

Commercial paper and medium-term note market¹ (NEU CP- NEU MTN) – December 2020

Evolution of stocks

- Bank NEU CP: outstanding amounts stabilizes (-9.5% in December unchanged from November and -4.6% in December 2019).
- Corporate NEU CP: outstanding amounts builds up momentum in December (+ 30.6%, after + 20.7% in November and + 10.2% in December 2019).
- The usual seasonal decline in December impacts the level of outstanding amounts of corporate and to a lesser extent bank issuers (-27% and -2% respectively in seasonally adjusted data)

Average rates and durations at issuance (issues in euros)

- Bank NEU CP: Average monthly rates keep getting lower in December (decrease between -1 and -6 bps) and the curve flattens on maturities of six months or less.
- Corporate NEU CP: Average monthly rates are increasing slightly on most maturities (between + 2 and +6 bps). The spike on the 9-month pillar (+18 bps) mostly reflects the low level of issuance.

1. Key data

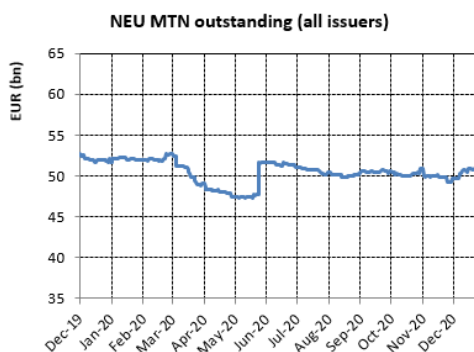
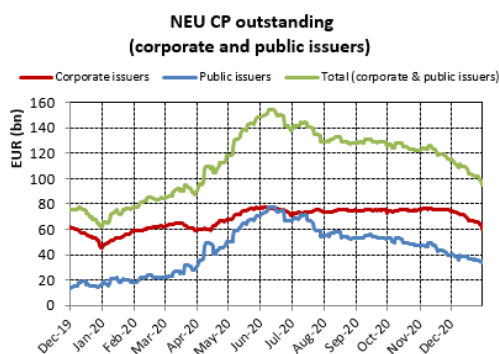
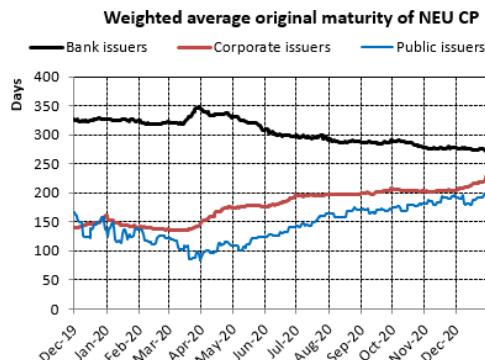
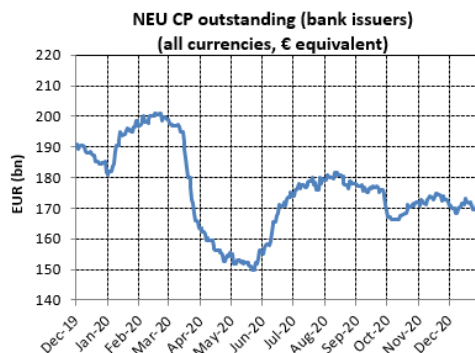
Outstandings (in billions of euros)	Over the month		Change	2008-2018		2008-2018	
	Nov-20	Dec-20		Min.	Date	Max.	Date
NEU CP	291,7	263,7	-28,0	245,3	Jul-16	547,0	Jan-09
Bank issuers	172,1	164,4	-7,7	149,6	May-20	465,9	May-09
Corporate and public issuers	114,8	94,8	-20,0	35,2	Jan-10	154,5	Jun-20
Securitization vehicles	4,8	4,5	-0,3	3,0	Oct-14	42,4	Feb-08
NEU MTN	49,7	51,1	1,4	40,2	Nov-16	79,5	Jan-14
Total	341,4	314,8	-26,6	291,6	Jul-16	618,1	Jan-09

New issuers/programs :

(more details in snapshot page 2)

GRAND DELTA HABITAT (Corporate)
on the NEU CP segment

Source : Banque de France - DGSO - DMPM - STCN

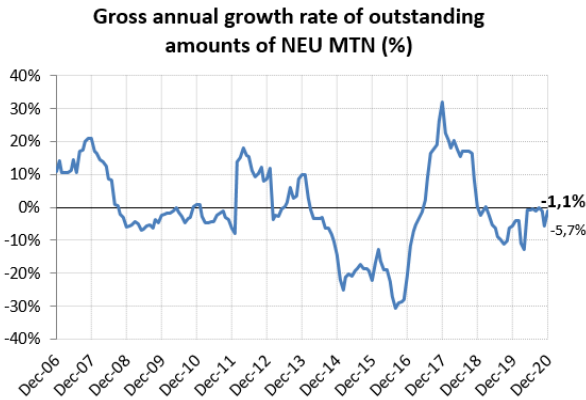
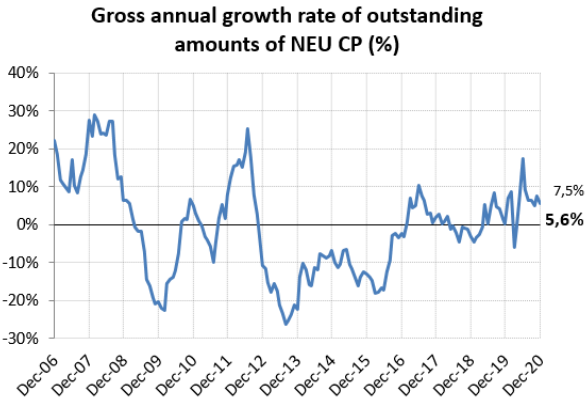


Source: Banque de France- DGSO -DMPM - STCN

¹ Trade name : Negotiable European Commercial Paper and Medium-Term Note (NEU CP – NEU MTN)

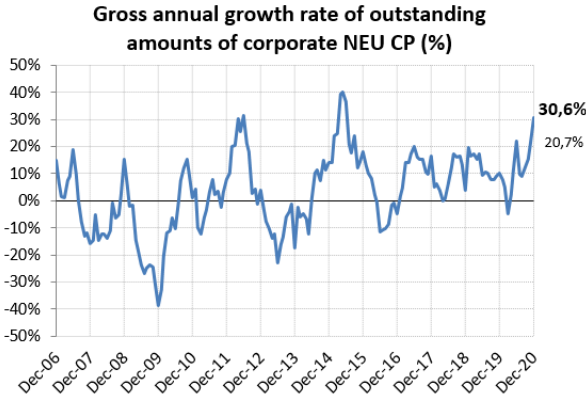
2.1. Evolution of stocks of NEU CP and NEU MTN (nsa data)

- **NEU CP:** the annual growth rate of outstanding amounts falls back in December (+ 5.6% after + 7.5% in November and + 0.1% in December 2019).
- **NEU MTN:** the annual growth rate of outstanding amounts recovers in December (-1.1%, after -5.7% in November and -5.5% in December 2019).



Source: Banque de France- DGSO -DMPM - STCN

- **Banking NEU CP:** the annual growth rate of outstanding amounts stabilizes (-9.5% in December unchanged from November and -4.6% in December 2019).
- **Corporate NEU CP:** the annual growth rate of outstanding amounts builds up momentum in December (+ 30.6%, after + 20.7% in November and + 10.2% in December 2019).



Source: Banque de France- DGSO -DMPM - STCN

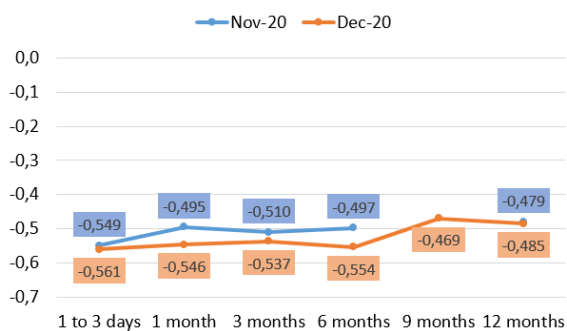
New issuers/programs

GRAND DELTA HABITAT: Implementation of a NEU CP program capped at EUR100 million and rated A-1 + by STANDARD AND POOR'S INTERNATIONAL. Grand Delta Habitat is the leading social housing cooperative in France, with a portfolio of more than 20,000 dwelling units spread over 132 partner municipalities.

2.2. Average rates and durations at issuance

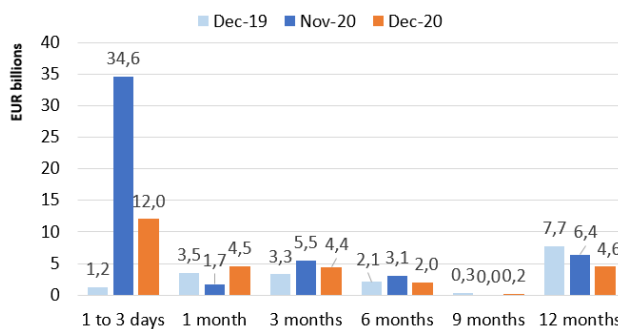
- The average monthly rates for Bank NEU CP issues in euros keep getting lower in December (decrease between -1 and -6 bps) and the curve flattens on maturities of six months or less.
- The volume of new Bank issues fall back in December compared to the previous month on most maturities (with the exception of 1 month). Compared with December 2019, however, they are generally higher, except for 1-year issues.

Monthly average of banks issuance rates in EUR by maturity (all ratings and types of rates, in %)



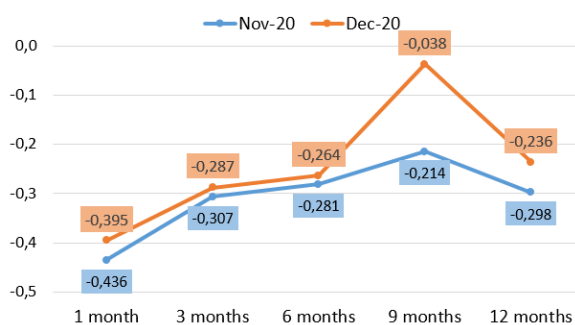
1 to 3 days 1 month 3 months 6 months 9 months 12 months
Source: Banque de France- DGSO -DMPM – STCN

Monthly aggregate of gross banking NEU CP issues in EUR, by maturity pillar



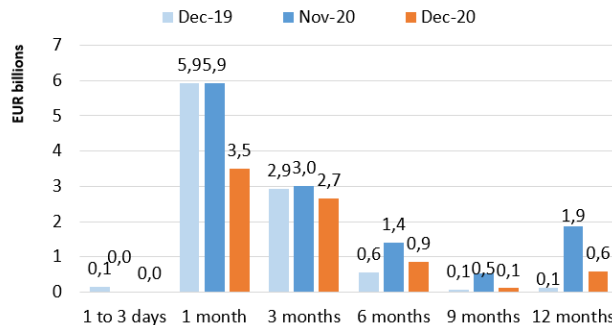
- The average monthly rates for corporate NEU CP issues are increasing slightly on most maturities (between + 2 and +6 bps), except for the 9 month for which the spike (+18 bps) mostly reflects the low level of issuance.
- Corporate issues by maturity pillar are concentrated in December on 1-month and 3-month maturities (80% of volumes represented below). Compared to the previous year, the 1-month pillar is down sharply (-40%), the 3-month pillar is stable while the longer pillars (6 and 12 months) are increasing.

Monthly average of corporate issuance rates in EUR by maturity (all ratings and types of rates, in %)



Source: Banque de France- DGSO -DMPM - STCN

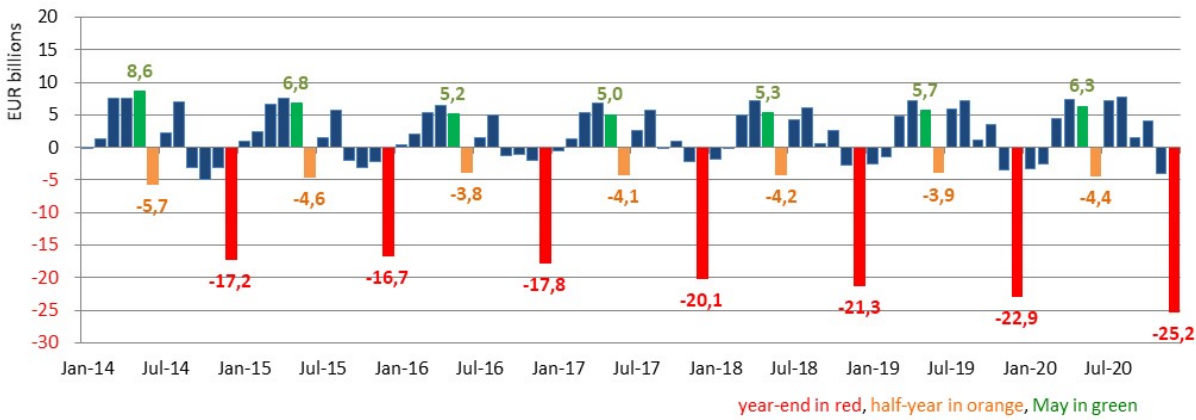
Monthly aggregate of gross corporate NEU CP issues in EUR, by maturity pillar



Seasonality of NEU CP and NEU MTN outstanding amounts

The evolution of NEU CP market is impacted by seasonal effects, which are corrected in seasonally adjusted series². Market activity subsides at the end of the year, strongly for corporate issuers (27% of outstanding amounts in wake of the closing of annual accounts³) and much less markedly for bank issuers (-2%).

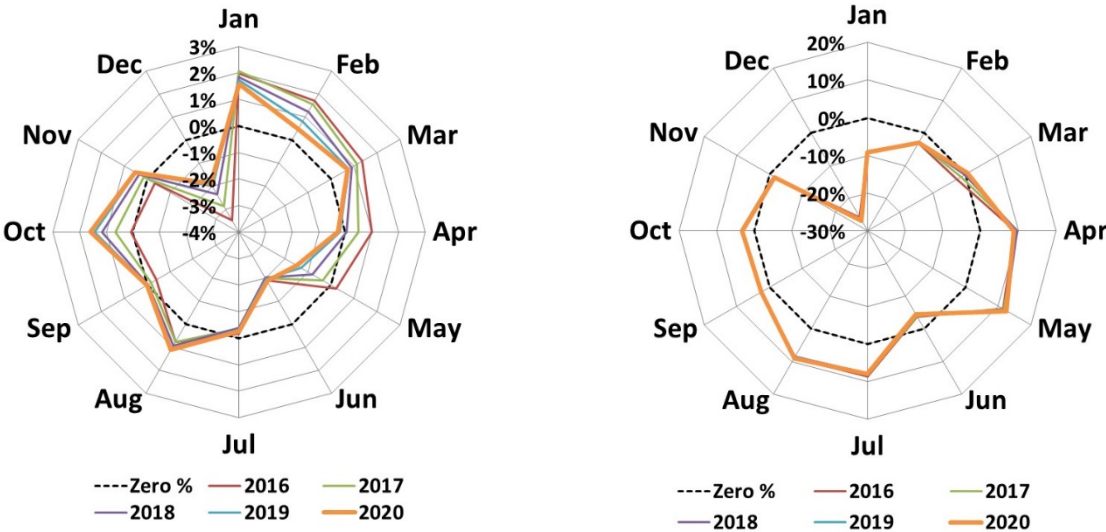
Difference between NSA and SA series of total NEU CP outstanding amounts



year-end in red, half-year in orange, May in green
 Source: Banque de France- DGSO -DMPM – STCN

Seasonality of outstanding amounts by category of issuers (SA and NSA gap as a % of outstandings)

Bank NEU CP (-1,9% as of Dec. 2020) **Corporate NEU CP (-26,8% as of Dec. 2020)**



Source : Banque de France – DGSO-DMPM-STCN

The seasonal decline of the corporate NEU CP segment appears to be very stable over the past few years and is linked to the closing of the half-yearly accounts (limited effect) and annual accounts (much greater effect).

The seasonality of bank NEU CP has changed in recent years: the fall in outstanding amounts at year-end is easing and there is also a reduction of issuance at the start of the year (February to May). The gap between NSA and SA series of short bank securities reached -1.9% at the end of December 2020 compared to -3.5% at the end of 2016.

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² SA (seasonally adjusted) series calculated from the monthly series of NSA (not seasonally adjusted) NEU CP outstanding amounts (using ARIMA Census X12 algorithm).

³ This decline in activity on the NEU CP market at the end of the year is explained in particular by the closing of balance sheets, which translate into lower demand from investors and a drop in issues as well as increase in buybacks by issuers. Conversely, May is usually the highest year in terms of activity in the NEU CP market.