CAPITAL MARKETS

Planning and executing a major capital debt issue is one of the most significant tasks a corporate treasurer can undertake in any given year. The tactics and timing deployed are central to the efficient pricing of a deal. At the same time, internal and external communication and the successful management of both bank and investor relationships are fundamental to ensuring successful take-up of the debt.

In this Spotlight, we aim to provide treasurers with an essential insight into recent trends in the capital debt markets, as well as guiding them on how they can capitalise on current opportunities in a much more sophisticated marketplace.

In the first of five articles, **Murray Black** and **David King** of BNP Paribas, examine the recent decline in issuance volumes, credit spread volatility, the current demands of hungry investors and their receptiveness to new deal ideas. Will issuance volumes increase, and is it possible that corporate treasurers may soon experience more competition when it comes to securing investor attention?

We then talk to five treasurers about the current state of the capital debt markets, what they consider to be the key factors when doing a deal, such as choice of market, and ensuring investor participation. Managing bank relationships also comes under the spotlight with the criteria by which treasurers select their bank partners debated as well as the all-important issue of fees.

On page 44, **Nigel Astbury**, a Director of inside-banking.com, discusses the controversial issue of the extent to which corporate borrowers can prevent their banks from selling their debt on to third parties. What sort of impact will this have on existing and future debt issues, and how should you communicate with your new lenders?

Tolek Petch of Slaughter & May then discusses the implications of Basel II for both corporate borrowers and their lenders, and asks how and if changes to the capital costs of loans will affect their loan pricing.

Finally, we at *The Treasurer* provide you with an insight into the sentiments of investors by talking them about what they look for when investing in corporate debt? How important are ratings and do they fully reflect the issuers' creditworthiness? What are their minimum requirements in terms of covenants? And to what extent do they seek to understand the risk management processes of issuers when investing in their debt?

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