



**NORD/LB's first digital
Capital Market ESG Conference**

Wednesday, 13 October 2021, 1.30-4.30 pm

If interested in this event, please contact

sales@nordlb.lu



Dear readers,

Two authors, two holiday periods – this is the bottleneck we have to cope with at the moment. We shall be taking a short break and look forward to welcoming you back on **Wednesday, October 20**, when the next edition of our Covered Bond & SSA View will be published via the familiar channels.

Take care and stay healthy,

Your Markets Strategy & Floor Research

Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

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Market overview

Covered Bonds

Author: Dr Frederik Kunze

Covered bond primary market remains lively: nine deals placed from seven jurisdictions

The momentum on the covered bond primary market remains at a high level. This applies in particular to the EUR benchmark segment. Over the past five trading days, a total of nine deals from seven different jurisdictions were placed in this segment with a cumulative volume of EUR 5.45bn. Issuance activity for the trading week under review was kicked off when three issuers approached the market last Wednesday. While Westpac opted to place a dual tranche (EUR 500m, 15y; EUR 1.25bn, 7y), there were also two ESG benchmarks issued in the form of a covered bond placed by Eurocaja Rural on the basis of the [Sustainability Bond Framework reviewed by Vigeo Eiris](#) as well as a [green Pfandbrief deal from NORD/LB](#). Westpac successfully placed its dual tranche transaction at ms +16bp (EUR 500m; guidance: ms +19bp area) and ms +9bp (EUR 1.25bn; guidance: ms +13bp area). The order book for this deal totalled more than EUR 2.5bn. Looking at the sustainability bond from Eurocaja Rural (EUR 750m; 10y), the re-offer spread was fixed at ms +14bp, which was six basis points below the initial guidance of ms +20bp area. The order book of EUR 2.1bn indicates that the deal was almost three times oversubscribed, which in our view reflects the high demand for ESG benchmarks. The mortgage-backed green covered bond (EUR 500m; 5y) issued by NORD/LB started out in the marketing phase with an initial guidance of ms +4bp. During the book-building process, the re-offer spread tightened to a final value of ms -1bp, meaning that the deal could be priced within the issuer's curve. On 16 September, it was the turn of a Swedish issuer, namely LF Hypotek, and Iccrea Banca from Italy, which made its EUR benchmark debut, to approach the market. The former priced its covered bond worth EUR 500m with a term of seven years at ms +4bp, which reflects narrowing of four basis points versus the initial guidance during the marketing phase. The order book totalled EUR 1.2bn. For its inaugural EUR benchmark deal, Iccrea Banca opted for a volume of EUR 500m with a term of seven years. With an order book of EUR 1.9bn and a re-offer spread of ms +12bp (guidance: ms +17bp), we can certainly describe this as a successful market appearance. At the end of last week, a Norwegian issuer – Sparebanken Sør – also placed a covered bond worth EUR 500m with a term to maturity of seven years. The re-offer spread came in at ms +4bp with an order book of EUR 725m. At the start of the trading week, we welcomed another inaugural ESG deal to the market. As such, UniCredit Bank expanded the universe of green Pfandbrief transactions. The issuer placed its inaugural green Pfandbrief deal (cf. also [UniCredit Investor Presentation](#)) in the form of a benchmark worth EUR 500m with a term of five years. Final pricing amounted to ms -2bp, meaning that this deal also tightened considerably (by five basis points) during the marketing process. Unsurprisingly, an order book of EUR 2.4bn indicates very high demand, which, as with the two ESG deal outlined above, we would attribute to the popularity of sustainable investments. In the end, five busy trading days were brought to a close by a transaction from Finland. SP Mortgage Bank successfully placed a covered bond in the amount of EUR 500m on the market at ms +3bp (guidance: ms +6bp area; order book: EUR 1bn).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
SP Mortgage	FI	21.09.	XS2391343196	7.0y	0.50bn	ms +3bp	- / - / AAA	-
UniCredit Bank	DE	20.09.	DE000HV2AYN4	5.0y	0.50bn	ms -2bp	- / Aaa / -	X
Sparebanken Sør	NO	17.09.	XS2389362687	7.0y	0.50bn	ms +4bp	- / Aaa / -	-
Iccrea Banca	IT	16.09.	IT0005459067	7.0y	0.50bn	ms +12bp	- / Aa3 / -	-
LF Hypotek	SE	16.09.	XS2389315768	7.0y	0.50bn	ms +4bp	- / Aaa / AAA	-
Eurocaja Rural	ES	15.09.	ES0457089029	10.0y	0.70bn	ms +14bp	- / Aa1 / -	X
Westpac	AU	15.09.	XS2388390507	15.0y	0.50bn	ms +16bp	AAA / Aaa / -	-
Westpac	AU	15.09.	XS2388390689	7.0y	1.25bn	ms +9bp	AAA / Aaa / -	-
NORD/LB	DE	15.09.	DE000NLB3UX1	5.0y	0.50bn	ms -1bp	- / Aa1 / -	X

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research, (Rating: Fitch / Moody's / S&P)

New debut deals in the EUR sub-benchmark segment: Bausparkasse Wüstenrot and green covered bond from Møre Boligkreditt

The sub-market for publicly placed EUR covered bonds with a volume of at least EUR 250m (but less than EUR 500m) is steadily developing further. This is happening more in the wake of developments on the EUR benchmark segment than being overshadowed by them. Yesterday (Tuesday, 21.09.), Bausparkasse Wüstenrot (cf. also [NORD/LB Issuer View – Bausparkasse Wüstenrot](#)) successfully placed its inaugural covered bond in the amount of EUR 300m, a deal which featured a term to maturity of seven years. The final re-offer spread came in at ms +5bp, which was four basis points below the initial guidance (ms +9bp area). While 68% of the deal went to investors in Germany and Austria, in terms of investor type, banks (42%) were allocated the largest share ahead of Asset Managers/Fund Managers (30%). The order book grew to EUR 450m, which indicates a significant oversubscription ratio. The covered bond placed by Møre Boligkreditt worth EUR 250m generated an order book amounting to EUR 550m. With three outstanding sub-benchmark deals each in the amount of EUR 250m, the Norwegian issuer is an established bank in this sub-market.

EUR SBMK: Icelandic newcomer – Arion Bank issues covered bond worth EUR 300m

A new addition from Iceland has now been announced for this interesting niche market, with Arion Bank (S&P Issuer Rating: BBB; stable) having mandated for a sub-benchmark in the amount of EUR 300m (WNG). The corresponding investor calls to market this soft bullet covered bond deal with an expected term to maturity of five years were arranged from Monday onwards. The covered bond programme of Arion Bank, which was first set up in 2011, currently comprises EUR 2bn, while the corresponding bonds are expected to be rated A- by S&P. The cover assets primarily comprise residential mortgages (maximum LTV: 80%). Looking at the ramifications of the 2008 financial crisis on the bank's loan portfolio, S&P sums up in its current Presale Rating Report on the issuer (20 Sept. 2021), among other things, that the proportion of outstanding receivables in the portfolio of Arion Bank has fallen sharply since 2010 and is now comparable to many other European banks. Stricter lending standards are said to have played a key role in this development. The cover pool is also not allowed to contain any loans more than 90 days in arrears. Due to the fact that this is an inaugural issuance, and taking account of the issuer in general as well as the jurisdiction and expected rating, we would expect significant spread premiums in comparison with the most recent deals in the EUR sub-benchmark segment.

Can the primary market keep up the pace?

At the time of going to print, there are a handful of deals in the preparatory phase that we feel obliged to report on in our weekly publication. In this context, Kommunalkredit Austria had previously announced a mandate for a public sector covered bond in the sub-benchmark segment worth EUR 250m (WNG; 5-7y). From the Netherlands, Achmea Bank has signalled its intention to place a soft bullet covered bond in the amount of EUR 500m (WNG) with a term to maturity of 15 years. Over in France, the public sector issuer CAFFIL (cf. [NORD/LB Issuer View – Caisse Française de Financement Local](#)) is in the process of preparing a covered bond placement, which, according to the mandate, is expected to be processed in dual tranche format. In actual fact, the question on our lips at the moment is increasingly whether or not the primary market can sustain this pace of activity? For this reason, we propose to use this spate of issuance activity in September to contextualise the year to date on a broader footing and discuss the potential implications for the remainder of 2021 (for further details, please refer to the [following article](#) in this edition).

TLTRO III: EUR 79bn in repayments

Even if the current primary market activity might not directly suggest it, there is some evidence that 2021 will go down in history as an extremely weak year in terms of new covered bond issuance activity in the EUR benchmark segment. We would attribute this development not least to the refinancing options created by the ECB via TLTRO III. In September, commercial banks had the opportunity to prematurely repay funds raised via the TLTRO III.1-5 tenders for the first time. The corresponding figures were published last Friday. It should come as little surprise to note that the banks did not exactly make proactive use of this option. We also expect this trend to continue over the next few deadlines, with no notable increases in the repayment volumes likely to be observed. Conversely – and also against the background of the upcoming TLTRO III.9 and TLTRO III.10 tenders – we do not expect any impulses from the direction of the ECB's TLTRO III operations that are likely to result in positive momentum for issuance activities. In concrete figures: the repayment volume was calculated at EUR 79bn on Friday, while outstanding TLTRO III funding currently amounts to EUR 2,188bn.

TLTRO III volumes: Allocation, outstanding volumes and repayments

Ref.	Type	Maturity date	Original maturity in days	Allotted amount EUR bn	Outstanding amount EUR bn	Repayment EUR bn
20210078	TLTRO III.8	24 June 2021	1,098	109.83	109.73	-
20210034	TLTRO III.7	24 March 2021	1,099	330.5	330.23	-
20200248	TLTRO III.6	16 Dec. 2020	1,099	50.41	50.41	-
20200207	TLTRO III.5	30 Sept. 2020	1,092	174.46	174.46	1.3
20200131	TLTRO III.4	24 June 2020	1,099	1308.43	1307.46	45.9
20200029	TLTRO III.3	25 March 2020	1,099	114.98	114.98	18.3
20190129	TLTRO III.2	18 Dec. 2019	1,099	97.72	97.6	12.4
20190097	TLTRO III.1	25 Sept. 2019	1,099	3.4	3.4	1.3

Source: ECB, NORD/LB Markets Strategy & Floor Research

Market overview

SSA/Public Issuers

Author: Dr Norman Rudschuck, CIIA

Enhanced promotion of environmental protection and climate change adaptation

In cooperation with KfW, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety expanded its promotion of investments in environmental protection and climate change mitigation as well as in measures for adapting to the effects of climate change on 1 September 2021. Companies, sole traders and entrepreneurs are now able to use the KfW Environmental Protection Programme to finance general environmental protection measures and measures geared to conservation of resources in a circular economy as well as for investments to promote climate change mitigation and adapt to the effects of climate change. Svenja Schulze, Germany's Federal Minister for the Environment, Nature Conservation and Nuclear Safety, explained: "We are realigning the KfW Environmental Protection Programme and expanding it to support companies even better as they invest to tackle the climate and environmental policy challenges and the clearly visible consequences of climate change we are currently facing. Adapting to heat, flooding and droughts, reducing emissions and transitioning to a clean and greenhouse gas-neutral economy that conserves resources require enormous investment." According to KfW, the Environmental Protection Programme promotes climate change mitigation measures, particularly in energy-intensive sectors, which will lead to a significant reduction in process-related greenhouse gas emissions. Two case studies described on its website are of a printing business and an automotive supplier. The programme also supports measures that reduce damage and risks resulting from climate change. They include, for example, measures to counteract damage from excessive heat, adverse effects on the use of water resulting from global warming and from more frequent summer droughts, torrential rain, flash floods and flooding in general, with the associated risks to people, buildings and infrastructure. According to the press release, a priority area for promotion projects centres on the use of nature-based solutions and contributing to green infrastructure, for example by creating green spaces in and around buildings and office premises as well as through measures for natural water conservation.

EIB calls for ambitious climate action plans

The President of the European Investment Bank (EIB), Werner Hoyer, and Vice-President Ambroise Fayolle will speak and/or have spoken already on climate change mitigation this week at the 76th regular session of the UN General Assembly (UNGA) and Climate Week NYC. They will explain how the EIB is increasing its climate protection goals and how important partnerships are in realising global climate targets. In addition, they will explain what will be necessary to make COP 26 a success. This refers to the COP 26 UN Climate Change Conference in Glasgow from 31 October to 12 November 2021. The EIB will debate how partnerships can help governments, cities, companies and the financial sector to achieve global climate targets. Together with other institutions, the EIB will take a lead in the taskforce on finance and investment, one of the five key areas of the UN's roadmap published in June this year. The roadmap is to highlight how universal access to sustainable energy services can be achieved by 2030. This "UN High-level Dialogue on Energy" was convened by United Nations Secretary-General António Guterres.

FMS Wertmanagement – further progress with portfolio reduction

FMS Wertmanagement (FMS-WM), the German government's bad bank, achieved profit from ordinary activities of EUR 28m in H1 2021 (H1 2020: EUR 46m). However, an even more important aspect is the progress made on portfolio reduction. The nominal volume has been reduced by EUR 5.0bn, or 8.1%, since the start of the year. Taking into account foreign currency effects of EUR 1.2bn that increased the portfolio, the nominal volume of FMS-WM's portfolio was reduced to EUR 57.8bn as at 30 June 2021. Compared with 31 December 2020, FMS-WM's total assets were down by EUR 16.0bn to EUR 129.8bn as at the reporting date. According to the press release, the balance of the items related to valuation and reduction measures (risk provisions and income from financial investments) resulted in a charge against earnings of EUR -70m (same period in the previous year: EUR -72m). General administrative expenses were reduced to EUR 60m (previously: EUR 66m). They remained significantly below the balance of net interest income and net commission income of EUR 163m (H1 2020: EUR 155m). On the funding side, the scope of FMS-WM's access to long-term refinancing funds via the Sondervermögen Finanzmarktstabilisierungsfonds (FMS, German government's financial market stabilisation fund) was increased from EUR 30bn to EUR 60bn at the end of 2020. Carola Falkner, Member of the Executive Board of FMS-WM responsible for Treasury and Asset Management, explained: "The increase has enabled us to raise total long-term refinancing funds of EUR 18.2bn via the FMS in the first half of 2021." FMS-WM raised additional long-term refinancing funds of USD 500m in the capital market during the reporting period. FMS-WM expects to break even from ordinary activities as a minimum for financial year 2021. According to the press release, no developments have arisen in the 2021 financial year to date that would stand in the way of these forecasts. Furthermore, the press release stated that the sale of Irish DEPFA Bank plc, announced in February this year, is nearly complete and will be finalised before the end of this year as planned.

NGEU – first successful auction of EU bills

As part of its first auction of EU bills, the European Commission issued short-term securities worth EUR 5bn. They comprised EUR 3bn (3M) and EUR 2bn (6M). Johannes Hahn, European Commissioner for Budget and Administration, commented: "The first auction of EU bills marks a further milestone in the NGEU financing programme. With the option of issuing EU bills every month, the European Commission now has a cost-effective and efficient solution for bridging finance. The success of today's issue confirms market interest in this brand new short-term paper. The EU bills programme will attract even more investors to the EU capital markets and strengthen the international role of the euro." Bid-to-cover ratios were 3.39x and 5.76x respectively. It was the first time that the European Commission issued short-term securities to supplement its bond issues. Based on the investor presentation, EU bills are one of the most important pillars of the European Commission's diversified financing strategy. They offer additional flexibility, which can be valuable in raising funds quickly at favourable terms. It was also the first auction which the European Commission carried out as part of its new auction calendar on behalf of the EU. Everyone is now waiting with bated breath for the first auction of EU bonds on Monday. The auctions of bonds will – as announced – generally take place on the fourth Monday of the month. Primary dealers have already been informed. A total of EUR 2bn to EUR 2.5bn is to be auctioned.

Primary market

Today we comment on a turbulent week in the primary market. In the period from last Wednesday to yesterday, various heavyweights were present in the market. We anticipated this in the previous week based on the amount of mandates. In view of an eightfold oversubscription, Austria's record-breaking bond issue – order book worth EUR 42bn with a 15y maturity placed at ms -3bp – highlighted that there was room for plenty more securities. As reported, the EIB opted for its EARN format, with EUR 3bn (WNG). The deal (5y) was placed at ms -15bp after being guided at ms -12bp area. The order book exceeded EUR 36bn. The German federal state of North Rhine-Westphalia (NRW) launched a bond with a maturity of more than 30 years in the market. With regard to the volume, the issuer based in Düsseldorf did not want to specify in advance and eventually EUR 2.5bn was printed. The order book (EUR 9.6bn) would have allowed for even more. The bond is eligible for the Eurosystem's purchase programmes, since the maturity is shorter than the upper limit of 31 years (minus one day). The guidance started in the ms +17bp area. The pricing eventually was ms +15bp. KfW's deal (EUR 3bn, WNG, green, 10y) achieved an order book worth more than EUR 22bn. Guidance in the ms -11bp area was ultimately followed by pricing at ms -13bp. NRWKB was not shy either, although investors were kind of. A social bond worth EUR 1bn was placed for seven years at ms -3bp. The order book amounted to just over EUR 850m. Compared with the guidance, no further tightening was therefore possible. Bonds from the Azores time and again represent an exciting announcement on screens: a volume of EUR 410m to EUR 485m was announced, with a 15y maturity. Eventually, the bond was worth EUR 435m and issued at an interpolated spread of 52 basis points above the two Portuguese benchmark bonds (PGB 0.9% 10/12/35 & PGB 4.1% 04/15/37). This translates as approximately ms +79bp and a coupon of 1.095%. Since this was just under benchmark format, as was also the case last year, the bonds are not included in our statistics (see below). More information on the autonomous Atlantic region is available [here](#). A further two deals were also priced: ILB (the investment bank for the state of Brandenburg) appeared on screens with a minimum of EUR 250m and subsequently achieved double that volume, for ten years at ms flat. The order book amounted to almost EUR 1bn, resulting in tightening of one basis point against the guidance. At a similar time, Rentenbank also mandated and priced a deal in parallel: EUR 1.5bn for five years at ms -13bp. The order book totalled just over EUR 5.2bn, with the guidance starting in the ms -10bp area. Clear mandates were also announced by NEDWBK (25y, social housing), AGFRNC (10y, sustainable) and HAMBURG (10y, federal state treasury notes). We expect all three of the above-mentioned deals to be priced very shortly after this edition going to press. In contrast, KEXIM mandated for a potential transaction in USD and/or EUR ("Sends RfP for possible offshore bond" and "Hires banks for USD/EUR bonds"). It is a rarely seen combination and it remains unclear whether this will be a dual tranche in different currencies or whether the focus will be on one of the two currencies. In June 2021, the Korean financial institution opted for USD 2bn in three tranches.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
RENTEN	DE	20.09.	XS2390861362	5.0y	1.50bn	ms -13bp	AAA / Aaa / AAA	-
ILBB	DE	20.09.	DE000A3E5RF9	10.0y	0.50bn	ms flat	AAA / Aaa / AAA	-
NRWBK	DE	15.09.	DE000NWB0AP2	7.0y	1.00bn	ms -3bp	AAA / Aa1 / AA	X
KfW	DE	14.09.	XS2388457264	10.0y	3.00bn	ms -13bp	- / Aaa / AAA	X
NRW	DE	14.09.	DE000NRW0M35	30.3y	2.50bn	ms +15bp	AAA / Aa1 / AA	-
EIB	SNAT	14.09.	XS2388495942	5.3y	3.00bn	ms -15bp	AAA / Aaa / AAA	-

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research (Rating: Fitch / Moody's / S&P)

Covered Bonds

Covered bond primary market: a September to remember

Author: Dr Frederik Kunze

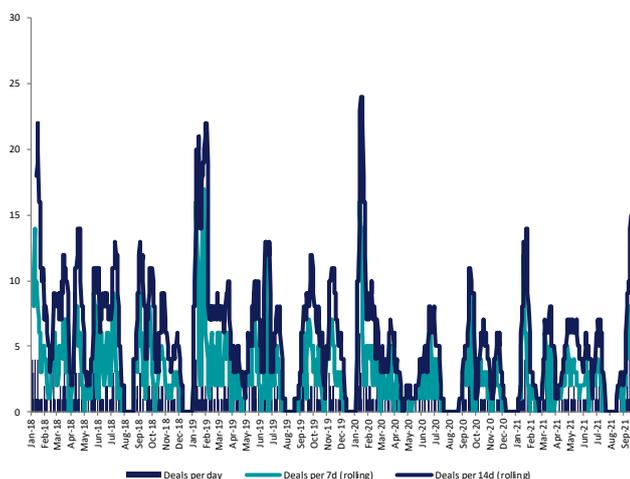
Admittedly, we were caught by surprise!

Current conditions in the primary market are still characterised by strong momentum (cf. [Covered Bond Market Overview](#)), and indeed, as regards issue volume in the EUR covered bond segment, we would describe what we have seen since the end of the summer break as a definite surprise. After activity kicked off again with bonds from two German Pfandbrief issuers – Berlin Hyp (EUR 500m; 5y; 16.08.) and pbb (EUR 500m; 5y; 17.08.), this was followed by as many as 20 further EUR benchmark covered bonds (EUR 13.8bn). Even the much smaller sub-market of EUR sub-benchmark issues saw an exceptionally lively flow of new issues compared with previous years. As part of this contribution to our weekly publication, we propose to offer our readers an overview of latest developments in the primary market before finally also considering how the situation could evolve over the next few weeks. We can already state the following: at present, we still see no major forecast risk to our issuance projection for the EUR benchmark segment for 2021, which remains at EUR 79.5bn in total.

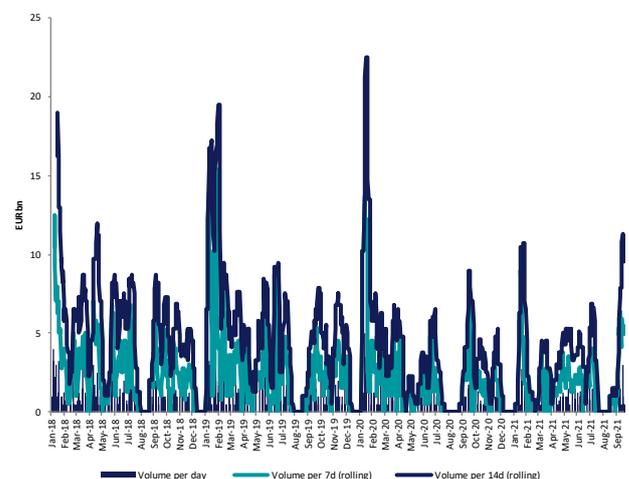
EUR BMK: a look at the issuance pattern

Significant issuance activity since the end of the summer break and above all in September definitely stands out in an analysis of earlier issuance patterns. There have already been as many as 19 bond issues this month, amounting to a total volume of EUR 13.3bn (09/2020: 14 bonds for EUR 11.1bn; 09/2019: 19 deals worth EUR 12.5bn overall). The question now – and we propose to look at this in greater detail below – is less about the strength of this September in an historical comparison, than the extent to which the current momentum is likely to hold. First of all, though, we would like to continue our inventory of the primary market.

EUR BMK: issuance pattern (No. of deals)

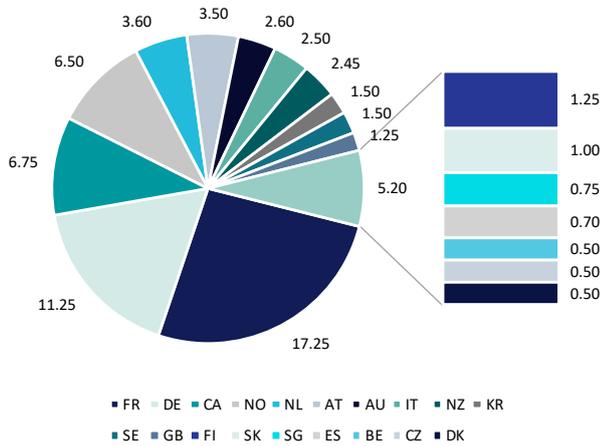


EUR BMK: issuance pattern (EUR bn)

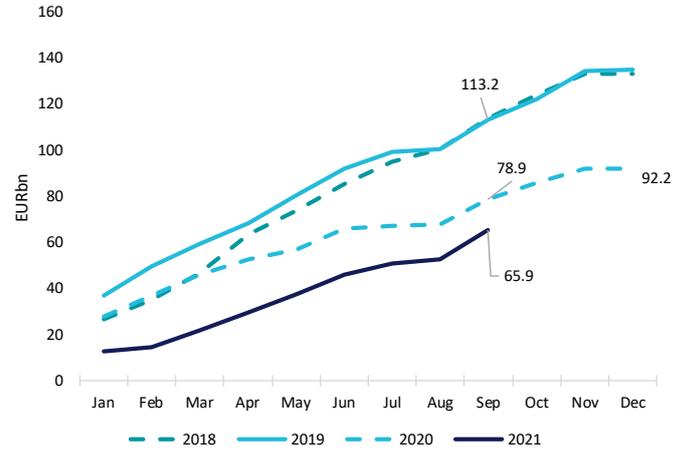


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

EUR BMK: primary market 2021 (ytd; EUR bn)



EUR BMK: issuance trend (EUR bn)

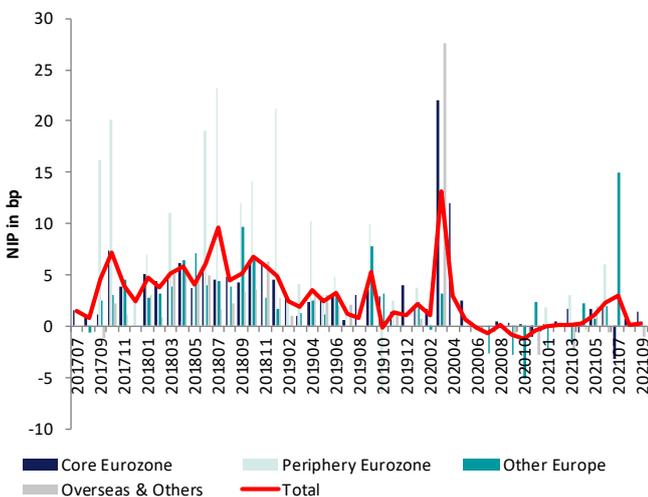


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

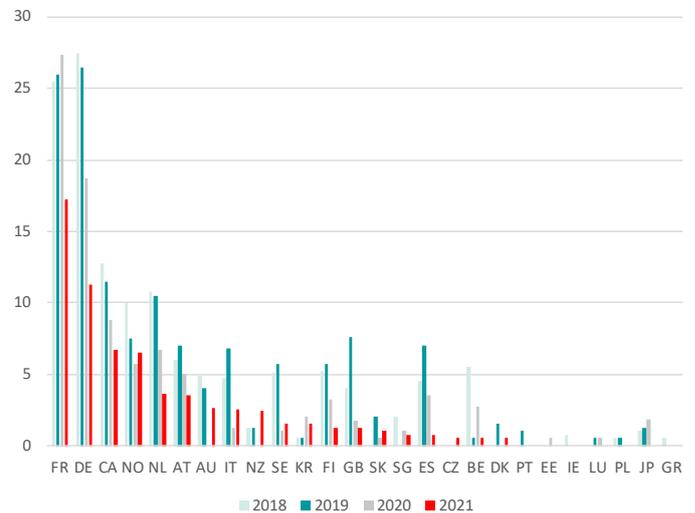
EUR BMK primary market in 2021: Is there really a little more momentum?

Even after the blistering start following the summer break, historically, the benchmark covered bond activity recorded so far in 2021 leaves the impression of a lacklustre performance overall. We have already described the reasons for this in detail elsewhere. They mainly relate to the original funding requirements and also alternative funding avenues (above all via the ECB). So far this year, deals amounting to EUR 65.85bn have been placed. As such, 2021 is still lagging behind previous years, although September has shown signs of catching up. As regards the country breakdown, France and Germany are still top dogs in terms of volume, accounting for the largest shares (see right chart below). However, a comparison with previous years shows that these two jurisdictions are also down on former volumes. In this sense, the signs seem to indicate that, even after strong figures in September, the full year 2021 is likely to show less momentum and there are intimations of a marked negative net supply.

EUR BMK: new issue premiums



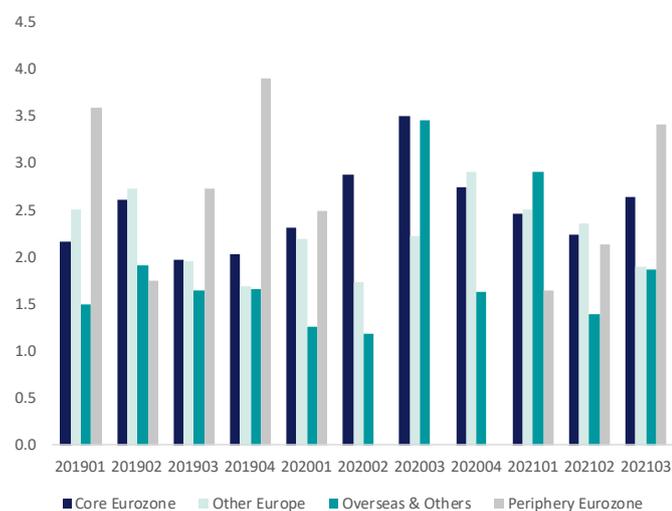
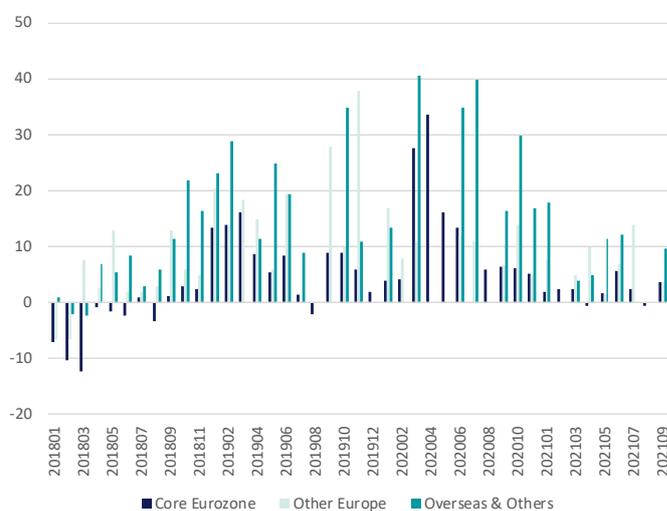
EUR BMK: deals by jurisdiction (EUR bn)



Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

EUR BMK: market able to absorb substantial volumes

During the current phase, we would describe the market as being able to absorb new supply with great ease. After all, many issuers are pricing their bonds on or to some extent within their own curve. New issue premiums are correspondingly low. Oversubscription ratios are also at a relatively high level, although the bid-to-cover ratio should be qualified not least bearing in mind inflated order books. In our view, this perspective is also additionally backed up by a significant proportion of no-grow issues. However, we also see a downward or at least sideways trend when it comes to reoffer spreads.

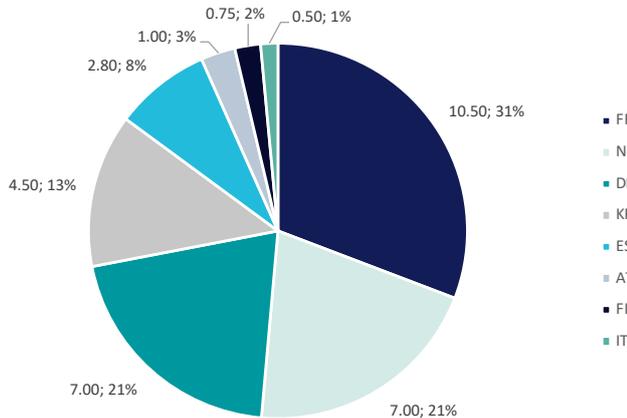
EUR BMK: bid-to-cover ratio (average)**EUR BMK: reoffer spread (average)**

Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

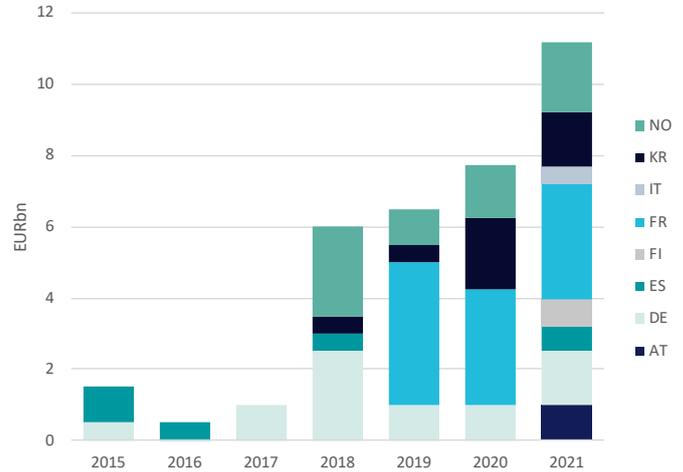
EUR BMK ESG: Sub-segment of sustainable covered bonds still growing

We rate the strong momentum seen in ESG issues and in the segment of EUR benchmark green covered bonds in particular as far less surprising. After all, the volume of EUR BMK ESG deals this year already amounts to EUR 11.2bn spread across a total of 15 issues. The volume is now split between six jurisdictions, with Spain making a return to the ESG covered bond market after the summer break following a fairly lengthy absence and Austria becoming a new jurisdiction in the green covered bond segment. Eurocaja Rural launched its debut ESG bond in a sustainability format (cf. [Market Overview](#)), while BAWAG successfully placed the first AT green covered bond for its own ESG debut. The scales in the market for ESG benchmarks are now tipping firmly towards green deals, which make up a share of 64% (EUR 22bn) of the outstanding volume. Social bonds account for EUR 10.25bn (30%), while the sustainability spectrum amounts to EUR 2.3bn (6%). The covered bonds in EUR sub-benchmark format not included in these figures, which were placed in the market as ESG deals, back the impression of a dynamic market segment. Oberösterreichische Landesbank and the Norwegian issuer Møre Boligkreditt are two institutions which chose the sub-benchmark segment for a green debut. Whereas the Austrian deal was already successfully placed on 08 September (EUR 250m; 7y; ms +4bp), the issue from Norway (EUR 250m; WNG; 5y; ms +6bp) took place on Tuesday of this week.

EUR BMK ESG: volume by jurisdiction (EUR bn)



EUR BMK ESG: issues (EUR bn)

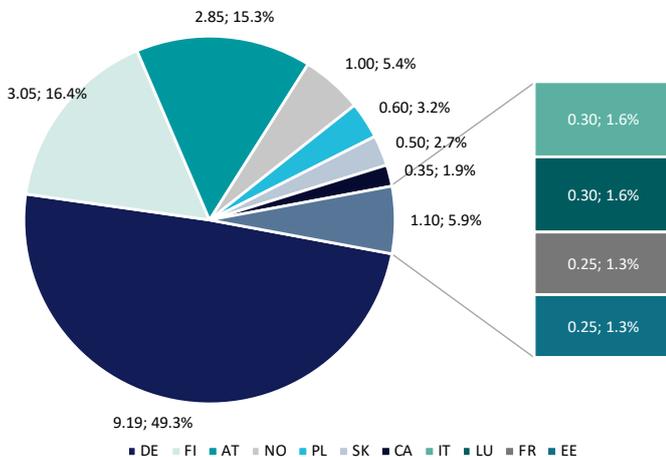


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

EUR sub-benchmark segment: more than a mere side note

The EUR sub-benchmark segment currently amounts to a volume of just under EUR 19bn, and we would definitely describe this sub-market as having experienced relatively strong momentum this year. First-time Canadian issuer Equitable Bank and Bausparkasse Wüstenrot, for example, have chosen the EUR sub-benchmark segment for their publicly placed debut issues, and Iceland's Arion Bank is another new issuer which has opted to seek euro investors in this format. Kommunalkredit Austria has also mandated for a sub-benchmark. On this basis, it seems fair to assume that the sub-benchmark segment will reach a new record in 2021. As we have mentioned earlier, however, it remains a niche market. Nevertheless, it would not be justified to say that the segment is a mere side note; indeed, the sub-market offers both issuers and investors a growing platform which promises spreads and can enable regular access to the market.

EUR SBMK: volume by jurisdiction (EUR bn)



EUR SBMK: issues (EUR bn)



Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

What happens next?

As regards the issue of whether or not we can assume that the current momentum will continue in future, and, if so, for how long, we would look in particular at reasons which would support issuers making an appearance in the market now. As already mentioned, the market is proving to be receptive towards the relative mass of primary market deals. One example of this is the low level of new issue premiums, the tightening in the context of book building and well-filled order books. Even long-dated bonds and larger deals have been well received lately, which, in the case of EMU covered bonds, we would also see in the context of the existing exit channel in the form ECB purchasing activity. Another striking element in this context is that activity in the secondary market has so far remained muted because activity in the primary market is not leading to corresponding switching by investors. However, this partly also reflects limited liquidity in covered bonds that already have fairly lengthy terms. As regards the timing of primary market deals, it really is imperative to take advantage of the proverbial propitious moment and not to delay any potential issue. On balance, the spread level should not tighten much more. To that extent, it makes little sense in our view to wait for better conditions from the point of view of many issuers. If anything, we see a greater likelihood of less advantageous issuance conditions from an issuer perspective. Consequently, we would assume that a few more issuers will show themselves in the market in the next few trading days. We expect rather muted activity in October and – assuming a stable seasonal pattern – the end of the year should be used for (modest) pre-funding activities.

Conclusion

On balance, we would describe activity in the primary market as a pleasant surprise. In relation to the full year, it has already been a September to remember. Likewise, as regards momentum in the ESG and sub-benchmark covered bond sub-segments, the current issuance month is proving to be pleasingly dynamic. As far as the rest of the year is concerned, though, we expect to see a noticeable flattening of issuance activity and we are therefore sticking to our 2021 issuance forecast of EUR 79.5bn for the EUR benchmark segment. We would only see the need to adjust our forecast if it turns out that activity is not the result of timing after all. Even if we were to move closer to an issuance volume of EUR 90bn, however, we believe that the impact on spreads would be extremely limited, a fact which we would primarily ascribe to marked negative net supply and the strong presence of the Eurosystem on the buyer side.

SSA/Public Issuers

Announcement: Issuer Guide German Bundeslaender 2021

Author: Dr Norman Rudschuck, CIIA

Foreword

As was previously the case, the 16 German Bundeslaender continue to represent by far the largest sub-sovereign market in Europe. The outstanding volumes and annual issuance volumes of the Laender segment in Germany are higher than at any other sub-national level. Traditionally characterised by a steady supply of new bonds and (high) relative attractiveness versus Bunds, the Laender segment has always represented an interesting alternative to sovereign bonds. As a result, this sub-segment is among the most liquid, albeit not necessarily the most complex, markets in the European segment for supranationals, sub-sovereigns and agencies (SSA). In future – and above all after the coronavirus pandemic – issuance volumes are, however, likely to decline following the (re)application of the debt brake from 2023 at the earliest. This prohibits any net borrowing not related to an emergency situation that is also beyond the control of the public sector. The debt brake represents one of the most important changes with regard to Laender finances for quite some time, as is the case with the reform of the federal financial equalisation system. In 2020, the debt brake was suspended shortly after coming into force for 2020, 2021 and now also 2022 – due, as is well known, to the coronavirus pandemic – after the emergency paragraphs contained in the legislation were invoked. As a result, the debt brake will take effect again in 2023 at the earliest to facilitate the supplementary budgets of the federal government and the 16 state parliaments, which were adopted with a view to mitigating the consequences of the coronavirus pandemic.

Eighth edition of the Issuer Guide German Bundeslaender

The Issuer Guide German Bundeslaender, which will be published in its English version in the week starting 18 October, is part of a series of NORD/LB Markets Strategy & Floor Research products on individual issuers and market segments in the global bond market. Following on from the first issue in 2013 – and an unplanned break in 2019 – this edition will be the eighth publication in a format which has consistently provided an extensive overview of the largest EUR market for sub-sovereigns. The focus of the Issuer Guide has always been on this homogeneous group of issuers comprising the 16 Bundeslaender as well as the “Gemeinschaft deutscher Laender” (Joint Laender). This year, we are again firmly of the view that the upcoming publication will offer our readers an extensive insight into the German Laender segment.

Printed version of all NORD/LB Issuer Guides will be dictated by actual demand

This year, for reasons of sustainability, we have decided to make the Issuer Guide German Bundeslaender 2021 exclusively available in PDF format. However, even a sustainable approach calls for some degree of leeway: with this in mind, should any of our readers prefer the Issuer Guide in printed format for their work, then we will gladly supply a printed version.

Please get in touch with your sales contact to provide a delivery address and indicate the number of copies required. Alternatively, our readers can also contact sales@nordlb.lu.

NORD/LB publications complementing our Issuer Guides

To complement the upcoming Issuer Guide, which aims to provide as comprehensive a market overview as possible, our publication spectrum also looks at specific market developments and fundamental changes in framework conditions across the entire SSA segment and covered bond market. These regular and in some cases weekly publications, analyses and commentaries can be found in the usual manner on our website (www.nordlb.com/nordlb/floor-research), via our Wholesale capital market portal (<https://www.nordlb.com/my-nord/lb-portals/capital-market-portal-wholesale>) and on the NORD/LB Research portal at Bloomberg ([RESP NRDR <GO>](#)). Should any of our readers not yet have access to any of these platforms, then please get in touch with your sales contact or alternatively reach out to sales@nordlb.lu.

Overarching changes in the segment

The principle of federal loyalty (Bundestreue) and the old federal financial equalisation system caused a clear convergence of the credit profiles of the individual Bundeslaender, both with respect to each other and versus the federal government. The introduction and preparatory phase of the debt brake and the monitoring of Bundeslaender finances by the Stability Council represent additional factors that have served to heighten this effect in recent years. At the same time, Laender finances continue to face huge challenges. Growing municipal debt and high implicit pension liabilities are just two factors that are already making budget management significantly more difficult and which will come into focus again over the next few years in the wake of the coronavirus crisis. The proposal put forward by Olaf Scholz, Federal Minister of Finance, for the municipal debt of around 2,500 local and regional authorities to be transferred to the federal government, is unlikely to receive the required two-thirds majority in the Bundestag and Bundesrat any time soon. According to a statement from the Bundestag, the five opposition motions submitted against the debt brake were as disparate in nature as the expert opinions provided. In our view, both federal government and Laender must be united in this aspect. In addition, extraordinary factors including the 2015 migrant-movements and, more topically, the economic measures implemented as part of the response to the coronavirus crisis must to some extent be borne by the Bundeslaender. The reform of the federal financial equalisation system agreed at the end of 2016 reduces the previously increased pressure from the relationships among the Laender themselves. These major challenges facing the Bundeslaender stand in contrast to the significant progress that they have made in the required efforts at budget consolidation: interest coverage has improved on a continuous basis over the past few years, while debt sustainability had also been recovering sustainably until the pandemic hit. Nevertheless, fundamental and significant differences continue to exist between the individual Laender, a situation which, in our opinion, necessitates a relative analysis.

Conclusion

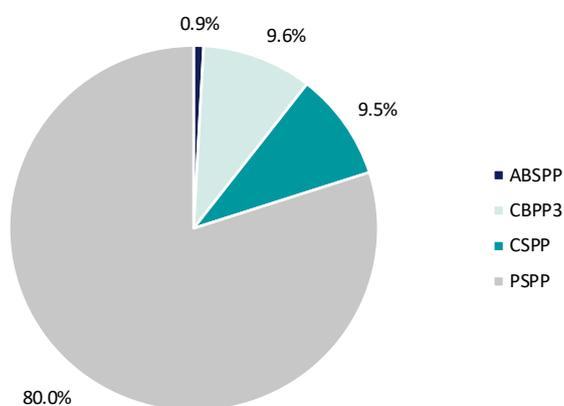
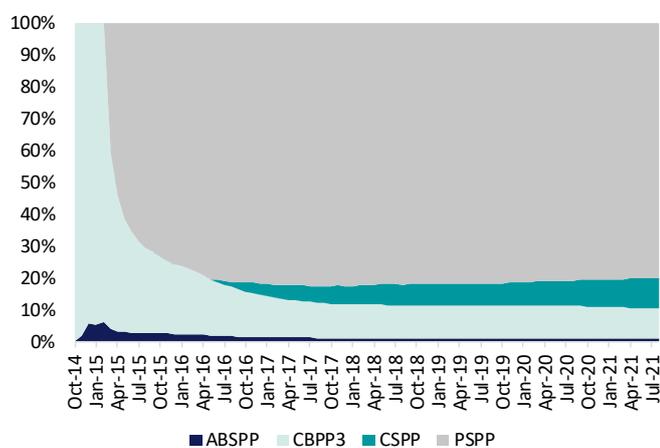
The aim of our upcoming German Bundeslaender Issuer Guide 2021 is to facilitate the relative comparison of German sub-sovereigns against the backdrop of the constitutional and regulatory framework conditions. The publication is planned for the week starting 18 October. In particular, we highlight the differences relating to spreads and issuance volumes in light of the fundamental development of finances and the economy in the Bundeslaender. In addition, for the purpose of a differentiated analysis, we will include a look at the Gemeinschaft deutscher Laender (Joint Laender; ticker: LANDER) as issuer of Laender jumbos starting at a minimum value of EUR 1bn.

ECB tracker

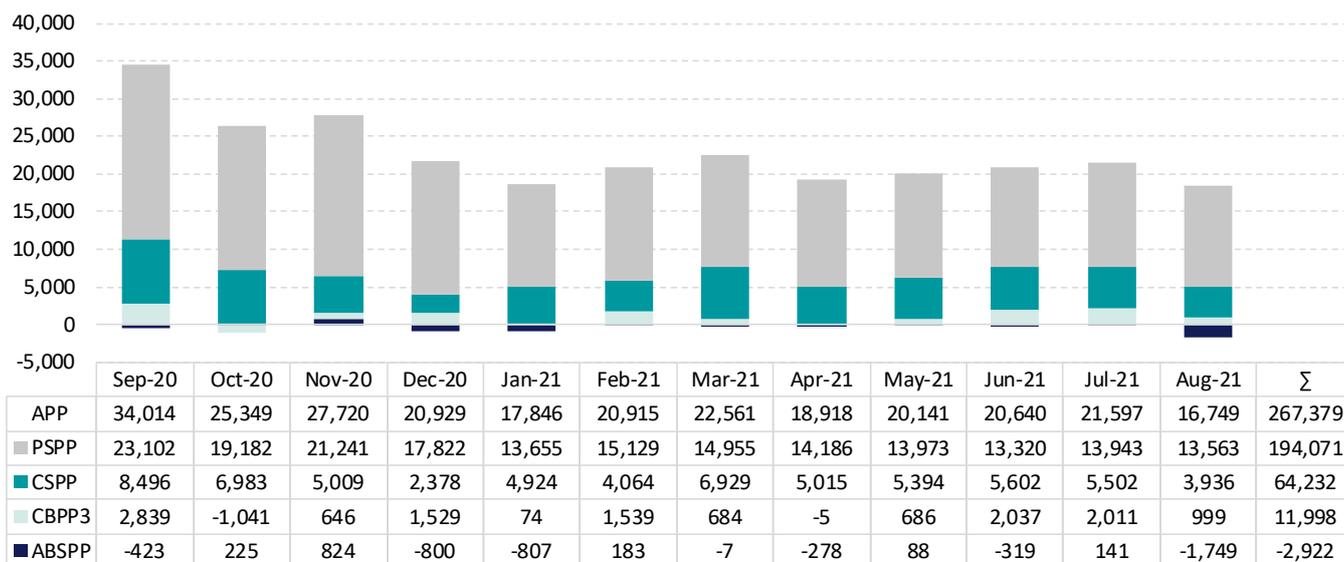
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Jul-21	28,331	293,776	287,233	2,429,274	3,038,614
Aug-21	26,582	294,775	291,169	2,442,837	3,055,363
Δ	-1,749	+999	+3,936	+13,563	+16,749

Portfolio structure

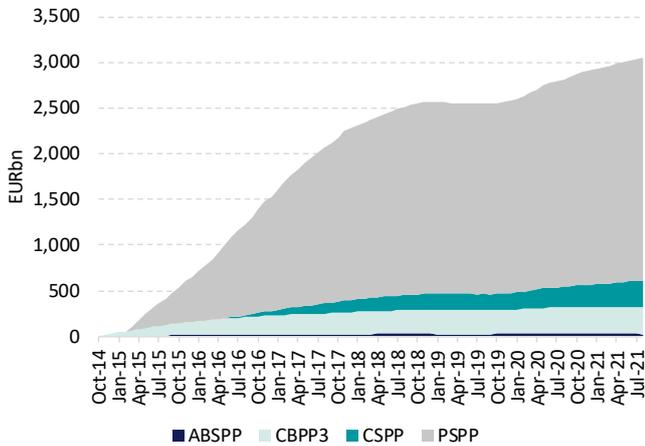


Monthly net purchases (in EURm)

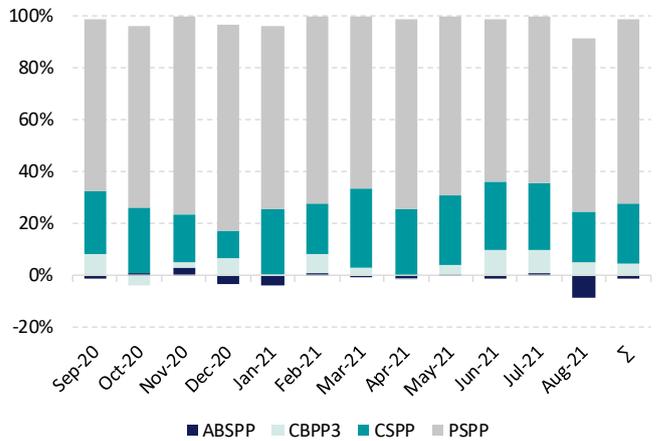


Source: ECB, NORD/LB Markets Strategy & Floor Research

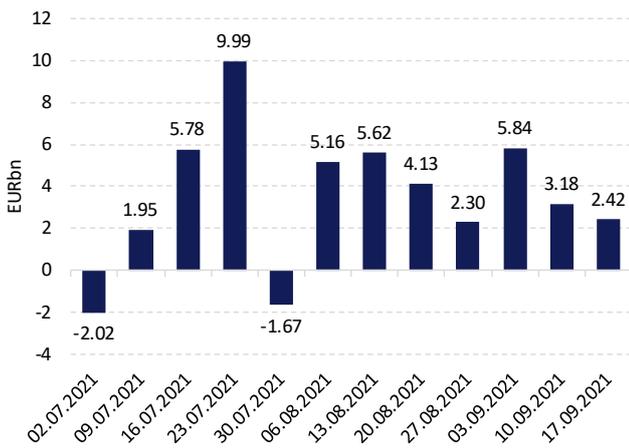
Portfolio development



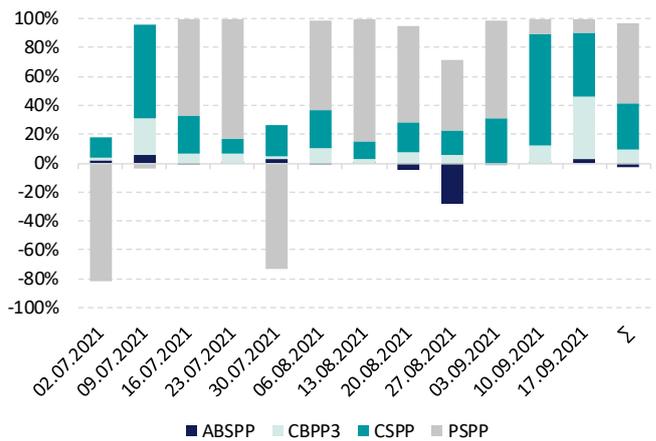
Distribution of monthly purchases



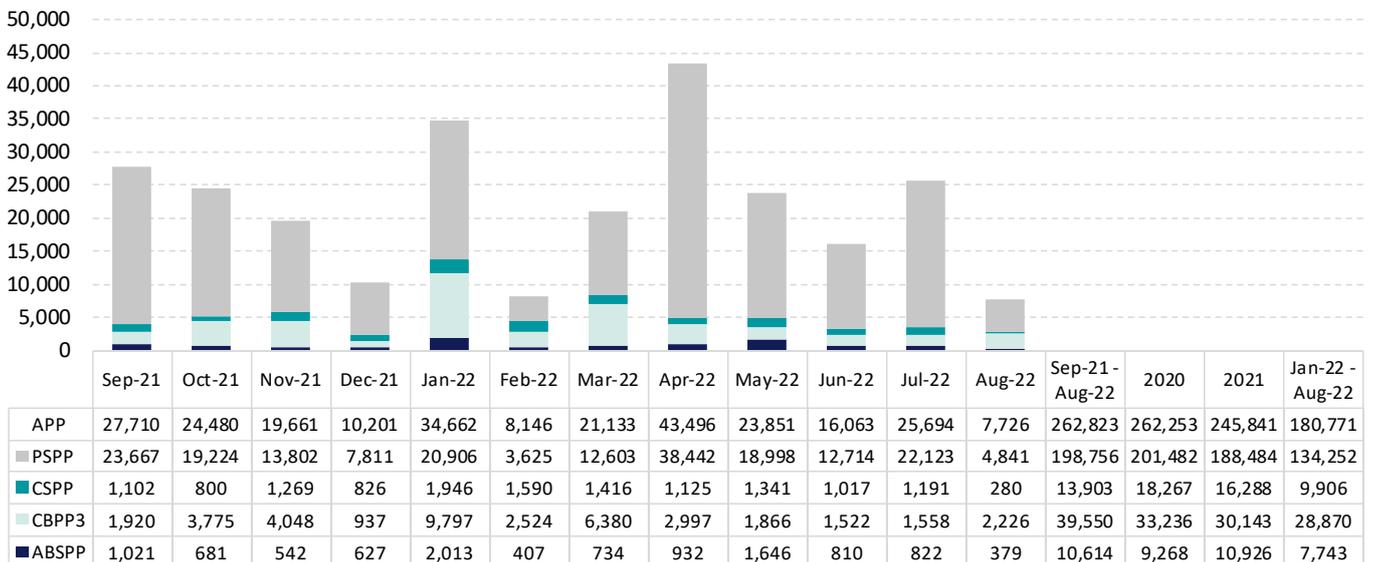
Weekly purchases



Distribution of weekly purchases

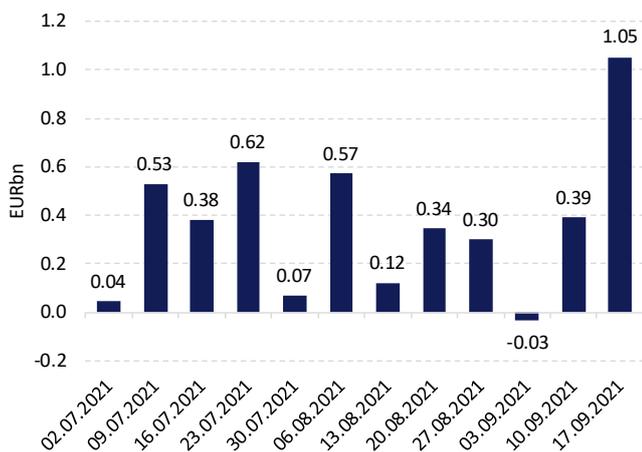


Expected monthly redemptions (in EURm)

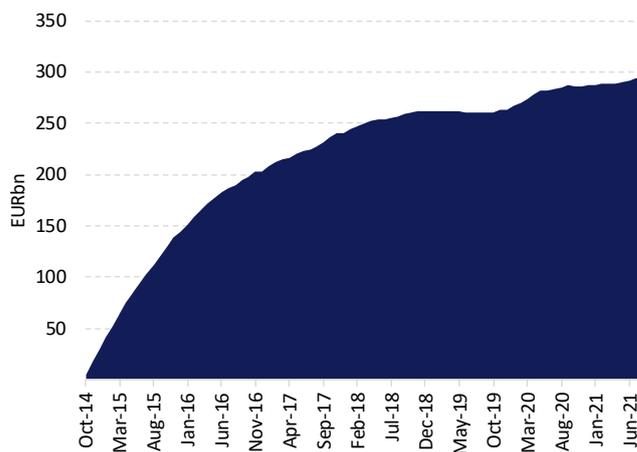


Covered Bond Purchase Programme 3 (CBPP3)

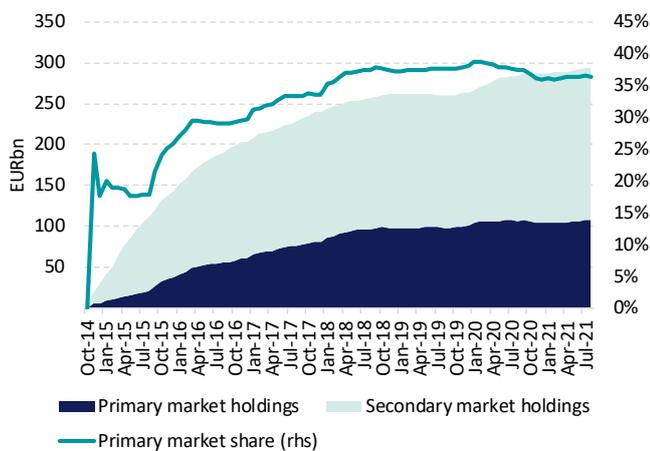
Weekly purchases



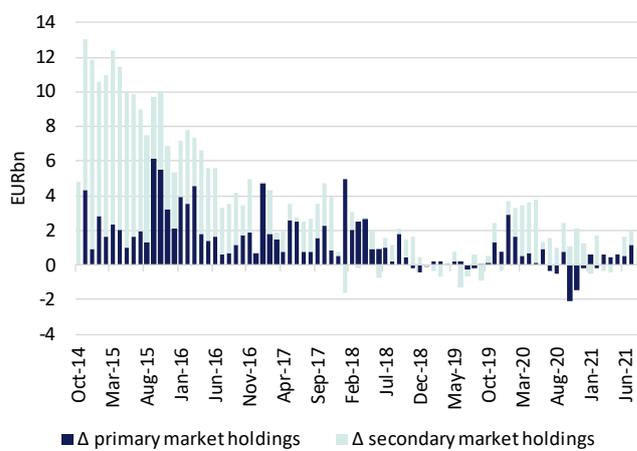
Development of CBPP3 volume



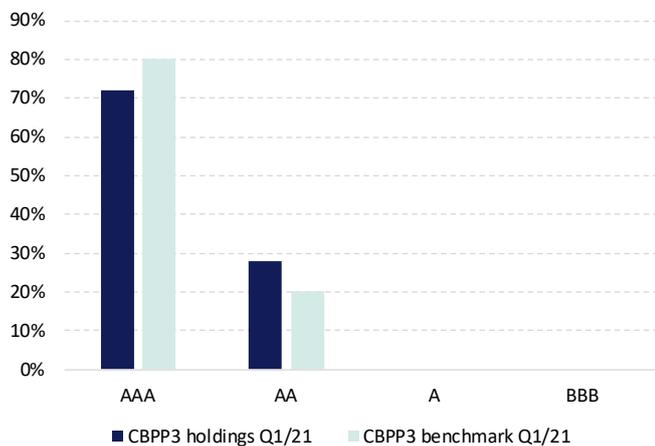
Primary and secondary market holdings



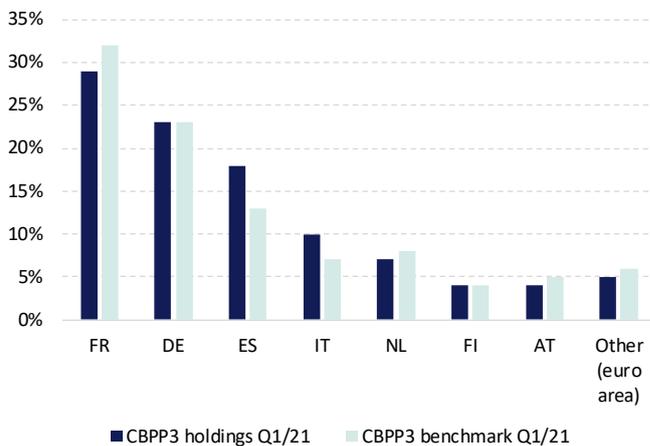
Change of primary and secondary market holdings



Distribution of CBPP3 by credit rating



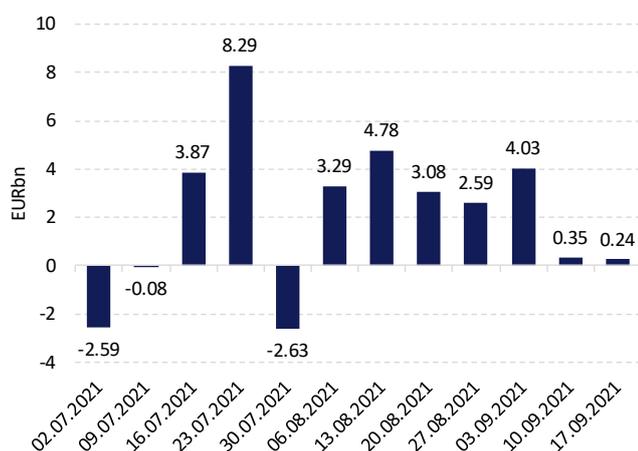
Distribution of CBPP3 by country of risk



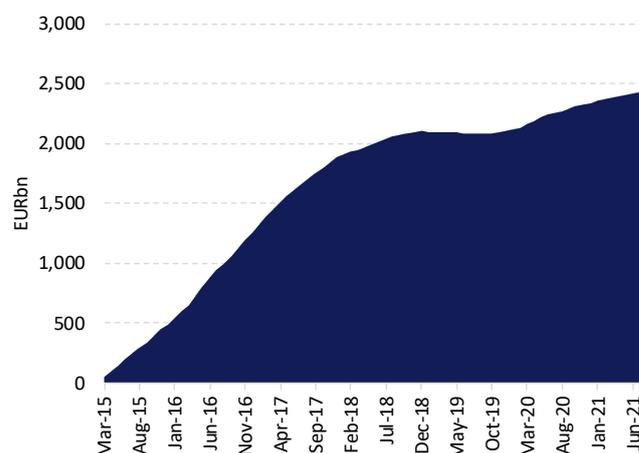
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Public Sector Purchase Programme (PSPP)

Weekly purchases



Development of PSPP volume



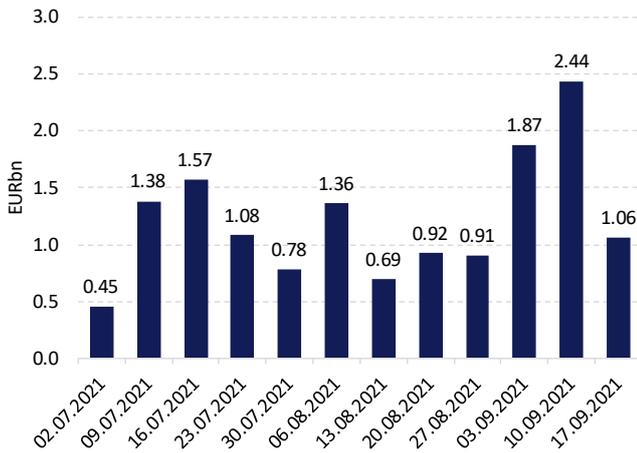
Overall distribution of PSPP buying at month-end

Jurisdiction	Adjusted distribution key ¹	Purchases (EURm)	Expected purchases (EURm) ²	Difference (EURm)	Avg. time to maturity ³ (in years)	Market average ³ (in years) ³	Difference (in years)
AT	2.7%	72,800	69,574	3,226	7.5	7.6	-0.1
BE	3.4%	91,544	86,602	4,942	8.0	10.2	-2.2
CY	0.2%	3,900	5,115	-1,215	9.9	8.8	1.1
DE	24.3%	618,000	626,626	-8,626	6.6	7.6	-1.0
EE	0.3%	399	6,696	-6,297	9.2	7.5	1.7
ES	11.0%	299,457	283,454	16,003	8.0	8.4	-0.4
FI	1.7%	39,050	43,663	-4,613	6.9	7.7	-0.8
FR	18.8%	504,461	485,497	18,964	7.2	8.1	-0.9
GR	0.0%	0	0	0	0.0	0.0	0.0
IE	1.6%	39,925	40,252	-327	8.5	10.1	-1.6
IT	15.7%	426,748	403,826	22,922	7.1	7.9	-0.8
LT	0.5%	5,133	13,758	-8,625	10.2	10.6	-0.4
LU	0.3%	3,587	7,830	-4,243	5.6	7.2	-1.7
LV	0.4%	3,022	9,262	-6,240	11.3	10.4	0.9
MT	0.1%	1,222	2,493	-1,271	9.5	9.2	0.3
NL	5.4%	121,970	139,305	-17,335	7.7	9.0	-1.4
PT	2.2%	48,223	55,635	-7,412	7.0	7.2	-0.2
SI	0.4%	9,737	11,446	-1,709	9.9	10.2	-0.3
SK	1.1%	16,392	27,223	-10,831	8.2	8.3	-0.1
SNAT	10.0%	270,271	257,584	12,687	7.7	8.9	-1.2
Total / Avg.	100.0%	2,575,841	2,575,841	0	7.3	8.2	-0.9

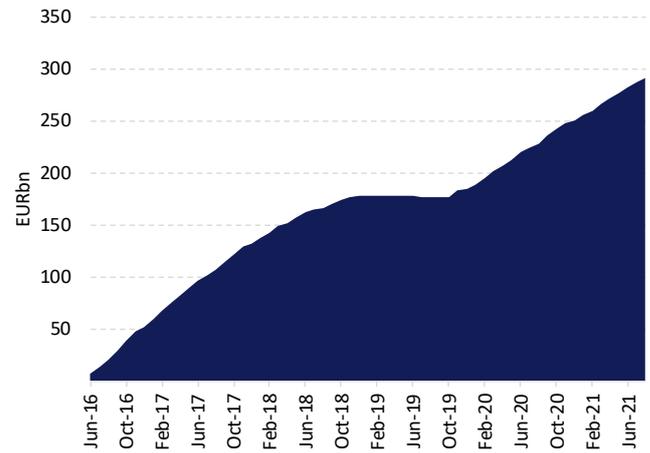
¹ Based on the ECB capital key, adjusted to include supras and the disqualification of Greece² Based on the adjusted distribution key³ Weighted average time to maturity of the bonds eligible for purchasing under the PSPP (semi-annual data, Q1/2021)

Corporate Sector Purchase Programme (CSPP)

Weekly purchases

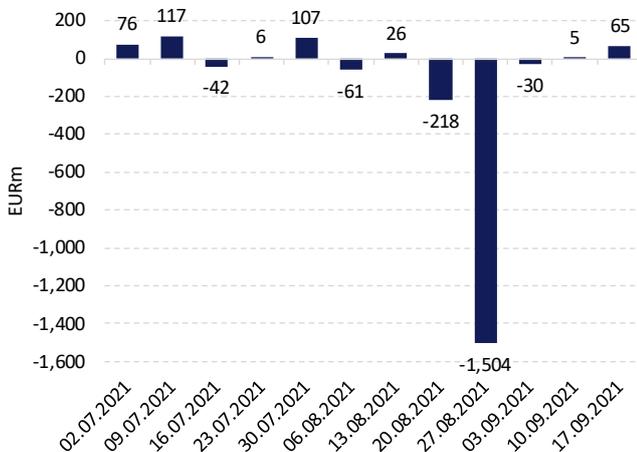


Development of CSPP volume

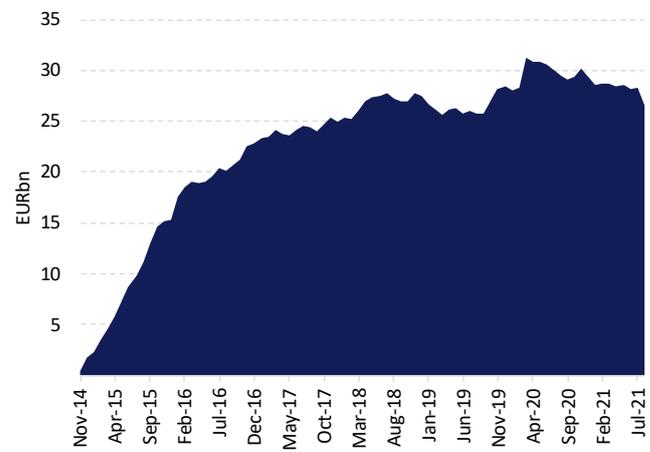


Asset-Backed Securities Purchase Programme (ABSPP)

Weekly purchases



Development of ABSPP volume



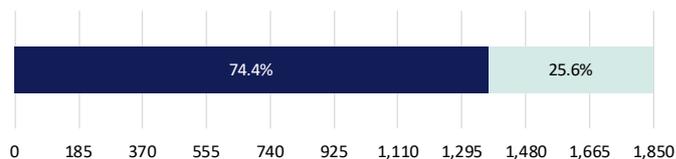
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Holdings (in EURm)

	PEPP
Jul-21	1,272,190
Aug-21	1,337,240
Δ	+65,050

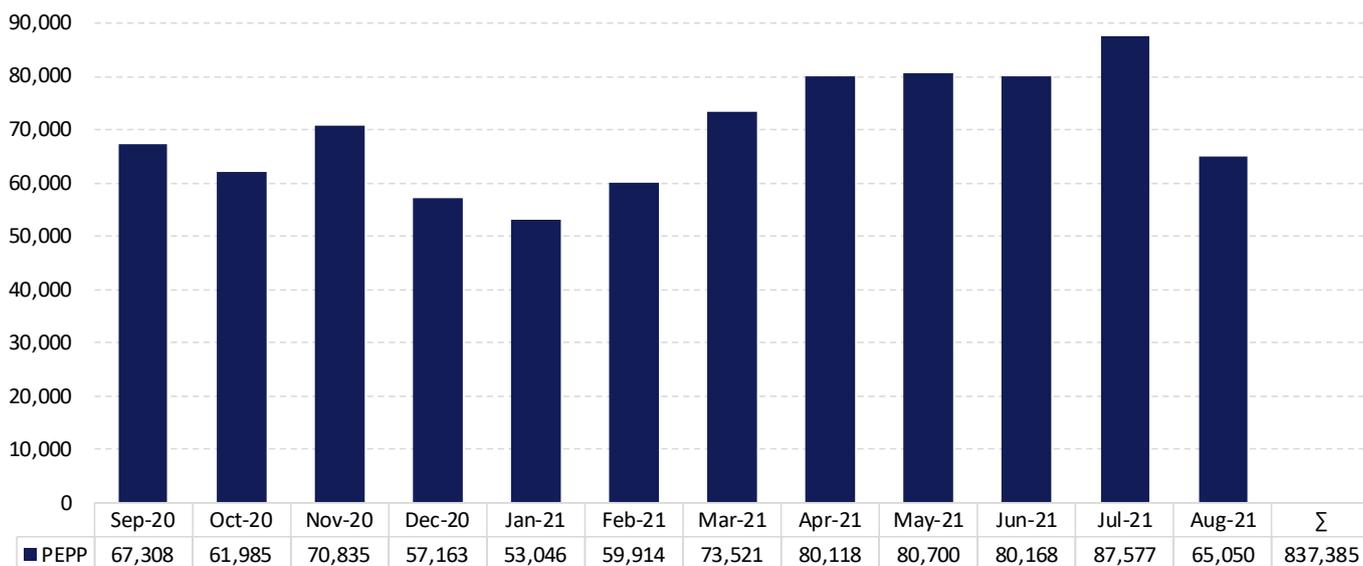
Volume already invested (in EURbn)



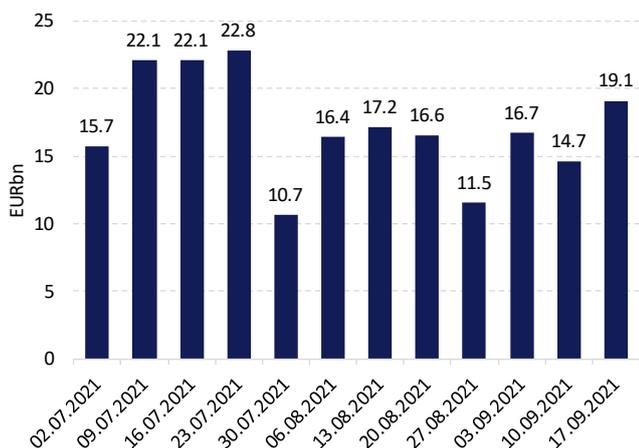
Estimated portfolio development

Assumed pace of purchases	Weekly net purchase volume	PEPP limit hit in ...
Average weekly net purchase volume so far	EUR 17.9bn	27 weeks (25.03.2022)

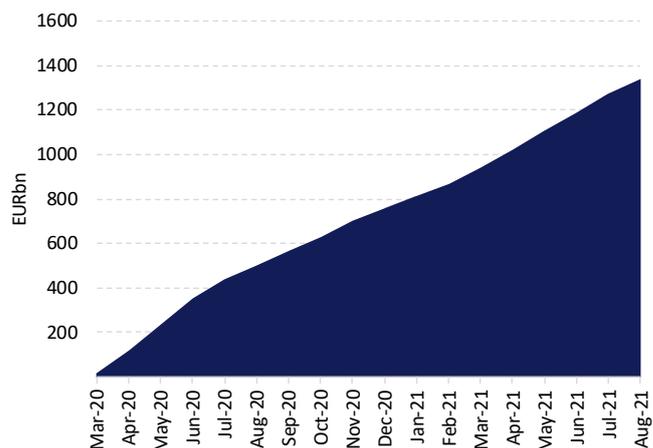
Monthly net purchases (in EURm)



Weekly purchases



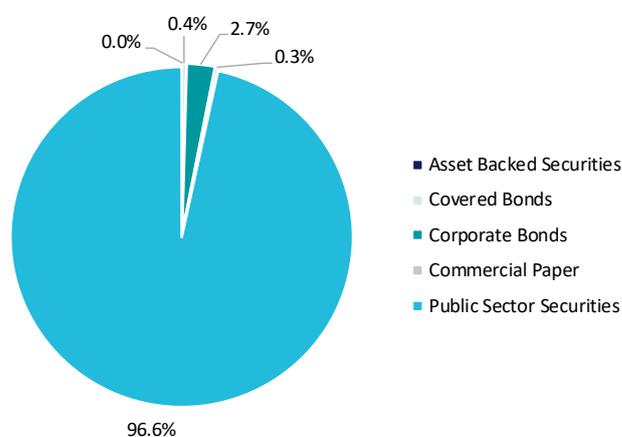
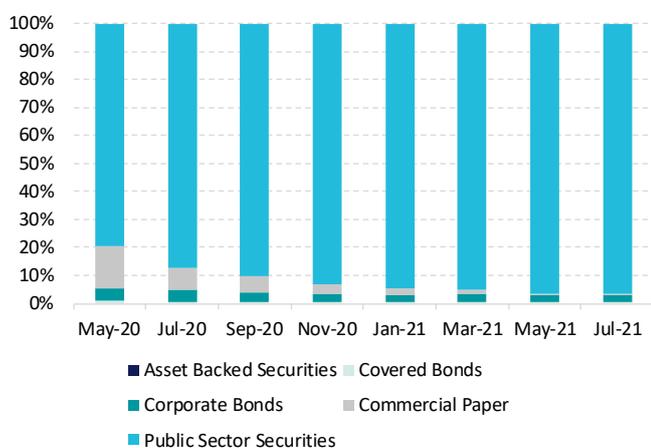
Development of PEPP volume



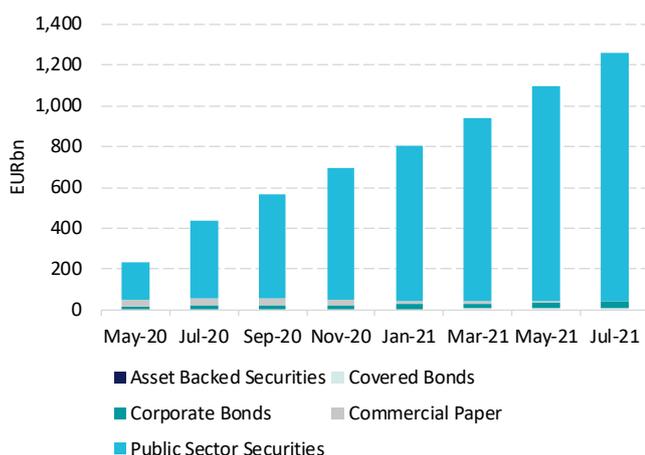
Holdings under the PEPP (in EURm)

	Asset-backed Securities	Covered Bonds	Corporate Bonds	Commercial Paper	Public Sector Securities	PEPP
May-21	0	4,055	31,014	4,590	1,058,882	1,098,541
Jul-21	0	5,379	33,684	3,861	1,220,424	1,263,348
Δ	0	+1,328	+2,695	-730	+164,430	+167,724

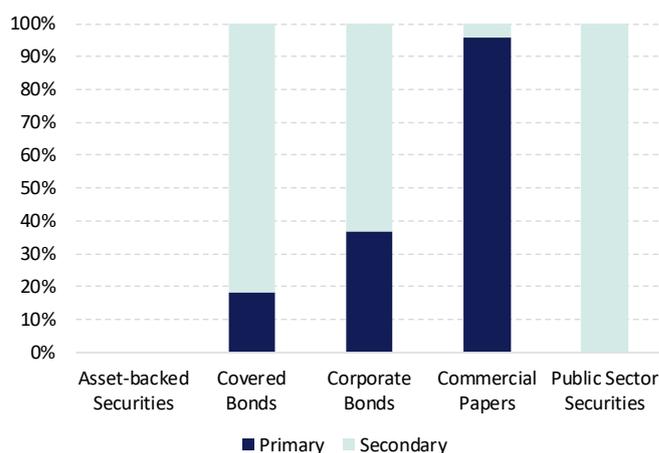
Portfolio structure



Portfolio development



Share of primary and secondary market holdings



Breakdown of private sector securities under the PEPP

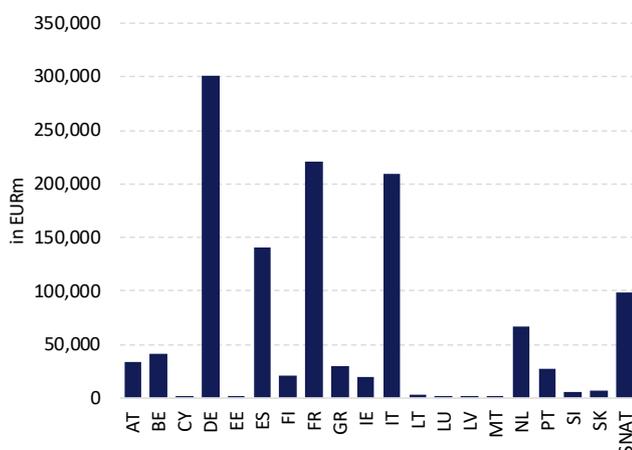
	Asset-backed securities		Covered bonds		Corporate bonds		Commercial paper	
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
Holdings in EURm	0	0	745	3,310	11,431	19,583	4,397	193
Share	0.0%	0.0%	18.4%	81.6%	36.9%	63.1%	95.8%	4.2%

Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

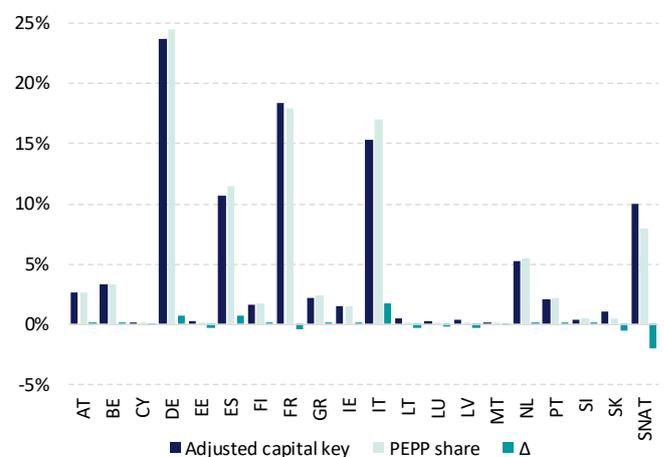
Breakdown of public sector securities under the PEPP

Jurisdiction	Holdings (in EURm)	Adj. distribution key ¹	PEPP share	Deviations from the adj. distribution key ²	Ø time to maturity (in years)	Market average ³ (in years)	Difference (in years)
AT	33,219	2.6%	2.7%	0.1%	9.0	7.1	1.9
BE	41,621	3.3%	3.4%	0.1%	6.8	9.3	-2.5
CY	2,201	0.2%	0.2%	0.0%	9.3	8.1	1.2
DE	301,191	23.7%	24.5%	0.8%	6.2	6.8	-0.6
EE	255	0.3%	0.0%	-0.2%	8.9	7.1	1.7
ES	140,702	10.7%	11.4%	0.7%	8.3	7.5	0.8
FI	20,955	1.7%	1.7%	0.1%	7.4	7.5	-0.1
FR	220,705	18.4%	18.0%	-0.4%	8.4	7.6	0.8
GR	29,397	2.2%	2.4%	0.2%	9.4	9.6	-0.2
IE	19,346	1.5%	1.6%	0.0%	9.1	9.4	-0.3
IT	208,774	15.3%	17.0%	1.7%	6.9	6.9	-0.1
LT	2,597	0.5%	0.2%	-0.3%	11.1	10.7	0.4
LU	1,847	0.3%	0.2%	-0.1%	7.0	6.4	0.5
LV	1,403	0.4%	0.1%	-0.2%	9.5	9.4	0.1
MT	323	0.1%	0.0%	-0.1%	8.5	8.7	-0.2
NL	66,946	5.3%	5.4%	0.2%	7.0	8.3	-1.3
PT	27,288	2.1%	2.2%	0.1%	7.3	7.2	0.1
SI	5,556	0.4%	0.5%	0.0%	9.5	9.2	0.3
SK	6,707	1.0%	0.5%	-0.5%	9.3	8.3	1.0
SNAT	98,170	10.0%	8.0%	-2.0%	10.8	8.8	2.1
Total / Avg.	1,229,199	100.0%	100.0%	0.0%	7.7	7.5	0.2

Distribution of public sector assets by jurisdiction



Deviations from the adjusted distribution key

¹ Based on the ECB capital key, adjusted to include supras ² Based on the adjusted distribution key³ Weighted average time to maturity of the bonds eligible for purchasing under the PEPP

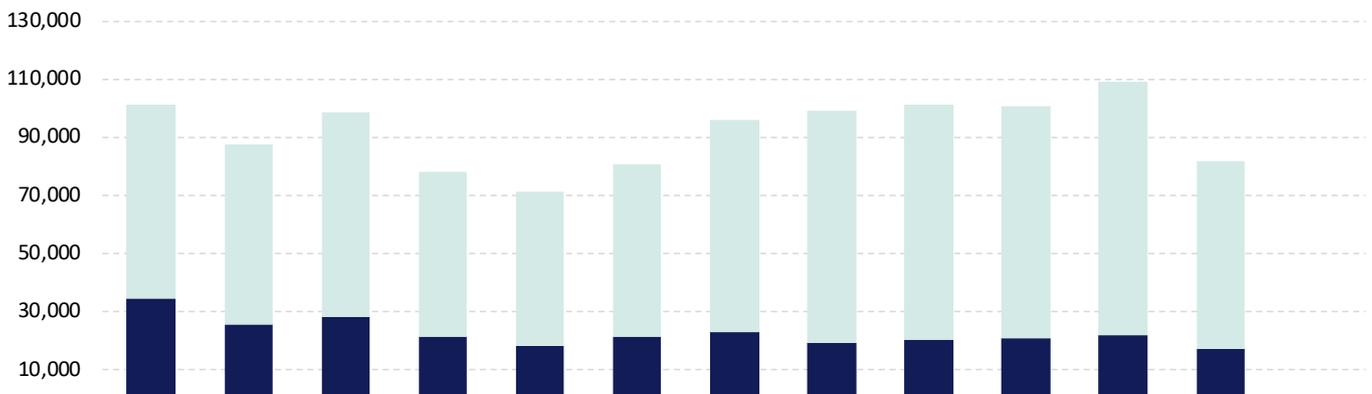
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Aggregated purchase activity under APP and PEPP

Holdings (in EURm)

	APP	PEPP	APP & PEPP
Jul-21	3,038,614	1,272,190	4,310,804
Aug-21	3,055,363	1,337,240	4,392,603
Δ	+16,749	+65,050	+81,799

Monthly net purchases (in EURm)

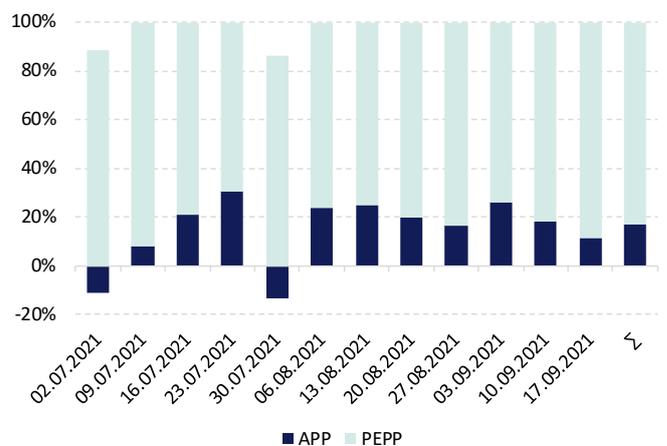


	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Σ
Σ	101,322	87,334	98,555	78,092	70,892	80,829	96,082	99,036	100,841	100,808	109,174	81,799	1,104,76
PEPP	67,308	61,985	70,835	57,163	53,046	59,914	73,521	80,118	80,700	80,168	87,577	65,050	837,385
APP	34,014	25,349	27,720	20,929	17,846	20,915	22,561	18,918	20,141	20,640	21,597	16,749	267,379

Weekly purchases



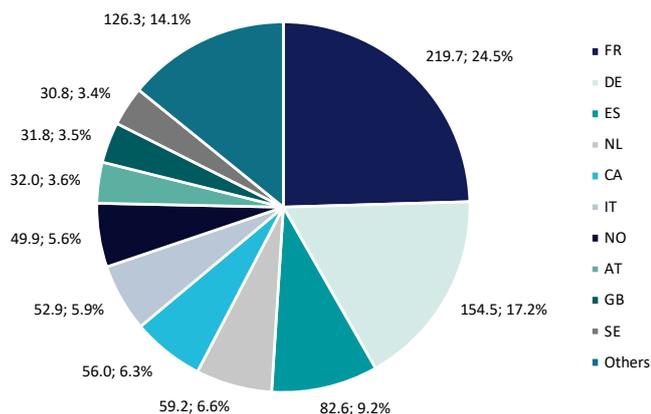
Distribution of weekly purchases



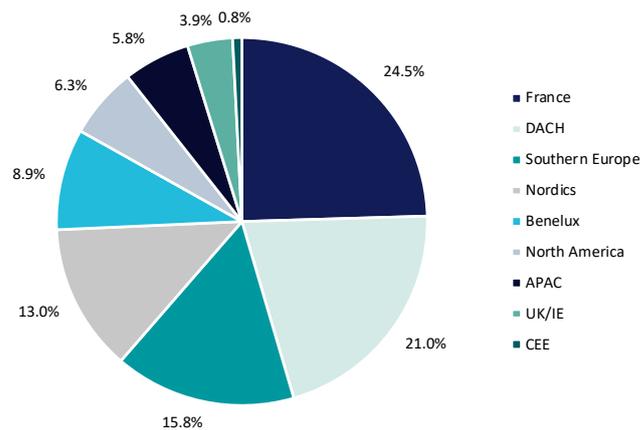
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Charts & Figures Covered Bonds

EUR benchmark volume by country (in EURbn)



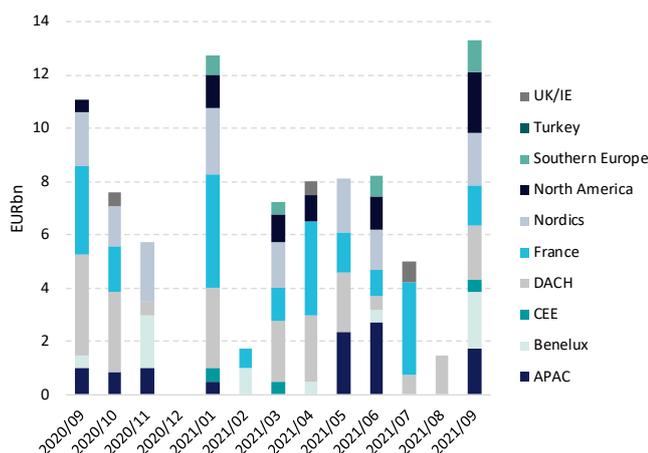
EUR benchmark volume by region (in EURbn)



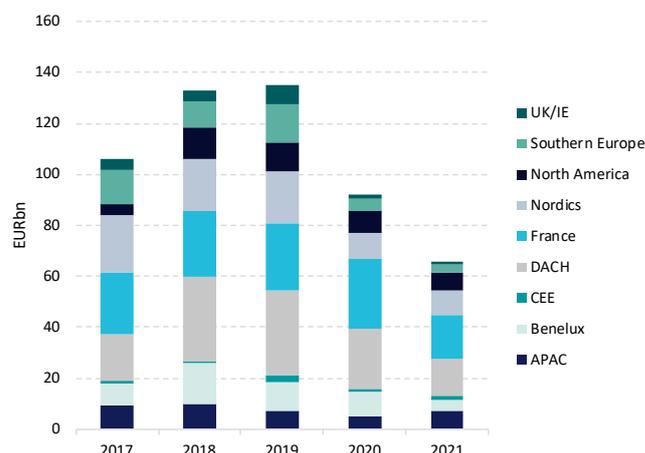
Top-10 jurisdictions

Rank	Country	Amount outst. (EURbn)	No. of BMKs	There of ESG BMKs	Avg. issue size (EURbn)	Avg. initial maturity (in years)	Avg. mod. Duration (in years)	Avg. coupon (in %)
1	FR	219.7	207	10	0.95	10.1	5.4	0.99
2	DE	154.5	231	15	0.60	8.3	4.6	0.42
3	ES	82.6	68	4	1.12	11.4	3.7	1.76
4	NL	59.2	61	0	0.92	11.6	7.6	0.83
5	CA	56.0	49	0	1.11	6.1	3.1	0.24
6	IT	52.9	62	1	0.82	9.0	4.0	1.36
7	NO	49.9	57	8	0.87	7.3	4.0	0.39
8	AT	32.0	59	2	0.54	9.9	6.4	0.61
9	GB	31.8	38	0	0.86	8.4	3.6	0.92
10	SE	30.8	37	0	0.83	7.5	3.4	0.43

EUR benchmark issue volume by month

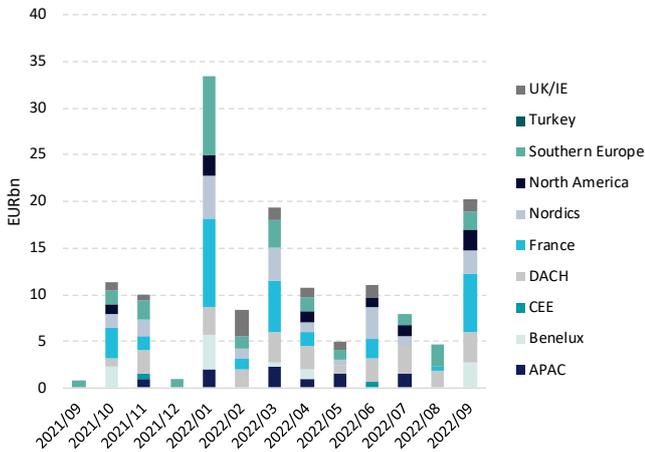


EUR benchmark issue volume by year

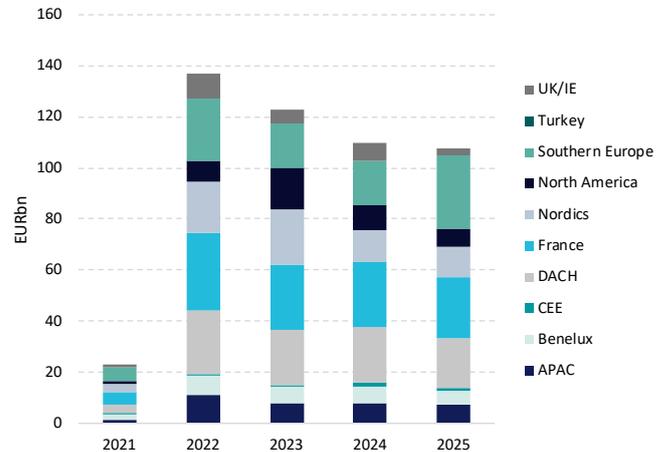


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

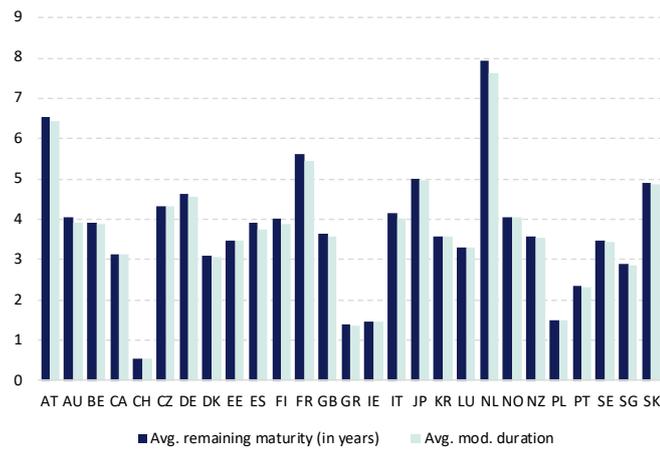
EUR benchmark maturities by month



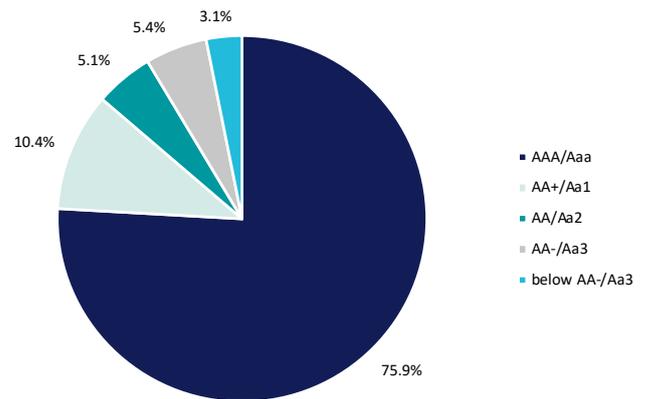
EUR benchmark maturities by year



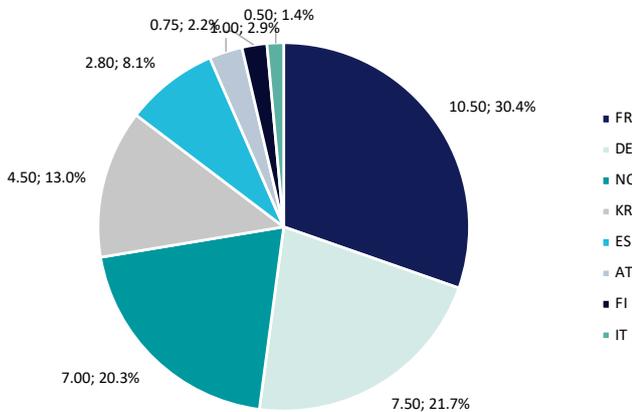
Modified duration and time to maturity by country



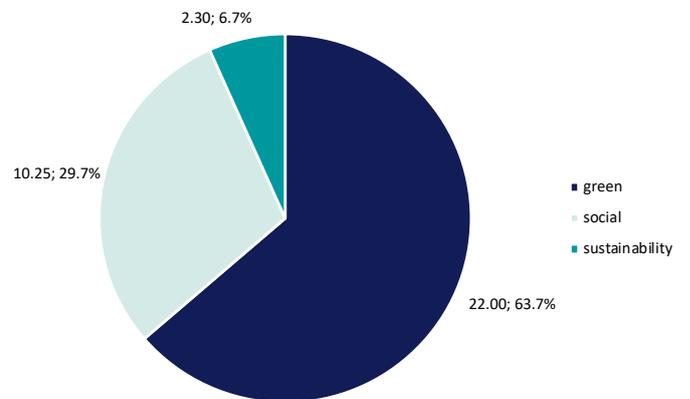
Rating distribution (volume weighted)



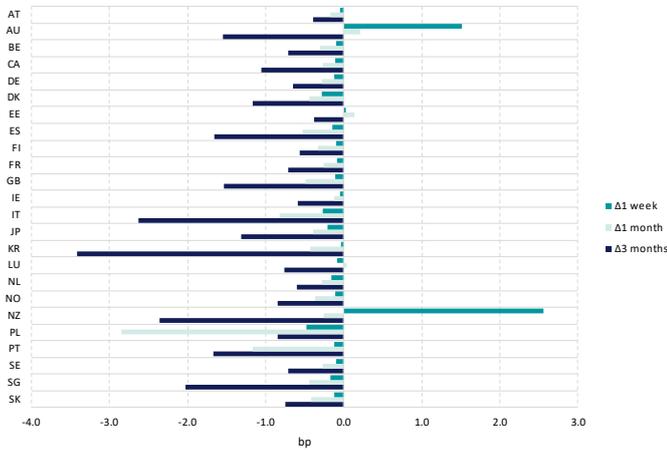
EUR benchmark volume (ESG) by country (in EURbn)



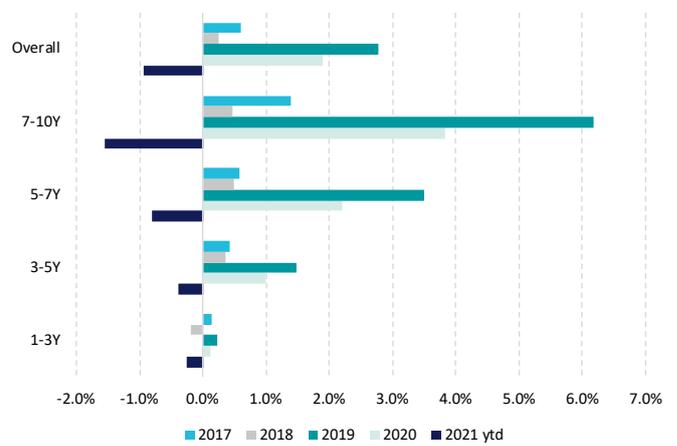
EUR benchmark volume (ESG) by type (in EURbn)



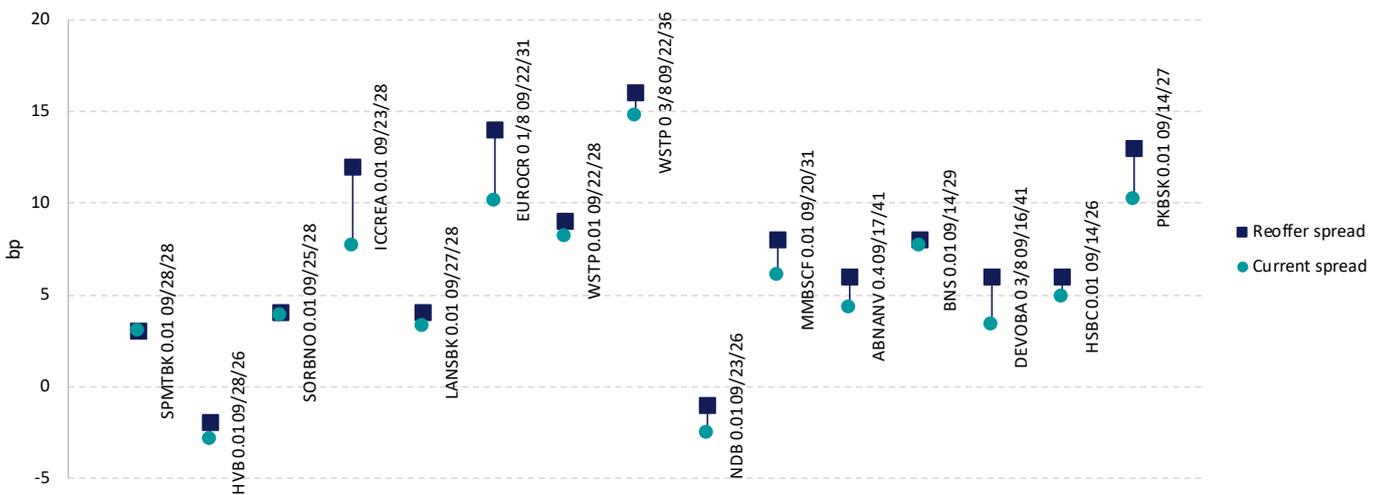
Spread development by country



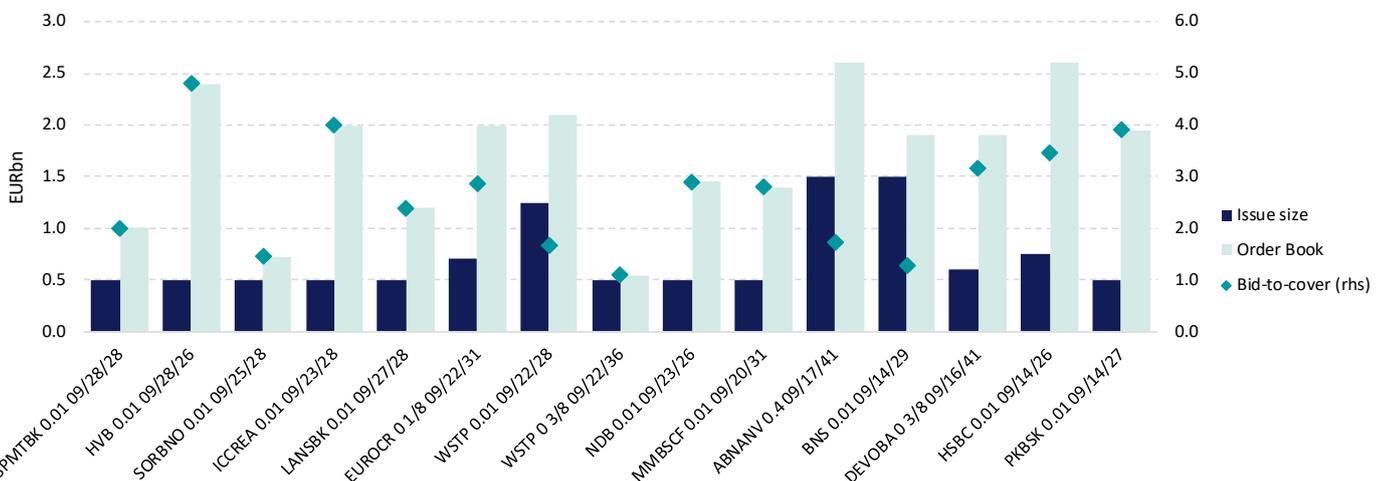
Covered bond performance (Total return)



Spread development (last 15 issues)

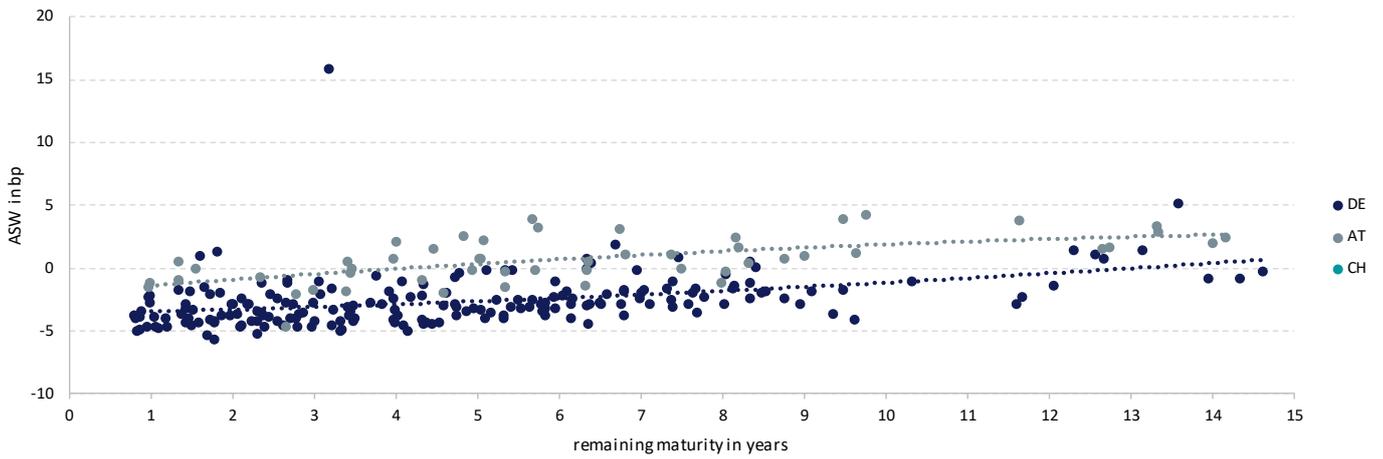


Order books (last 15 issues)

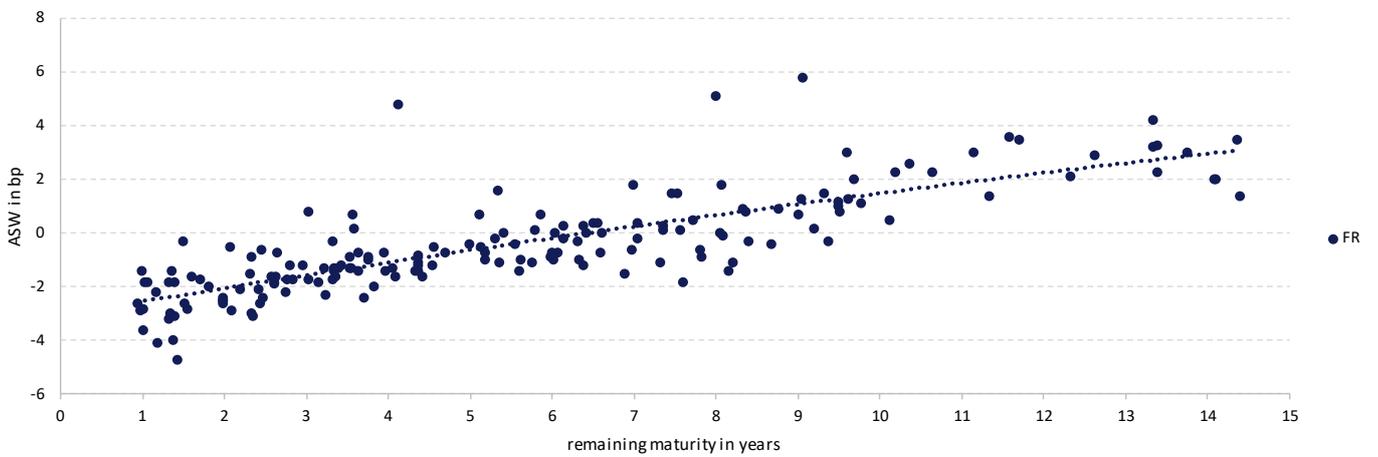


Spread overview¹

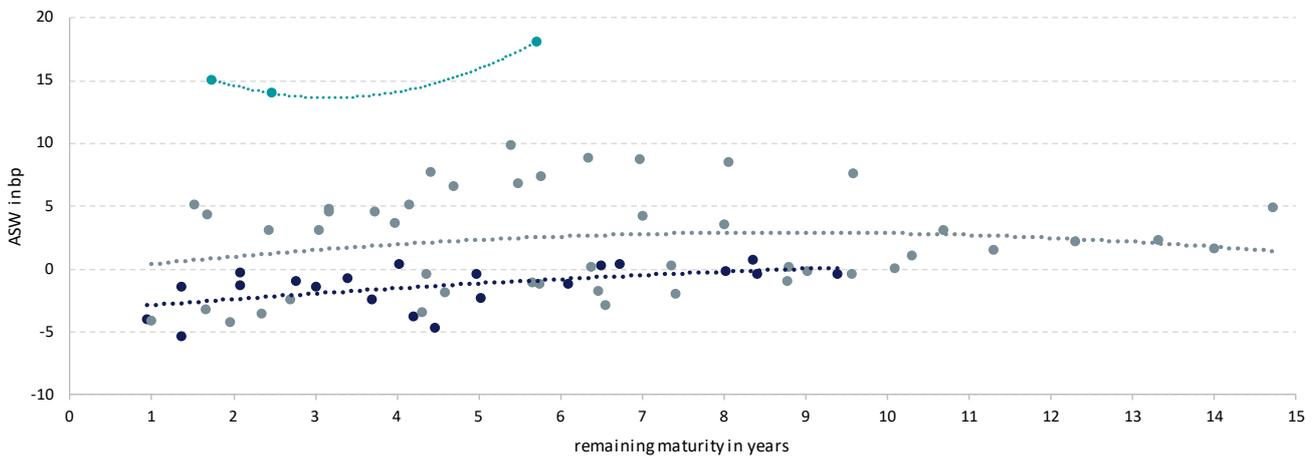
DACH



France

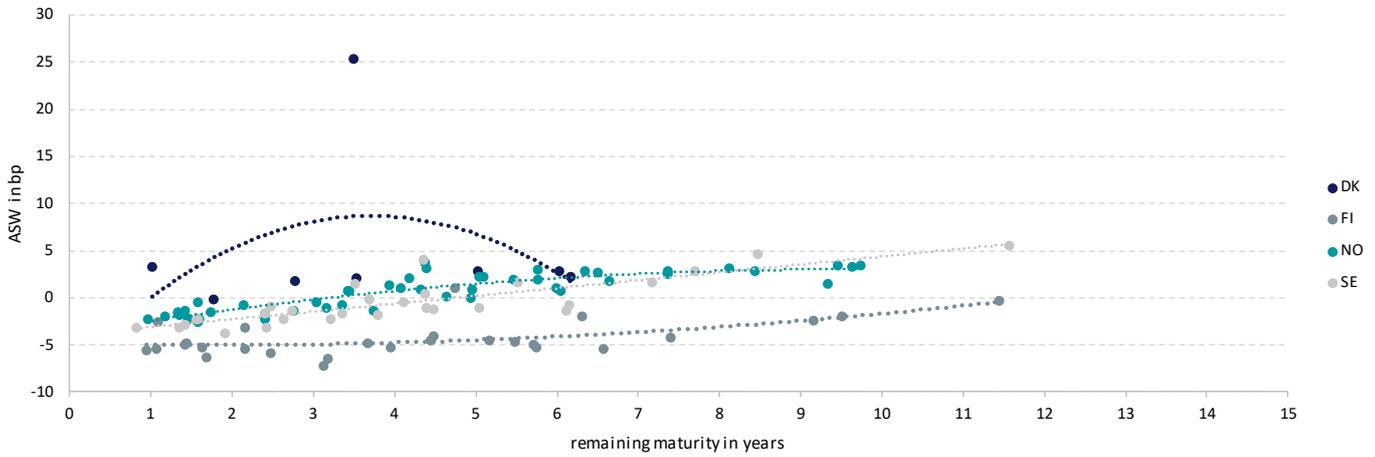


Benelux

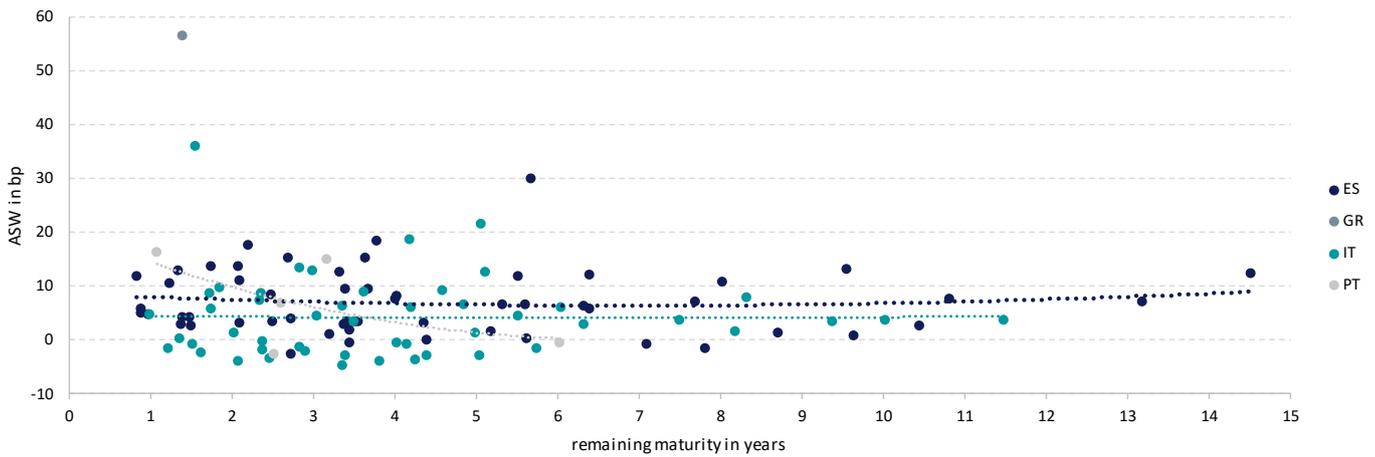


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research ¹Time to maturity 1 ≤ y ≤ 15

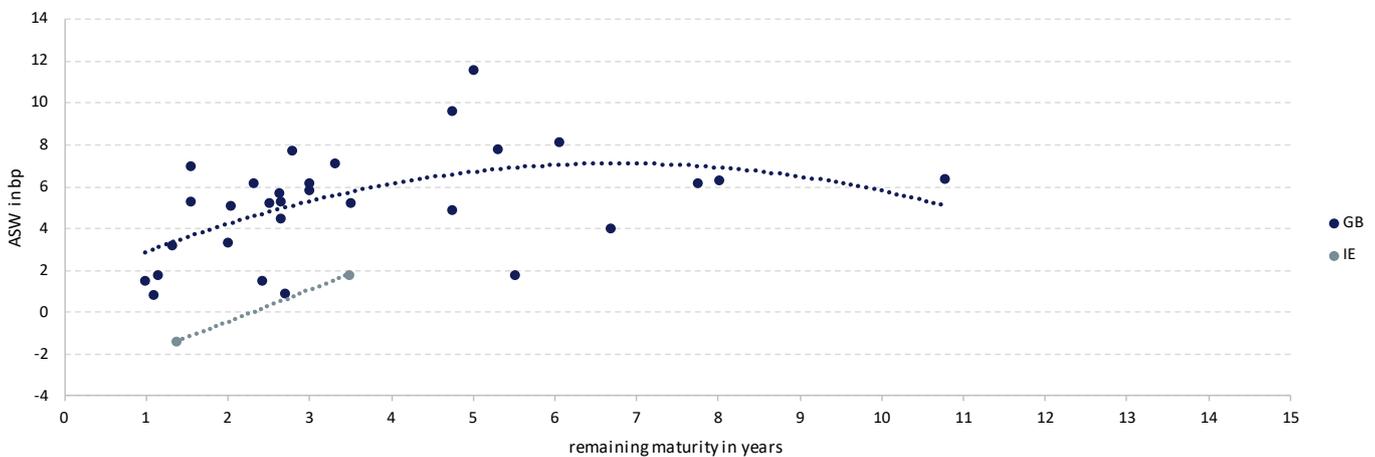
Nordics



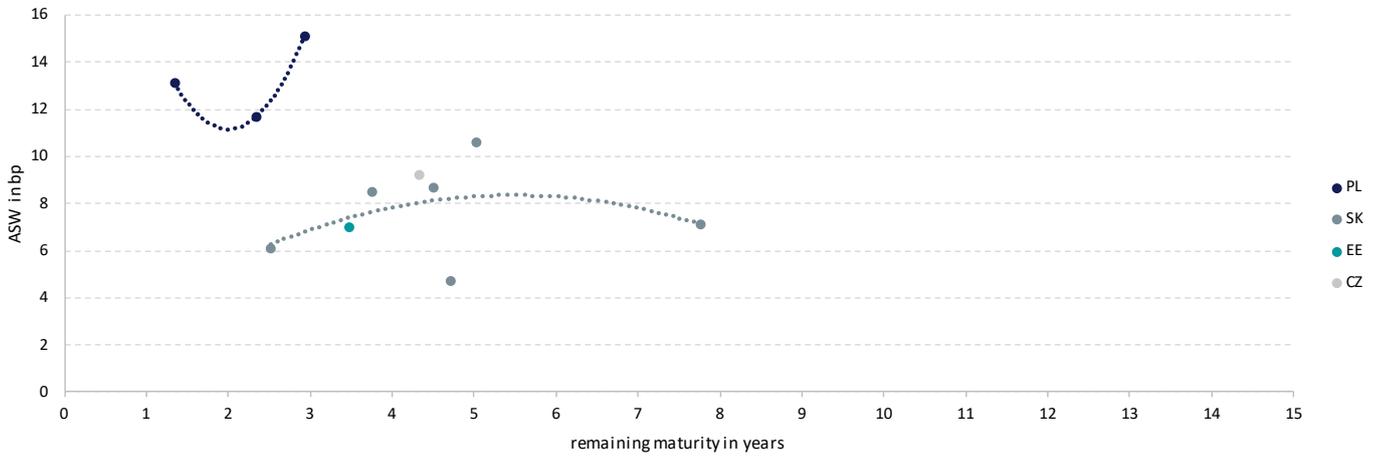
Southern Europe



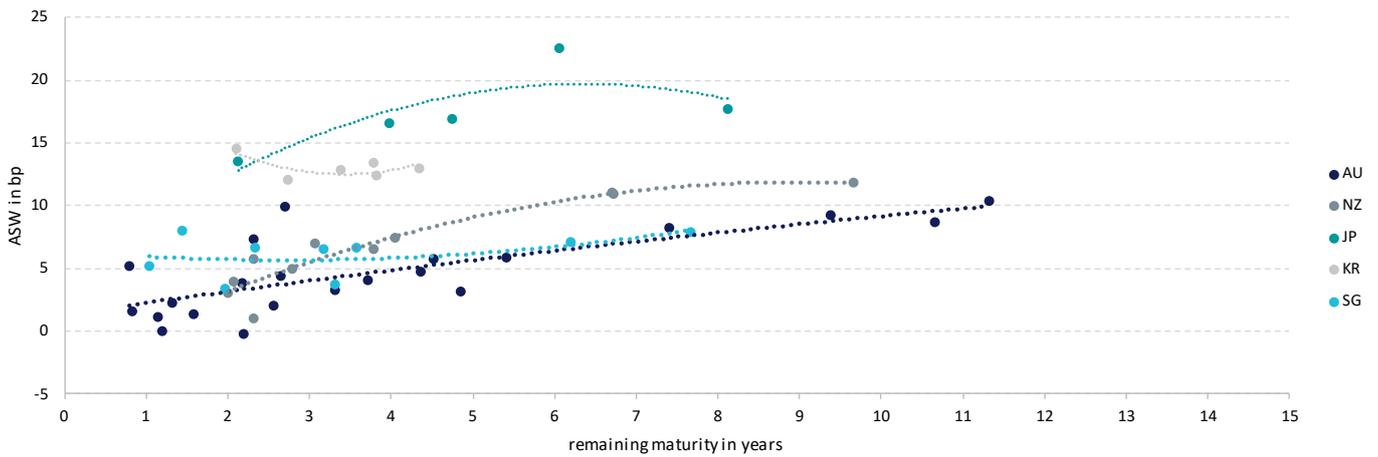
UK/IE



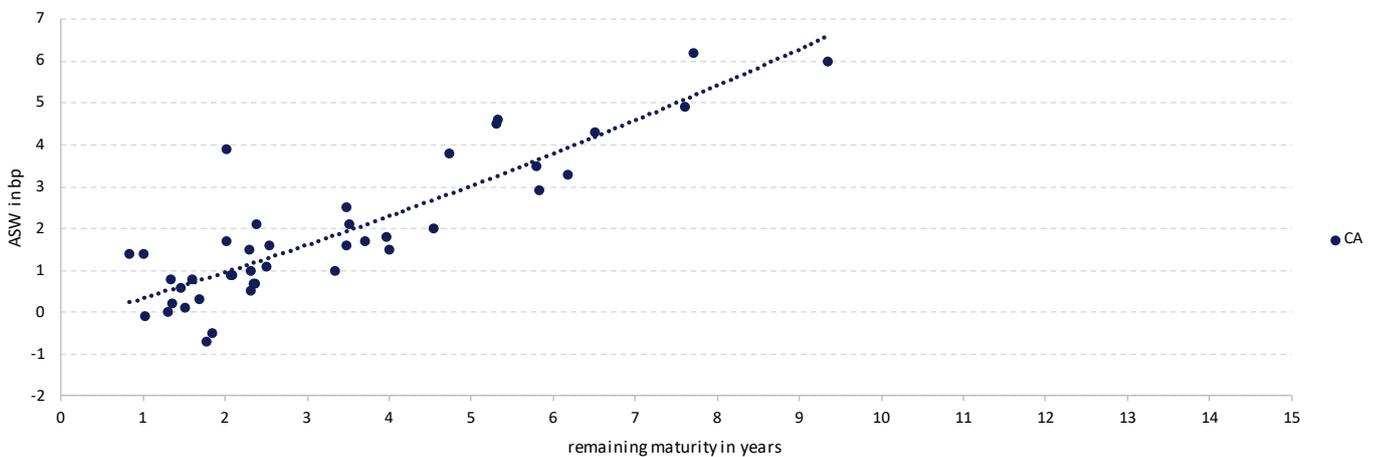
CEE 



APAC 



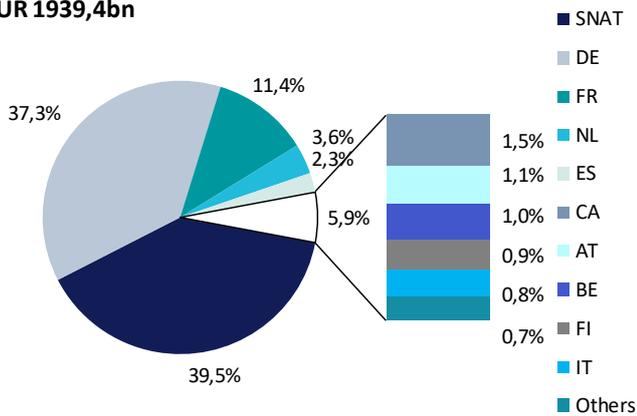
North America 



Charts & Figures SSA/Public Issuers

Outstanding volume (bmk)

EUR 1939,4bn



Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	765,7	193	4,0	8,6
DE	723,7	563	1,3	6,9
FR	221,5	147	1,5	5,5
NL	69,0	67	1,0	6,4
ES	44,7	55	0,8	5,3
CA	28,5	20	1,4	5,5
AT	21,2	23	0,9	5,2
BE	20,2	24	0,8	14,4
FI	17,0	22	0,8	5,6
IT	15,0	19	0,8	5,9

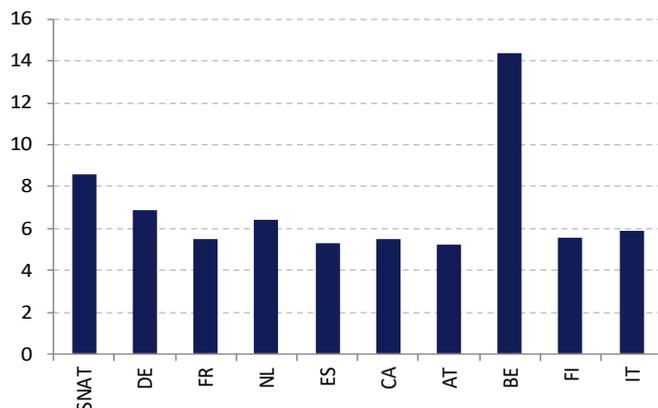
Issue volume by year (bmk)



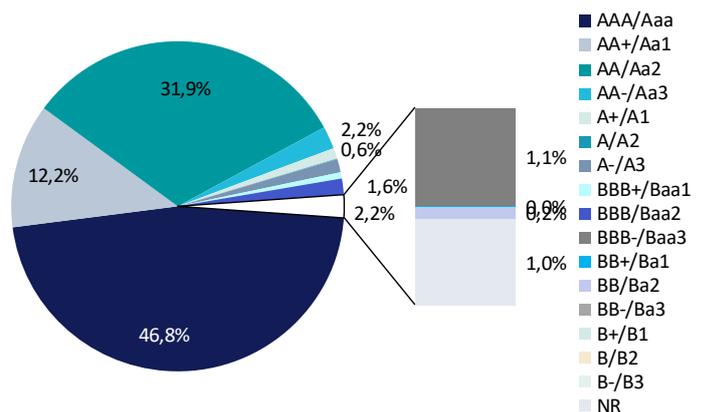
Maturities next 12 months (bmk)



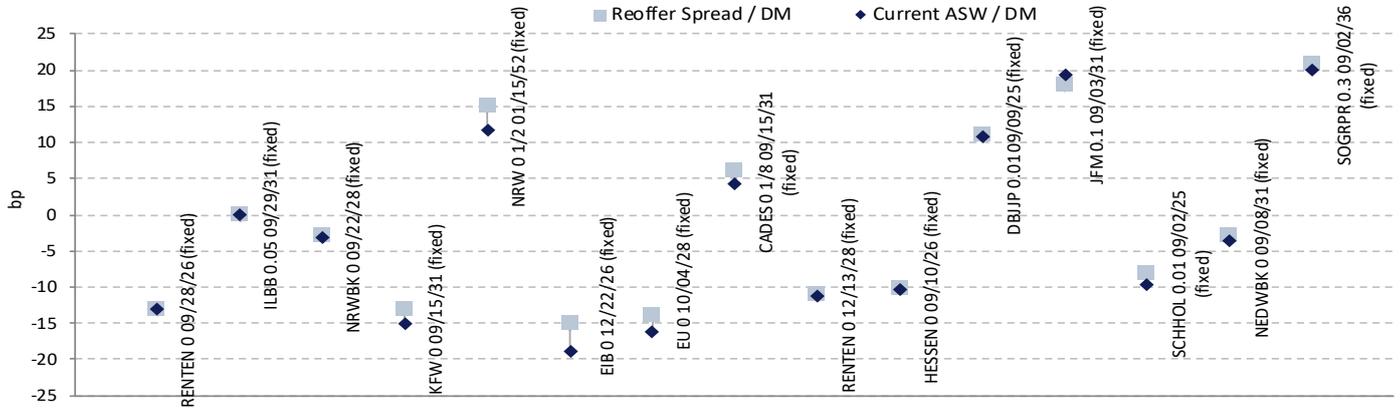
Avg. mod. duration by country (vol. weighted)



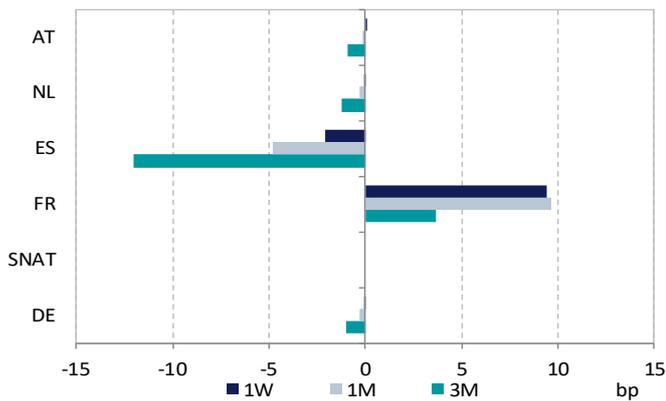
Rating distribution (vol. weighted)



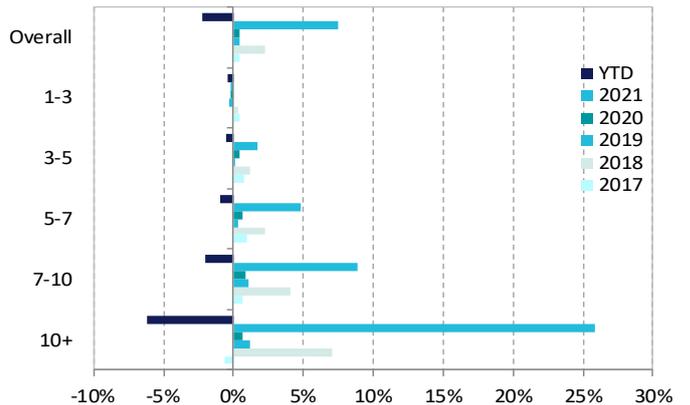
Spread development (last 15 issues)



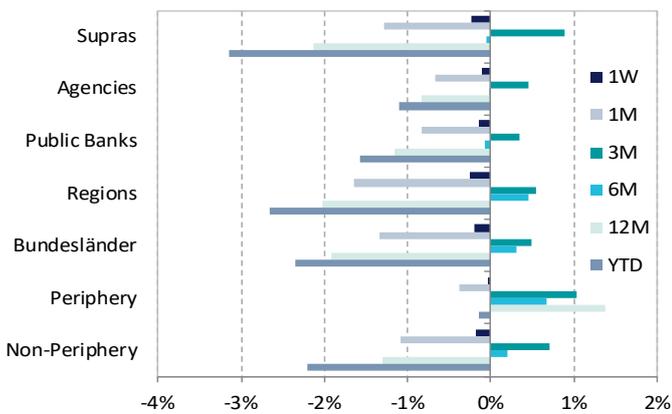
Spread development by country



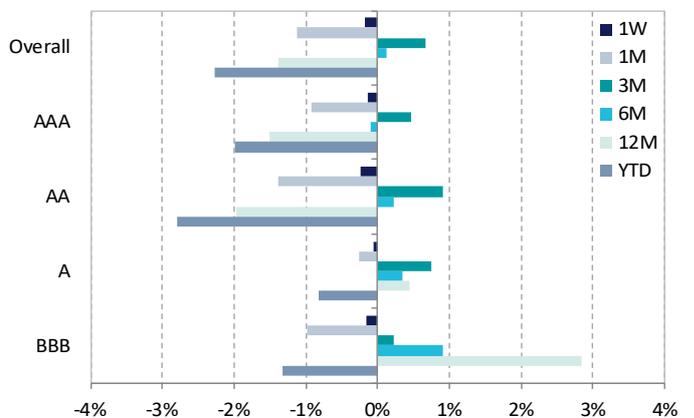
Performance (total return)



Performance (total return) by regions

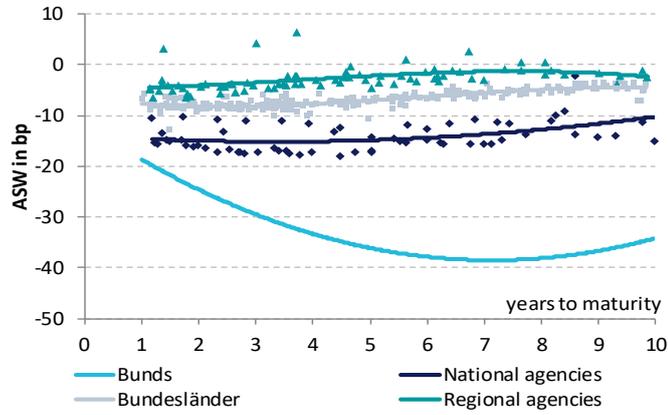


Performance (total return) by rating

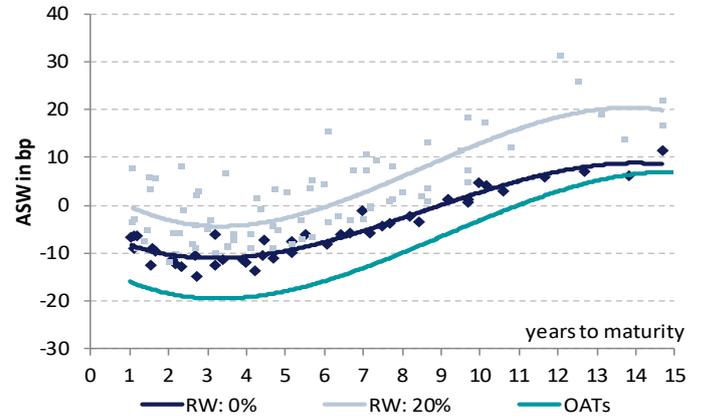


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

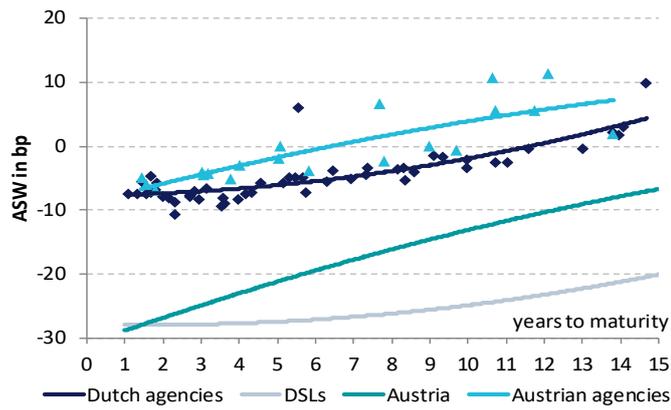
Germany (by segments)



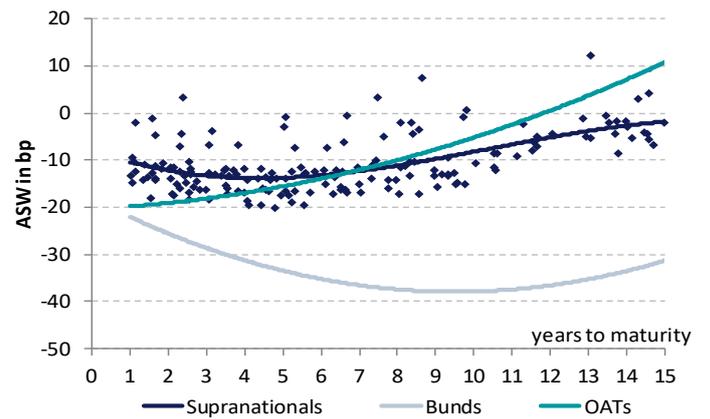
France (by risk weight)



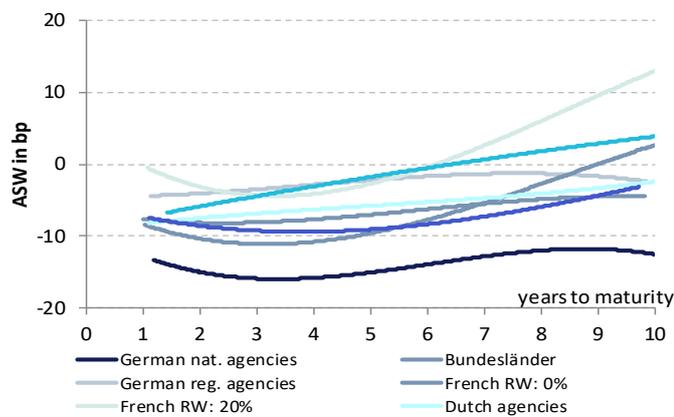
Netherlands & Austria



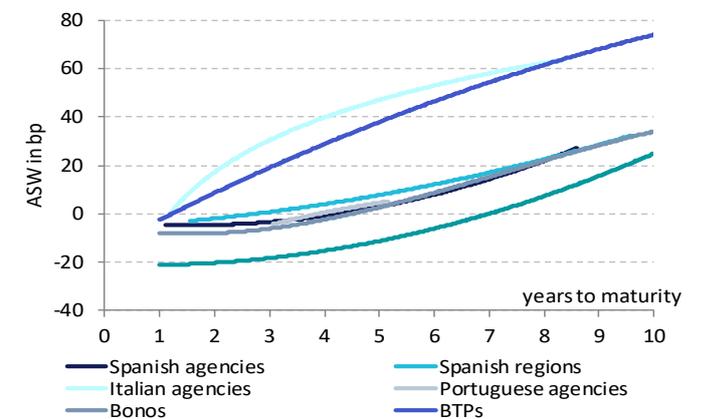
Suprationals



Core



Periphery



Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

Appendix

Overview of latest Covered Bond & SSA View editions

Publication	Topics
30/2021 ♦ 15 September	<ul style="list-style-type: none"> Transparency requirements § 28 PfandBG Q2 2021 Fitch: rating approach covered bonds Update: Joint Laender (Ticker: LANDER)
29/2021 ♦ 08 September	<ul style="list-style-type: none"> New dynamic on the Canadian covered bond market: Two debut EUR issuers Development of the German property market NGEU in the starting blocks: 3, 2, 1 ... EU auctions!
28/2021 ♦ 01 September	<ul style="list-style-type: none"> ECB preview: focus on the pace of PEPP purchases? France – largest jurisdiction in EUR benchmark bond segment: a covered bond overview of the “Grande Nation”
27/2021 ♦ 28 July	<ul style="list-style-type: none"> NORD/LB Issuer Guide Covered Bonds 2021: A constant during turbulent times Beyond Bundeslaender: Madeira and the Azores
26/2021 ♦ 21 July	<ul style="list-style-type: none"> Summer break just around the corner – a glance at covered bonds in USD and GBP
25/2021 ♦ 14 July	<ul style="list-style-type: none"> New ECB strategy – communication remains the be-all and end-all ECB preview: the first meeting under the “new” regime
24/2021 ♦ 07 July	<ul style="list-style-type: none"> Covered Bonds: Review of H1 and outlook for H2 2021 Half-time report 2021 – how will the SSA segment fare in the second half?
23/2021 ♦ 30 June	<ul style="list-style-type: none"> Return of the Australian covered bond market: National Australia Bank issues first EUR benchmark since 201)
22/2021 ♦ 23 June	<ul style="list-style-type: none"> TLTRO III.8 neither really strong nor extraordinarily weak: implications for the covered bond market Realignment of the German real property tax
21/2021 ♦ 16 June	<ul style="list-style-type: none"> ICMA Green and Social Bond Principles: 2021 update The covered bond universe of Moody’s: an overview Covered bonds vs. senior unsecured bonds
20/2021 ♦ 09 June	<ul style="list-style-type: none"> PEPP reporting: increased pace of purchases in Q2 Covered bonds vs. senior unsecured bonds
19/2021 ♦ 02 June	<ul style="list-style-type: none"> ECB preview: Spectre of inflation fuelling tapering thoughts FX covered bonds: Same symptomatology as EUR benchmarks?
18/2021 ♦ 19 May	<ul style="list-style-type: none"> United Overseas Bank reinvigorates the market in Singapore Transparency requirements §28 PfandBG Q1 2021
17/2021 ♦ 12 May	<ul style="list-style-type: none"> ASB Finance opens primary market “Down Under”: Our outlook for the rest of the year Development of the German property market
16/2021 ♦ 05 May	<ul style="list-style-type: none"> Austria implements requirements of the covered bond directive and harmonises existing legal framework EIB goes Blockchain
15/2021 ♦ 28 April	<ul style="list-style-type: none"> EU Taxonomy meets the market for sustainable covered bonds
14/2021 ♦ 22 April	<ul style="list-style-type: none"> LCR levels and risk weights of EUR benchmarks NextGenerationEU: NGEU is taking shape

Appendix

Publication overview

Covered Bonds:

Issuer Guide Covered Bonds 2020

Risk weights and LCR levels of covered bonds

Transparency requirements §28 PfandBG

Transparenzvorschrift §28 PfandBG Sparkassen (German only)

SSA/Public Issuers:

Issuer Guide – Supranationals & Agencies 2019

Issuer Guide – Canadian Provinces & Territories 2020

Issuer Guide – German Bundeslaender 2020

Issuer Guide – Down Under 2019

Fixed Income:

ESG update

Analysis of ESG reporting

ECB holds course, but ups the ante – PEPP running until 2022

ECB launches corona pandemic emergency

ECB responds to corona risks

Appendix

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Sales

Institutional Sales	+49 511 9818-9440
Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

Origination & Syndicate

Origination FI	+49 511 9818-6600
Origination Corporates	+49 511 361-2911

Treasury

Collat. Management/Repos	+49 511 9818-9200
Liquidity Management	+49 511 9818-9620 +49 511 9818-9650

Trading

Covereds/SSA	+49 511 9818-8040
Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Laender/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

Sales Wholesale Customers

Firmenkunden	+49 511 361-4003
Asset Finance	+49 511 361-8150

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Additional information

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Disclosure of possible conflicts of interest at NORD/LB in accordance with Section 85 (1) of the German Securities Trading Act (WpHG) in conjunction with Article 20 of the Market Abuse Regulation (EU) No. 596/2014 and Articles 5 and 6 of Regulation (EU) 2016/958.

None

Sources and price details

For the preparation of investment recommendations, we use issuer-specific financial data providers, our own estimates, company information and publicly available media. Unless otherwise stated in the information, price information refers to the closing price of the previous day. Fees and commissions are incurred in connection with securities (purchase, sale, custody), which reduce the return on the investment.

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Recommendation system

Positive: Positive expectations for the issuer, a bond type or a bond placed by the issuer.

Neutral: Neutral expectations for the issuer, a bond type or a bond of the issuer.

Negative: Negative expectations for the issuer, a type of bond or a bond placed by the issuer.

Relative Value (RV): Relative recommendation to a market segment, an individual issuer or a range of maturities.

Breakdown of recommendations (12 months)

Positive: 37%

Neutral: 55%

Negative: 8%

Recommendation record (12 months)

For an overview of our overall pension recommendations for the past 12 months, please visit www.nordlb-pib.de/empfehlungsuebersicht_renten. The password is "renten/Liste3".

Issuer / security	Date	Recommendation	Bond type	Cause
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