Credit Market Overview

RUBRICS

March 2026

Middle East Conflict Drove Repricing
Energy shock reshaped rate expectations and widened credit spreads

Broad Weakness, Loans the Exception
All major indices experienced negative returns bar Leveraged Loans

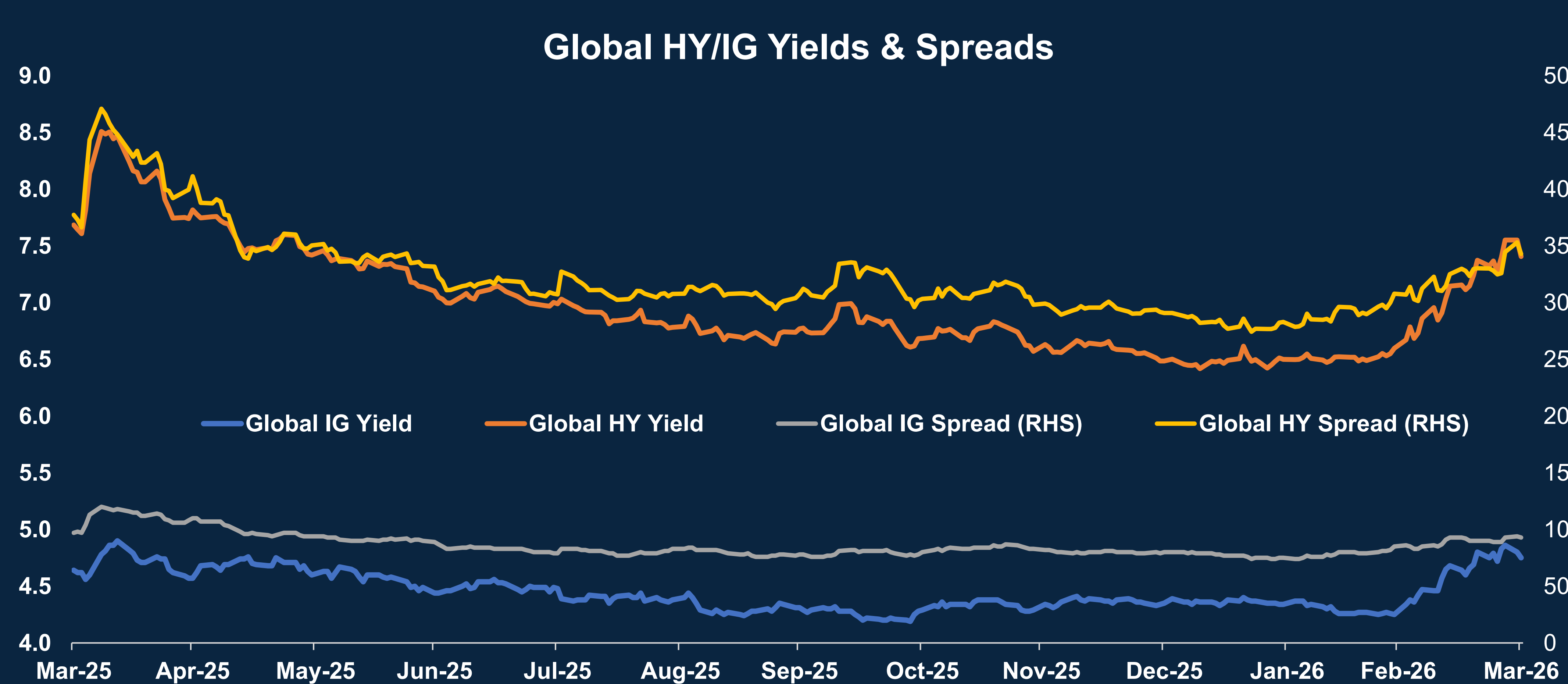
GBP Credit Worst Performer
GBP IG lost 3.51% as Gilt yields surged

IG Primary Markets: Mixed Volumes
Robust USD IG issuance; EUR IG volumes fell YoY

PERFORMANCE SNAPSHOT USD Hedged

	1M	3M	12M
US High Yield	−1.18%	−0.50%	+7.01%
Euro High Yield	−2.26%	−1.06%	+5.21%
US IG Corporate	−1.98%	−0.54%	+4.78%
EUR IG Corporate	−2.27%	−0.99%	+2.02%
GBP IG Corporate	−3.51%	−1.99%	+4.67%
Banks AT1	−2.76%	−1.08%	+8.30%
Leveraged Loans	+1.24%	−0.78%	+5.94%
Corporate Hybrids	−2.17%	−0.84%	+5.93%
EM USD	−2.89%	−1.35%	+7.11%
US BB	−1.34%	−0.28%	+7.12%
US B	−0.97%	−0.65%	+6.95%
US CCC	−1.01%	−1.26%	+7.38%

YIELD & SPREAD TRENDS



Source: Bloomberg, as at 31/03/26

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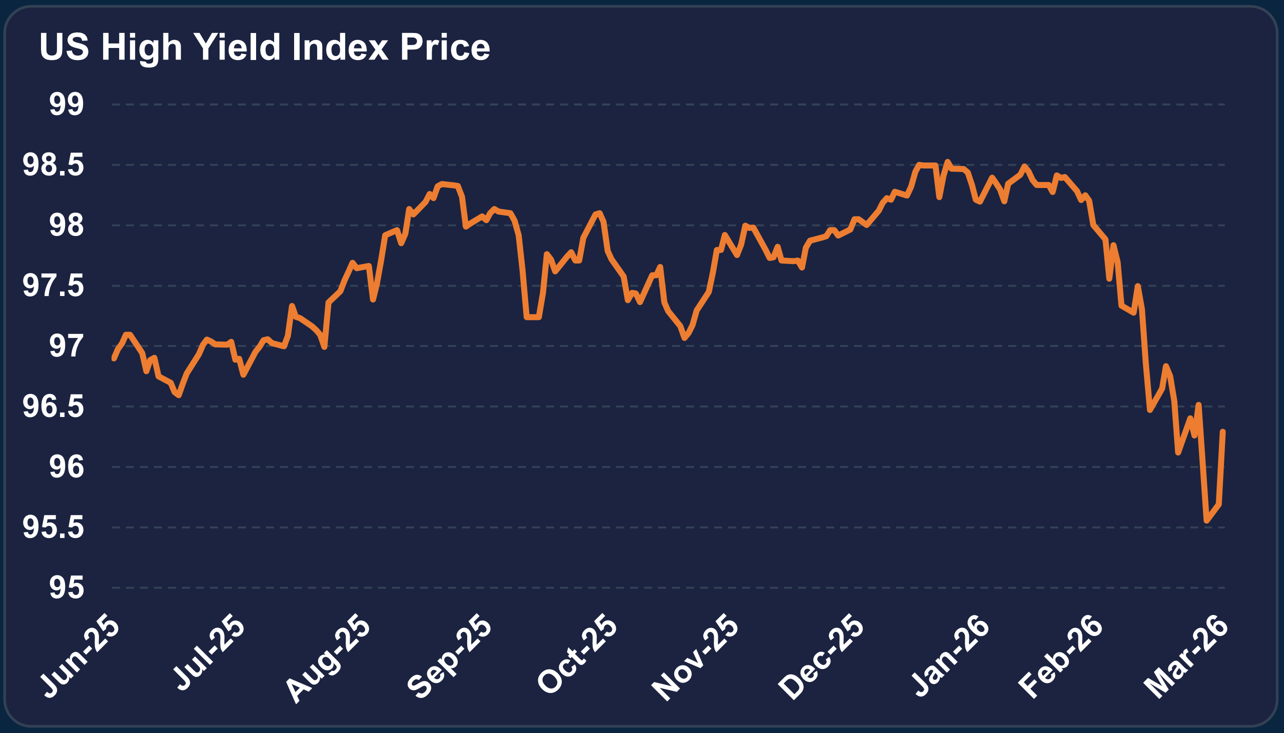
Credit Markets: Iran Conflict Triggers Broad Repricing & Fund Redemptions

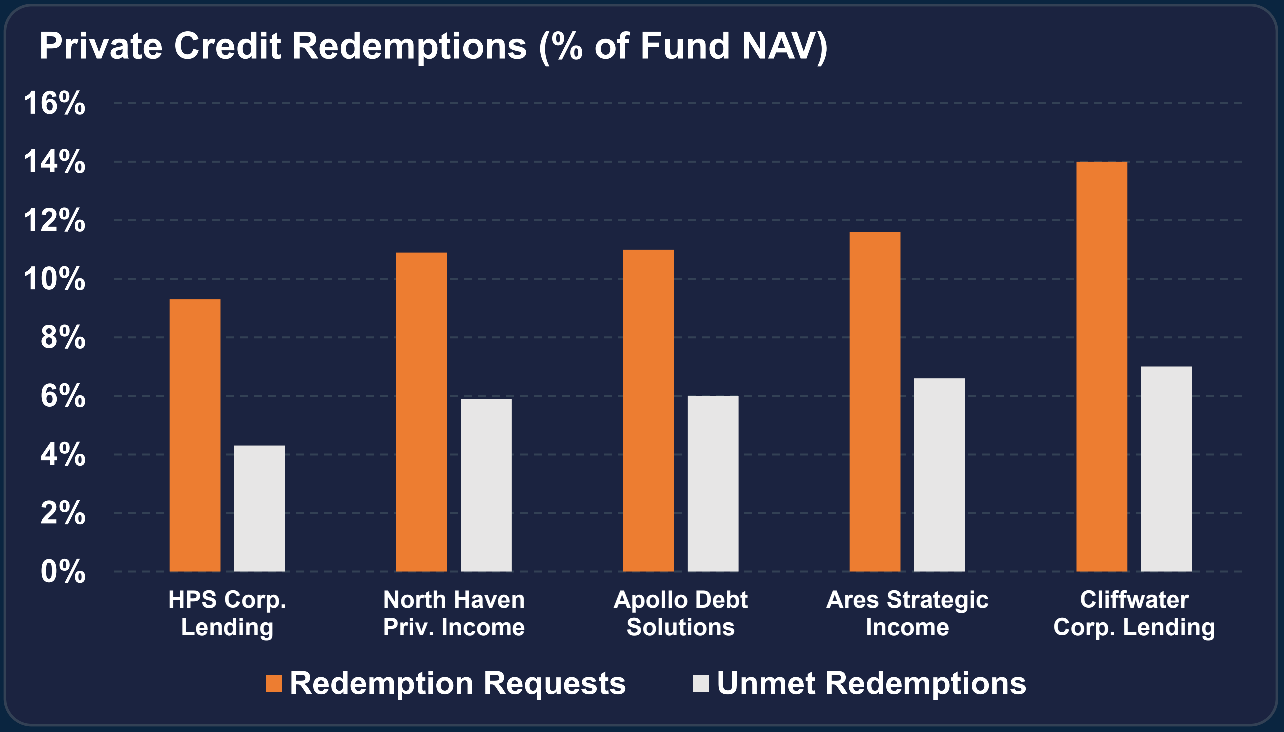
The escalation of the Iran conflict reverberated across credit markets throughout March. Government bond yields rose sharply as markets repriced rate-cut expectations while risk assets sold off broadly. The S&P 500 suffered its worst quarterly performance since 2022 & US high yield posted its worst month in roughly a year. EUR spreads underperformed as the continent's greater energy import dependence amplified the growth shock.

The risk-off backdrop drove material outflows from credit markets. US HY recorded its sixth consecutive month of redemptions, the worst since April 2025, with the iShares iBoxx USD HY Corporate Bond saw its largest daily outflow since October 2024.

Private credit attracted even greater scrutiny as redemption requests surged across the largest non-traded funds, forcing widespread gating. Blackstone allowed investors to redeem a record 7.9% of shares from its flagship private credit fund, BCRED, BlackRock capped withdrawals from its $26 billion HPS Corporate Lending Fund at 5% after clients sought to redeem 9.3%, while Apollo faced the sharpest mismatch: its $25 billion Apollo Debt Solutions BDC received redemption requests of 11.2% but capped repurchases at 5%, returning 45 cents in the dollar to those seeking to exit.



Source: Bloomberg, as at 31/03/26



Source: Robert A. Stranger; Bloomberg, as at 26/03/26

Primary Markets: Divergent Picture Across Currencies

Source: Bloomberg, as at 31/03/26

EUR supply was subdued: corporate volumes totalled just €51bn, while total EUR issuance fell 19% below March 2025. Financial supply was particularly weak at €25bn versus a 10-year average of €43bn. AT1 and Tier 2 issuance all but vanished — just one deal printed in the slowest March for subordinated bank debt since at least 2014.

USD IG told a different story. $236bn of supply made it the second-busiest March and fourth-busiest month on record, anchored by Amazon's $37bn deal — the fourth-largest US IG transaction ever — which drove the single biggest day of primary volume in history.

In leveraged markets, EA's buyout financing attracted $45bn of demand. Conversely, banks pulled a $5.3bn deal for Qualtrics after investors balked at AI disruption risk, with its existing loan already at 86 cents versus near par in February.