



Financing – A Window of Opportunity?

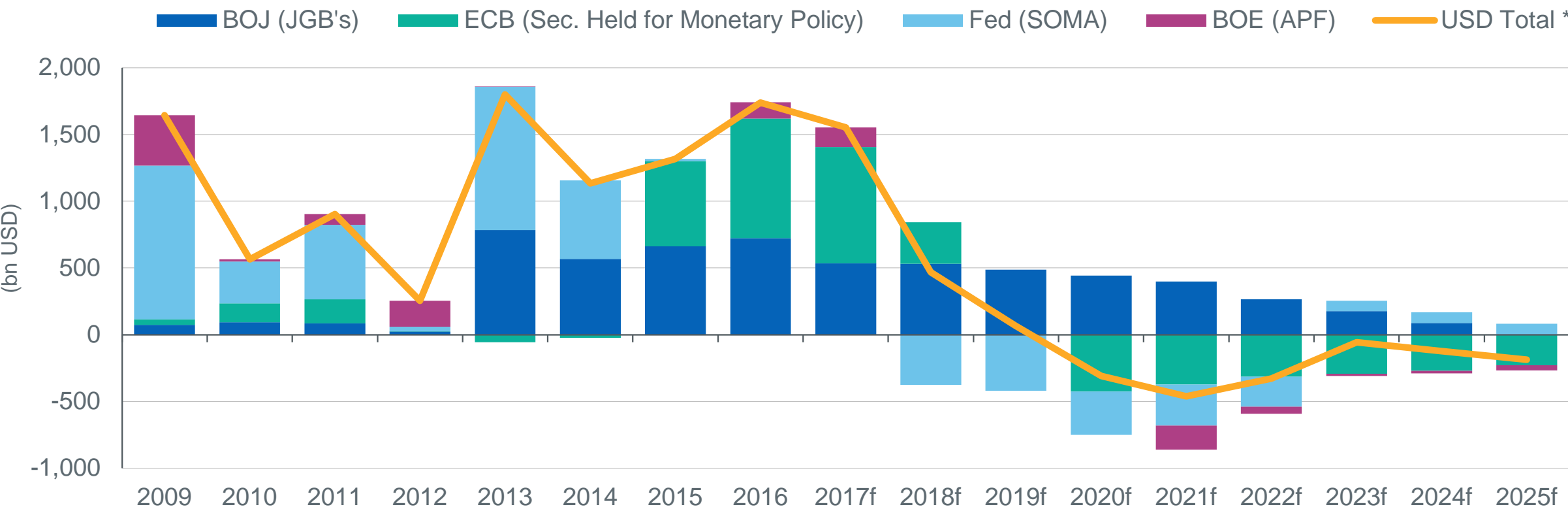
Alex Griffiths
Global Group Credit Officer - Corporates
May 2018

FitchRatings

What Will be the Impact of the End of QE?



Central Bank QE Asset Purchases in USD



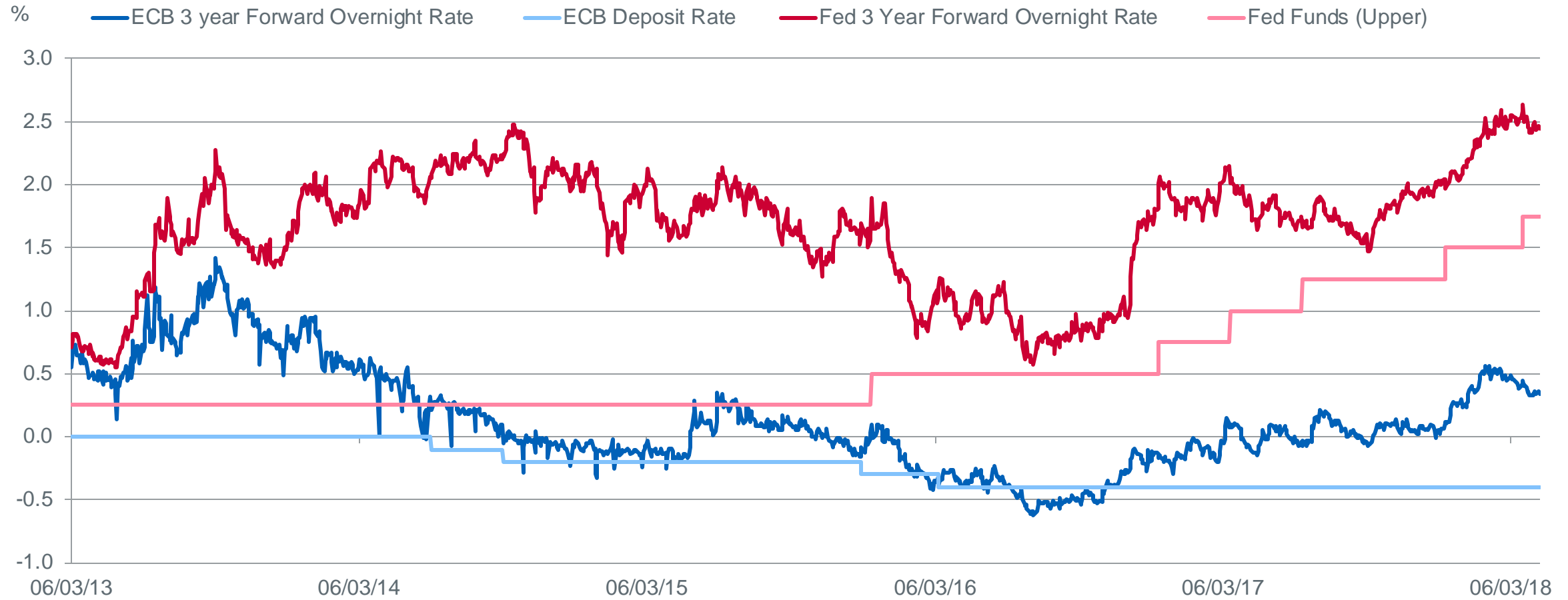
* BOJ, BOE and ECB measured at annual average exchange rates

Source: Fitch

How Will Rising US Rates Affect Europe and the UK?

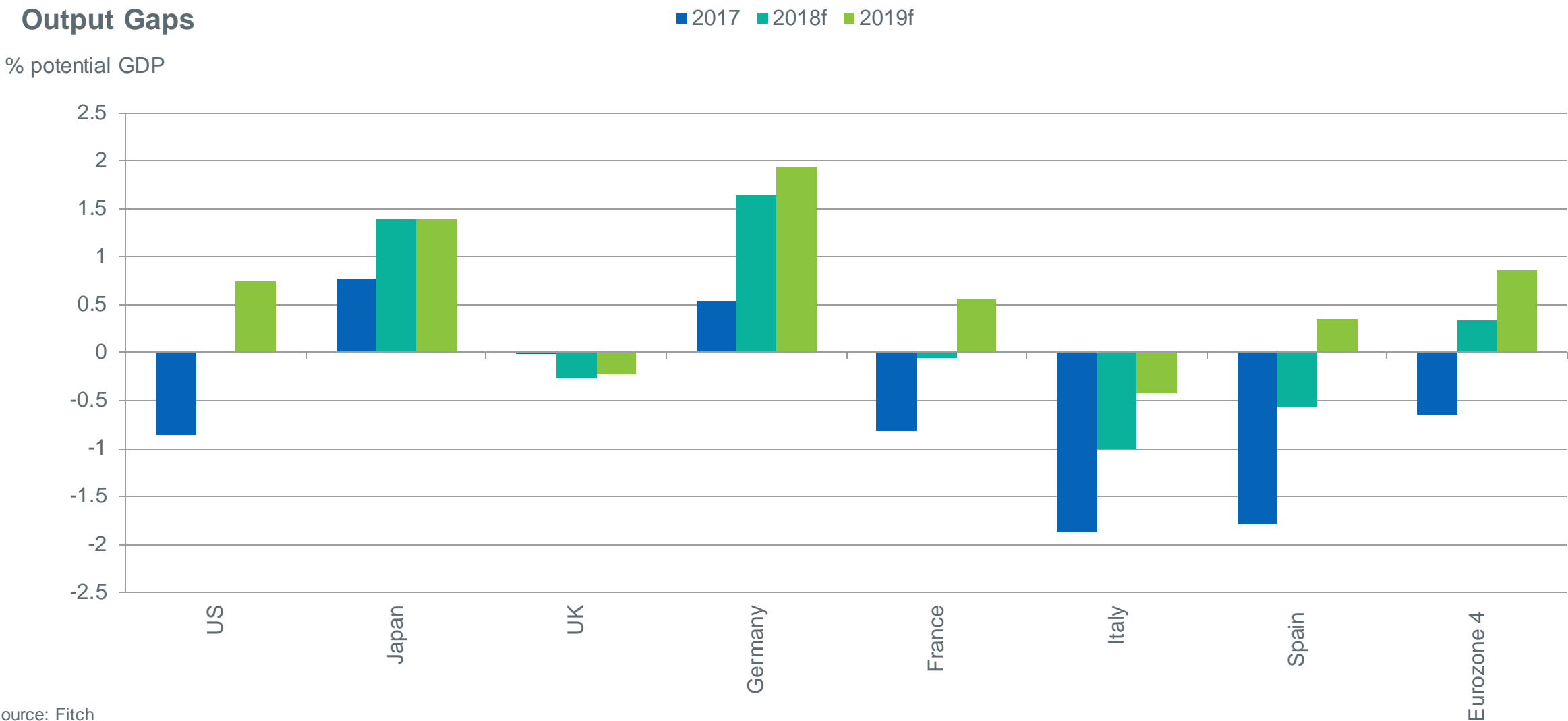


Policy Interest Rates and 3 Year Forward Overnight Interest Rates



Source: Fitch

When Will the Economic Cycle Turn?



Source: Fitch

How Will Broader Risks Affect Markets?



Trade

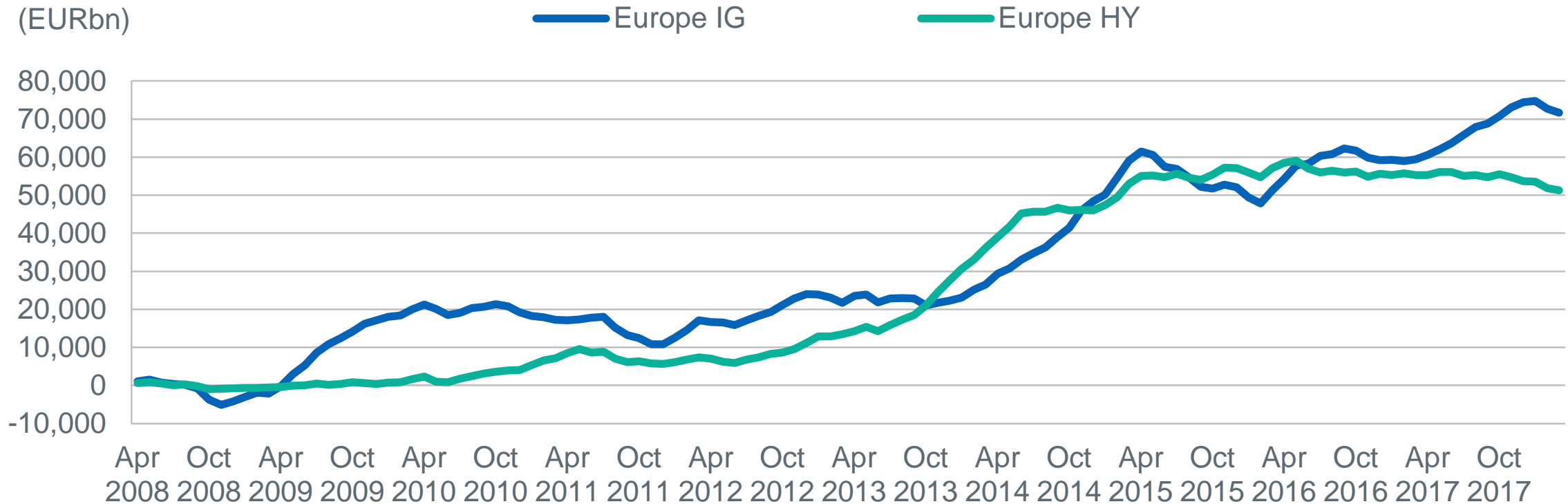
Brexit

Geopolitics

Tech?



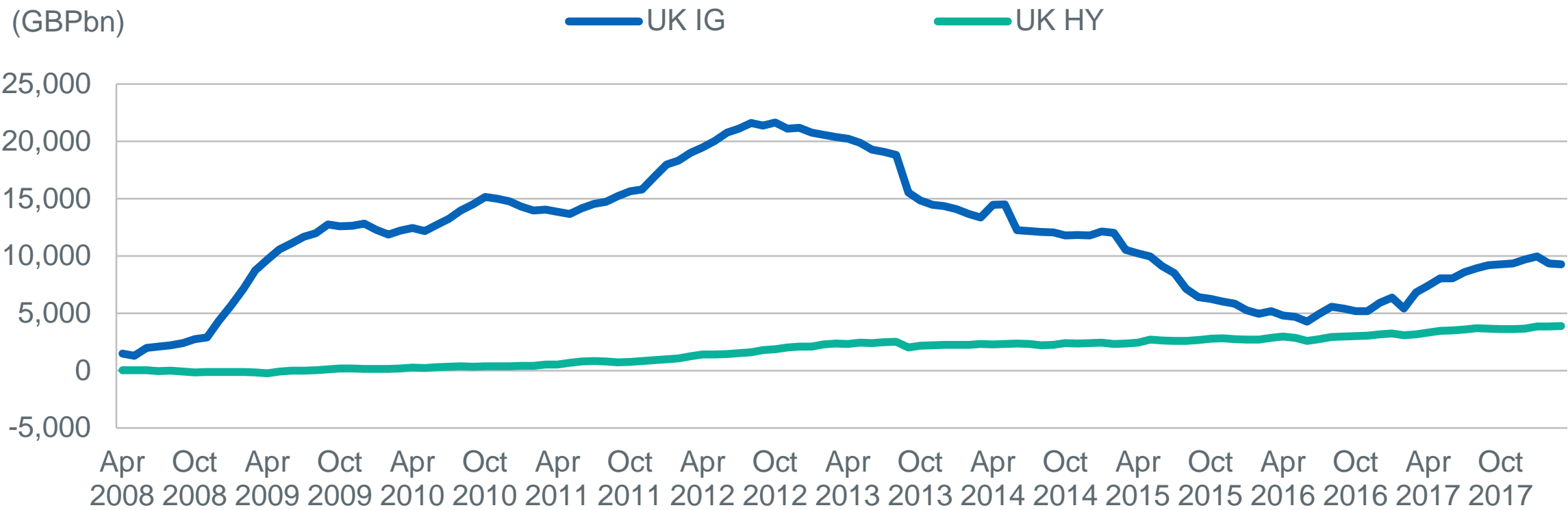
Investment Grade Still Seeing Absolute Net Inflows while High Yield is Beginning to Trend Towards Net Outflows



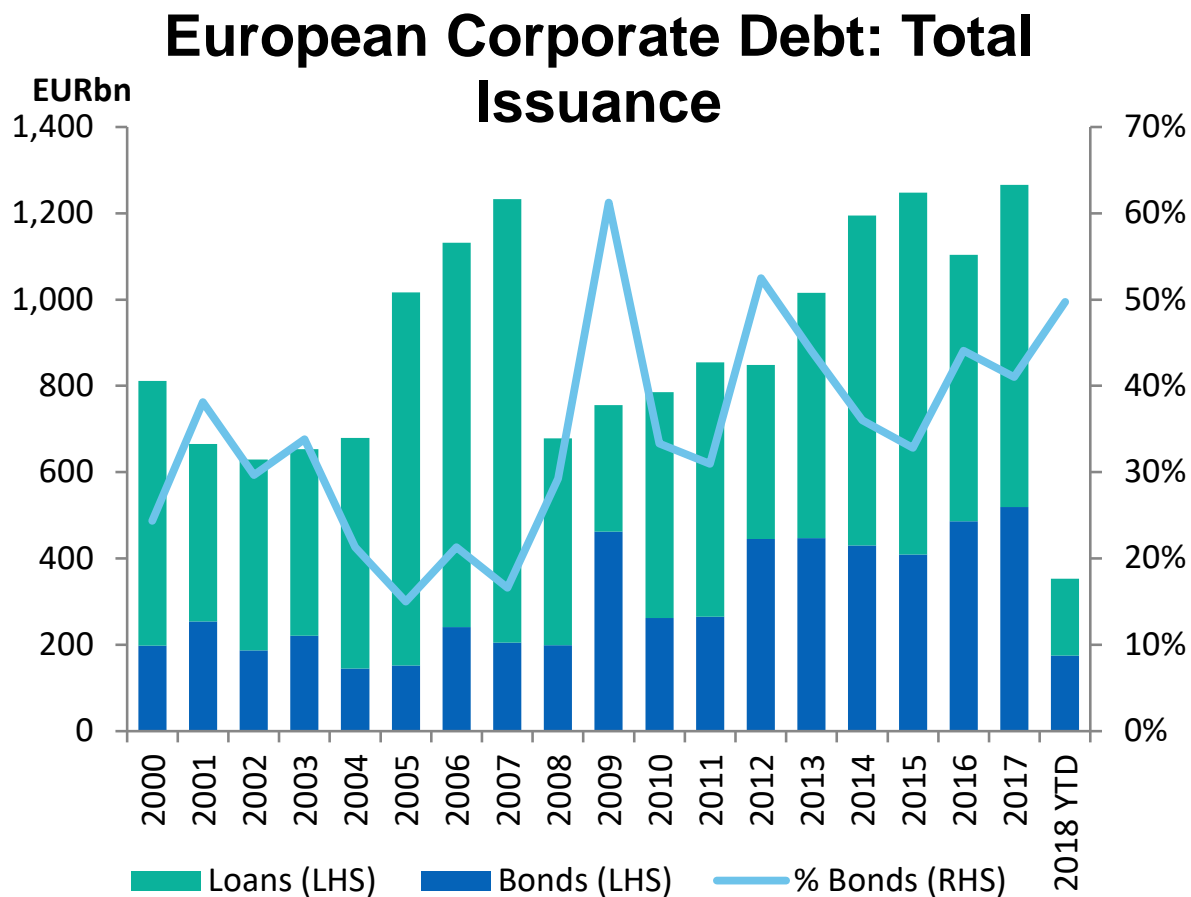
Source: Lipper for Investment Management



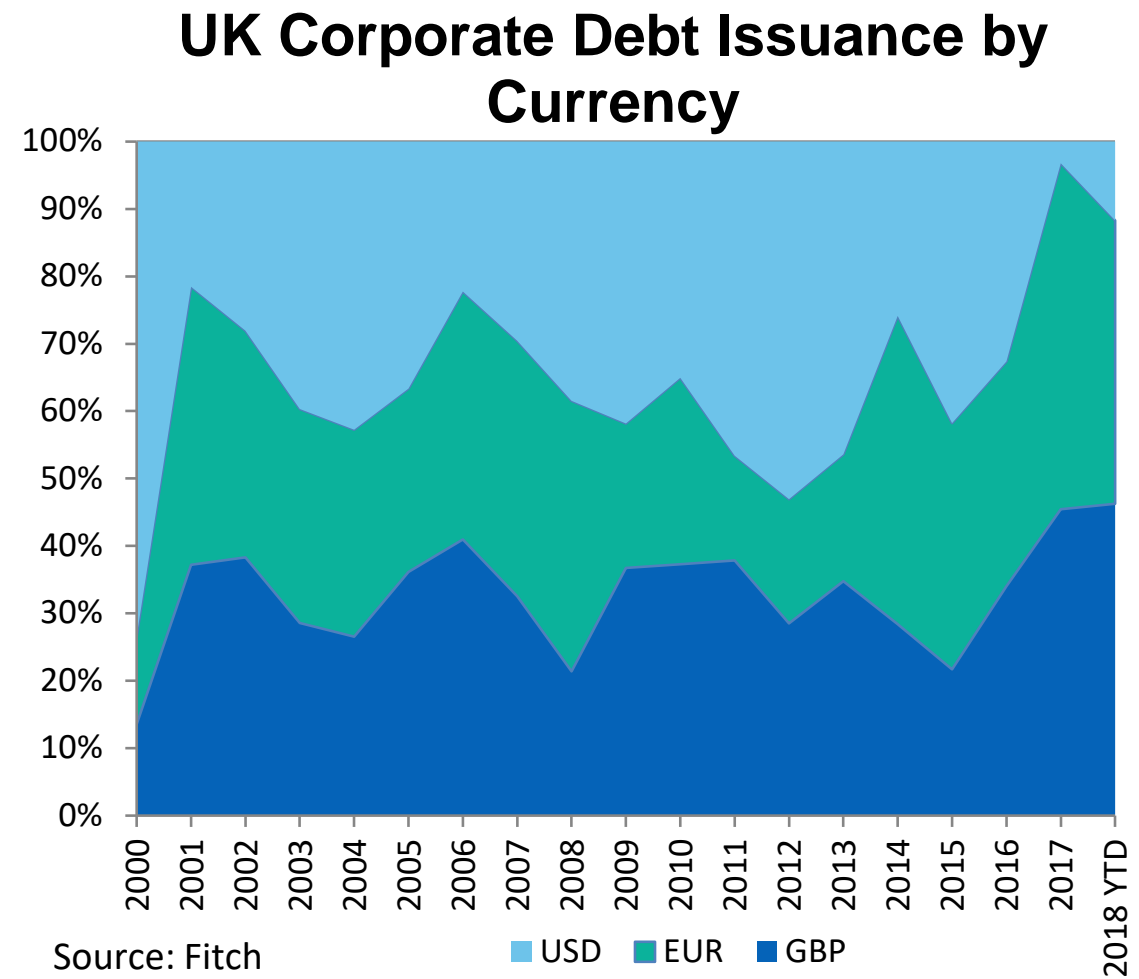
Investment Grade Flow Surge Now Passed



Source: Lipper for Investment Management



Source: Fitch



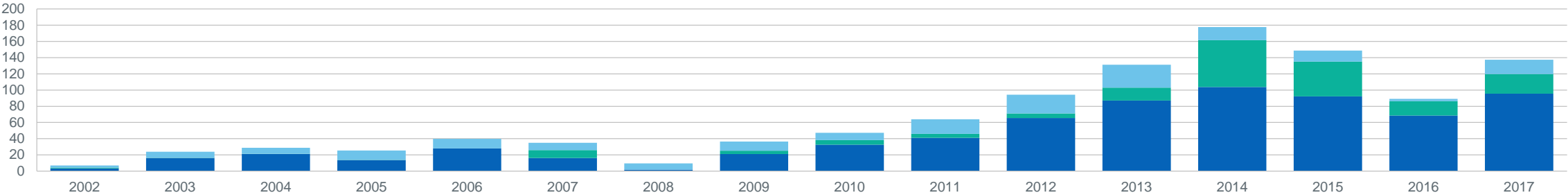
Source: Fitch



European High-Yield Issuance

Region and Broad Sector
EUR, bn

DM corporates DM financials EM - all

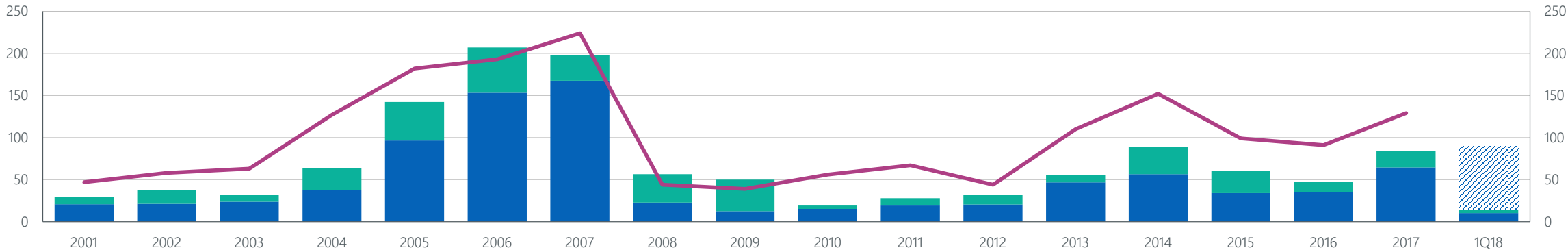


Source: Fitch, Bloomberg

Western European Leveraged Loan Issuance (excluding US Borrowers and Repricings)

2001-1Q18
(EURbn)

Sponsor (LHS) Sponsorless (LHS) Fitch projection (LHS) Number of deals (RHS)

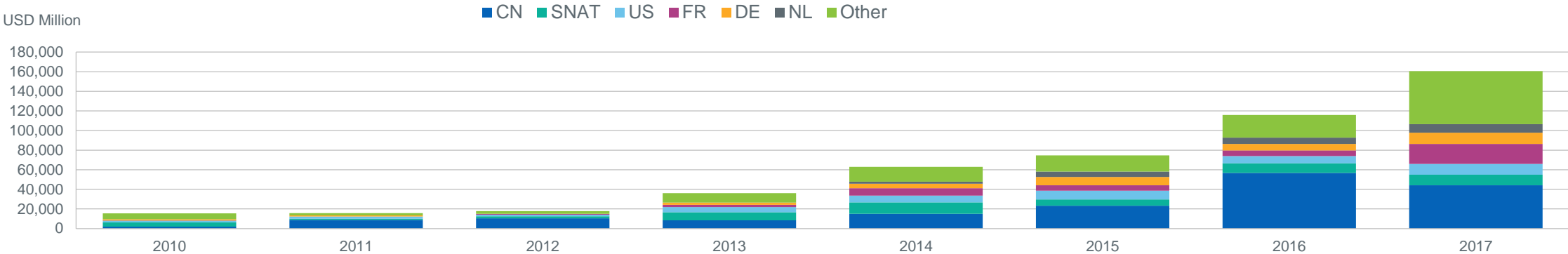


Source: Fitch Credit Opinions Database

Last But Not Least....Green Bonds Are Still Growing



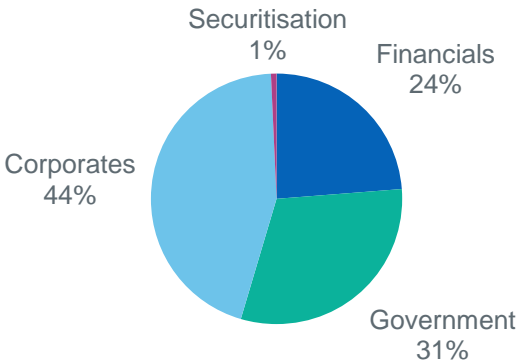
Green Bond Issuance by Country



Source: Bloomberg, Fitch

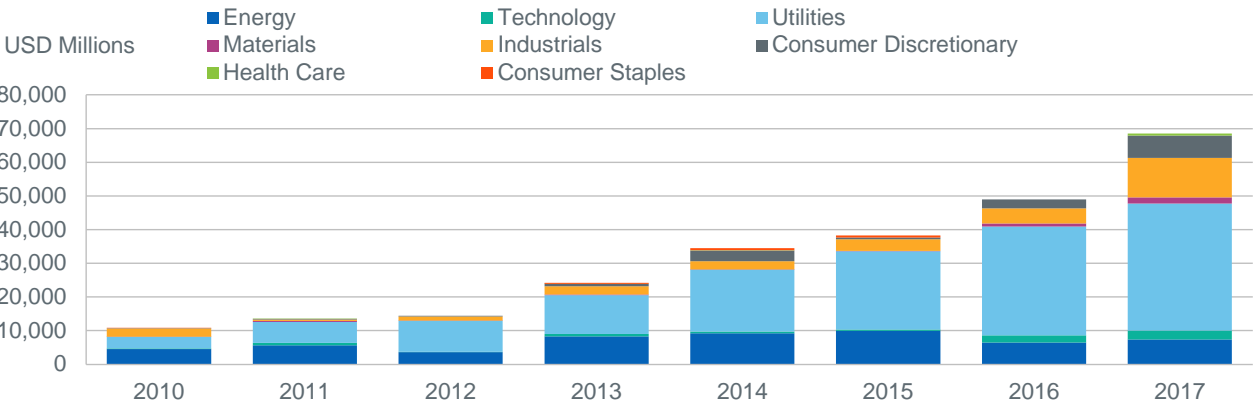
Outstanding Green Bonds by Sector

Total USD280 billion as of 31 Jan 2018



Source: Bloomberg/Fitch

Green Bond Issuance by Corp Sector



Source: Fitch

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A low-angle photograph of a modern glass skyscraper with the 'Fitch Ratings' logo mounted on its facade. The building's glass reflects the sky and surrounding structures. To the left, another curved glass building is partially visible.

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