

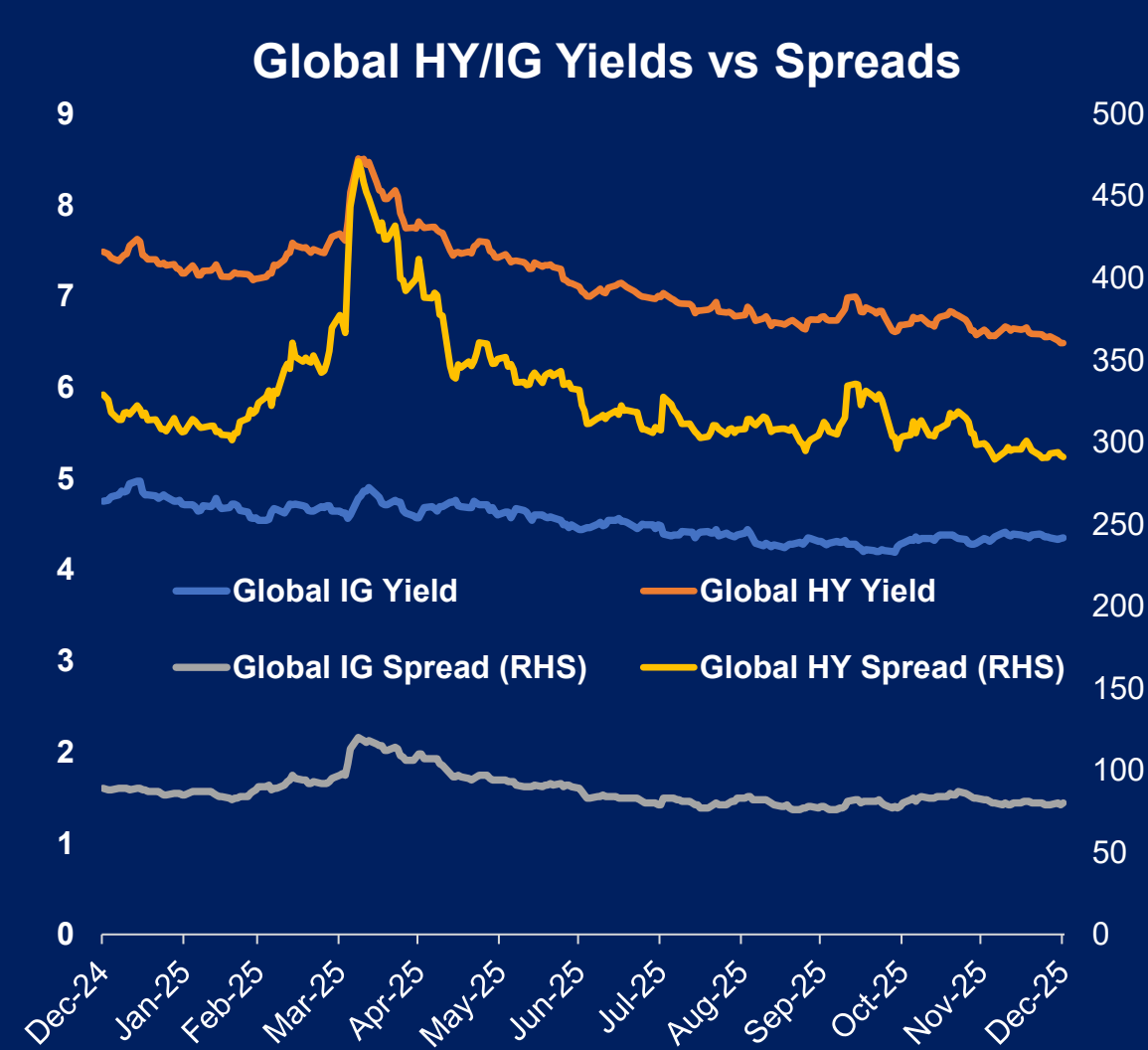
Rubrics Credit Market Overview

27 March 2025

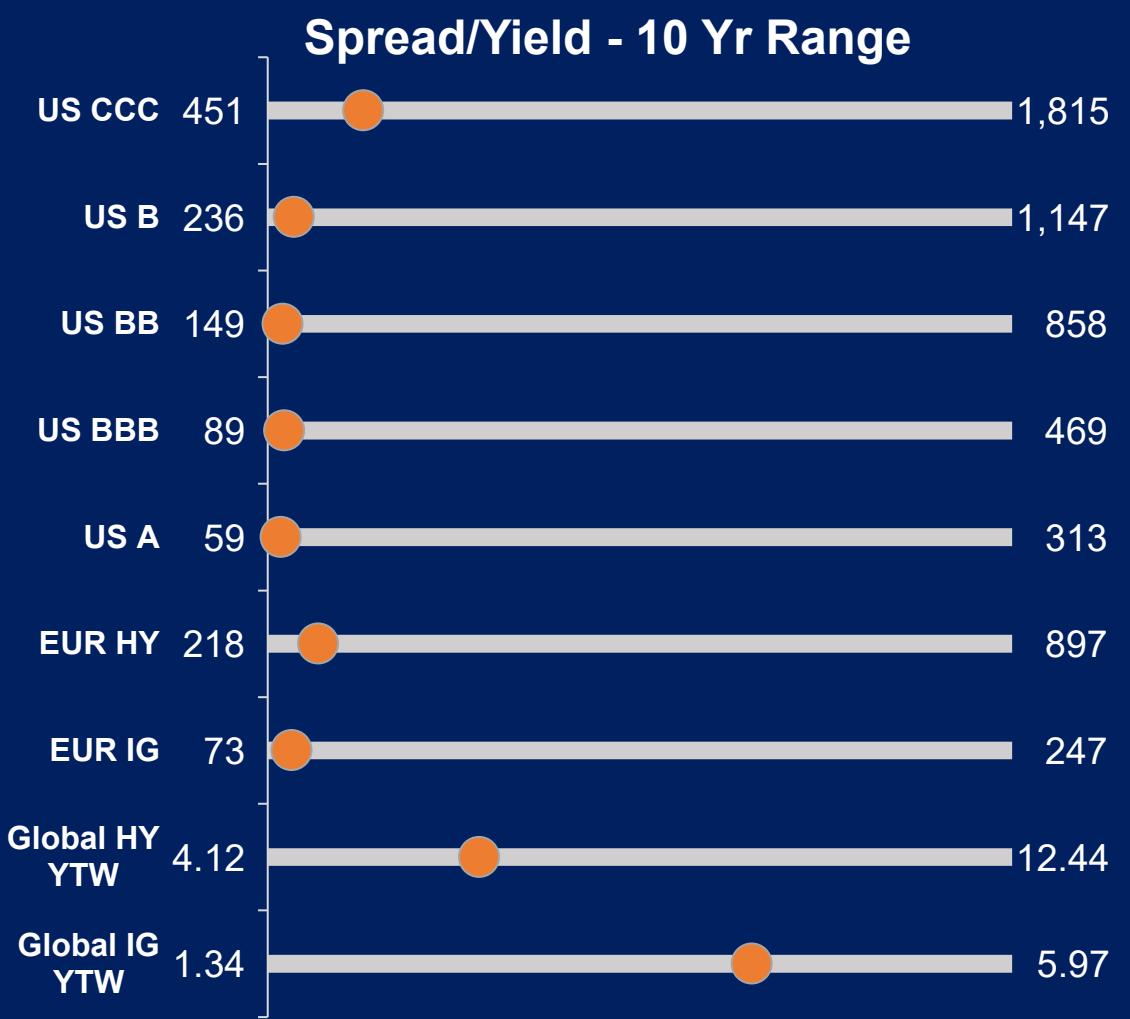
- Global credit markets ended 2025 with positive returns
- Higher beta markets only marginally outperformed higher quality spaces, pointing to a decline in value down the ratings spectrum
- EUR IG lagged US and GBP markets, owing to the underperformance of Bunds

Index Performance (USD Hedged)	1 Month	3 Month	12 Month
Bloomberg US HY	0.57	1.31	8.62
Bloomberg EUR HY	0.53	1.12	7.37
Bloomberg USD IG Corp	-0.20	0.84	7.77
Bloomberg EUR IG Corp	-0.19	0.27	3.03
Bloomberg GBP IG Corp	0.44	2.78	7.14
Banks AT1	0.91	1.19	11.51
Leveraged Loans	0.96	1.84	7.24
Corporate Hybrids	0.39	1.28	7.76
EM Hard Currency	0.43	2.4	11.11
US A	-0.23	0.92	7.84
US BBB	-0.08	0.85	7.93
US BB	0.41	1.51	9.02
US B	0.89	1.58	8.44
US CCC	0.67	0.18	8.27

Source: Bloomberg as at 31/12/25



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Credit Supply Dynamics:

2025 saw global bond sales rise to a new record of \$5.95tn. Supply was robust across credit markets, with several segments posting record volumes, although issuance remained smaller in absolute terms than government bond supply.

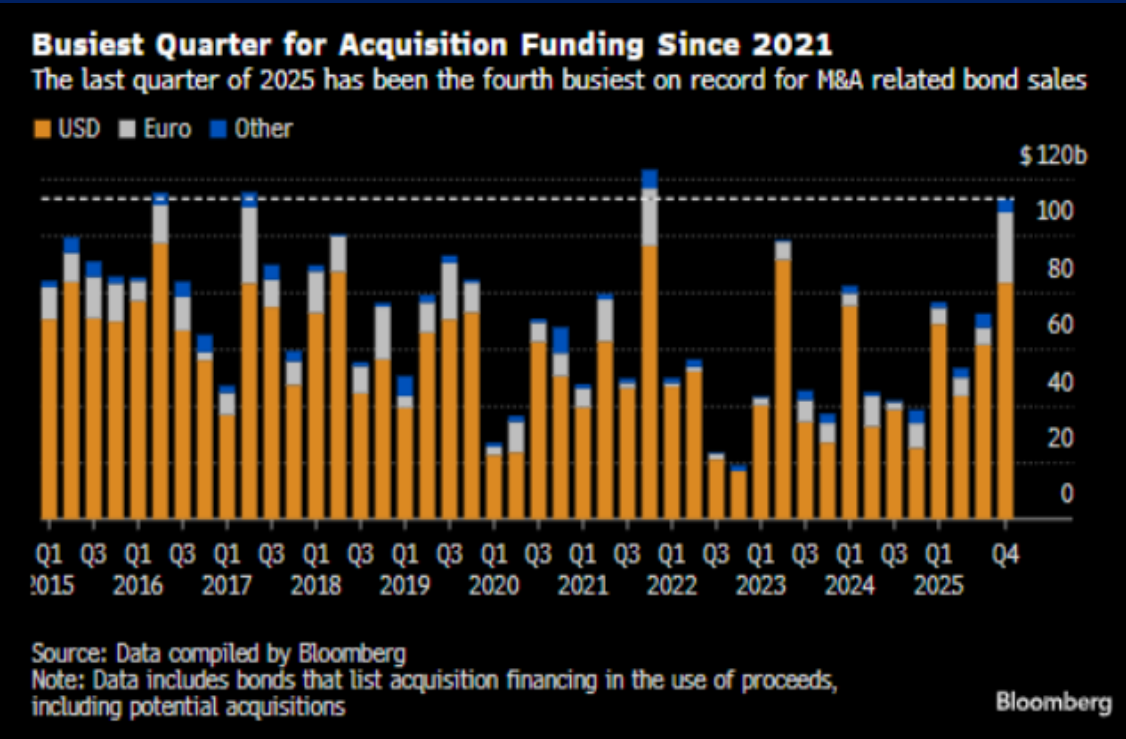
In the US, investment-grade issuance totalled \$1.67tn in 2025, the second-highest annual volume on record, while the high-yield market recorded its busiest year since 2021.

Primary market activity accelerated in the fourth quarter, driven by AI-related issuance to fund data-centre investment, a surge in M&A financing to the highest levels since 2021, and declining yields that encouraged borrowers to access markets opportunistically.

Many of these issuance trends reflect structural shifts in financing demand. Elevated funding needs are therefore likely to persist, with AI-related investment, in particular, expected to remain a key driver of issuance volumes in 2026 and beyond.



Source: Bloomberg



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