus will be the annual Jackson Hole Symposium, culminating in Fed Chair Powell's keynote on Friday. A full preview from our macro team will follow.

On Fed leadership, the list of potential candidates continues to grow, despite President Trump signalling a shortlist of four key contenders. Betting markets still see current Fed Governor Waller as the frontrunner, followed by the “two Kevins” as his main challengers.

Across the Atlantic, the Eurozone saw little in the way of major macro developments this week, but ongoing steepening pressure in bond and swap curves remains notable. A key driver here is the transition of Dutch pension schemes to defined contribution plans, reducing their demand for ultra-long maturity EUR assets.

In the UK, slightly stronger-than-expected [labour market data](#) had a hawkish impact on GBP STIRs and gilts. However, the data was by no means strong, keeping the idea of a November BoE cut alive. Broader analysis from NIESR suggests the labour market remains [tight](#).

Stronger CPI data next week could provide further hawkish momentum. Despite persistent UK [fiscal](#) concerns, recent data-driven swings, and even a “hawkish” BoE rate cut, 10-year gilt yields remain near the midpoint of the ~40bp range seen since early May.

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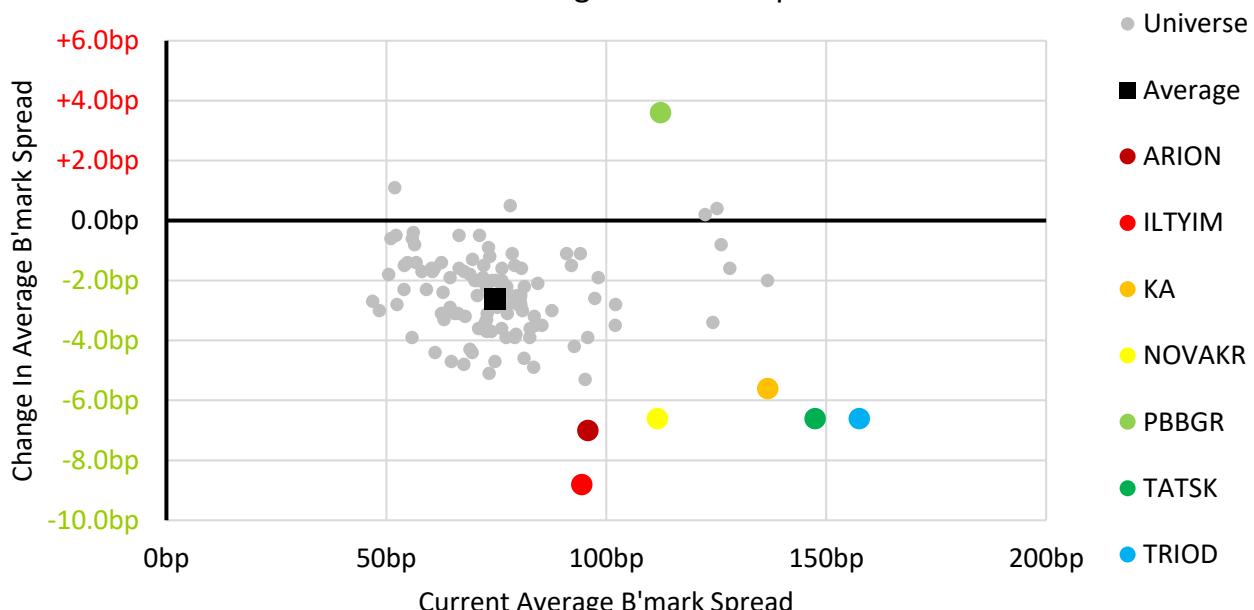
Financials: Week In Review

- **Deutsche Pfandbriefbank** - Neutral: US exit charges and fair-value effects drove a headline loss, but underlying income looked stable; management points to a cleaner balance sheet going forward. Recent Tier 2 slipped ~0.25pt on the day.
- **Nykredit Realkredit** - Neutral: first quarter including two months of Spar Nord; integration/provisions front-loaded, underlying trends decent across NII/fees/WM; profitability up YoY.
- **Aviva** - Positive: Well ahead of expectations. UK & Ireland general insurance drove earnings growth.
- **Hannover Re** - Neutral: insurance revenue and operating profit ahead; strong P&C underwriting; SII ratio lower chiefly on FX translation.
- **Swiss RE** - Small Positive: improved combined ratio drives net income growth.
- **Talanx** - Positive: strong EBIT growth and net income guidance increase.
- **Grenke** - Neutral: Strong volume growth. Provision costs remain elevated, in line with Q1.

New Issues

- **Danske Bank** - Issued at 10.25NC5.25 Green Tier 2 at MS+118. Our [FV](#) MS+117.
- **Swedbank** - Issued a 10NC5 Tier 2 at MS+118. Our [FV](#) MS+120.
- **Commonwealth Bank of Australia** - Issued a 7NC12 Tier 2 at MS+132. Our [FV](#) MS+129.
- **Nationwide** - Issued a 7y Sr Pref at MS+75. Out FV was MS+83. Trading I+73
- **Svenska Handelsbanken** - Issued a 7Y Green Sr Non-Pref at MS+77. Our FV MS+75.

Source: MNI, Bloomberg Finance L.P. WTD Change In B'mark Spread



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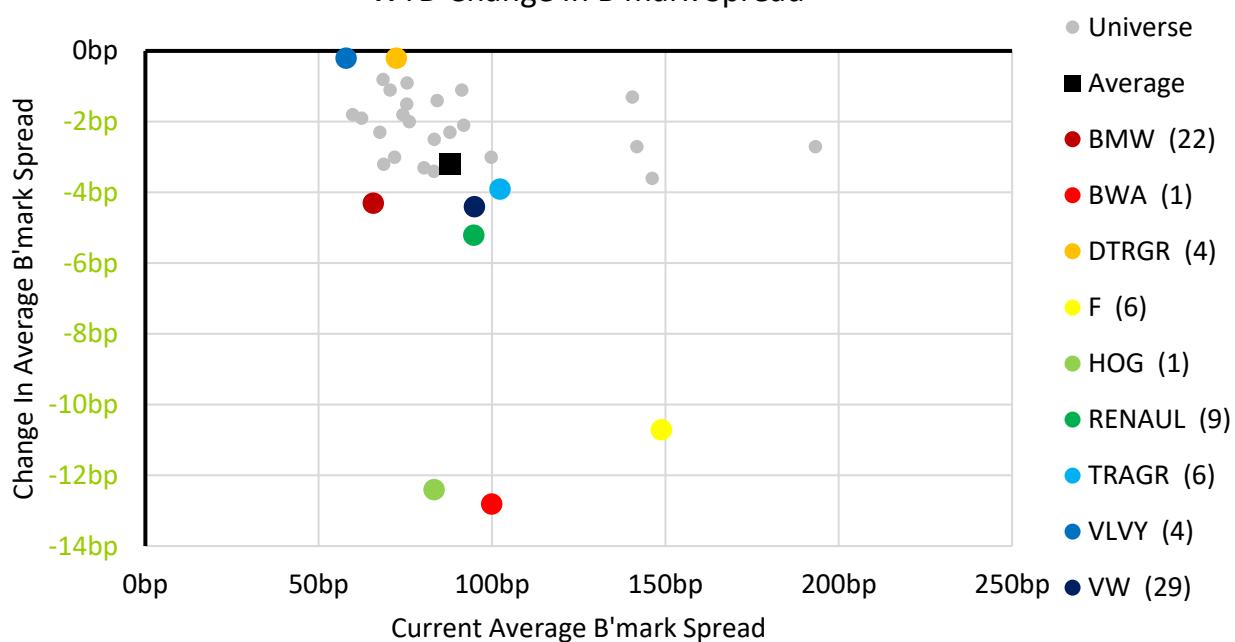
Autos: Week in Review

- Spreads outperformed marginally at -3bp on the week. US names led the move with F, HOG and BWA all 10+ tighter.
- **Stellantis** was put on outlook negative by S&P following weak 1H results. It now factors in €1.8bn tariff impact on FY26 EBITDA. Our base case is a future downgrade.
- **Porsche SE** 1H25 confirmed a sharp EBIT decline and downgraded guidance following Volkswagen's outlook.

Source: MNI, Bloomberg Finance L.P.

WTD Change In B'mark Spread

Bracketed figure is # of bonds



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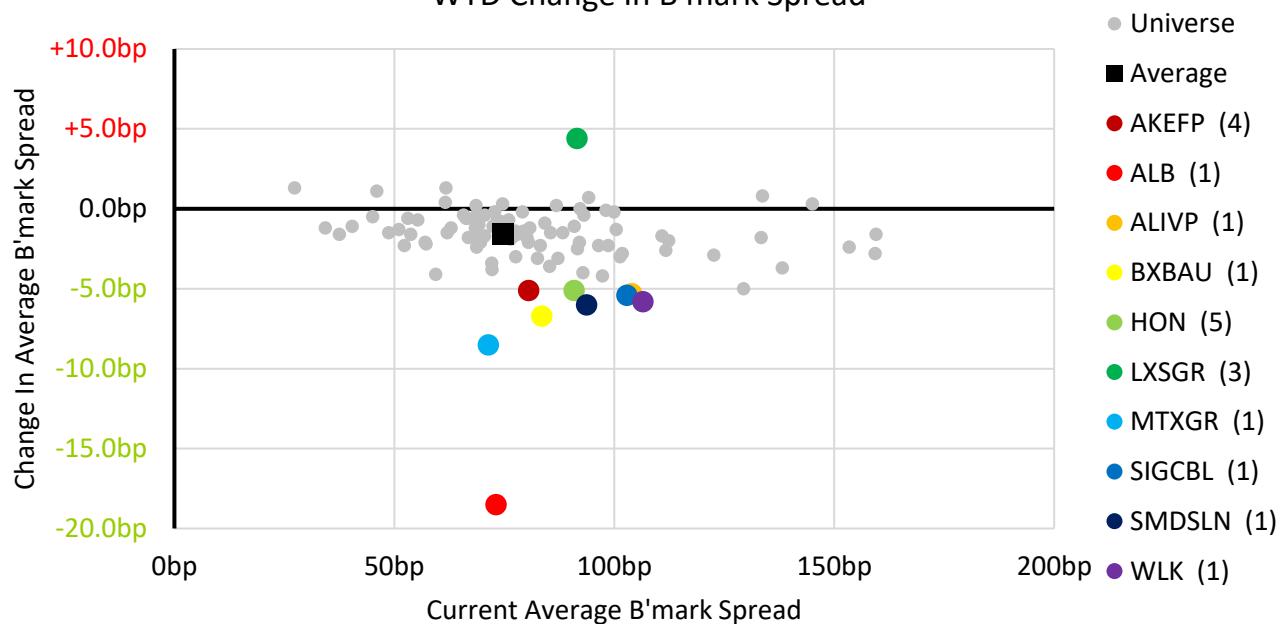
Industrials: Week in Review

- Spreads moved in line at -2bp on the week. LXSGR (+4) lagged following results, while ALB's short dated paper (-19) outperformed following a lithium mine closure in China.
- **Celanese** [results](#) beat consensus, but 3Q guidance was weak. Leverage held steady.
- **Brenntag** results showed revenue decline, margin pressure, but progress on cost savings; leverage was [stable](#).
- S&P [downgraded](#) **Mondi** with lower EBITDA leaving leverage outside threshold.
- **LANXESS** posted negative [results](#) with declining revenue, margin pressure, and lower FCF; leverage improved following asset sales.
- **Amcor** reported a modest [miss](#). FY26 FCF guidance was above estimates. It also flagged a potential asset sale.
- **Vestas Wind** [results](#) missed expectations but it reiterated FY25 guidance. The recovery story remains intact.
- Moody's put **Heidelberg Materials** on positive outlook citing decade-low leverage and strong EBITDA margins.
- **Rolls-Royce** was upgraded by S&P to BBB+ on continued profitability and cash flow improvement.

Source: MNI, Bloomberg Finance L.P.

WTD Change In B'mark Spread

Bracketed figure is # of bonds



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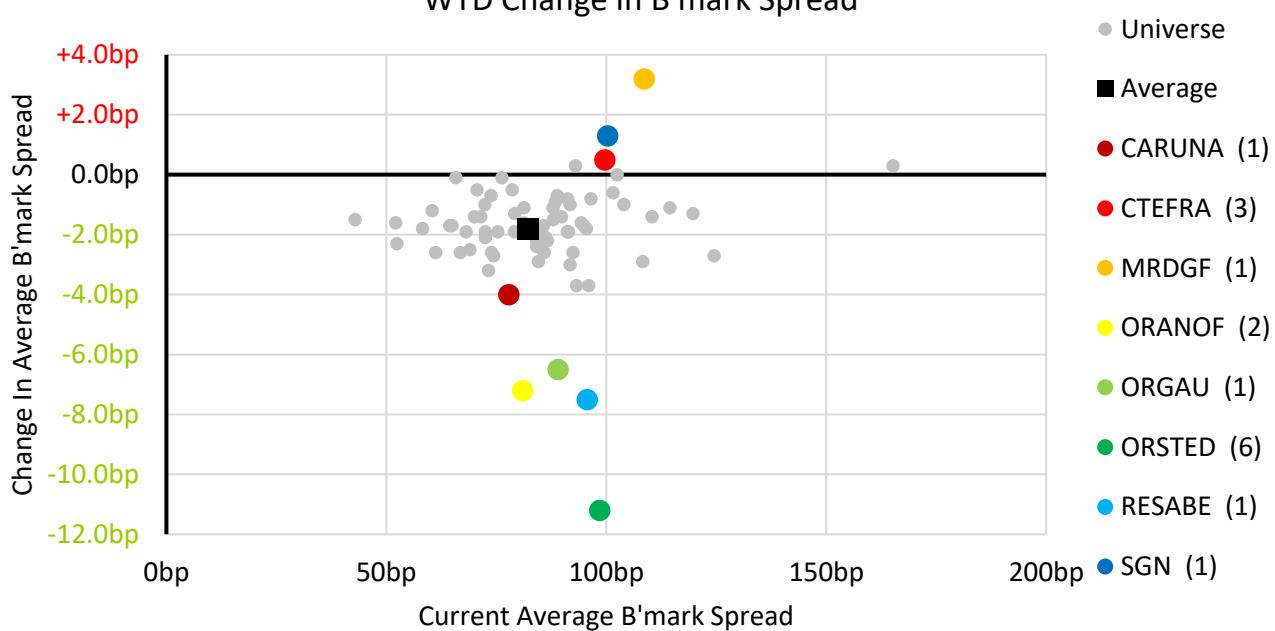
Utilities: Week in Review

- Spreads performed in line at -2bp for the week. ORSTED (-11) was the top performer following the rights issue.
- **Orsted** results confirmed FY25 EBITDA guidance, but FY26 was reduced by ~10%. That was overshadowed by the DKK60bn rights issue to plug its funding gap as the Sunrise Wind farm down was shelved. S&P's downgrade came as a surprise; we had expected stabilisation.
- **E.On** results were solid, confirming guidance and leverage targets.
- **RWE** results showed EBITDA down 24% on weak wind and lower pricing. FY25 guidance was maintained.
- **Origin Energy** FY results were steady. FCF turned negative on capex and working capital, leaving leverage higher as expected.
- **Fortum** results showed revenue and EBITDA declines on volume and power prices. FY guidance was confirmed.

Source: MNI, Bloomberg Finance L.P.

WTD Change In B'mark Spread

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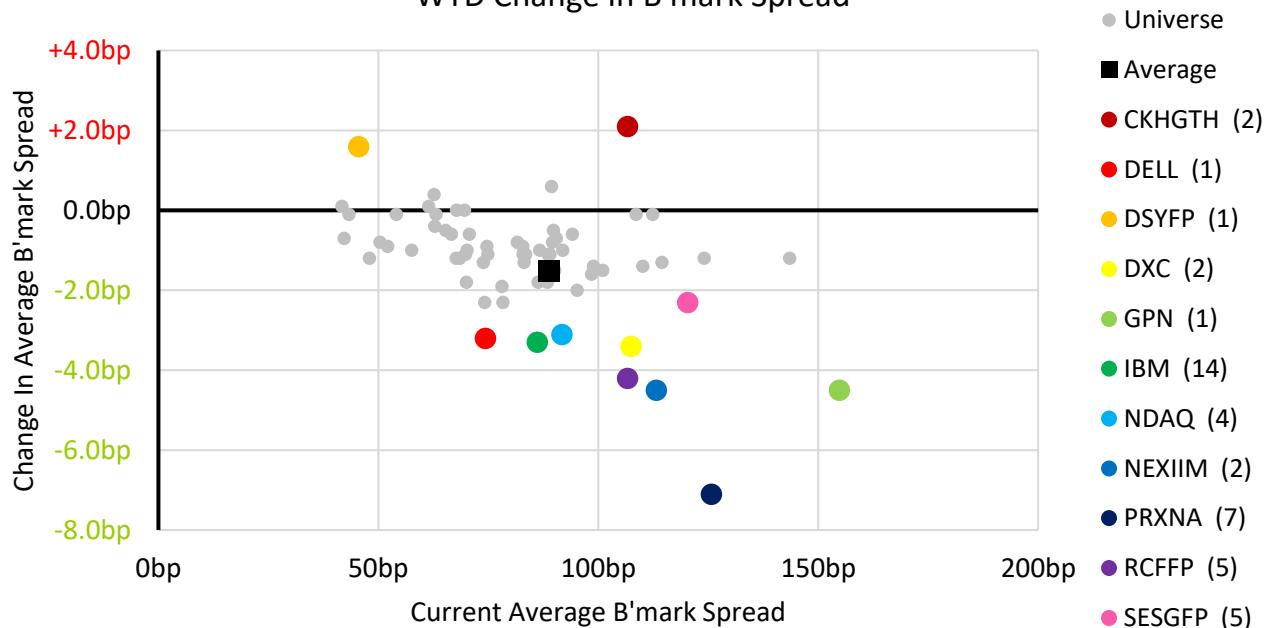
TMT: Week In Review

- No supply this week. Sole rating action was an [upgrade](#) for **Nasdaq** by S&P.
- Earnings slowed, with only **Telstra** and **CK Hutchison** reporting.
- **Telstra** [results](#) were marginally soft but broadly credit neutral with S&P coming out to confirm that higher buybacks will have limited impact on the credit profile.
- **CK Hutchison** [posted](#) steady growth rates. The bottom line was soft on 3-Vodafone integration costs though adjusting for these, the group results were in line. Comments on the call indicated that a ports deal may not materialise this year. Telco-specific presentation [here](#).
- Not much in the way of corporate news given the time of the year; we [flagged](#) reports on a Perplexity bid for **Google Chrome** though the market is very sceptical of a deal materialising.

Source: MNI, Bloomberg Finance L.P.

WTD Change In B'mark Spread

Bracketed figure is # of bonds

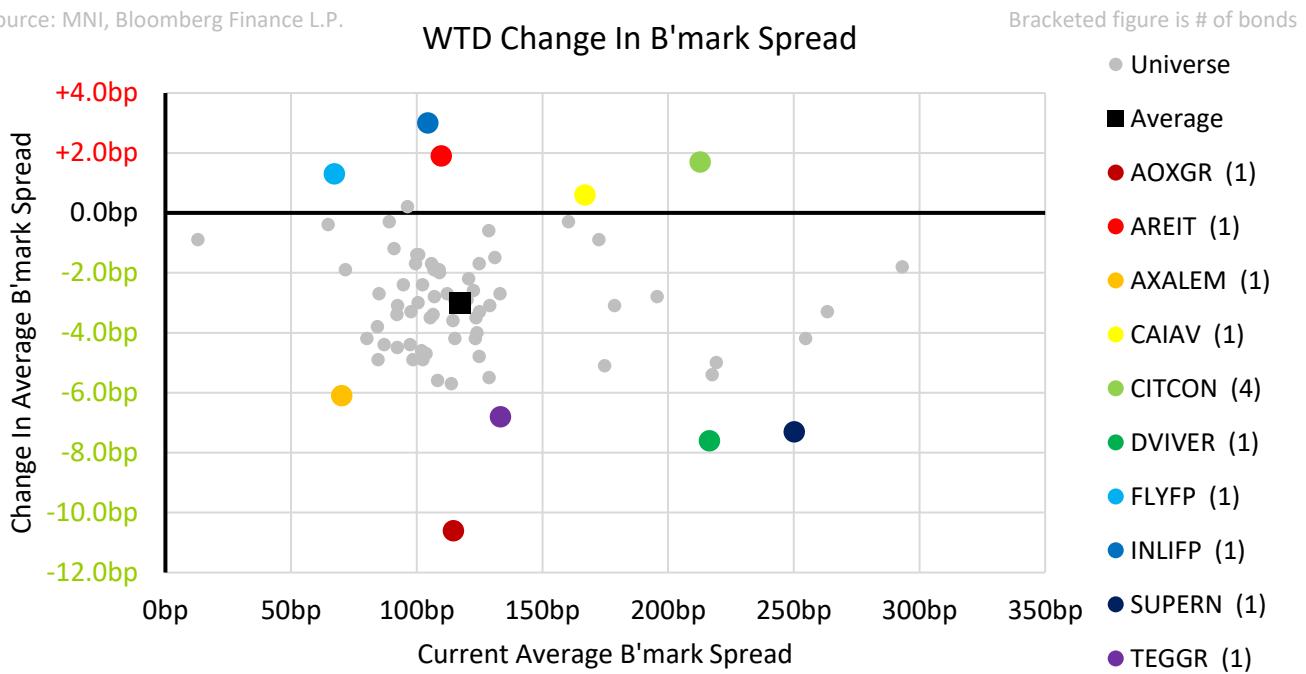


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Property: Week in Review

- No supply this week. **Simon Property** was upgraded by S&P.
- We didn't see much of an obvious credit impact from this week's earnings.
- **TAG Immo** saw LFL rental growth with rental EBITDA +5% and FFO I slightly higher.
- **Stoneweg** reported modest growth in gross revs, net property income and occupancy rates.
- **Shurgard** results were broadly in line with expectations on op revs, NOI and EBITDA.
- We flagged a small **Citycon** perps tender (re-aligns with S&P's equity treatment threshold).

Source: MNI, Bloomberg Finance L.P.



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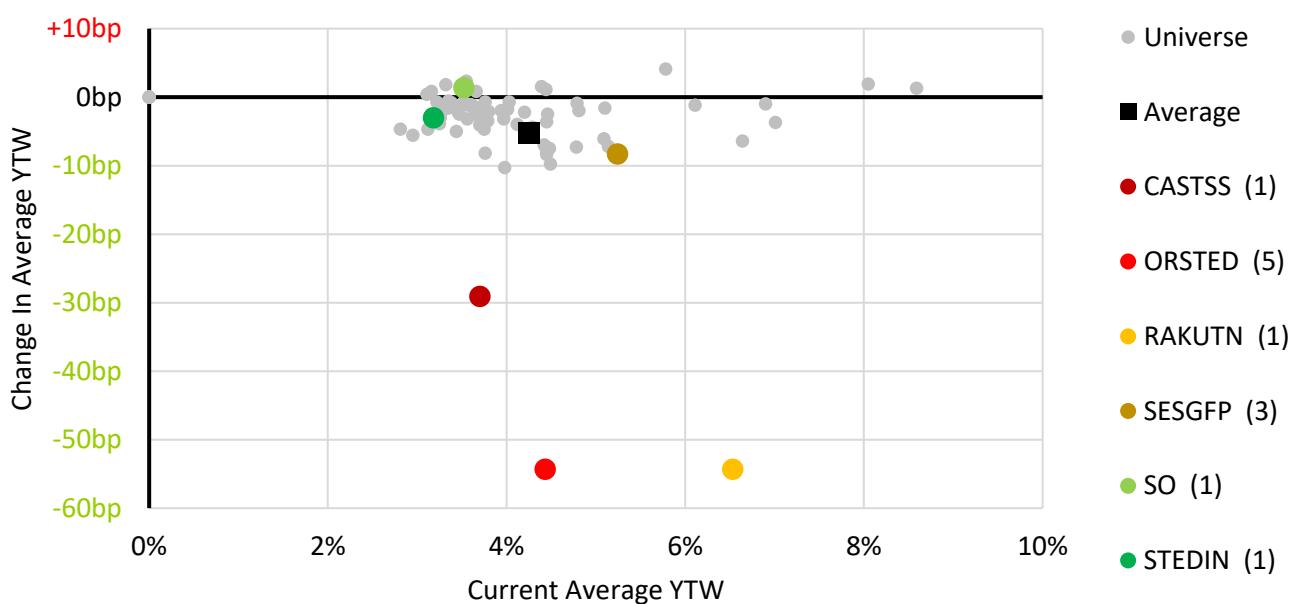
Hybrids: Week in Review

- **Citycon** launched a max. €50m tender across both the 7-coupon handled perps not far from market mids.
- **Rakuten** was the strongest mover, mirroring a rally in equities that has continued from earnings last week.
- **Orsted** rallied on DKK60b rights issue backed by Danish state and results that were ahead of expectations. It did not hold off a S&P Downgrade, Hybrids moved to BB- Stable now.
- **Castellum** with strong 30bp move, equities traded sideways this week. Comments in earnings call last month was pricing then made early call less attractive - but from risk angle it “could be a good idea” to proactively handle it.
- **Grand City**’s view on hybrids has not changed – main wish is to refinance ahead of time but it notes other option is an exchange.

Source: MNI, Bloomberg Finance L.P.

WTD Change In YTW

Bracketed figure is # of bonds



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Consumer & Transport: Week in Review

Relatively strong compression, in line with a high-single digit tightening in HY. It does look selective and outperformers VFC and Flutter both look deserving to us. Retail bonds also outperformed led by Sixt. That did not extend to Lufthansa which finally found its floor as some retail lines moved wider on reported selling. If primary does not come through next week, the event calendar will remain empty.

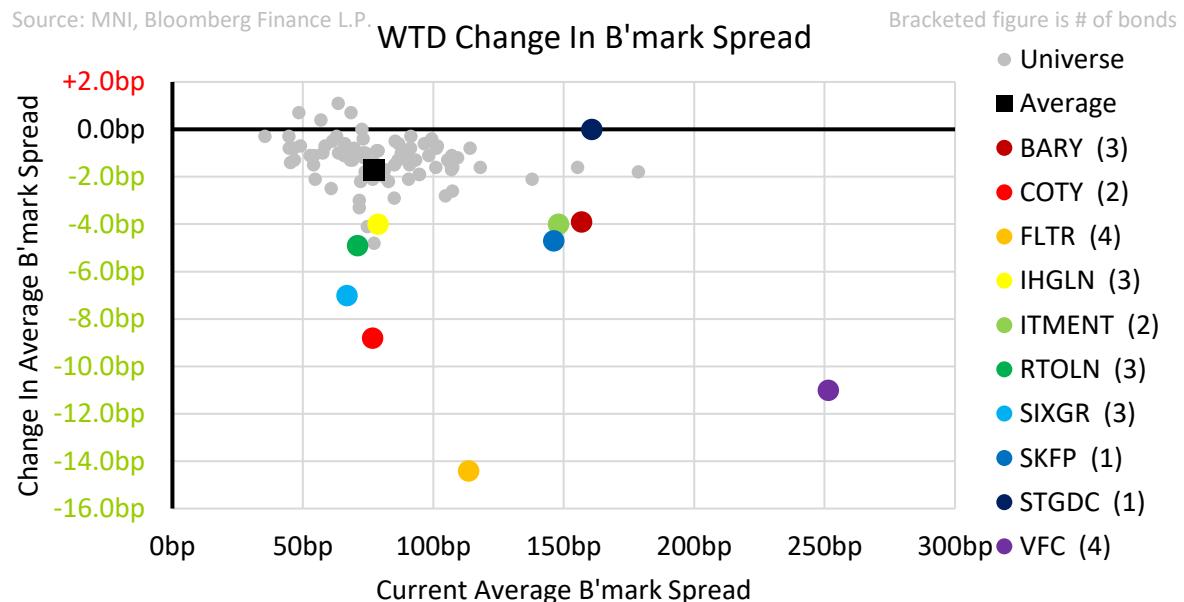
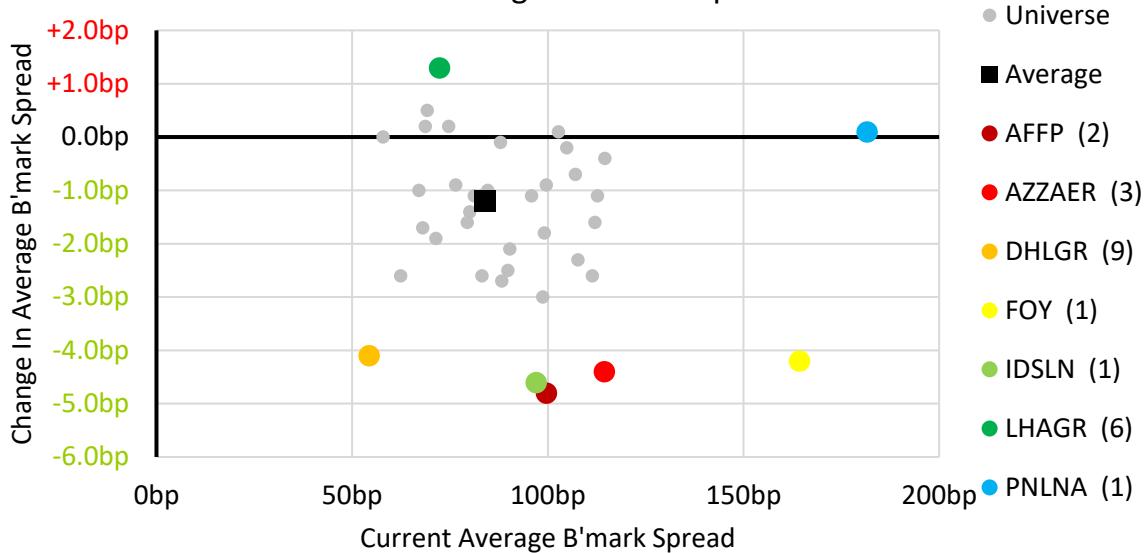
- **Kering** was moved to negative outlook by S&P avoiding an expected downgrade. We see the main reason for more leeway as the clarification given in the last earnings call around the mechanics of the Valentino put, and why that would mean it would be unlikely to be exercised next [year](#).
- **Pandora** showed signs of slowing LFL sales growth as it still edged its 9th straight quarter of growth. The former was enough to disappoint equities that fell 19%. We still see the credit as [firm](#).
- **Deutsche Bahn** announced it will replace its CEO after continued criticism on its poor performance running the German rail network. Despite coming alongside sizeable financial losses and a capex ramp-up now expected, S&P rewarded it with a double notch rating upgrade earlier this month on more budget support from the government. 1H capex totalled €7.3b of which only €1.8b was not financed by the [government](#).
- **VFC's** 24-month in CEO, Bracken Darrell, did an interview mostly repeating his core strategy to turnaround the [company](#). Despite the new management's history of back-to-back beats and now two of the three major brands in growth, equities still shy away from pricing any aggressive growth. Weak guidance for next quarter alongside still high-single digit fall in Vans may be acting as the headwinds to sentiment.
- **Carlsberg** reported surprisingly firm Western Europe growth in beers, while Asia and soft drinks were weaker. As is the case industry wide, zero-alcohol beers continued to lead the growth. It has less room than peers for any weakness given still elevated leverage post the Britvic [purchase](#).
- **IHG** had S&P affirm it is well positioned for ratings. It echoed our comments from earnings last week. We see relative value (vs. Accor & easyJet) still; the curve outperformed this week.
- **Auchan** completed the €2.9b transfer of its 27-29 bonds to its real-estate arm, NIH, moving it closer to a stronger performing, IG-like business. NIH has covenants limiting indebtedness (LTV), secured debt to <20% and ICR – it may come close to some of those thresholds post transfer if it does not post better NIH earnings.

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Source: MNI, Bloomberg Finance L.P.

WTD Change In B'mark Spread

Bracketed figure is # of bonds



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Fund Flows

For the week ended Wednesday:

- EUR strength moderated to \$1.6b/\$0.4b inflows for IG/HY (vs. \$2.4b/\$0.4b last week). Meanwhile USD IG inflows continued to build on recent strength at \$5.4b, the largest inflow since Jan 2024. There was strength elsewhere too; USD-HY had \$1.95b and USD Agg. funds \$4.0b inflows.
- USD govt inflows persisted at \$2.9b. EUR govts reversed to \$0.6b inflows.
- US equities reversed from last weeks \$28b outflow to a \$21b inflow taking DM equities to a \$28.5b inflow. Small outflows for Chinese equities continued at \$0.7b. Broader EM was also weak with \$2.1b outflows.
- Sources: TD, citing EPFR data; Bloomberg, citing BofA/EPFR.

Supply Expectations

- Expectations for all publicly syndicated deals (IG/HY EUR/GBP Covered/Credit/SSA) are slightly higher for next week (as per Bloomberg's primary survey).
- The average response for Corps for next week is €3-5bn (vs. €1.5-3bn for this week) while for FIG it's €7-12bn (vs €3.5-6bn for this week).

BBG News Survey (All Public Deals)	Last Week	This Week	Next Week
<€5bn	57%	33%	0%
€5bn-€10bn	14%	50%	44%
€10bn-€15bn	29%	0%	33%
€15bn-€20bn	0%	17%	0%
€20bn-€25bn	0%	0%	0%
€25bn-€30bn	0%	0%	22%
>€30bn	0%	0%	0%
Total <€25bn	100%	100%	78%
Total >€25bn	0%	0%	22%

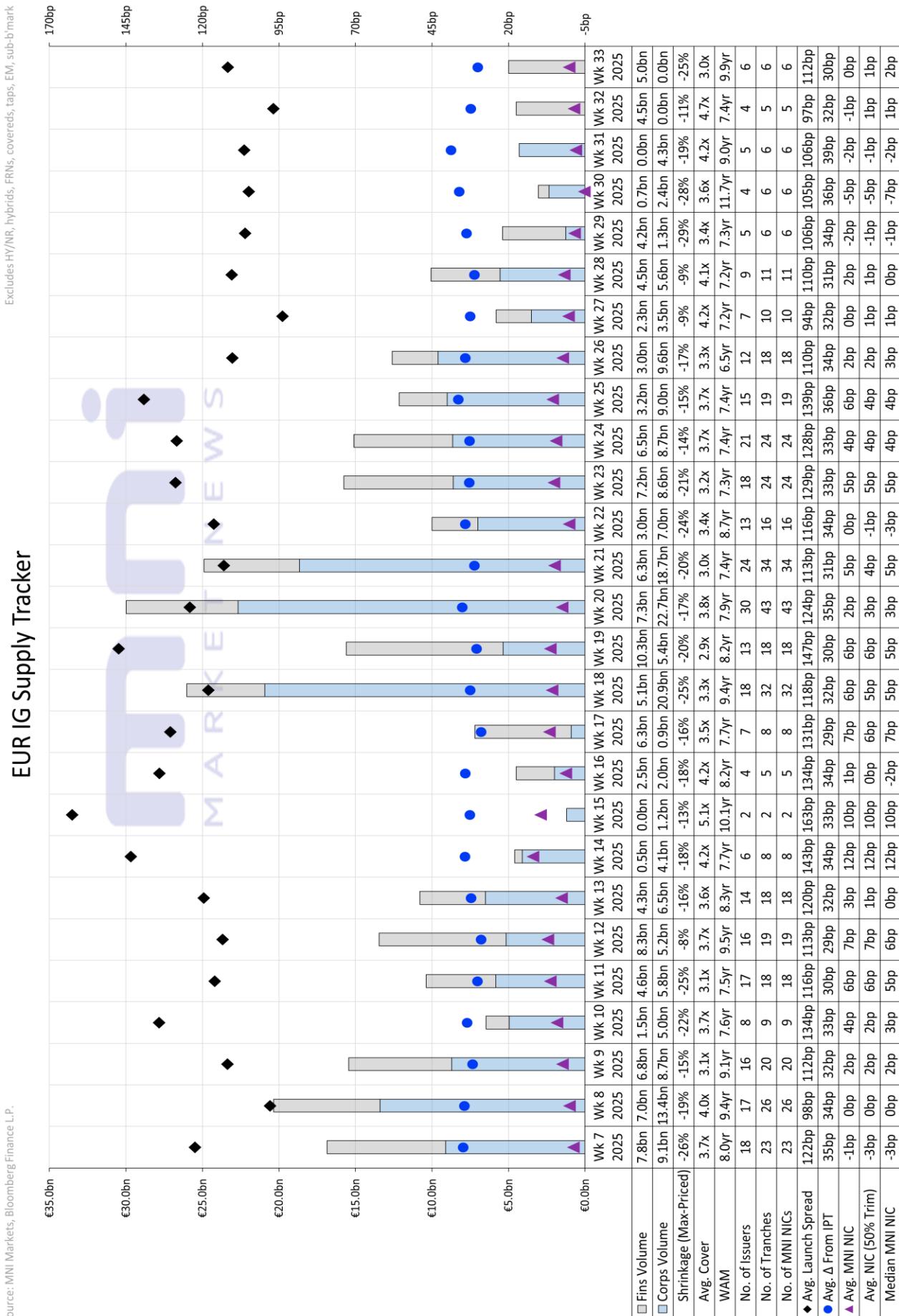
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EUR IG Primary Tracker (excl. sub-benchmark, FRNs, hybrids, covered, supply on day of publication)

Sector	Issuer	Ticker	Rank	Rating	Tenor	Amt (bn)	Cover	Δ IPT	Launch	NIC
Banks	COMMONWEALTH BANK AUST	CBAAU 3.788 08/26/37	T2	A-	12-NC7	1.00bn	4.6x	33bp	132bp	3bp
Banks	DANSKE BANK A/S	DANBNK 3 1/2 11/19/35	T2	BBB+	10.25-NC5.25	0.50bn	3.8x	32bp	118bp	1bp
Banks	ING GROEP NV	INTNED 3 7/8 08/20/37	T2	BBB	12-NC7	1.25bn	3.5x	25bp	150bp	5bp
Banks	NATIONWIDE BLDG SOCIETY	NWIDE 3 1/8 08/18/32	SP	A+	7.00	1.00bn	1.6x	30bp	75bp	-8bp
Banks	SVENSKA HANDELSBANKEN AB	SHBASS 3 1/4 08/19/32	SNP	A	7.00	0.75bn	2.1x	28bp	77bp	2bp

- €5bn supplied across six lines from six issuers. All fins for a second week running.
- Books were notably weaker, with max-priced shrinkage of 25% and average cover of 3x.
- Aggregate NICs were higher WoW, with the average NIC leaving negative territory.

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Rising Star & Fallen Angel Watch

Rising Star Watch: Ba1 Moody's or BB+ S&P/Fitch rated issuers on outlook or watch positive

Fallen Angel Watch: Baa3 Moody's or BBB- S&P/Fitch rated issuers on outlook or watch negative

Rising Star Watch	Ticker	Moody's	S&P	Fitch
AIB GROUP PLC	AIB	Baa2	BB+	WD
ALPHA BANK SA	ALPHA	Ba1		
AZZURRA AEROPORTI SPA	AZZAER	Ba1		
BANCA MONTE DEI PASCHI S	MONTE	Ba1		BBB-
BANCA TRANSILVANIA	TVLRO	Ba1		
BANCO BPM SPA	BAMIIM	Baa3	BB+	BBB-
BANCO COMERC PORTUGUES	BCPPL	Baa3		BB+
BANK MILLENNIUM SA	MILPW	Ba1		BBB-
BANK OF IRELAND GROUP	BKIR	Baa2	BB+	BBB
BPER BANCA	BPEIM	Ba1		BB
CAIXA ECO MONTEPIO GERAL	MONTPI	Ba1		
CARNIVAL PLC	CCL	Ba3	BB+	BB+
CREDITO EMILIANO HOLDING	CRDEM	Ba1		
INTESA SANPAOLO ASSICURA	ISPVIT			BB+
INTESA SANPAOLO SPA	ISPIM	Baa3	BBB-	BB+
JAGUAR LAND ROVER	TTMTIN	Ba1	BBB-	
MEDIOBANCA DI CRED FIN	BACRED	Ba1	BBB-	BB+ *-
METRO AG	MEOGR		BB+	
MILIONE SPA	MILION	Ba1		
NEXI SPA	NEXIIM	Ba1	BBB-	BBB-
PHOENIX PIB DUTCH FINANC	PHARGR		BB+	
PIRAEUS BANK SA	TPEIR	Baa2		BB+
RENAULT SA	RENAUL	Ba1	BB+	
SAIPEM FINANCE INTL BV	SPMIM	Ba1	BB+ *+	
SPIE SA	SPIEFP		BB+	BB+
UNICREDIT SPA	UCGIM	Ba1	BBB-	BBB-

Fallen Angel Watch	Ticker	Moody's	S&P	Fitch
ALBEMARLE NEW HOLDING	ALB	Baa3	BBB-	BBB-
ALTAREA	ALTAFP			BBB-
BANCA TRANSILVANIA	TVLRO			BBB-
BARRY CALLEBAUT SVCS NV	BARY	Baa3	BBB-	
BRIGHT FOOD SINGAPORE	BRTFOD	Baa3	BBB-	BBB
CELANESE US HOLDINGS LLC	CE	Ba1	BB+	BBB-
EEW ENERGY FROM	EONWGR			BBB-
FORD MOTOR CREDIT	F	Ba1	BBB-	BBB-
HEIMSTADEN BOSTAD AB	HEIBOS			BBB- BBB-
ITM ENTREPRISES SASU	ITMENT			BBB-
LANXESS AG	LXSGR	Baa3	NR	
MVM ENERGETIKA ZRT	MVMHU			BBB- BBB
NEMAK SAB DE CV	TNEMAK	Ba2u	BB+	BBB- *-
NORTEGAS ENERGIA DISTRI	NATUEN			BBB-
PRYSMIAN SPA	PRYIM			BBB-
REDEXIS GAS FINANCE BV	REDEXS	Baa3u	BBB-	WD
REDEXIS SA	REDEXS			BBB-
SES SA	SESGFP	Baa3		BBB
SOCIETA DI PROGETTO BREB	SOCPRO			BBB-
SOCIETATEA NATIONALA DE	ROMGAZ			BBB-
SYNGENTA FINANCE NV	SYNNVX	Baa3	BBB	BBB
WORLDLINE SA/FRANCE	WLNFP			BBB-

Source: MNI, Bloomberg Finance L.P.

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Rating Actions

Investment Grade

Company Name	Date	Rating Type	Agency	Curr Rtg	Last Rtg
Eastman Chemical Co	08/14/2025	Outlook	S&P	NEG	
Heidelberg Materials AG	08/14/2025	Outlook	Moody's	POS	
Orsted AS	08/14/2025	LT Foreign Issuer Credit	S&P	BBB-	BBB
Orsted AS	08/14/2025	Outlook	S&P	STABLE	
Rolls-Royce PLC	08/14/2025	LT Foreign Issuer Credit	S&P	BBB+	BBB
Rolls-Royce PLC	08/14/2025	Outlook	S&P	STABLE	
Mondi PLC	08/13/2025	LT Foreign Issuer Credit	S&P	BBB+	A-
Mondi PLC	08/13/2025	Outlook	S&P	STABLE	
Nasdaq Inc	08/12/2025	LT Foreign Issuer Credit	S&P	BBB+	BBB
Nasdaq Inc	08/12/2025	Outlook	S&P	STABLE	
Kering SA	08/11/2025	Outlook	S&P	NEG	
Kinder Morgan Inc	08/11/2025	LT Issuer Default Rating	Fitch	BBB+	BBB
Kinder Morgan Inc	08/11/2025	Outlook	Fitch	STABLE	
Simon Property Group Inc	08/11/2025	LT Foreign Issuer Credit	S&P	A	A-
Simon Property Group Inc	08/11/2025	Outlook	S&P	STABLE	

Source: MNI, Bloomberg Finance L.P.

High Yield

Company Name	Date	Rating Type	Agency	Curr Rtg	Last Rtg
Green Bidco SA	08/11/2025	LT Foreign Issuer Credit	S&P	CCC+	B-
Green Bidco SA	08/11/2025	Outlook	S&P	NEG	

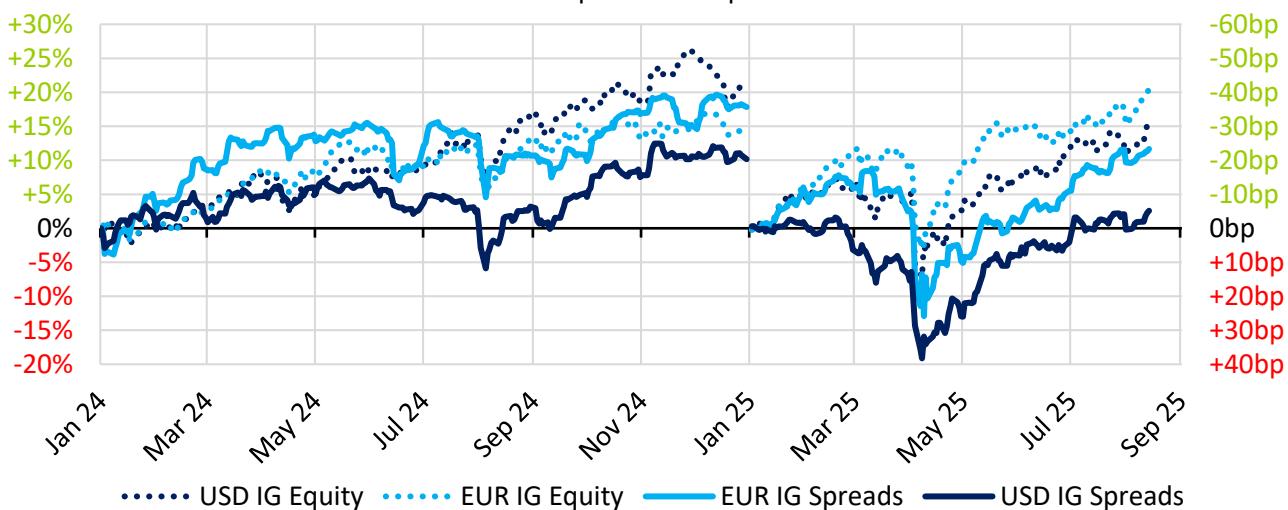
Source: MNI, Bloomberg Finance L.P.

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Charts

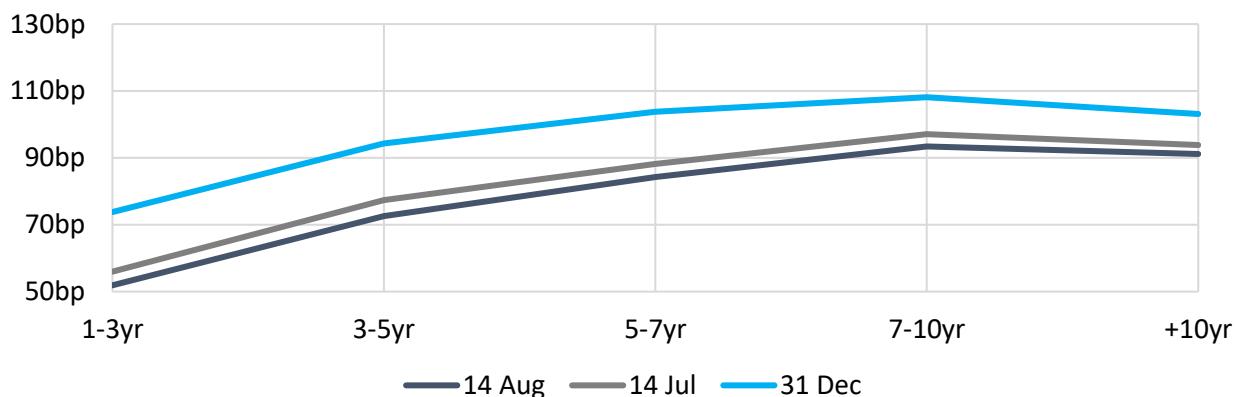
Source: MNI, Bloomberg Finance L.P.

Index Spreads vs. Equities



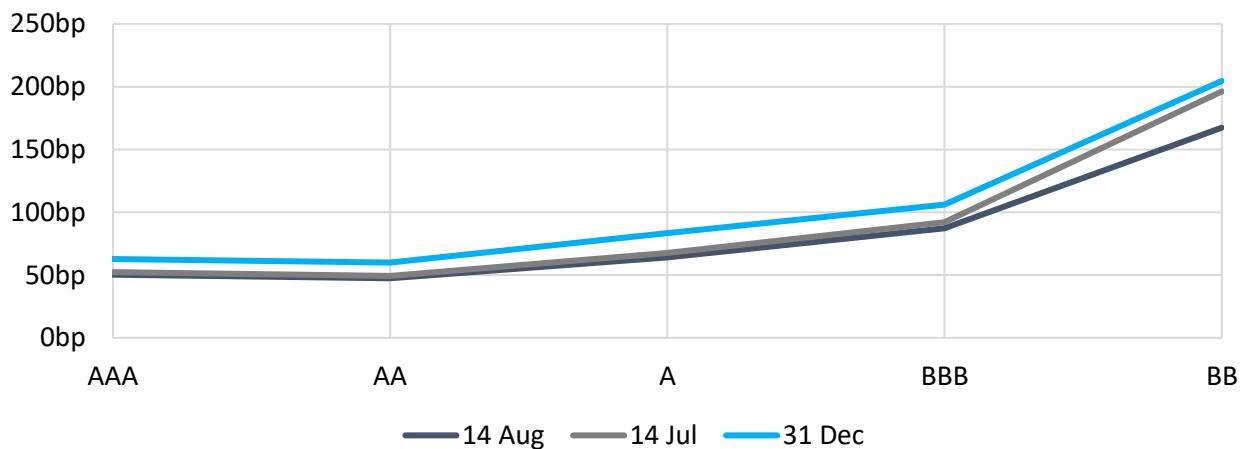
Source: MNI, Bloomberg Finance L.P.

EUR IG Credit Curve



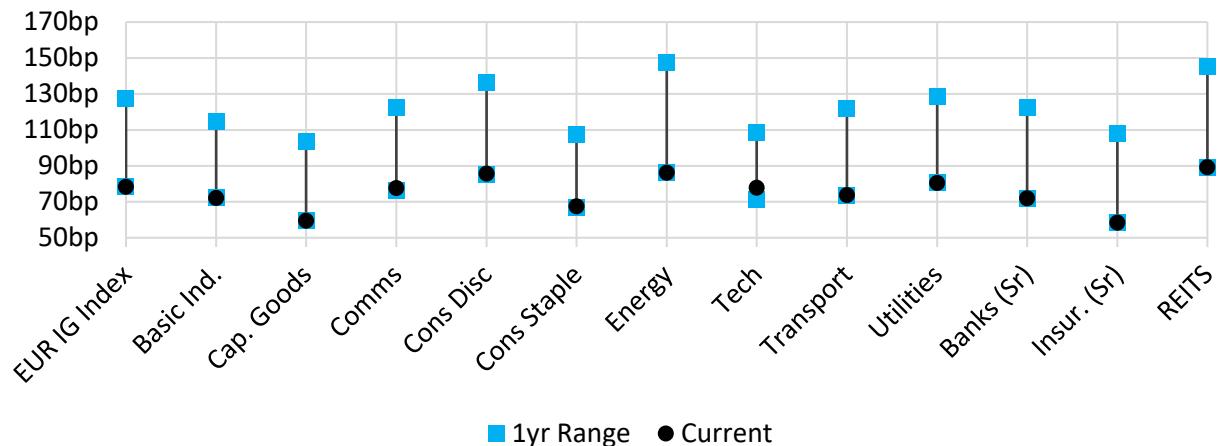
Source: MNI, Bloomberg Finance L.P.

EUR Rating Curve



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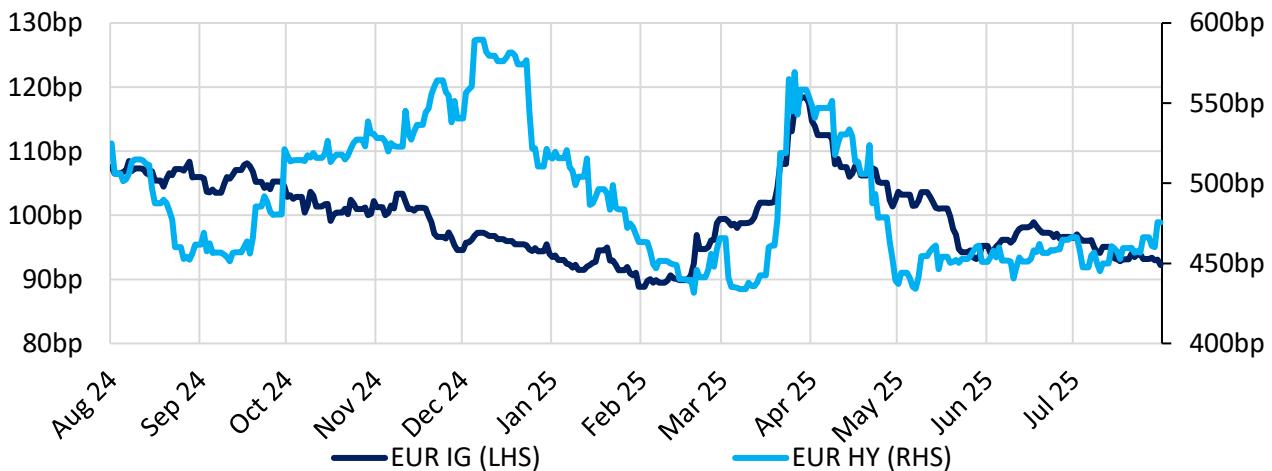
Source: MNI, Bloomberg Finance L.P. One Year OAS Ranges By Sector Index



Source: MNI, Bloomberg Finance L.P.

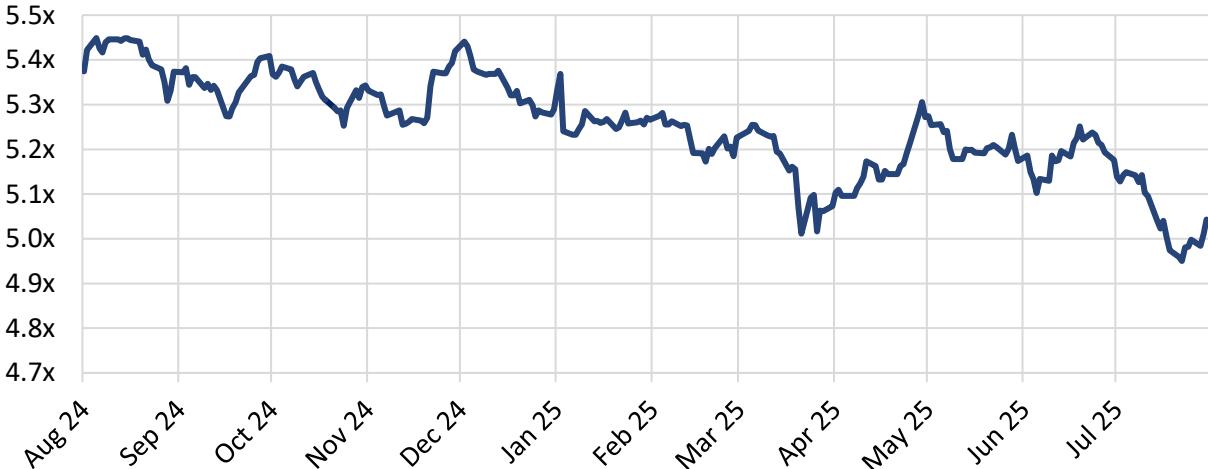
Index Dispersion

90th-10th Percentile OAS



Source: MNI, Bloomberg Finance L.P.

Crossover vs. Main Ratio

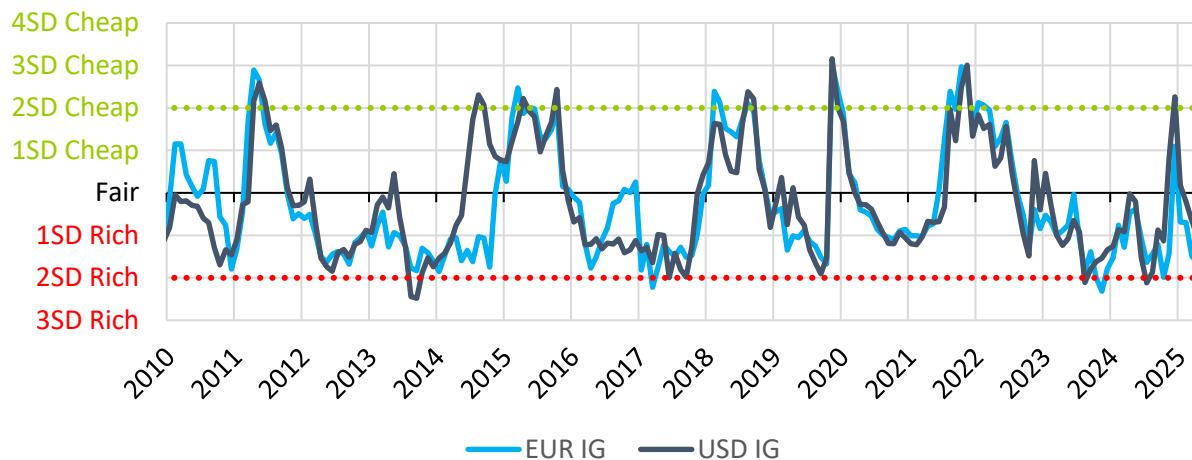


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Source: MNI, Bloomberg Finance L.P. HY Credit Spreads (1y SD, Monthly)



Source: MNI, Bloomberg Finance L.P. IG Credit Spreads (1y SD, Monthly)



Source: MNI, Bloomberg Finance L.P. EUR Rating Spreads (1y SD, Monthly)

