

# Credit Market Overview



As at 29 November 2024

Measure	Level	1 Month	3 Month	6 Month	12 Month
<b>Cash Spread/Yield Changes</b>					
Global IG Corp YTW (%)	4.54	-0.13	-0.01	-0.56	-0.69
Global IG Spread (bps)	89	-3	-13	-6	-33
Global HY YTW (%)	7.28	-0.19	-0.43	-1.01	-1.73
Global HY Spread (bps)	324	-13	-59	-51	-137
<b>Currency (Unhedged) Performance (%)</b>					
Bloomberg USD Corp		1.34	0.63	5.32	8.66
Bloomberg GBP Corp		1.51	0.59	3.36	7.37
Bloomberg Euro Corp		1.56	2.50	5.26	8.00
<b>Higher Beta Sector (Hedged) Performance (%)</b>					
Bank AT1		0.85	2.25	6.50	17.19
EUR High Yield		0.69	2.49	5.77	12.46
US High Yield		1.15	2.23	6.92	12.71
Leveraged Loans		1.06	2.68	4.35	10.35
EUR Corp Hybrids		0.87	3.10	7.14	16.57
Global EM USD Index		1.11	1.48	6.19	12.39
<b>Rating Bucket Performance (%)</b>					
USA		1.20	0.43	5.08	8.07
US BBB		1.48	0.94	5.59	9.53
US BB		1.10	1.23	5.52	10.47
US B		1.07	1.81	6.20	11.58
US CCC		1.41	6.56	13.21	21.77
<b>IG Maturity Bucket Performance (%)</b>					
Short (1-3 Yr)		0.47	0.91	3.66	6.48
Intermediate (5-10 Yr)		1.20	0.43	5.50	9.26
Long		2.27	0.66	6.61	10.00
<b>Global IG Corp Index Attribution (%)</b>					
Carry		0.39	1.14	2.55	5.23
Duration		0.78	-0.65	2.51	1.82
Spread		0.18	0.79	0.36	1.96
<b>Performance</b>		<b>1.34</b>	<b>1.27</b>	<b>5.42</b>	<b>9.01</b>

## Overview

- The outcome of the US election, which saw Donald Trump victorious in a clean sweep for Republicans, proved to be the major catalyst for market moves throughout November. Government bond yields declined, equity markets advanced, and credit spreads tightened. Monetary policy remained supportive in November, as both the U.S. Federal Reserve and the Bank of England implemented rate cuts.
- US IG spreads narrowed to their tightest level since 1997 while US HY spreads reached post-GFC tightness. Interest rate duration was the predominant contributor to IG returns on the month, as carry and spread compression also aided performance. Bonds with greater interest rate sensitivity generally outperformed, as longer-duration credit delivered stronger returns than shorter-duration counterparts, and lower-beta assets outpaced higher-beta ones.

## Investment Grade

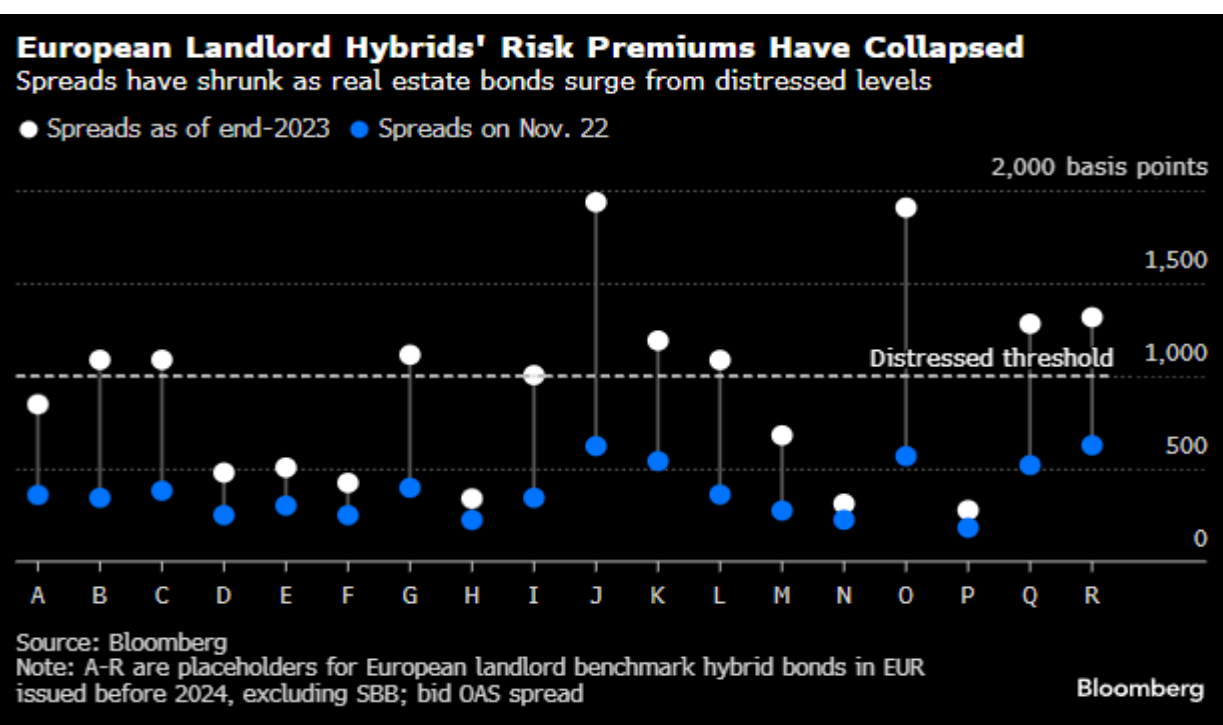
- European debt markets also saw remarkable activity, with €79bn of monthly sales setting a record-breaking €1.7 trillion for the year, surpassing the previous full-year record set in 2020. Corporate issuers dominated supply for the first time this year.
- The accommodative market conditions were exemplified by Heimstaden Bostad AB's issuance of the first hybrid bond by a property company since 2021. The €500 million transaction attracted more than €2 billion in orders, suggesting a renewed appetite among investors for a sector that has faced significant challenges in recent years.

## Financials

- The AT1 market's year of record supply continued with 5 new issues in November, including Raiffeisen Bank which successfully issued more than 6 months after an earlier deal failed.
- Conversely, Deutsche Pfandbriefbank's first debt offering since concerns over real estate surfaced faced difficulties. The three-year green bond failed to tighten from initial guidance, leaving dealers holding as much as €200 million of the €500 million issuance.

## High Yield

- After a particularly active October, the US HY primary market slowed significantly last month, with only \$9bn issued - the lowest supply since July 2023. Nevertheless the market rallied along with other risk markets, led by CCCs which saw yields fall below 10% for the first time since early 2022.



— — —

*Rubrics Global UCITS Funds Plc is a variable capital umbrella investment company with segregated liability between sub-funds; incorporated with limited liability in Ireland under the Companies Acts 2014 with registration number 426263; and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended). This document is for information only and does not constitute an offer or solicitation to deal, whether directly or indirectly, in any particular fund. Nothing in this document should be taken as an expressed or implied indication, representation, warranty or guarantee of performance whether in respect of income or capital growth. No warranty or representation is given as to the accuracy or completeness of this document and no liability is accepted for any errors or omissions that the document may contain. The Key Investor Information Documents (“KIIDs”) and prospectus (including supplements) for Rubrics Global UCITS Funds Plc are available at [www.rubricsam.com](http://www.rubricsam.com). The management company of Rubrics Global UCITS Funds Plc is Carne Global Fund Managers (Ireland) Limited (the “Management Company”). The Management Company is a private limited company, incorporated in Ireland on 16 August, 2013 under registration number 377914. The investment manager of Rubrics Global UCITS Funds Plc is Rubrics Asset Management (Ireland) Limited (the “Investment Manager”). The Investment Manager is a private company registered in Ireland (reference number:613956) and regulated by the Central Bank of Ireland in the conduct of financial services (reference number:C173854). Details about the extent of its authorisation and regulation is available on request. Rubrics Asset Management (UK) Limited is an appointed representative of Laven Advisors LLP, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom (Reference number: 447282). Laven Advisors LLP is not authorised to promote products to retail clients, all communications originating from either Laven Advisors LLP or Rubrics Asset Management (UK) Limited is therefore intended for professionals and eligible counterparties only. Data Source: © 2021 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. [www.morningstar.co.uk](http://www.morningstar.co.uk).*

*For South African investors: In the Republic of South Africa this fund is registered with the Financial Sector Conduct Authority and may be distributed to members of the public. In addition to the other information and warnings in this document, the Financial Sector Conduct Authority of South Africa requires us to tell South African recipients of this document that collective investment schemes are generally medium to long-term investments, collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending and that a schedule of fees and charges and maximum commissions is available on request from the manager. Because foreign securities are included in the investments within this collective investment scheme, we are also required to disclose to you that there may be additional risks that arise because of events in different jurisdictions: these may include, but are not limited to potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information.*

*Additional Information for Switzerland: The prospectus and the Key Investor Information Documents for Switzerland, the articles of association, the annual and semi-annual report in French, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, tel.: + 41 22 7051178, fax: + 41 22 7051179, web: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l’Île, CH-1204 Geneva. The last share prices can be found on [www.fundinfo.com](http://www.fundinfo.com). For the shares of the Funds distributed to non-qualified investors in and from Switzerland and for the shares of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva. Carne Global Fund Managers (Ireland) Limited reserves the right to terminate the arrangements made for the marketing of this product in any EEA jurisdiction in accordance with the UCITS Directive.*