

June 2026

Spreads Nudged Higher From Multi-Year Tights

Credit spreads widened as equity markets weakened

US Markets; Lowest Rated Underperformed

While EUR and GBP markets rose more than USD, CCCs and Leveraged Loans delivered negative performance

Long Bonds Outperformed Front End

Long end government bond yields drove solid performance in June

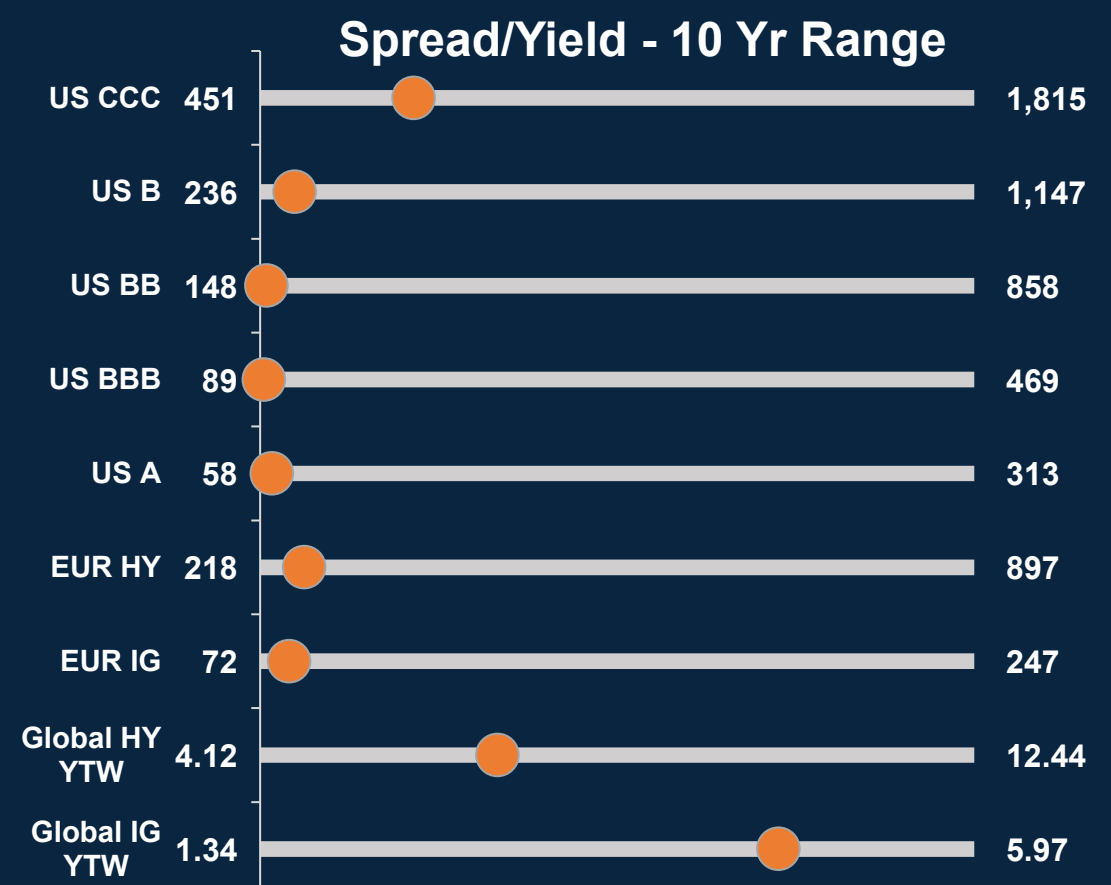
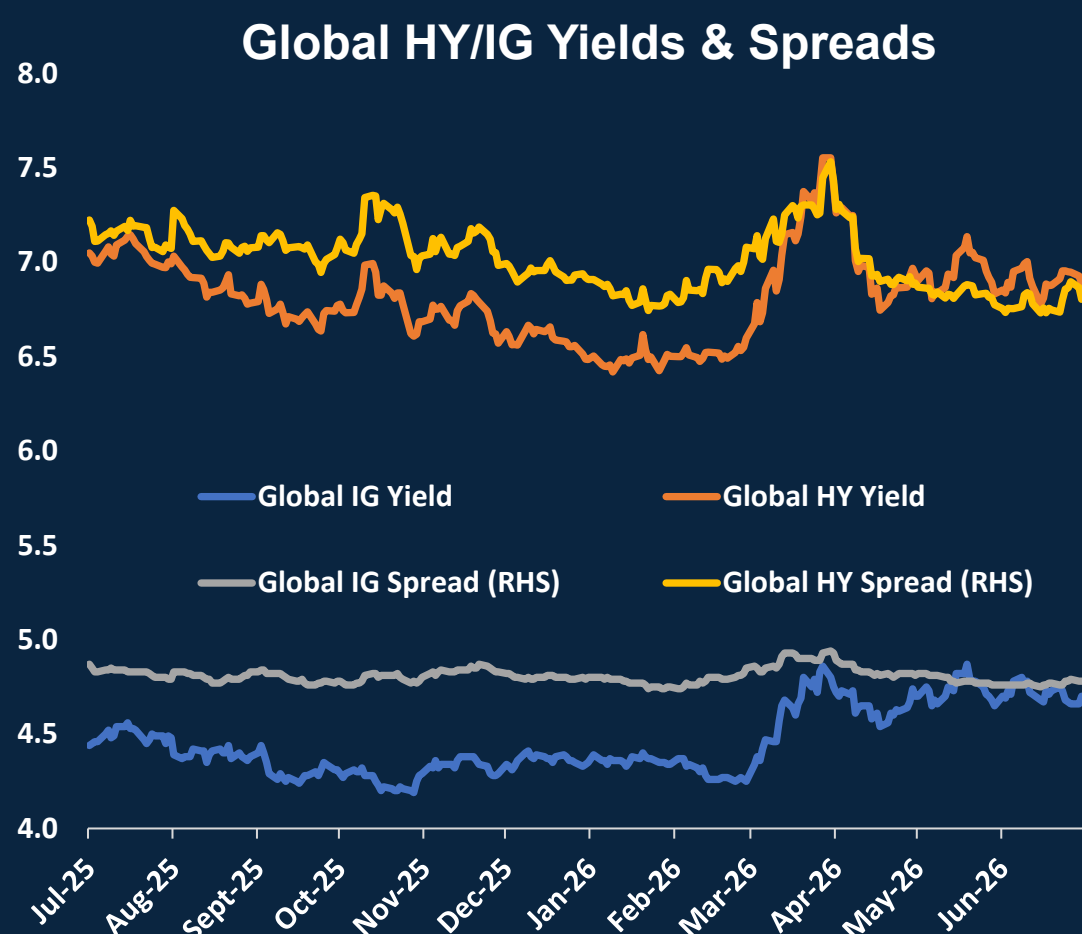
Record Supply

AI issuers printed jumbo deals in June, driving record volumes YTD across markets

PERFORMANCE SNAPSHOT USD Hedged

	1M	3M	YTD	12M
US High Yield	+0.27%	+2.47%	+1.96%	+5.91%
Euro High Yield	+0.68%	+3.88%	+2.78%	+6.50%
US IG Corporate	+0.19%	+1.40%	+0.86%	+4.34%
EUR IG Corporate	+0.44%	+2.34%	+1.33%	+2.55%
GBP IG Corporate	+0.61%	+2.90%	+0.86%	+4.44%
Banks AT1	+0.95%	+4.49%	+3.36%	+9.38%
Leveraged Loans	-0.41%	+1.20%	+0.42%	+4.34%
Corporate Hybrids	+0.66%	+3.43%	+2.56%	+6.48%
EM USD	+0.56%	+3.42%	+2.03%	+8.03%
US BB	+0.31%	+2.26%	+1.98%	+5.90%
US B	+0.27%	+2.84%	+2.18%	+6.15%
US CCC	-0.11%	+2.98%	+1.69%	+6.32%

YIELD & SPREAD TRENDS



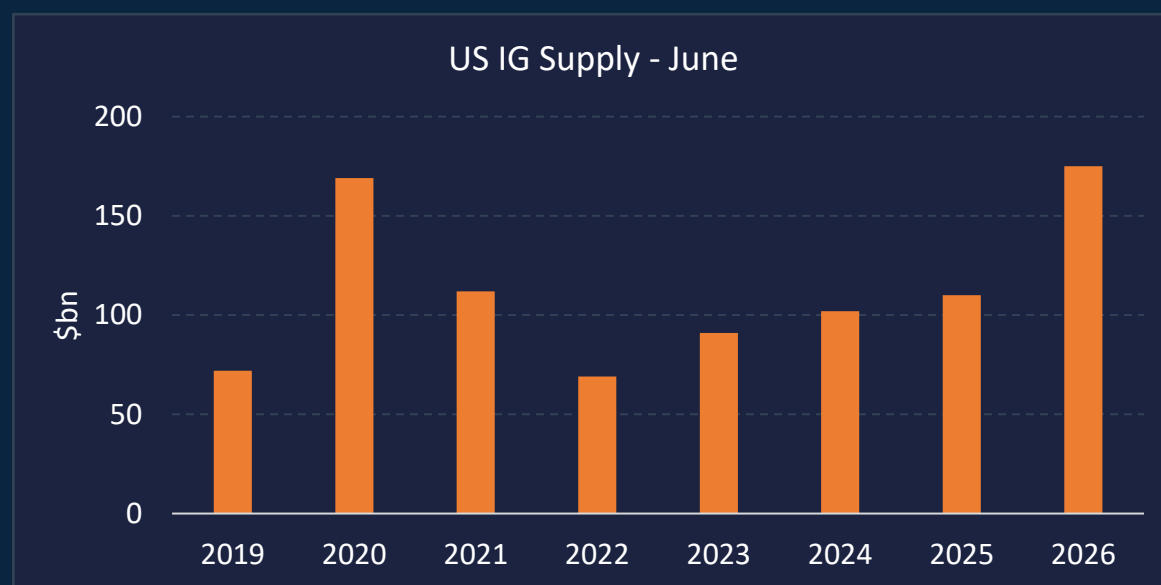
Source: Bloomberg, as at 30/06/26

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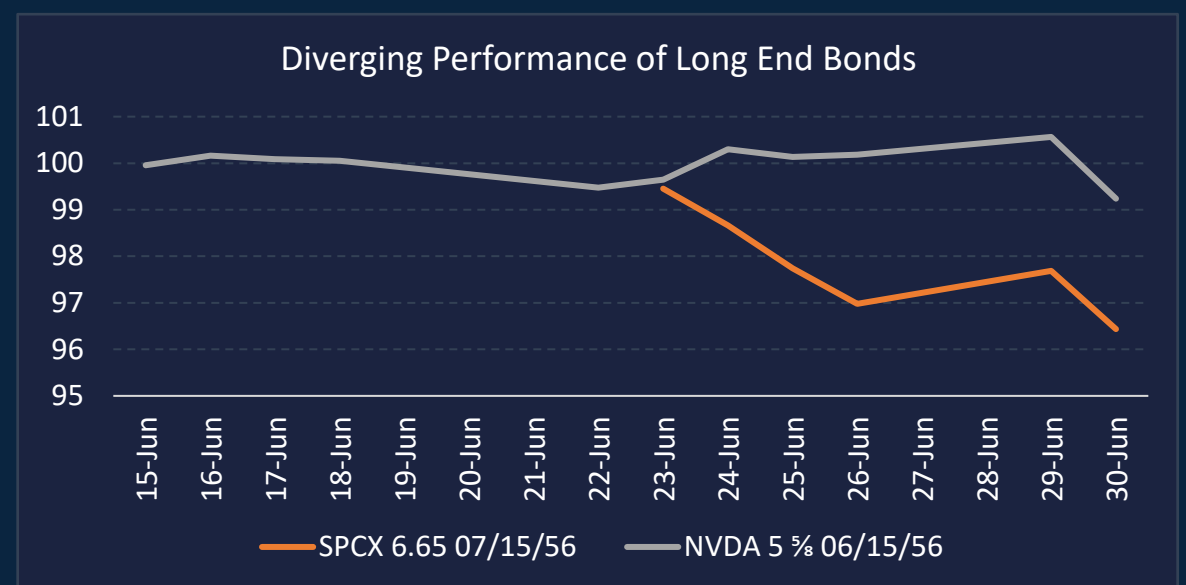
US IG: Supply Hit Record Levels; SpaceX Debt Sinks rather than Soars

Jumbo deals from Nvidia and SpaceX drove volumes in the US IG primary market to record levels. Topping out at \$175bn, this month's supply even exceeded that of June 2020 – when low interest rates drove a borrowing spree. Nvidia and SpaceX each raised \$25bn in multi-part deals, adding to the list of the largest issuers this year, most channeling proceeds into AI infrastructure. With the elevated supply and continued geopolitical tensions, spreads in the market widened slightly on the month.

The newly-issued debt of SpaceX was an outlier in its underperformance, however. Despite having significant negative free cash flow, heavy capital spending and an expectation of a reliance on debt, the company secured an investment grade rate at all three major rating agencies, drawing investor skepticism. This was reflected in both pricing of the debt and subsequent performance with longer maturity tranches underperforming the most – the firm's 2056 bonds widening 25bps within days and the price dropping more than three points to below 96.5.



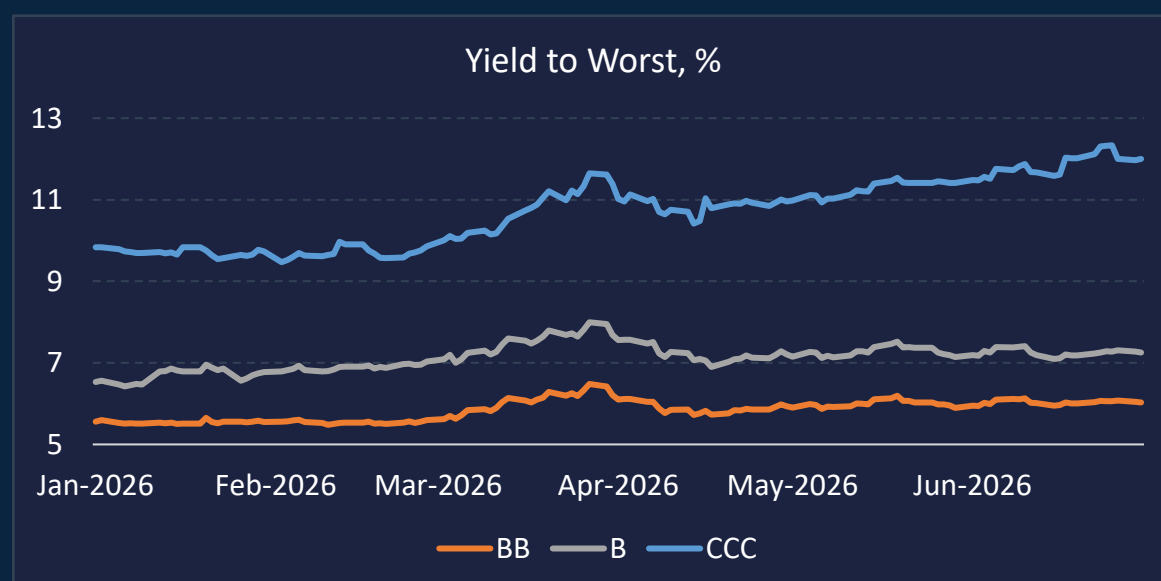
Source: Bloomberg, as at 30/06/26



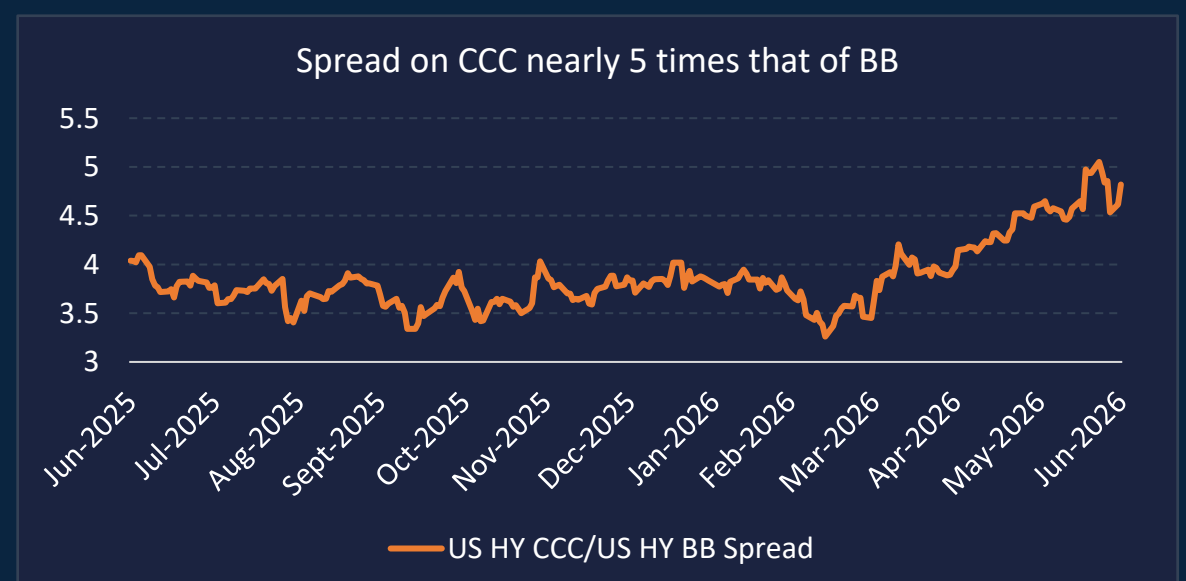
Source: Bloomberg, as at 30/06/26

HY Markets: Strong Quarterly Returns, CCC continues to lag

Both US and Euro HY markets experienced strong performance in June, and through Q2 as a whole. Carry drove most of June's gains as spreads nudged wider; the quarter's earlier rally was spread-led, with tightening delivering the bulk of total returns for the period. CCC debt underperformed on the month as spreads continued their widening path seen for most of the year. Fears of the impact from the Iran conflict coupled with an already slowing backdrop, elevated refinancing costs and spillover from the private credit space have weighed on the weakest part of the HY market this year. Yields in the space have risen from under 10% at the start of the year to over 12% at the halfway point.



Source: Bloomberg, as at 30/06/26



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