Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

12 July 2023 ♦ 23/2023

Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Author: Dr Frederik Kunze

Primary market: no siesta, but some signs of the approaching summer lull?

Despite the scorching temperatures seen in some covered bond jurisdictions, there has been no talk of a siesta on the primary market. However, there has certainly been some evidence of slight overheating or saturation tendencies for new issues. However, with an issuance volume of EUR 141.0bn so far in 2023, who could honestly be surprised by this development? Looking at the regional breakdown of the fresh supply issued since the previous edition of our weekly publication on 28 June, the level of heterogeneity is quite high with seven bonds from five jurisdictions. However, the terms selected have been less varied, so that there was only a single deal with an initial residual term of more than five years. At the same time, shorter-dated issues were in greater demand. At least this is what the bid-to-cover ratios suggest. A look at this metric makes sense for the trading days considered here, not least because all of the deals featured a volume of EUR 500m. Bayerische Landesbank got things started on 3 July with a mortgage Pfandbrief (new issue premium: +7bp; bid-to-cover ratio: 4.1x). This was followed the next day by CA Public Sector SCF from France (new issue premium: +5bp; bid-to-cover ratio: 6.0x) and Iccrea Banca from Italy (new issue premium: +8bp; bid-to-cover ratio: 1.5x). As far as Italy, in particular, is concerned, we would speak of a challenging environment, as the supply from Italy covers a very narrow period of time due to the fact that the issuance window here only recently reopened. On 5 July, we also welcomed Raiffeisenlandesbank Oberösterreich (RLB OÖ; new issue premium: +6bp; bid-to-cover ratio: 2.6x) and ANZ New Zealand. While it is worth noting that the RLB OÖ deal pushed the volume placed in 2023 from Austria above the EUR 11.0bn mark, the third EUR benchmark from New Zealand in 2023 (bid-to-cover ratio: 7.5x and new issue premium: +3bp) was well received by the demand side. At the end of the previous trading week, Deutsche Pfandbriefbank (pbb) showed that the primary market was still not ready for the summer lull after it successfully placed another benchmark (new issue premium: +8bp; bid-to-cover ratio: 2.2x). There was no issuance activity on Monday, although yesterday Aareal Bank, the final issuer in our coverage today, made its third market appearance in the EUR benchmark segment in 2023. The deal (EUR 500m; WNG; 3.0y) was placed at ms +13bp (new issue premium: +6bp; bid-to-cover ratio: 6.0x).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Aareal Bank	DE	11.07.	DE000AAR0397	3.0y	0.50bn	ms +13bp	- / Aaa / -	-
pbb	DE	06.07.	DE000A31RJS7	3.3y	0.50bn	ms +14bp	- / Aa1 / -	-
RLB OÖ	AT	05.07.	AT0000A367F4	4.4y	0.50bn	ms +36bp	- / Aaa / -	-
ANZ New Zealand	NZ	05.07.	XS2646222633	3.0y	0.50bn	ms +33bp	AAA / Aaa / -	-
Iccrea Banca	IT	04.07.	IT0005555112	5.5y	0.50bn	ms +68bp	- / Aa3 / -	-
CA Public Sector SCF	FR	04.07.	FR001400J4X8	3.0y	0.50bn	ms +13bp	- / Aaa / AAA	-
Bayerische Landesbank	DE	03.07.	DE000BLB6J02	3.5y	0.50bn	ms +2bp	- / Aaa / -	-

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

Secondary market: basic mood can (once again) be described as friendlier!
Signs of saturation were also evident in trading over on the secondary market – at least temporarily. The very high level of supply had put pressure on spreads, in particular in the oversupplied maturities of between three and four years. Conversely, deals with maturities in 2024 or 2025 were subject to consistently robust demand. Recently, new deals have been performing better and the overall picture is friendlier again. More attractive spreads in general, smaller volumes and the primary market, which was less well penetrated overall, have certainly helped in this regard. The long end (residual term of around ten years) was also supported to a greater extent in this market environment.

Internal matters: Global Capital Covered Bond Awards 2023
Investors, issuers and lead managers have until 28 July 2023 to place their votes for the "Global Capital Covered Bond Awards 2023". The NORD/LB Debt Capital Markets (DCM) team has been included on the short list in the "Best Bank for Distribution" category for the fourth time. Our DCM colleagues would be delighted to bring back a renowned Covered Bond Award to Northern Germany this year. We would also like to thank you for your trust and every vote cast for NORD/LB Floor Research in the "Best Covered Bond Research" category.

Moody's takes a look at the Swiss banking sector...
Moody's has commented on the Swiss banking market and, in so doing, addressed the dangers of a sudden loss of confidence and outflows of deposits. The risks are mitigated by a strong and stable domestic customer base, highly liquid bank balance sheets and proactive asset liability management. Moody's evaluates the banking sector as a whole as "Strong +", which also implies a low risk level in an international context. Credit Suisse, which has been taken over by UBS, was among the active institutions in the EUR benchmark segment. We assume that both covered refinancing itself and funding via covered bonds in EUR benchmark format will play a role for UBS in the medium term. We are therefore sticking to our forecast for Switzerland for the time being and continue to assume that a volume of EUR 1.0bn will be forthcoming this year (although so far in 2023 there has been no EUR benchmark activity from Switzerland). A forecast risk remains not least because the procedural challenges associated with the new major bank from Switzerland could potentially also significantly delay any projects in the pipeline.

...and adjusts assumptions regarding refinancing risks for Czech covered bonds
With regard to the Czech covered bond market, Moody's recently announced that it has revised its assumptions in connection with refinancing risks. In this context, the risk experts initially refer to the development of the Czech covered bond sector and the improved credit quality on offer here. The Czech market boasts a decade of strong growth, with the importance of covered bonds as a source of refinancing having accordingly also increased. In addition, Moody's upgraded the rating metric of TPI (Timely Payment Indicator) from "Improbable" to "Probable". This move was justified by the fact that also within the Czech Republic specific liquidity buffer requirements in accordance with the EU Covered Bond Directive are to be complied with. After all, all issuers that have placed covered bonds since May 2022 have also had to comply with the buffer for bonds that were issued before this time. Moody's rates the covered bonds of UniCredit Bank Czech Republic & Slovakia, which is represented in the current iBoxx EUR Covered with three deals (volume: EUR 1.5bn). This adjustment does not result in a rating change.

S&P: bonds with short maturities increase refinancing risks

As part of their quarterly review of the covered bond market, the risk experts at S&P recently presented their assessment of recent market developments. Among other aspects, the focus here was on the high volume of deals in relation to publicly placed EUR-denominated deals. S&P expects the dynamics in this regard to remain solid over the second half of the year, which is not least due to the relative attractiveness of wholesale funding. Impetus is also likely to come from the direction of sustainable bonds, since general regulatory developments make it easier to identify “green assets”. In our opinion, the authors’ views regarding the issuer focus on short maturities are of particular importance. For example, this could serve to heighten refinancing risks (key phrase: asset-liability maturity mismatch). In the S&P rating methodology, this could lead to increased requirements with regard to the credit quality of the cover pool (key phrase: credit enhancement). As part of a scenario analysis, the S&P risk experts conclude that the programmes under consideration have sufficient buffers on average, meaning that the increased requirements resulting from the shorter maturities are not placing the current ratings under pressure.

Achmea resolves to terminate CPT programme

In the past, a handful of Dutch covered bond issuers have opted for the Conditional Pass Through (CPT) repayment structure due to the fact that under these specific programmes, the liquidity risks associated with issuer default scenarios can be significantly reduced. For some time now, however, the prevailing trend among these Dutch issuers has seen them switch to soft bullet structures (cf. our most recent comment regarding Repayment structures on the covered bond market). Following a successful consent solicitation process, Achmea is converting its three EUR benchmarks (ACHMEA 0 3/8 11/22/24, ACHMEA 0 1/2 02/20/26, ACHMEA 0.01 06/16/25) to soft bullet programmes. According to an announcement from Achmea, the CPT programme is to be terminated. The rating agency Fitch has already announced that it will revoke its ratings for the CPT programme. These developments do not come as a surprise to us, as operating two different programmes in parallel increases the issuer’s transaction costs.

What does the rest of 2023 hold in store for us?

As part of our weekly publication, we are again looking at the first six months of the current covered bond year now that we have reached the midpoint of the year and will attempt to provide an outlook for the second half of 2023 (cf. Covered Bond focus article in this present edition). We expect a dynamic primary market over the further course of the year, although the issuance volume is highly unlikely to reach the same level as deals placed previously in 2023. While our joint review-outlook article is again geared towards the EUR benchmark segment, we were delighted to receive a request from the Association of German Pfandbrief Banks (vdp) asking us to contribute to the “Pfandbrief market in 2023” for the digital marketplace for the Pfandbrief community moderated by the vdp (pfandbrief.market). The publication is also available in the form of a NORD/LB Covered Bond Special. Moreover, as part of a guest article published in the current edition of the magazine “Immobilien & Finanzierung”, we delved deeper in to the new monetary policy course of the ECB and the potential consequences for the demand side on the covered bond market. The article “ECB withdrawal – demand and investor behaviour in the covered bond segment” is available for you here as a special digital edition (in German).

Market overview
SSA/Public Issuers

Author: Dr Norman Rudschuck, CIIA // assisted by Christian Ilchmann

Update on E-supra funding

The respective funding targets of the bailout funds – EUR 8.0bn (ESM) and EUR 20.0bn (EFSF) – have been in place for a long time. Both issuers are also already announcing their 2024 figures of EUR 6.0bn and EUR 19.0bn respectively. As is well known, the time windows with the concrete calendar weeks have been omitted for the ESM and EFSF since 2022. We expect a negative net supply of around EUR 5bn for the ESM due to maturities of EUR 12.9bn for the current year. By contrast, the EFSF has maturities of EUR 22.5bn, which corresponds to a negative net supply of EUR -3bn. We also expect the ESM to bring a USD bond to market this year. As is well known, the EU has been pursuing a new funding concept since the beginning of the year: instead of the existing procedure – assigning bonds to the different individual programmes – they will in future be issued in bundles as "EU bonds". Only green bonds within the framework of the NGEU programme will continue to be labelled as such. The new procedure is therefore primarily intended to in-crease the liquidity of the bonds and simplify a purchase or sale by investors. In the first half of the year, the "mega-issuer" raised funds amounting to EUR 80bn. Of this, EUR 70bn is attributable to the NGEU programme and EUR 10bn to the new support programme for Ukraine (MFA+). The EU has announced a further EUR 40bn for the second half of the year. Most market participants had expected more than this. In total, the volume for the whole year should therefore come to EUR 120bn. EU-Bills always complement these values and are therefore not included. To recap: until 2020, the EU often had a neutral net supply as part of its actual activities; the maturities in 2023 (EUR 3.5bn) will be extended as per usual. Moving on to look at the European Investment Bank: according to the EIB's press release, the Board of Directors approved the raising of up to EUR 50bn at its December meeting, leaving the bank some upward leeway. In 2023, the EIB is expected to repay maturities totalling EUR 61bn, resulting in a negative net supply of at least EUR -11bn. This would be significantly more than in the past two years – and even total EUR -16bn should the lower funding limit be sufficient for business purposes in 2023.

Long-term funding plan incl. 2024 (EUR bn)

	2022	2023	2024	∑
EFSF	19.5	20.0	19.0	**58.5**
ESM	8.0	8.0	6.0	**22.0**
∑	**27.5**	**28.0**	**25.0**	**80.5**

Time window for...

…EU bond issuances		…EU bond issuances	
CW 28	10-14 July	**CW 41**	09-13 October
CW 37	11-15 September	**CW 46**	13-17 November

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

ESM Newsletter: fifth Capital Market Seminar and Q2 update

At the beginning of June, the European Stability Mechanism (ticker: ESM), together with the European Commission (ticker: EU) and the European Investment Bank (ticker: EIB), hosted the fifth Capital Markets Seminar in Luxembourg, which we reported on here. The focus was on how EU institutions can mobilise markets to promote growth and economic integration in line with sustainable and digital transformation, while preserving financial stability. The summary sent out afterwards, including an update on the second quarter, summarised the most important discussion points and results once again and reiterated the ESM's (previous) approach: the current year is particularly challenging as the market is changing from an issuer's market to an investor's market. A reflection of the volatile market environment is that each transaction has been very different so far. Therefore, special attention should be paid to flexibility. Silke Weiss, Head of Funding & Investor Relations at EFSF and ESM, comments as follows: “We had already stopped announcing our issuance window in December 2021, which proved to be a wise decision. Our transaction execution is also flexible and we are able to execute an intraday trade if we feel it will not expose us to volatility or a crowded issue calendar. However, we can also issue over two days, as we have traditionally done in the past, if we think that would be the best execution strategy.” Despite the difficult environment, demand for EFSF and ESM bonds remains high. Accordingly, both issuers are already well advanced with this year's funding programmes (see also our previous paragraph): the EFSF has raised a total of EUR 13bn with the issue of four new lines: one 3y, one 5y, one very fresh 7y (see also our primary market update) and one 10y bond, and has therefore already reached 65% of its funding target for this year, while the ESM has raised just under two-thirds of its target in the form of a 5y and 10y bond totalling EUR 5bn. Weiss gave an assurance that they would continue the announced financing approach in the second half of the year and listen to the market in order to carefully align maturities, timing and size of the issues with the needs of investors.

Dexia: departure from the banking universe

On 4 July, the Dexia Group submitted applications to the Autorité de Contrôle Prudentiel et de Résolution (ACPR) for the return of its banking licence and the authorisation of securities services for Dexia Crédit Local (ticker: DEXGRP) as well as the authorisations of the financing companies Dexia Flobail and Dexia CLF Régions Bail at the end of this year. However, this step is not unexpected; in fact, it is the logical conclusion after the European Commission approved the plan for the orderly wind-down of the Dexia Group in December 2012. Dexia got into difficulties during the financial crisis and was rescued in October 2008 by state aid from France and Belgium, each in the amount of EUR 3bn, and from Luxembourg in the amount of EUR 376m. This was followed by state guarantees for Dexia's liabilities of EUR 150bn. Dexia will continue to wind down as a non-bank from 2024, subject to regulatory approval. The news should not be taken as a cause for alarm, as the existing state guarantees continue to apply irrevocably and unconditionally to all bonds issued until 31 December 2031 with a maximum maturity of ten years from the date of issue and a maximum capital contribution of EUR 72bn. We will continue to report on further developments at Dexia in the future.

KfW: half-year update - successful in digitalisation and refinancing

In a press release dated 11 July, Kreditanstalt für Wiederaufbau (KfW) provided an update on its business activities in the first half of calendar year 2023. For example, KfW succeeded in raising the majority of the funds needed to fulfil its promotional mandate by issuing bonds on the international financial markets. In the first two quarters of 2023, this was around EUR 54bn (previous year: EUR 57bn), which corresponds to approximately 63% of the funding volume planned for 2023 as a whole. To date, bonds have been issued in seven different currencies. The euro accounted for 65% of the total funding volume (previous year: 58%), the US dollar for 21% (previous year: 24%), pound sterling for 7% (previous year: 10%) and the Australian dollar for about 6% (previous year: 2%). Around 66% of the issue proceeds (previous year: 65%) stemmed from the issuance of benchmarks, four in EUR and three in USD. Green bonds continue to gain in importance. In the first half of the year, KfW's issue proceeds from these amounted to EUR 6.7bn, which corresponded to approximately 12.5% of the funding volume. A total of seven green bonds were issued in five different currencies. Since November 2022, KfW has also had the opportunity to use funds from the Economic Stabilisation Fund (WSF) "to refinance the mandated energy transactions transferred to it by the Federal Government to cushion the economic and social consequences of the war in Ukraine". As of 30 June 2023, a total of around EUR 25bn had been drawn from the WSF for this purpose, of which around EUR 5bn has been drawn this year. Based on the current business sector planning, KfW expects a funding volume of EUR 85bn for 2023 as a whole, and is therefore on course for the upper end of the EUR 80 to 85bn volume that was planned at the beginning of the year. Depending on how the markets evolve, KfW plans to keep focusing on the US dollar as a strategically important currency (in addition to the euro) in the second half of the year. Further green bond issues are also planned, depending on the disbursements of the promotional loan programmes that underlie the green bond framework. As a means of further optimising these funding activities, KfW has for some time now increasingly focused on digitalisation initiatives. After the first digital ("dematerialised") fixed-income security was issued on the capital market via Clearstream D7 of Deutsche Börse at the end of 2022, KfW placed its first commercial paper via the digital communication platform Onbrane in the first half of 2023. Furthermore, the first transaction was carried out using the 'transport currency' settlement methodology in the derivatives business in cooperation with LCH SwapAgent, a subsidiary of the London Stock Exchange. Tim Armbruster, Chief Treasurer of KfW, explained: "As one of the largest and most active issuers on the international money and capital markets, we have a strategic interest in making our processes as efficient as possible. We are currently pushing forward with innovative and digital solutions that improve the degree of automation and efficiency of our funding activities." Against the backdrop of renewed uncertainties on the financial market, the digitalisation of the financial market and active participation in shaping it are essential elements of the transformation agenda KfWplus, which KfW launched itself in 2022, in addition to promoting climate and environmental protection goals. Armbruster summarises as follows: "The market environment continues to be challenging due to the high degree of volatility. Nevertheless, in the first half of the year we took advantage of market opportunities, which is to say we responded to investor demand in the best possible way while ensuring optimal funding. We have achieved our targets for the first half of the year."

Primary market

Due to our one-week publication break, we are once again able to report on six deals in benchmark format as well as one sub-benchmark, despite the summer lull that is gradually becoming apparent. As usual, we start in chronological order. The first was a 10y sustainability bond in the amount of EUR 500m issued by the Spanish Autonomous Community of Castile and León. The deal was priced – identical to the guidance – 31 basis points above the Spanish curve, with SPGB 3.15% 04/30/2033 serving as a reference here. This corresponds to approximately ms +63bp area when converted. However, the order books were rather slow to fill and the bond was only slightly oversubscribed in the end. Things continued with a European supra, the European Financial Stability Facility. As announced at the end of June in a corresponding Request for Proposal (RfP), it wanted to raise EUR 3bn in a fresh 7y bond. This was achieved at ms -2bp, which corresponded to a narrowing of two basis points compared with the guidance; the bid-to-cover ratio was ultimately 1.8x. Another new issuance from the sustainability universe came in the form of a sub-benchmark from France: the local authority Ville de Paris issued EUR 300m (WNG) in sustainability format with a 20y maturity at OAT +29bp (roughly equivalent to ms +68bp area). In the end, the books were almost three times oversubscribed. The European Investment Bank then caused the biggest stir last Tuesday. This issuer placed a 10y benchmark in the amount of EUR 5bn and achieved an order book amounting to an impressive EUR 41bn. As such, this bond was more than eight times oversubscribed! The final spread was ms +4bp, two basis points tighter than the guidance. It is quite possible that the very successful issues in the first half of last week encouraged other issuers to also become active on the primary market. The Land of Berlin subsequently issued an 8y benchmark bond for EUR 500m. The deal was wrapped up at ms -1bp with only slightly oversubscribed order books, in line with the guidance of originally ms -1bp area. Shortly afterwards, Investitionsbank Berlin took to the stage and presented a 7y bond of the same volume. The final price was ms +2bp, which was also in line with the guidance. Baden-Württemberg completed the sextet in the benchmark segment with a EUR 500m bond with a 6y maturity, which was placed at -15bp over the 6M Euribor. Of course, the taps in the SSA segment should not go unmentioned: the first tap in the past two weeks was observed at KfW. The bank increased its 2029 bond by EUR 1bn at ms -13bp, and the bid-to-cover ratio ended up at 1.3x. Finally, the EU increased its 2052 bond by EUR 4bn (WNG). Compared with the original guidance of ms +69bp area, a narrowing to ms +66bp was achieved, and the order books almost literally burst at the seams at over EUR 70bn. In view of the summer holidays, which have already started in many places or will start in the very near future, we expect the primary market to slow down somewhat in the coming period, even though one or two issuers may still have various projects in the pipeline.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
BADWUR	DE	10.07.	DE000A14JZY4	6.0y	0.50bn	6mE -15bp	- / - / AA+	-
IBB	DE	06.07.	DE000A30V232	7.0y	0.50bn	ms +2bp	AAA / - / -	-
BERGER	DE	04.07.	DE000A351PF4	8.0y	0.50bn	ms -1bp	AAA / Aa1 / -	-
EIB	SNAT	03.07.	XS2647979181	10.0y	5.00bn	ms +4bp	AAA / Aaa / AAA	-
EFSF	SNAT	03.07.	EU000A2SCAJ7	7.0y	3.00bn	ms -2bp	AA- / Aaa / AA	-
CASTIL	ES	23.06.	ES0001351602	9.8y	0.50bn	ms +63bp	- / Baa1 / -	X

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

Covered Bonds
Half-year review and outlook for the second half of 2023

Author: Dr Frederik Kunze

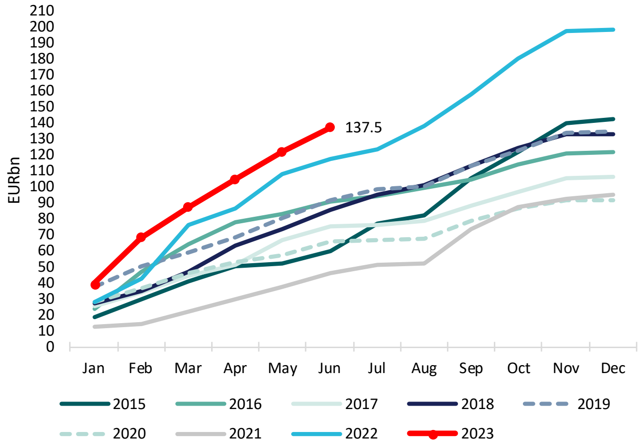
Exciting six months: Looking back, but also looking ahead!

We would first like to take this issue of our weekly publication as an opportunity to take a look back at the months of January to June, before then turning our attention to looking ahead to the end of 2023. Once again, it is no exaggeration to say that we can not only look back on an exciting six months, but that the second half of the year will also have a lot to offer. One can think here, for example, of the extremely strong issuing month of January, which kicked off primary market activities in the EUR benchmark segment in 2023. There were 46 new covered bonds on the books with a volume totalling EUR 39.7bn. Issuers were also driven by the ECB's efforts at tightening the monetary policy reins, which already started in 2022. In particular, the plans announced in December 2022 on how to proceed with scaling back the APP (or CBPP3) purchase programme shaped the start of the 2023 covered bond year. Looking ahead, the decisions of the ECB Governing Council are likely to be far less important for the rest of 2023 – at least based on what we know today! But will it actually all be plain sailing from here on? Don't bet on it.

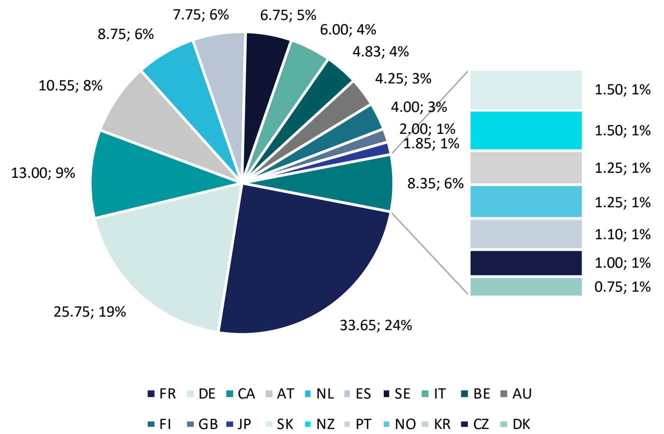
Primary market 2023: Record-breaking EUR 137.5bn

After the extremely dynamic start to the year, issuance activities did not really slow down, although in the first quarter of 2023 there was a temporary suspension of primary market activity, also in the covered bond segment, due to emerging concerns about the stability of the banking sector. The crises in the USA and Switzerland had finally led to a renewed high level of uncertainty and in this context the focus turned to the ECB, which did not provide concrete information on the subject of quantitative tightening (QT) until 2 February 2023 (cf. Roadmap to QT). If the central bankers had seen the need to turn away from their tightening course at their March meeting (see Fixed Income Special: ECB interest rate decision: Backbone in times turmoil?!), the covered bond primary market might have looked very different in the first half of the year. Now we are looking at a record volume of EUR 137.5bn, of which France (24%) and Germany (19%) account for the largest shares, followed by Canada with 9% (EUR 13.0bn). Here, we had already downgraded our initial forecast from EUR 25.0bn to EUR 17.0bn early in 2023, taking into account the slump in lending in Canada, among other aspects. Austria accounted for an impressive 8% of primary market volume, underlining the growth trajectory of the covered bond market there. Italy was also a particular topic in the first half of the year. Issuers from this jurisdiction were, to a certain extent, bound by the pending finalisation of the country's new covered bond legislation and could only appear on the primary market with fresh deals from June 2023 onwards – after a forced pause that had lasted since 8 July 2022. As we point out later in our spread forecast, Italy has also yet to go through the repricing process. Issuers from Norway have remained somewhat restrained so far. We expected new EUR benchmarks with a volume of EUR 9.0bn – however, we have only seen EUR 1.3bn so far. Accordingly, there is a need for adjustment here.

EUR BMK: Issuance trend



EUR BMK in H1 2023 (EUR bn)

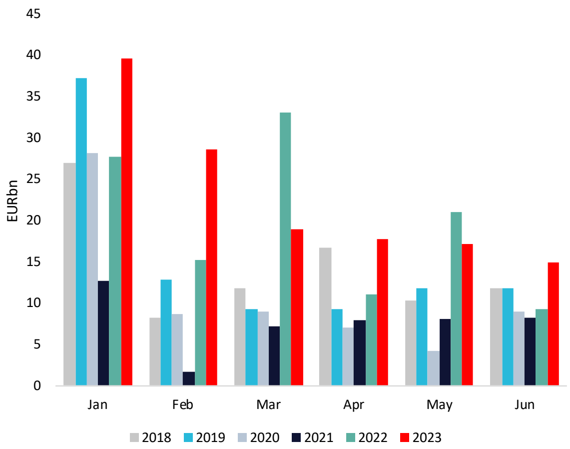


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

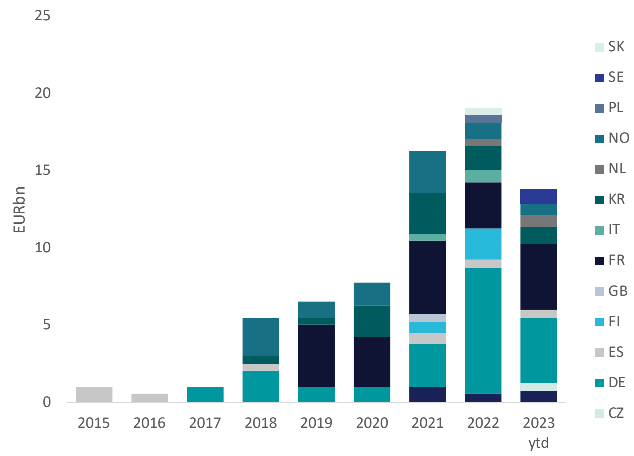
Framework conditions on the covered bond primary market: short, shorter, shortest?

As in 2022, the general conditions in the first half of 2023 were once again strongly in favour of covered refinancing from the issuer's point of view. On the whole, the fresh supply was also well received by investors. Nevertheless, we should say that in 2023 the structure of the primary market has changed to the extent that the focus has been excessively directed towards short maturities. This is certainly true for the demand side. However, as a consequence of market conditions, longer maturities were hardly attractive for covered bond issuers either (cf. Maturity premiums on covered bonds). On the demand side, we were also focusing on the ECB's further decisions and steps. At the beginning of February, for example, the primary market order quota was reduced from 20% to 10% as a result of the ECB meeting on 2 February, and since March 2023 the Eurosystem no longer acts as a buyer on the primary market. To a certain extent, this may also have contributed to the dynamics of the new issues. In fact, however, we would not subscribe to the view that there have been excessively strong pre-funding effects. Incidentally, we take a similar view with regard to the end of secondary market purchases under the CBPP3. In this context, the ECB Governing Council announced on 4 May that the expected end would be "as of July 2023". In other words, just in time for the start of the second half of 2023, the "unchecked" passive dismantling of the APP and thus also of the CBPP3 began. However, we do not see this decision as being the main reason for the current issuance volume. Rather, we believe that issuers are following a longer-term strategy and will therefore remain active in the second half of the year, even though the months July to December – following the usual seasonal pattern – should be less dynamic. From a more fundamental perspective, the question could also be asked as to why the momentum in covered refinancing remains pronounced despite weakening real estate markets and a collapse in lending. We see this as a consequence of a fundamental possibility for issuance (among other aspects, in relation to the availability of cover assets) as well as the existing attractiveness compared with other funding sources. The downside in this context is undoubtedly the tendency towards shorter maturities, as outlined above. In our view, issuers will also have to tread the "rocky" path of increased maturity premiums in the second half of the year, which should provide a bit of a boost to spreads at the longer end of the secondary market.

EUR BMK: History of new issues (H1)



ESG: Issuance trend (H1 2023; EUR BMK)



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

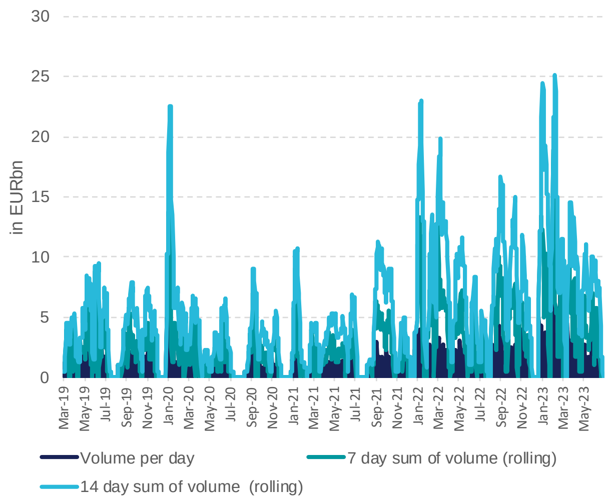
ESG deals: quota of 10% on the primary market

The topic of ESG has also become an integral part of the covered bond market. Indeed, we continue to see a high relevance of green, social and sustainable deals for the EUR benchmark segment. Overall, the volume of issues here is robust, with a total of 20 deals in the first half of 2023 amounting to EUR 13.9bn. Of particular note is the ESG debut of UniCredit Bank Czech Republic & Slovakia (EUR 500m; green) from June. After all, this was also the first green covered bond from the Czech Republic. In addition, Arkea Home Loans SFH (FR) approached investors for the first time with a green benchmark (EUR 1.0bn). In March, Stadshypotek (SE) successfully placed the first green EUR benchmark from Sweden. Overall, however, the ESG sub-segment is not outperforming the market as a whole. The share of the EUR benchmarks placed so far is around 10% for the ESG deals, which essentially matches the equivalent value for the full year 2022. Overall, the challenges for issuers and investors to engage in the ESG sub-segment for covered bonds remain high. The adaptation of the EU Taxonomy Regulation and the EU Green Bond Standard mark important milestones for green covered bonds as well. Nevertheless, some questions remain unanswered. For a general overview of the global ESG market, please refer to our ESG Update 2023. The publication was released in May this year.

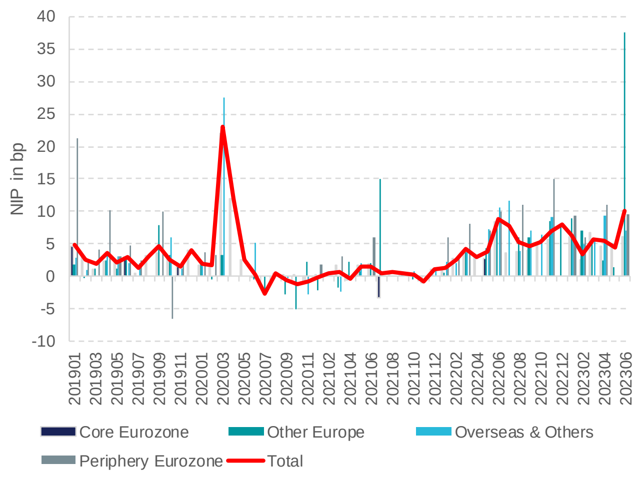
High issuance volume drives new issue premiums

Before we turn to the future spread development on the secondary market, we would first like to take a look at the new issue premiums. Having said that, we are well aware of the restricted informative value of this indicator. This is especially true given the often severely limited liquidity in secondary trading. Nevertheless, we can derive relevant observations from a global viewpoint. On average, new issue premiums are therefore clearly on the rise. In fact, pricing compared to fair value is not only an important benchmark for investors at present. The high level of supply combined with increasing limit utilisation among some investors increases the elasticity in the order books, so that even discreet spread tightening during the marketing phase can lead to a noticeable drop in the order books.

EUR BMK: seasonal pattern primary market



EUR BMK: trend of new issue premiums

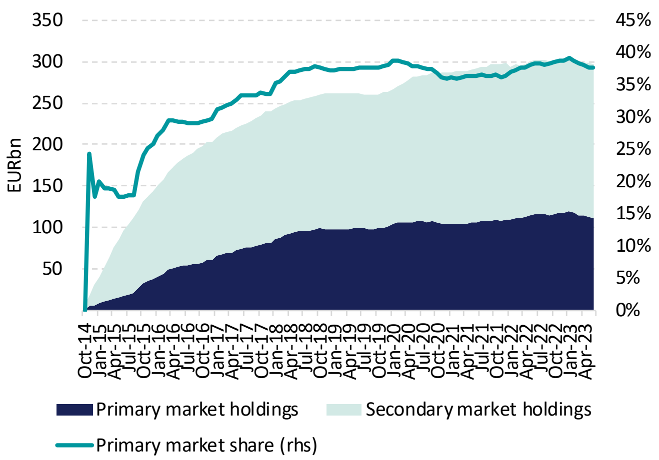


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

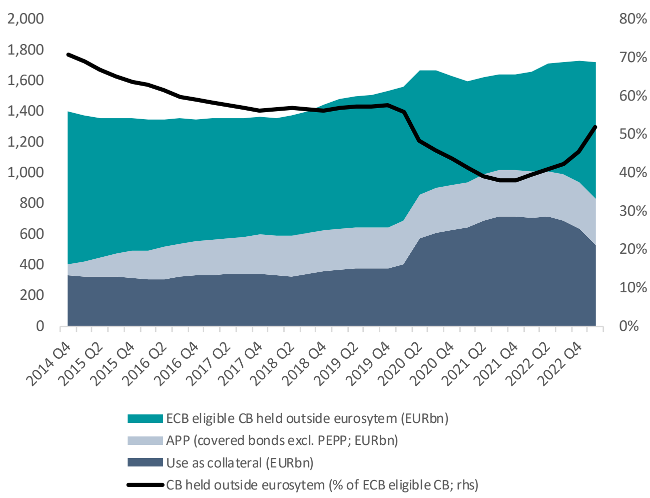
What have been (or will be) the implications of the monetary policy turnaround?

Even if the passive reduction of the CBPP3 volume will still take some time, we can already observe the impulses relevant for spread trends. Repricing continued in the first half of 2023. The revaluation was driven by the price-sensitive buyer's “exit” from the primary market and the announcement regarding an end to secondary market purchases. The continued repayment of TLTRO III funds, which was driven by the adjustment of the conditions in 2022 as well as additional voluntary repayment dates for the TLTRO III tenders, also forced the widening of spreads through the expansionary impulse on the funding of the issuers. In addition, the ECB's much less accommodative monetary policy contributed and continues to contribute to a general reassessment of risks, which we also see as a driving force in the reassessment of the spread landscape in the covered bond segment.

ECB: CBPP3 volume



ECB: influence on the covered bond market

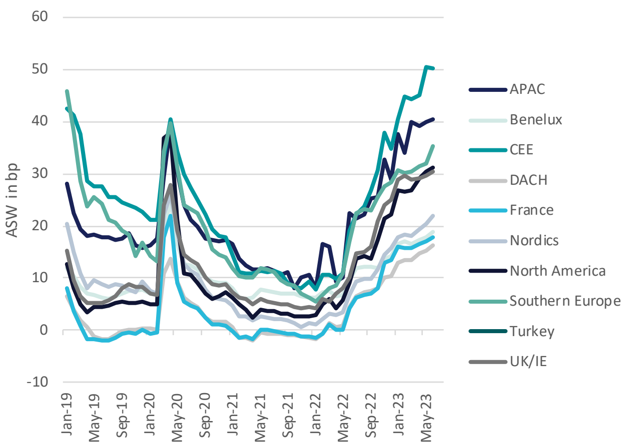


Source: Bloomberg, ECB, Moody’s, NORD/LB Markets Strategy & Floor Research

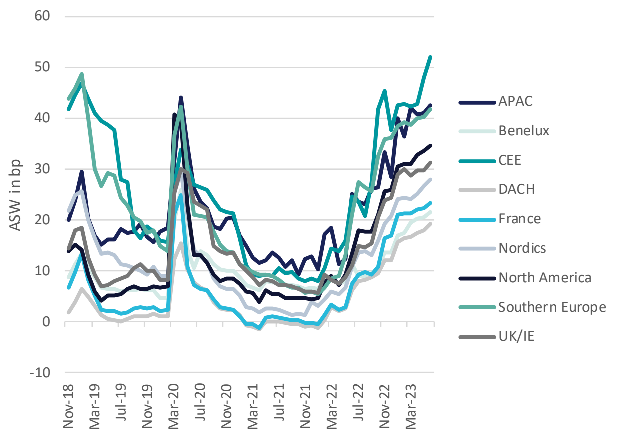
Spread development: new levels!

This new spread landscape can essentially be described in at least two dimensions. On the one hand, the relative distances between covered bond jurisdictions have changed. For example, the spreads of French covered bonds are well above Pfandbriefe, while Austrian bonds have even wider spreads than the outstanding covered bonds from France. On the other hand, repricing can be understood by looking at the price differences between short and long maturities. Thus, as described above, the maturity premium has increased significantly. Looking at the further spread development, we certainly see some cause to believe that we have already seen the largest movement in the general repricing. For the second half of 2023, we expect the market as a whole to move sideways or to expand only modestly from the levels reached. This does not categorically rule out renewed spread increases. Technical market impulses at issuer and/or jurisdiction level could lead to widening. This also applies with regard to the longer maturity ranges. Here, higher supply will come up against a still rather cautious investor base, which will consequently lead to rising spreads. This should not be confused with a fundamental revaluation. At least with regard to the remaining weeks and months of 2023, we remain of the opinion that the credit quality of both issuers and cover pools should not deteriorate significantly. Nevertheless, sentiment-driven market developments, for example as a result of greater concerns about the commercial real estate sector in countries such as the UK or Switzerland, could cause spreads to widen.

EUR BMK: spread trend (5y; generic)



EUR BMK: Spread trend (7y; generic)



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

Primary market outlook: still a lot to come in the second half of the year

We see little need to adjust our supply forecast at present. Nevertheless, we are making subtle adjustments. We have reduced our expectation for Norway from EUR 9.0bn to EUR 6.0bn. Adjustments are also due for Sweden (plus EUR 2.0bn) and the Netherlands (plus EUR 1.0bn), meaning that, overall, our forecast for the total new issuance volume remains unchanged at EUR 193.5bn. Net supply would thus remain at EUR 78.0bn. For the rest of the year, we therefore expect fresh benchmarks in the volume of EUR 54.0bn. We see a forecast risk especially in the overseas jurisdictions. In terms of EUR benchmarks from Singapore, we expect that the primary market still has plenty in store.

NORD/LB forecast: supply and maturities 2023 (EUR BMK; EUR bn)

Jurisdiction	Outstanding volume	Issues 2023 ytd	Maturities 2023	Issues 2023e	Net supply 2023e
AT	53.60	11.05	1.75	14.00	12.25
AU	34.05	4.25	3.75	6.25	2.50
BE	19.75	4.83	2.50	3.00	0.50
CA	85.95	13.00	15.00	17.00	2.00
CH	0.75	-	0.00	1.00	1.00
CZ	2.00	1.00	0.00	1.00	1.00
DE	195.82	27.25	17.75	33.00	15.25
DK	5.00	0.75	0.75	1.50	0.75
EE	1.00	-	0.00	0.50	0.50
ES	73.35	7.75	9.35	12.00	2.65
FI	33.75	4.00	5.75	8.00	2.25
FR	253.52	34.15	22.65	42.50	19.85
GB	25.36	2.00	4.00	4.00	0.00
GR	0.00	-	0.50	0.50	0.00
HU	0.00	-	0.00	0.50	0.50
IE	0.75	-	1.00	0.00	-1.00
IS	0.50	-	0.00	0.50	0.50
IT	48.01	6.50	7.25	9.00	1.75
JP	6.10	1.85	1.00	1.75	0.75
KR	8.25	1.10	0.50	2.50	2.00
LU	1.00	-	0.50	0.00	-0.50
NL	75.85	8.75	3.75	11.00	7.25
NO	44.00	1.25	10.25	6.00	-4.25
NZ	11.95	2.00	1.50	4.00	2.50
PL	1.50	-	0.50	1.00	0.50
PT	4.25	1.25	0.00	0.00	0.00
SE	33.08	6.75	4.50	8.00	3.50
SG	7.50	-	1.00	3.00	2.00
SK	6.50	1.50	0.00	2.00	2.00
Total	**1033.12**	**140.97**	**115.50**	**193.50**	**78.00**

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

Spread forecast: what now after the repricing?

As we have already discussed, we see the covered bond benchmark segment as being in a very late phase of the repricing process triggered by the turnaround in ECB monetary policy. We also take this into account in our spread expectations for year-end 2023. Across all jurisdictions, we expect a moderate increase from current levels by 31 December 2023. This does not rule out sentiment-driven widening in particular. In our opinion, a distinction must be made between the general sentiment (e.g., on the financial and capital markets or on the side of the real estate sector) and specific developments (e.g., the assessment of the risk situation on the CRE market in Sweden). What both the general and the specific sentiment have in common is that the widening of spreads tends to be episodic in nature and not fundamentally based. We foresee noticeable widening on the basis of the market prices currently observed for Italy, where the repricing process is still in its infancy. New deals do not influence the curve across all issuers and maturities. While we consider the fair value based on Bloomberg screen prices in Italy to be more appropriate for the "short end", we expect significant widening for the longer maturities in Italy, which is still lagging behind the developments in other countries.

NORD/LB forecast: spreads (EUR BMK)

Current levels

in bp	3y	5y	7y	10y
AT	19.6	25.2	28.4	33.1
AU	25.2	38.9	43.8	45.6
BE	9.3	16.4	25.6	35.1
CA	22.4	31.9	35.1	35.2
CZ	57.3	68.1		
DE	1.7	7.6	10.8	16.2
DK	14.8	26.5	27.4	
EE	31.5	39.3		
ES_Single	22.3	33.2	38.1	45.4
FI	8.4	15.4	17.3	17.9
FR	8.2	17.8	23.4	29.8
GB	24.0	32.3	32.5	34.3
IE	2.3			
IS	36.8	28.9	40.9	49.4
IT	28.9	40.9	49.4	62.4
JP	45.8	50.9	51.6	
KR	42.4	47.4	48.3	
LU	25.5	25.5		
NL	9.6	15.0	17.4	22.5
NO	11.4	21.3	26.9	29.0
NZ				
PL	30.8			
PT	25.5	31.0		
SE	9.3	17.6	24.0	27.2
SG	18.6	24.5	24.9	

as of 31/12/2023(e)

in bp	3y	5y	7y	10y
AT	22.0	27.0	32.0	38.5
AU	27.0	40.0	47.0	50.5
BE	12.0	18.0	29.0	40.5
CA	25.0	33.0	38.0	40.5
CZ	60.0	70.0		
DE	4.0	9.0	14.0	21.5
DK	17.0	28.0	31.0	
EE	34.0	41.0		
ES_Single	25.0	35.0	44.0	56.0
FI	11.0	17.0	21.0	23.5
FR	10.0	19.0	27.0	35.5
GB	26.0	34.0	36.0	39.5
IE	5.0			
IS	39.0	30.0	44.0	54.5
IT	31.0	54.0	71.0	87.5
JP	48.0	52.0	55.0	
KR	45.0	49.0	52.0	
LU	28.0	27.0		
NL	12.0	16.0	21.0	27.5
NO	14.0	23.0	30.0	34.5
NZ				
PL	33.0			
PT	28.0	32.0		
SE	12.0	21.0	27.0	36.5
SG	21.0	26.0	28.0	

Expected spread change

in bp	3y	5y	7y	10y
AT	2.4	1.8	3.6	5.4
AU	1.8	1.1	3.2	4.9
BE	2.7	1.6	3.4	5.4
CA	2.6	1.1	2.9	5.3
CZ	2.7	1.9		
DE	2.3	1.4	3.2	5.3
DK	2.2	1.5	3.6	
EE	2.5	1.7		
ES_Single	2.7	1.8	5.9	10.6
FI	2.6	1.6	3.7	5.6
FR	1.8	1.2	3.6	5.7
GB	2.0	1.7	3.5	5.2
IE	2.7			
IS	2.2	1.1	3.1	5.1
IT	2.1	13.1	21.6	25.1
JP	2.2	1.1	3.4	
KR	2.6	1.6	3.7	
LU	2.5	1.5		
NL	2.4	1.0	3.6	5.0
NO	2.6	1.7	3.1	5.5
NZ				
PL	2.2			
PT	2.5	1.0		
SE	2.7	3.4	3.0	9.3
SG	2.4	1.5	3.1	

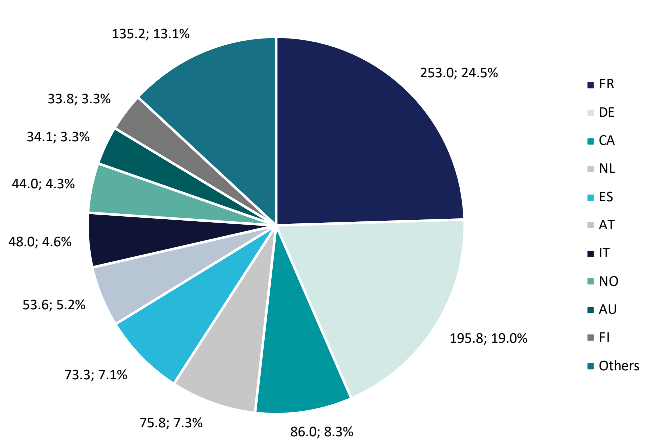
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

Conclusion and outlook

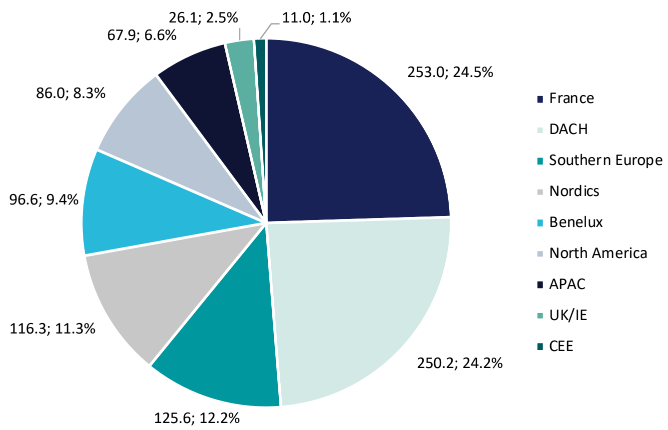
The year 2023 will once again see significant growth on the covered bond market. In other words, this funding instrument is still fitting for the times and has the capacity to bring together issuers and investors. Ultimately, we can look back at a very active primary market in the months January to June 2023 and the ECB's gradual exit from the covered bond market. Furthermore, the reassessment of the spread landscape continued in this context. Repricing has already come a long way and the spread development will now present a different picture in the second half of the year. We see widening potential in longer maturities and a need for correction in regard to Italian covered bonds. Overall, we do not expect any significant spread impulses from a fundamental assessment. Nevertheless, general market sentiment, as well as the sentiment in individual sectors and jurisdictions, is likely to temporarily affect parts of the covered bond universe.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



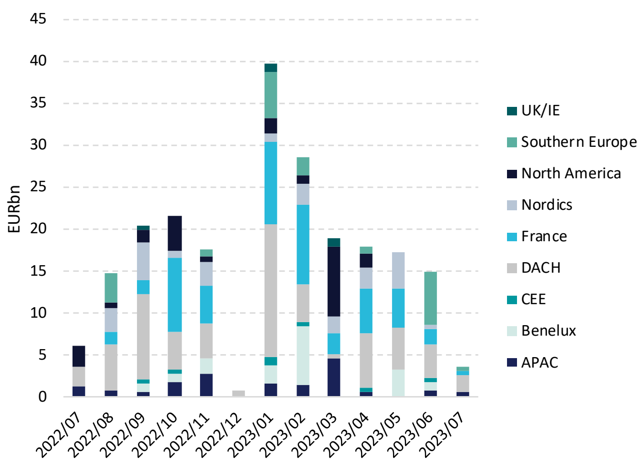
EUR benchmark volume by region (in EURbn)



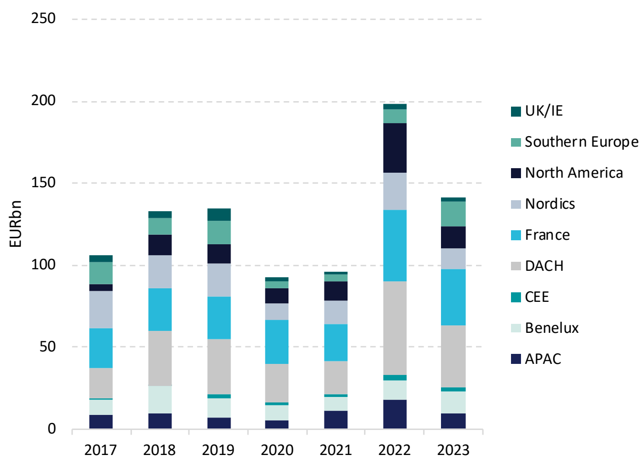
Top-10 jurisdictions

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	253.0	243	19	0.97	9.5	5.1	1.21
2	DE	195.8	280	33	0.65	8.0	4.3	1.07
3	CA	86.0	64	0	1.32	5.5	2.8	0.93
4	NL	75.8	76	2	0.93	10.9	6.6	1.08
5	ES	73.3	58	6	1.15	11.2	3.5	1.95
6	AT	53.6	91	4	0.58	8.3	5.0	1.30
7	IT	48.0	58	2	0.80	8.9	3.8	1.46
8	NO	44.0	53	12	0.83	7.4	3.9	0.62
9	AU	34.1	33	0	1.03	7.3	3.5	1.35
10	FI	33.8	37	3	0.89	7.2	3.8	1.10

EUR benchmark issue volume by month

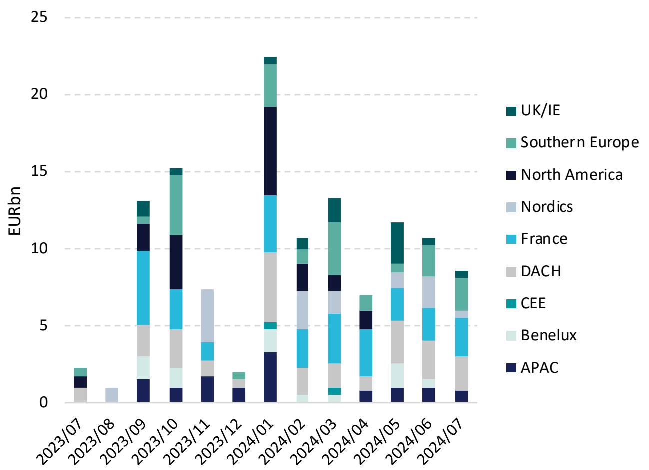


EUR benchmark issue volume by year

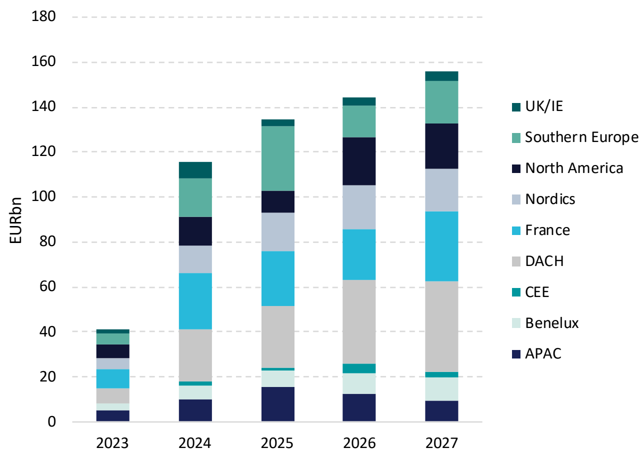


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

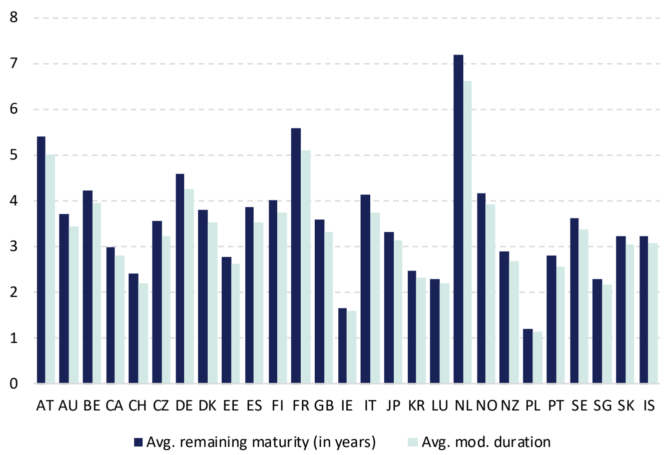
EUR benchmark maturities by month



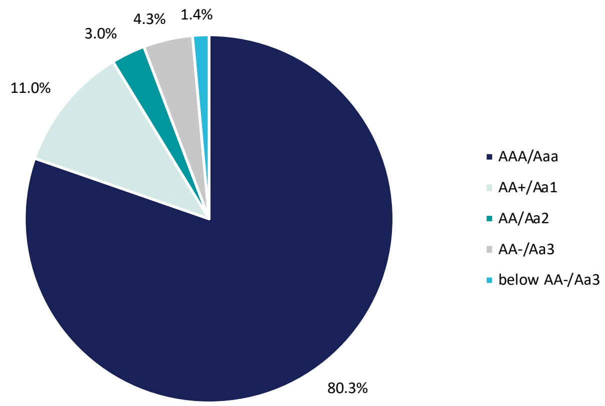
EUR benchmark maturities by year



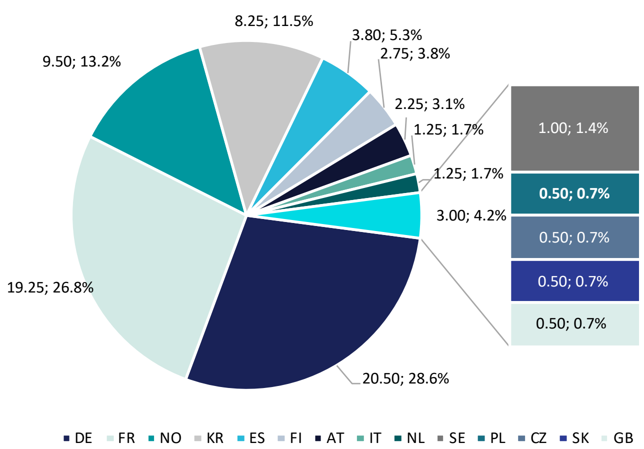
Modified duration and time to maturity by country



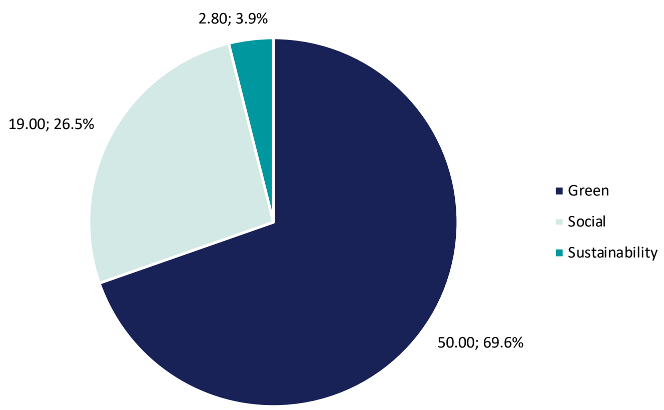
Rating distribution (volume weighted)



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

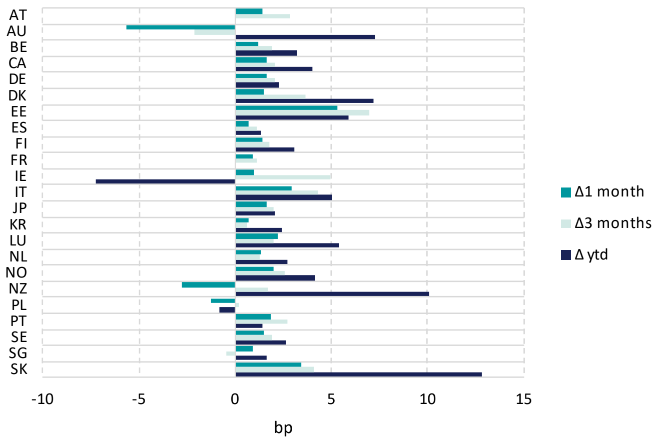


EUR benchmark volume (ESG) by type (in EURbn)

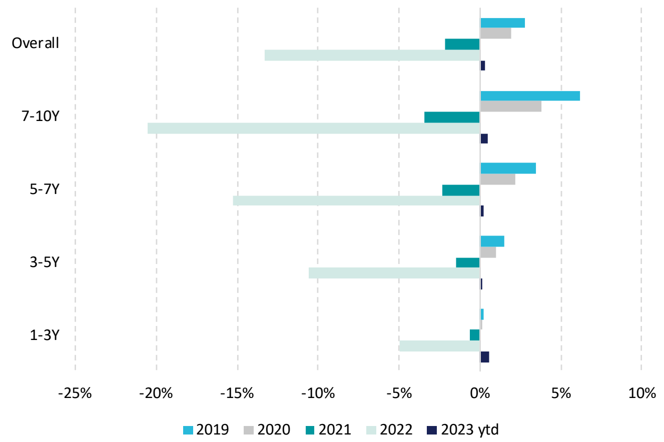


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

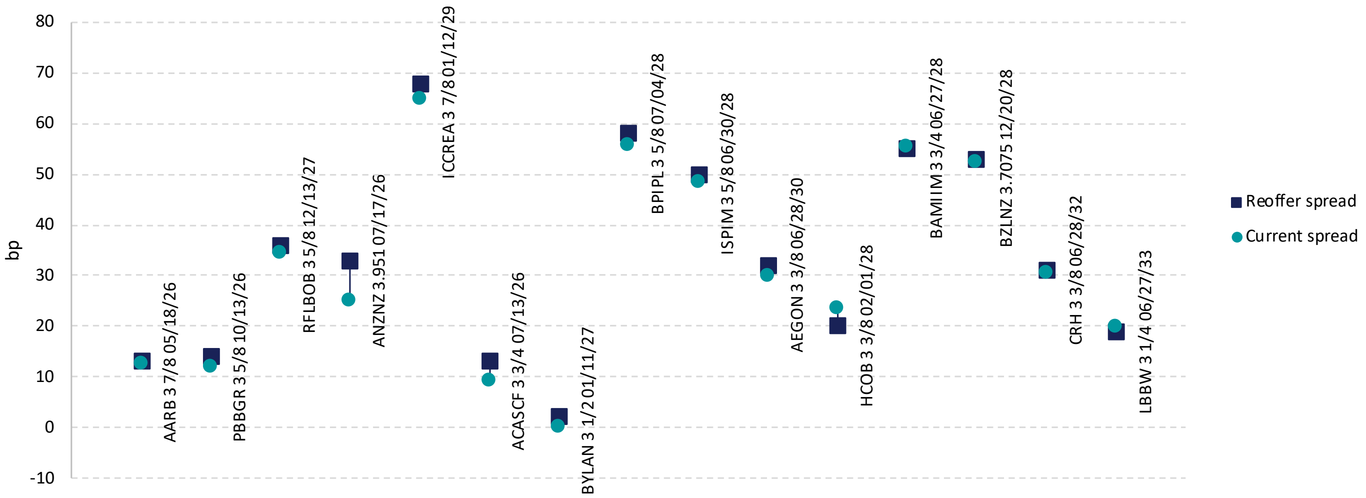
Spread development by country



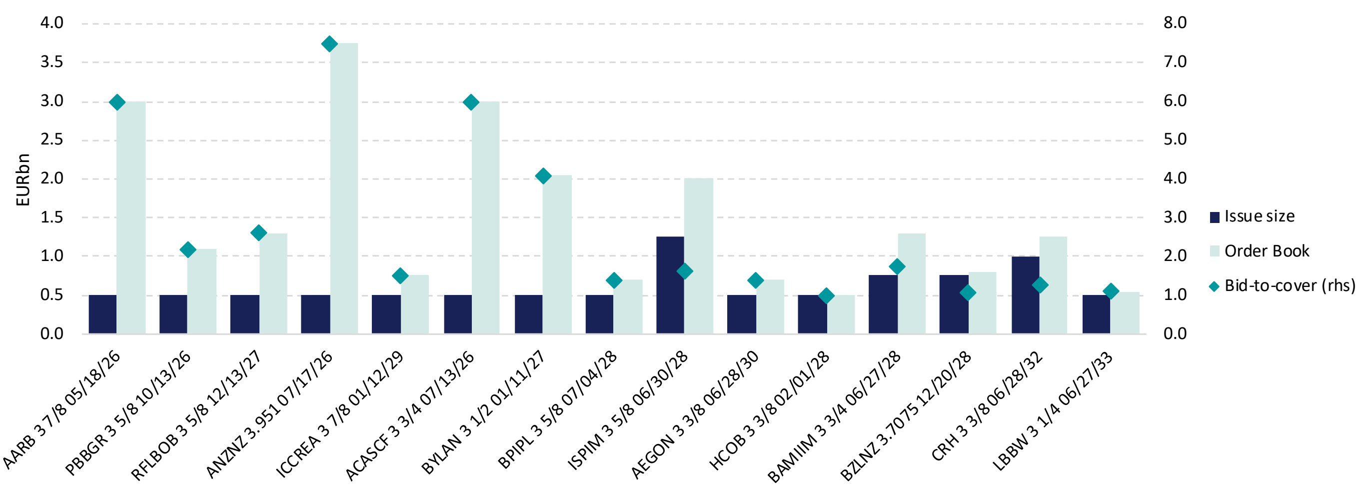
Covered bond performance (Total return)



Spread development (last 15 issues)



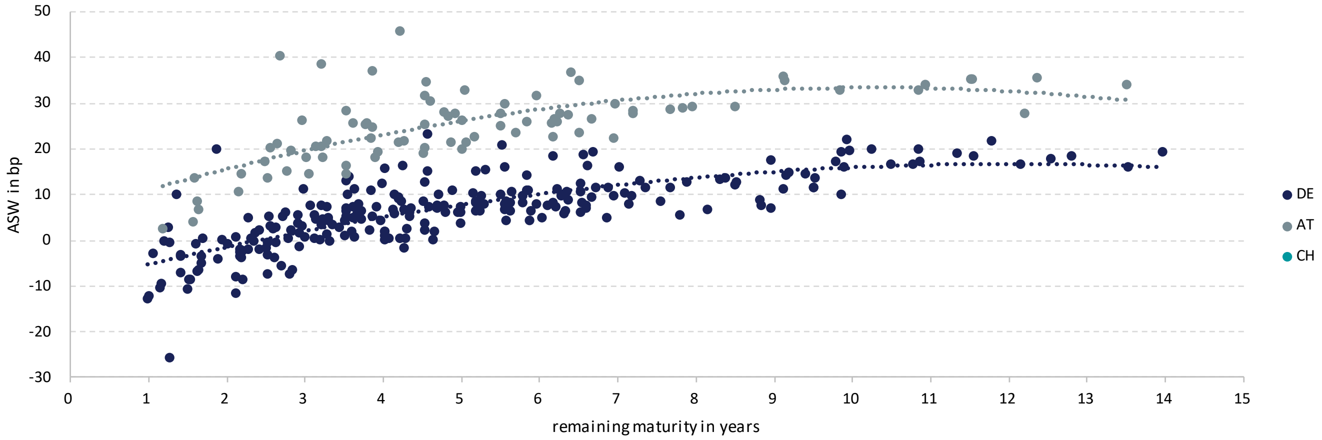
Order books (last 15 issues)



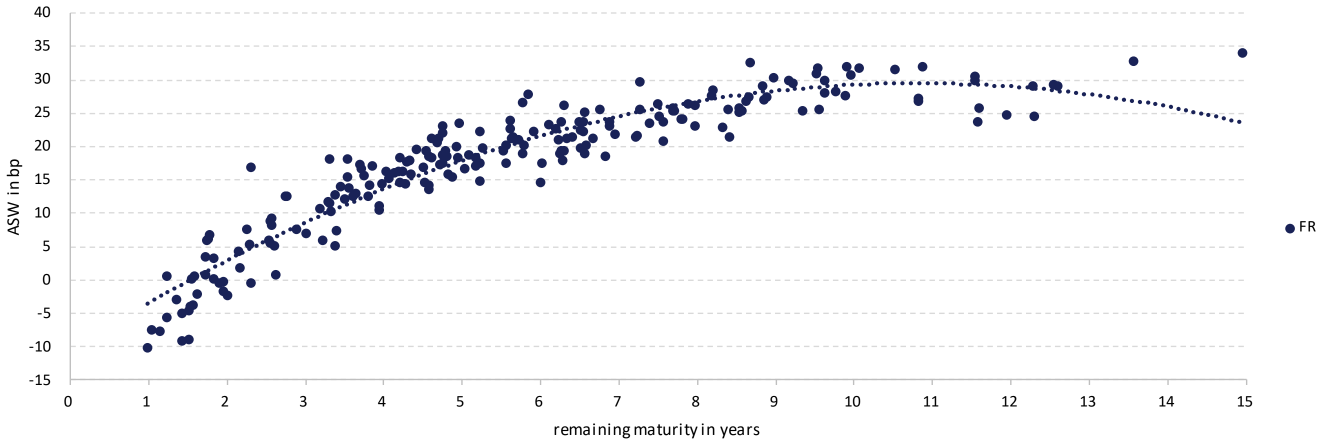
Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview[1]

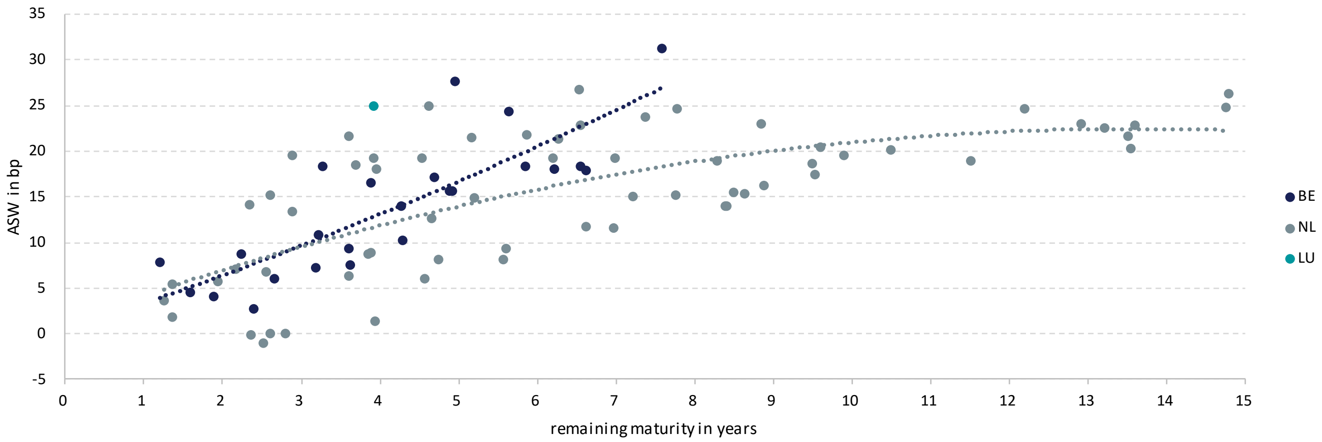
DACH



France

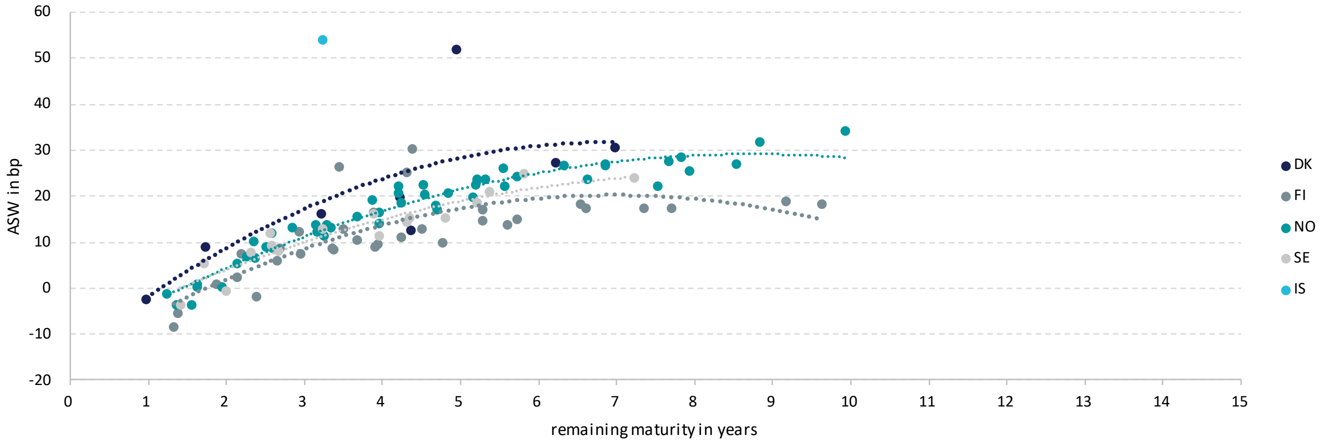


Benelux

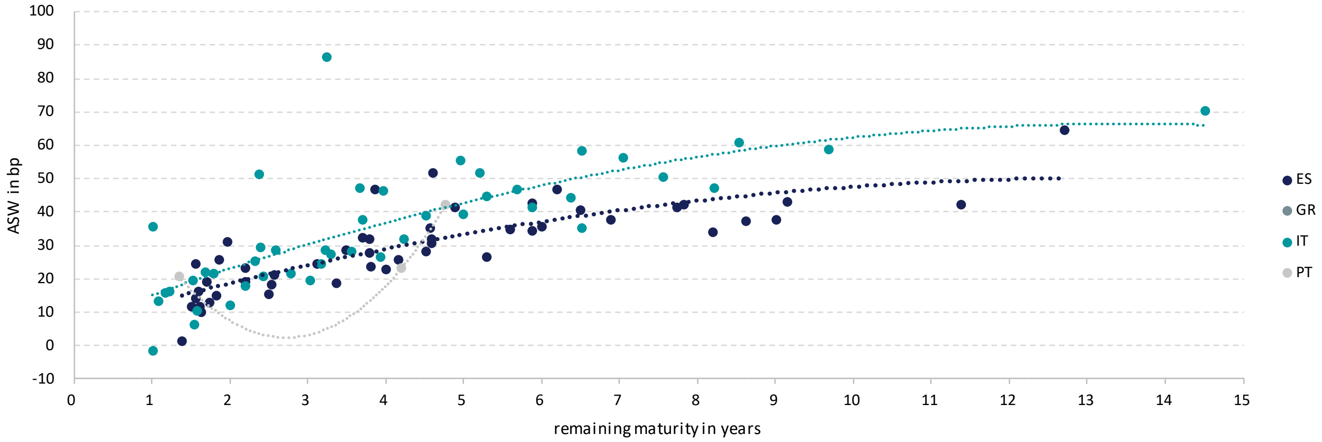


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research [1]Time to maturity 1 ≤ y ≤ 15

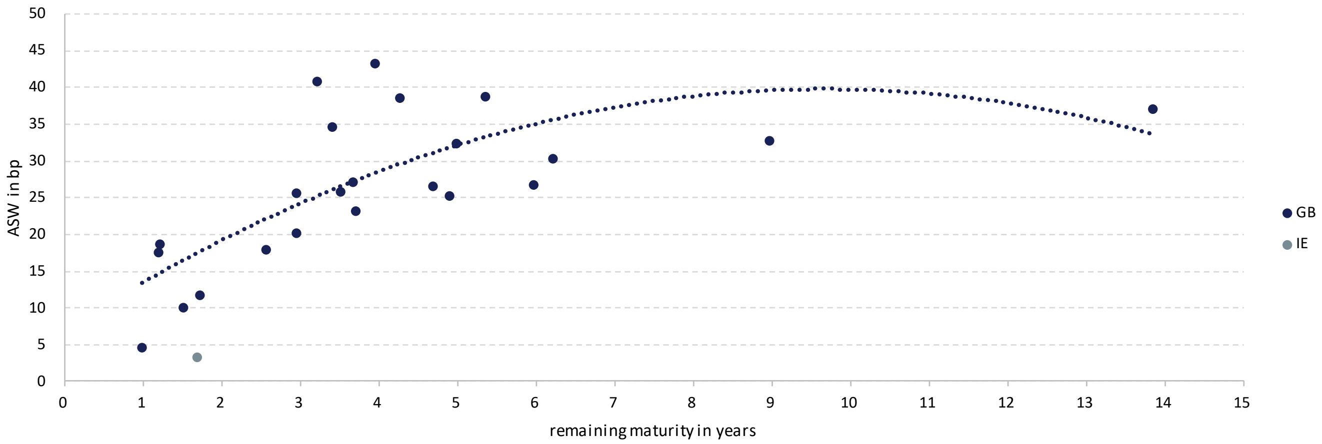
Nordics



Southern Europe

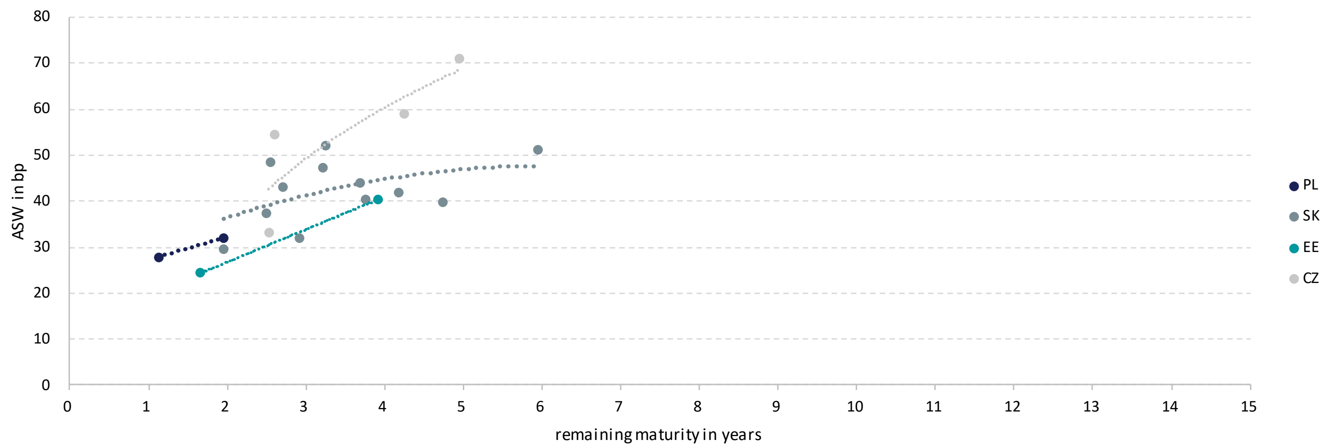


UK/IE

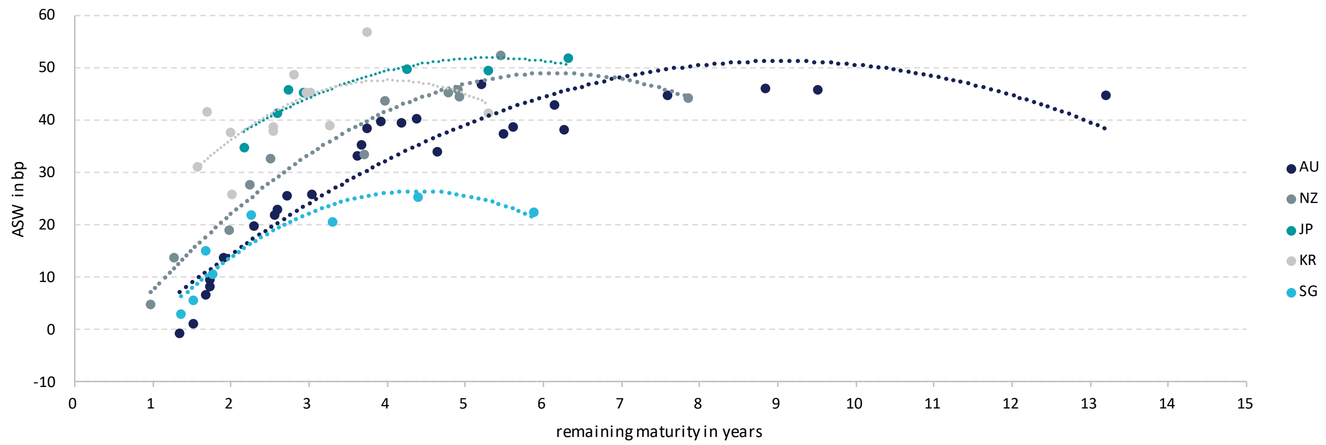


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

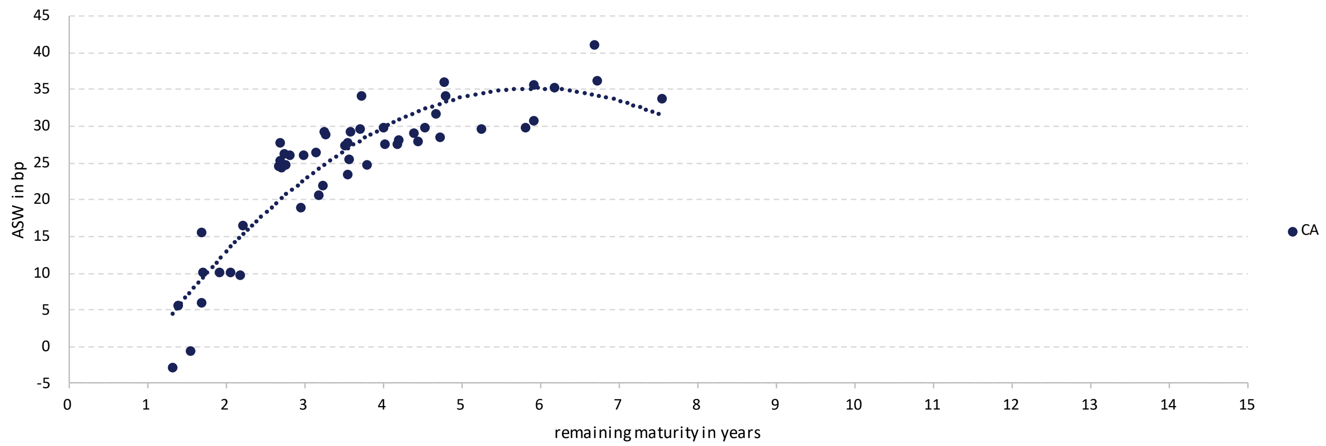
CEE



APAC



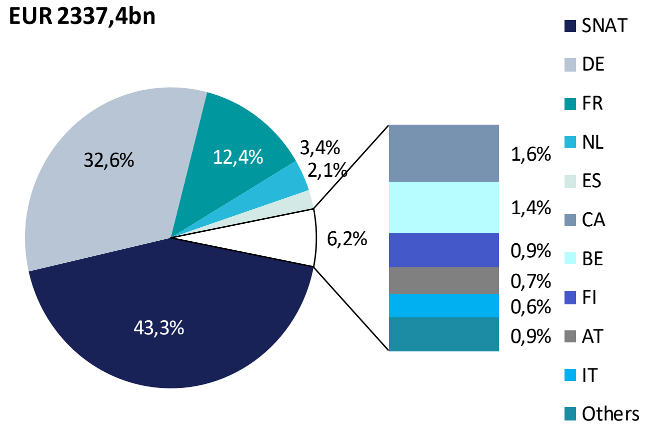
North America



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

Charts & Figures
SSA/Public Issuers

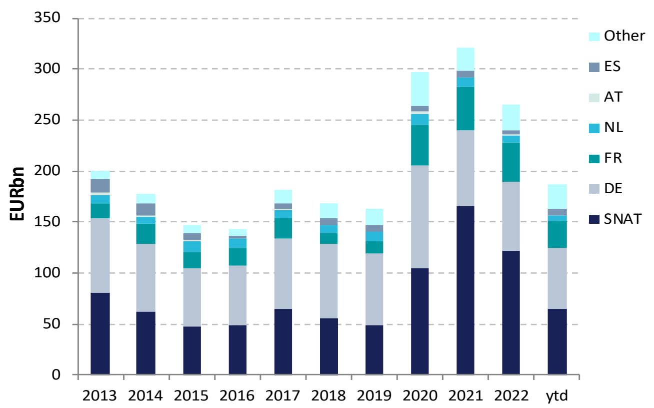
Outstanding volume (bmk)



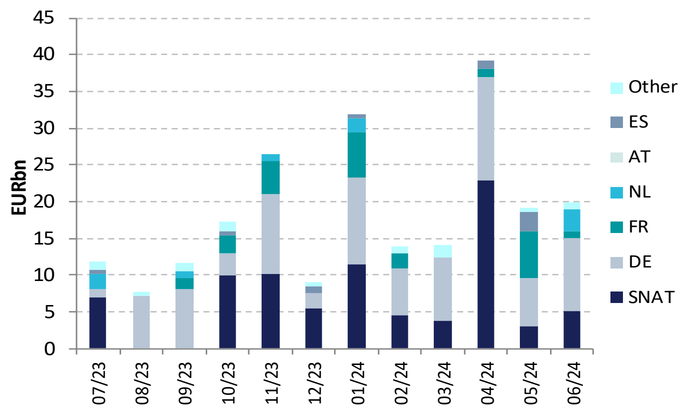
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	1.012,7	226	4,5	8,1
DE	762,4	565	1,3	6,3
FR	290,5	195	1,5	6,1
NL	79,5	69	1,2	6,6
ES	48,0	66	0,7	4,8
CA	36,5	26	1,4	4,3
BE	32,5	36	0,9	11,0
FI	22,1	24	0,9	5,1
AT	16,8	20	0,8	4,7
IT	15,0	19	0,8	4,7

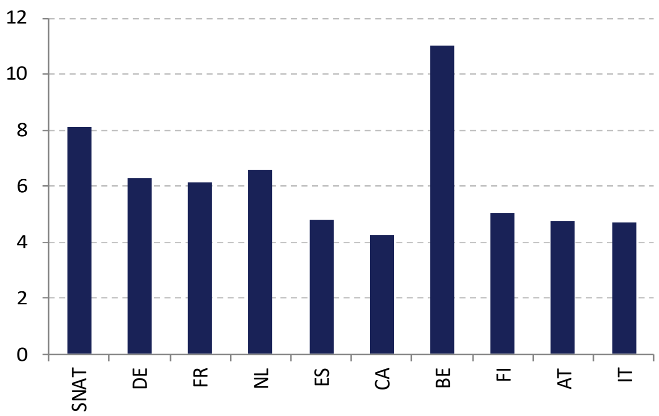
Issue volume by year (bmk)



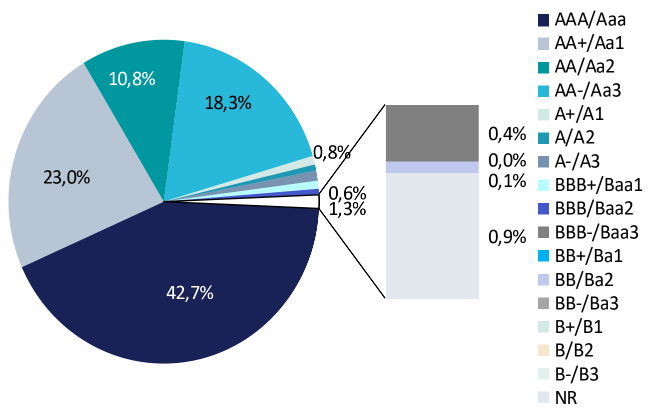
Maturities next 12 months (bmk)



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

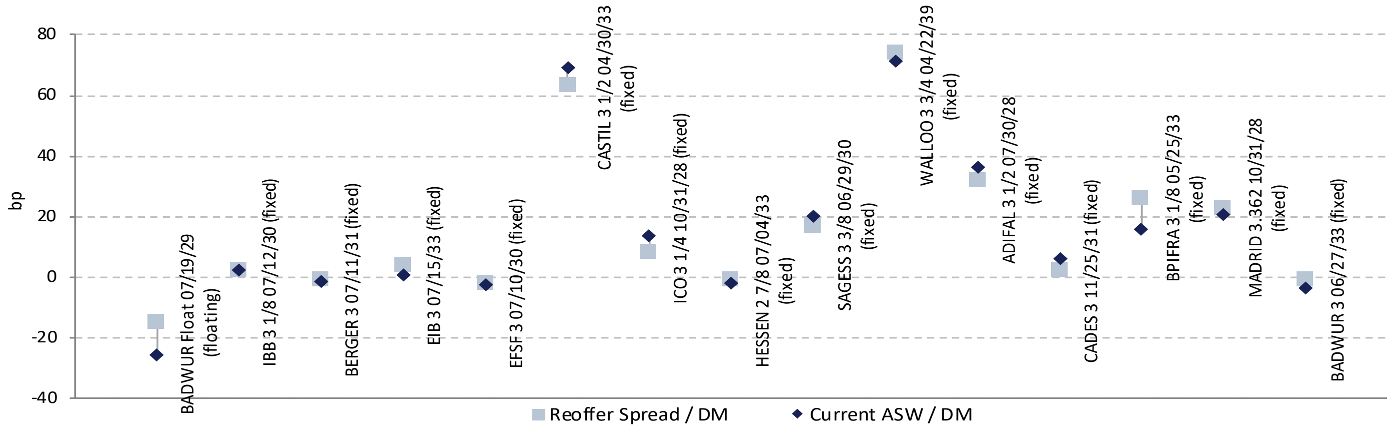


Rating distribution (vol. weighted)

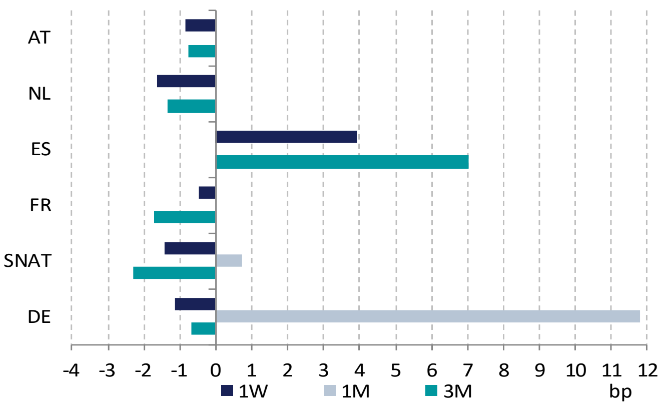


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

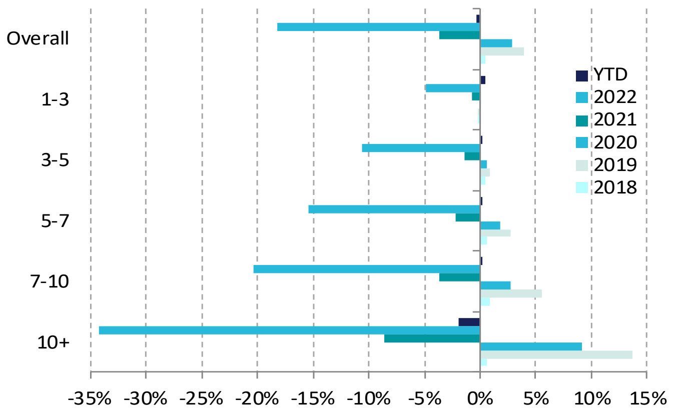
Spread development (last 15 issues)



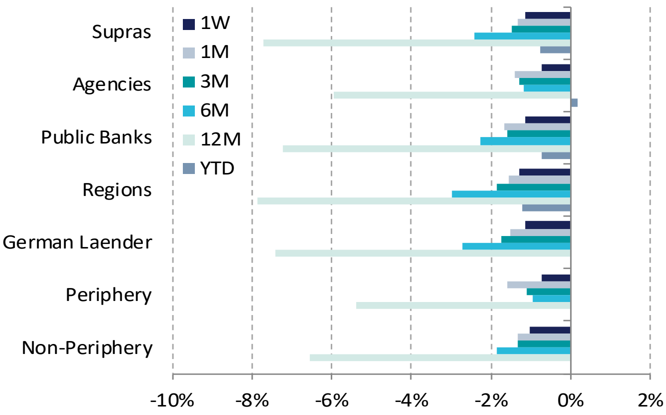
Spread development by country



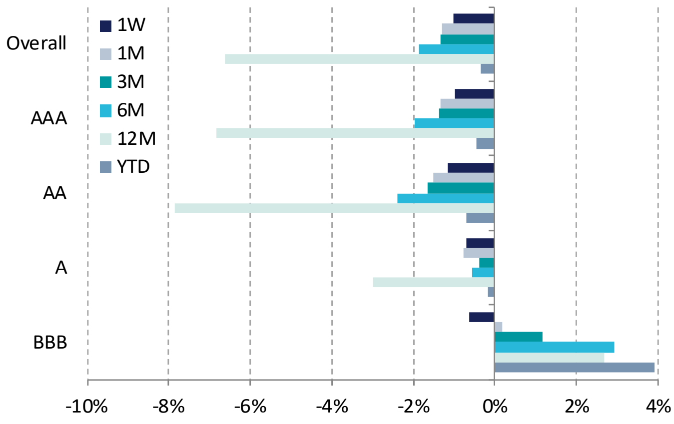
Performance (total return)



Performance (total return) by segments

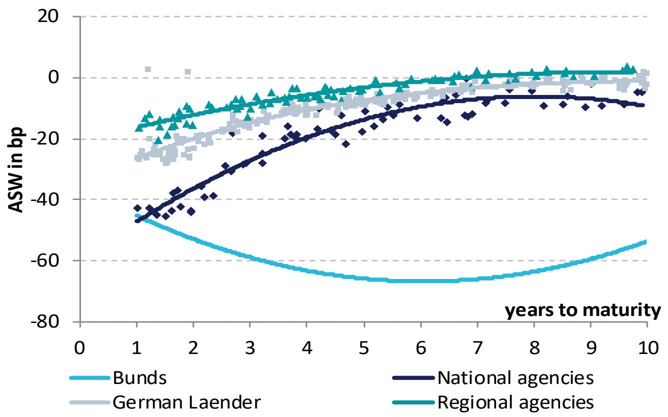


Performance (total return) by rating

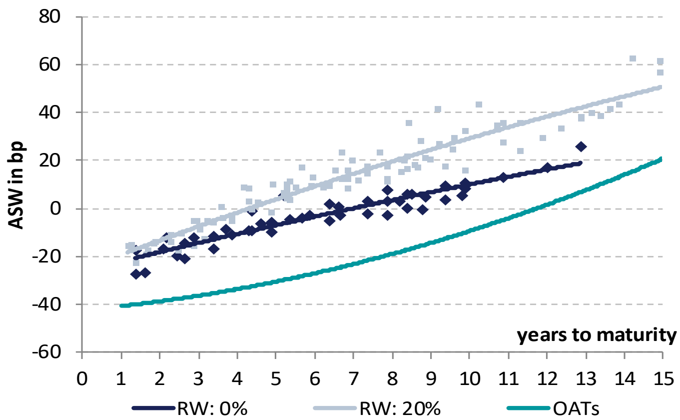


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

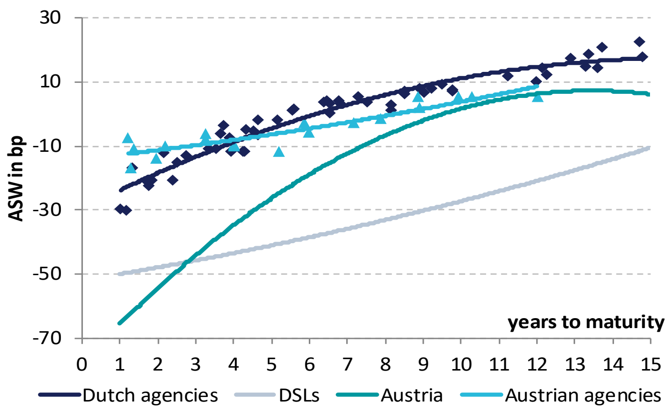
Germany (by segments)



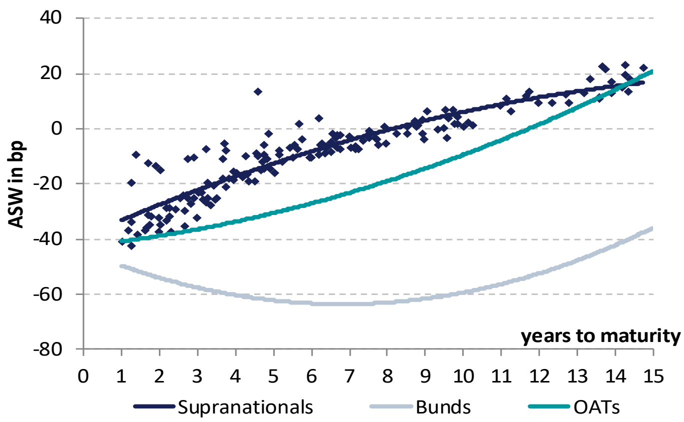
France (by risk weight)



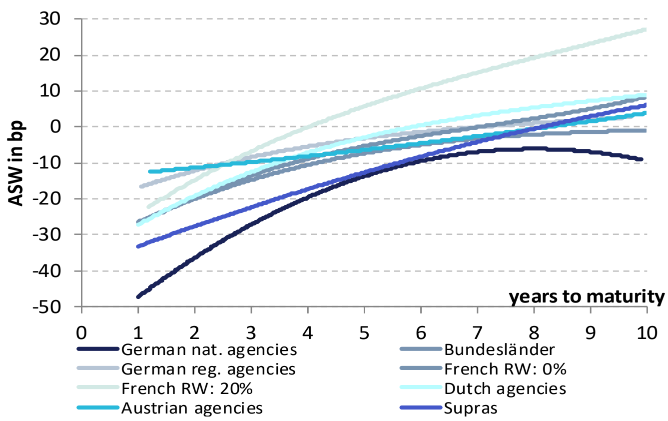
Netherlands & Austria



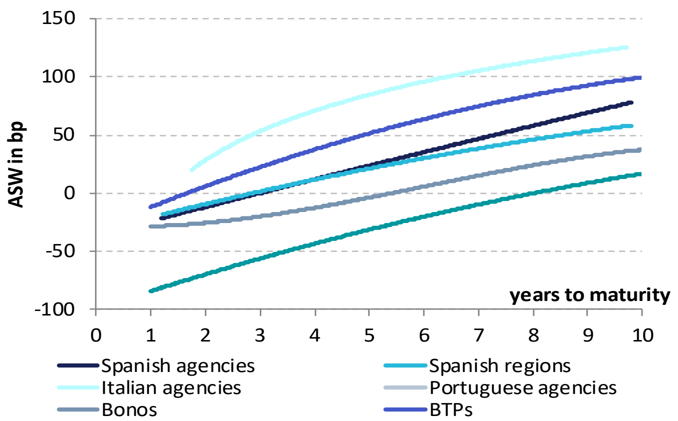
Supranationals



Core



Periphery



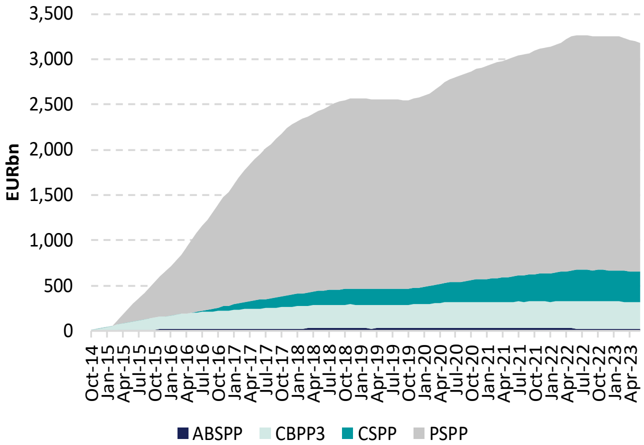
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

ECB tracker

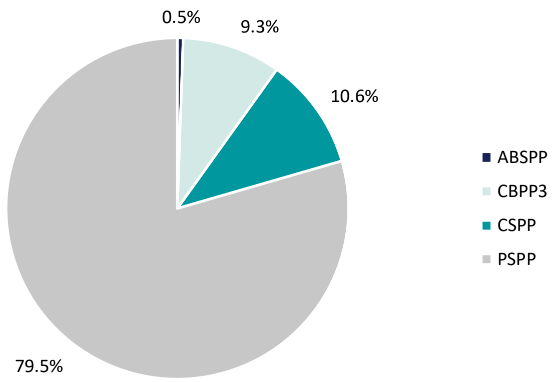
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
May-23	17,818	299,134	341,010	2,543,603	3,201,565
Jun-23	17,414	296,673	338,882	2,530,923	3,183,892
Δ	-381	-2,284	-1,896	-10,469	-15,030

Portfolio development

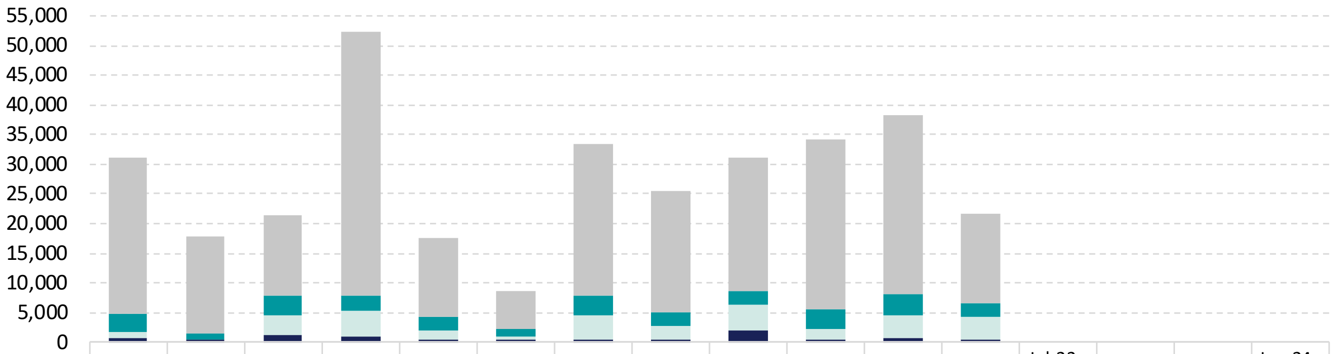


Portfolio structure



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

Expected monthly redemptions (in EURm)

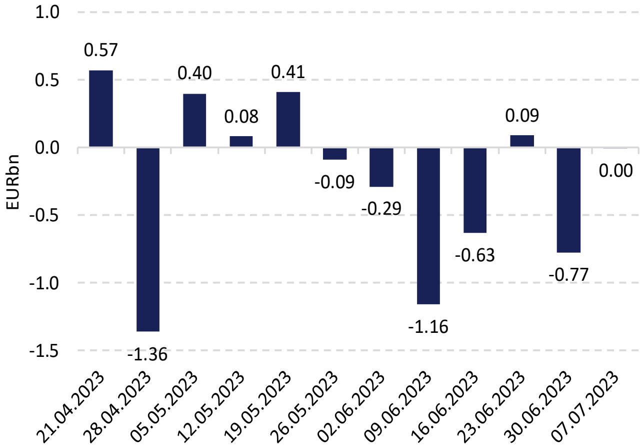


	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-23 - Jun-24	2022	2023	Jan-24 - Jun-24
APP	31,043	17,856	21,308	52,321	17,533	8,546	33,479	25,610	31,016	34,251	38,277	21,625	332,865	299,142	331,288	184,258
PSPP	26,247	16,445	13,427	44,340	13,275	6,336	25,524	20,470	22,413	28,712	30,194	14,974	262,357	228,585	255,164	142,287
CSPP	3,038	986	3,377	2,589	2,393	1,336	3,363	2,325	2,188	3,316	3,463	2,462	30,836	17,670	30,797	17,117
CBPP3	1,170	0	3,346	4,467	1,351	408	4,109	2,449	4,434	1,814	3,836	3,777	31,161	41,244	35,147	20,419
ABSPP	588	425	1,158	925	514	466	483	366	1,981	409	784	412	8,511	11,643	10,180	4,435

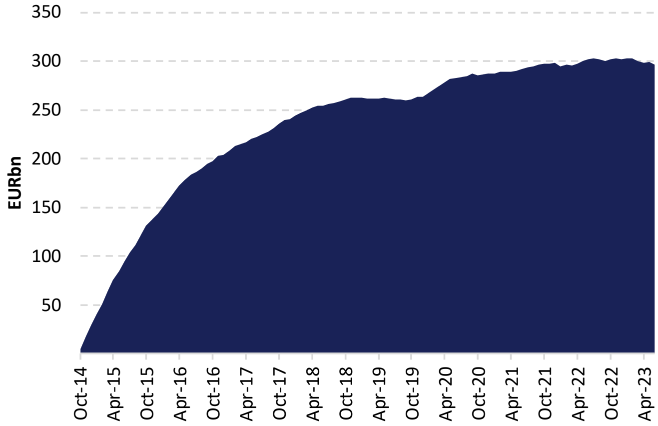
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

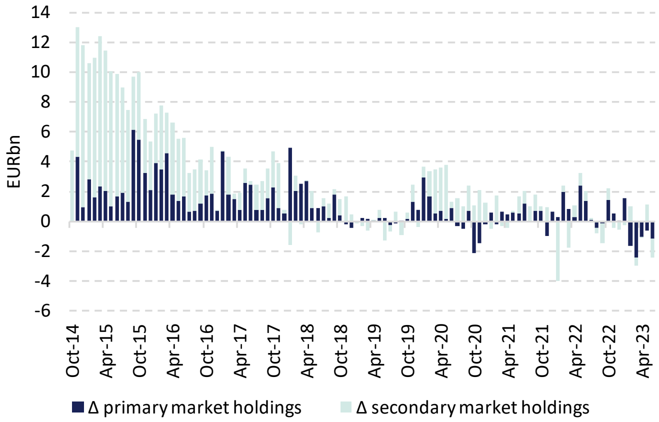
Weekly purchases



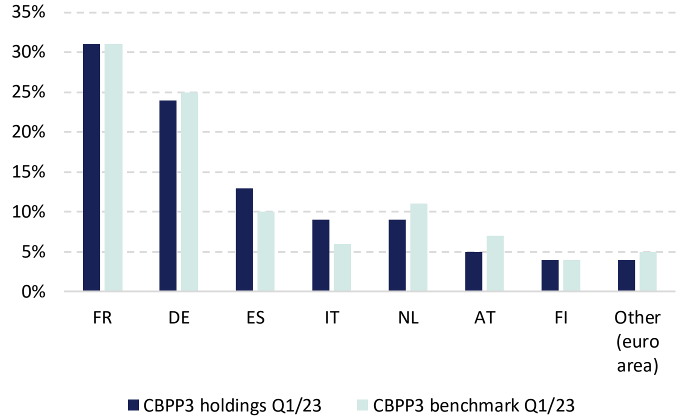
Development of CBPP3 volume



Change of primary and secondary market holdings

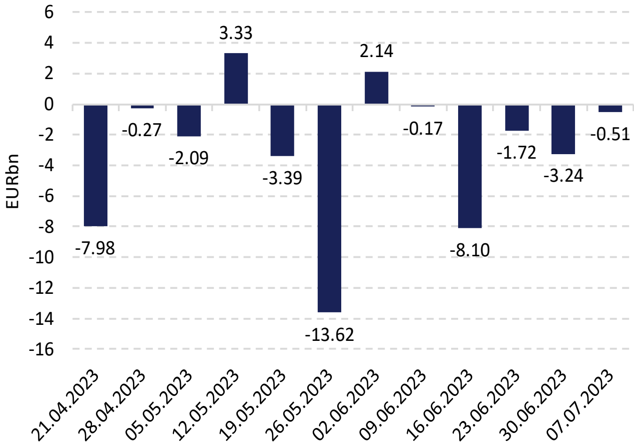


Distribution of CBPP3 by country of risk

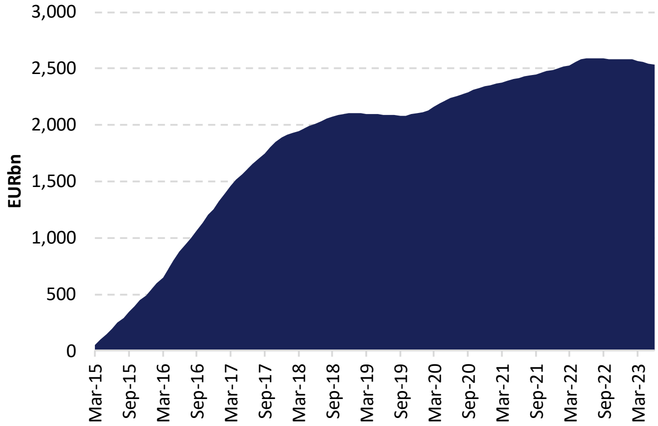


Public Sector Purchase Programme (PSPP)

Weekly purchases



Development of PSPP volume

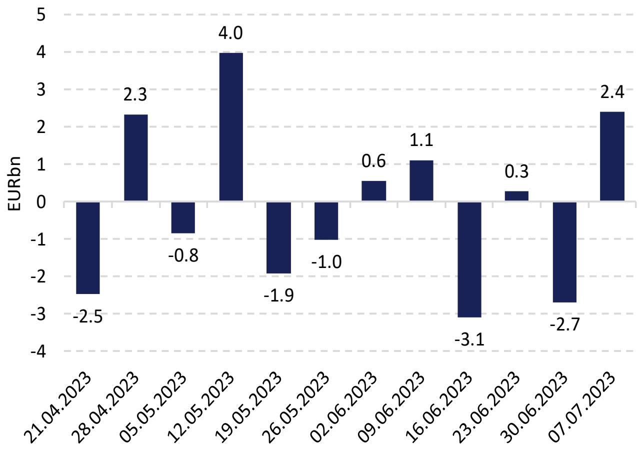


Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development

Weekly purchases



Breakdown of public sector securities under the PEPP

Jurisdiction	Holdings (in EURm)	Δ Holdings previous period	Adj. distribution key[1]	PEPP share	Deviations from the adj. distribution key[2]	Current WAM[3] (in years)	WAM of eligible universe[4] (in years)
AT	44,688	1,070	2.6%	2.7%	0.1%	7.3	7.8
BE	57,078	630	3.3%	3.4%	0.2%	6.1	9.4
CY	2,543	0	0.2%	0.2%	0.0%	8.0	8.5
DE	396,449	627	23.7%	23.9%	0.1%	6.8	7.0
EE	256	0	0.3%	0.0%	-0.2%	7.0	7.0
ES	194,312	2,502	10.7%	11.7%	1.0%	7.3	7.4
FI	26,195	-64	1.7%	1.6%	-0.1%	7.6	7.7
FR	294,956	-4,954	18.4%	17.8%	-0.6%	7.6	7.8
GR	38,150	-34	2.2%	2.3%	0.1%	8.4	9.2
IE	25,280	-893	1.5%	1.5%	0.0%	9.1	9.7
IT	292,896	2,069	15.3%	17.6%	2.3%	7.1	6.9
LT	3,237	49	0.5%	0.2%	-0.3%	9.3	8.7
LU	1,955	19	0.3%	0.1%	-0.2%	5.7	8.6
LV	1,801	44	0.4%	0.1%	-0.2%	8.3	7.6
MT	607	0	0.1%	0.0%	-0.1%	10.1	8.5
NL	81,957	-1,771	5.3%	4.9%	-0.3%	7.7	9.1
PT	33,861	54	2.1%	2.0%	-0.1%	7.0	7.5
SI	6,406	-283	0.4%	0.4%	0.0%	8.7	9.1
SK	7,918	-192	1.0%	0.5%	-0.6%	8.2	8.4
SNAT	150,090	1,000	10.0%	9.0%	-1.0%	10.1	9.0
Total / Avg.	**1,660,635**	**-127**	**100.0%**	**100.0%**	**0.0%**	**7.5**	**7.7**

[1] Based on the ECB capital key, adjusted to include supras [2] Based on the adjusted distribution key
[3] Current WAM of public sector securities holdings under the PEPP [4] WAM of eligible universe of public sector securities holdings under the PEPP
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
22/2023 ♦ 28 June	▪ Special publication on LCR classification and risk weights: a (regulatory) overview of the EUR benchmark segment ▪ ESG bonds of German Laender – significant further development
21/2023 ♦ 21 June	▪ ESG covered bonds: a look at the supply side ▪ Increasing exposure of E-supras to Ukraine
20/2023 ♦ 14 June	▪ Moody's covered bond universe – an overview ▪ Beyond Bundeslaender: Spanish regions
19/2023 ♦ 07 June	▪ ECB Preview: ECB's 25th anniversary and is still going strong ▪ Focus on legal requirements for covered bonds
18/2023 ♦ 24 May	▪ Repayment structures on the covered bond market: an update ▪ Stability Council convenes for 27th meeting
17/2023 ♦ 17 May	▪ ESG update 2023 in the spotlight ▪ Development of the German property market ▪ Transparency requirements §28 PfandBG Q1/2023
16/2023 ♦ 10 May	▪ The ECB and the covered bond market: influences old and new ▪ Update: Joint Laender (Ticker: LANDER)
15/2023 ♦ 26 April	▪ ECB preview: caught in two minds? ▪ EBA Risk Dashboard paints solid picture of Q4 2022
14/2023 ♦ 19 April	▪ Lending in the Eurozone and Germany ▪ The French agency market – an overview
13/2023 ♦ 05 April	▪ Supply forecast requires no great adjustment ▪ Current risk weight of supranationals & agencies
12/2023 ♦ 29 March	▪ The Moody's covered bond universe – an overview ▪ NGEU: Green Bond Dashboard
11/2023 ♦ 22 March	▪ Covered Bonds: Under the spell of the banking crisis and ECB hawks? ▪ ESG: EUR-benchmarks 2023 in the SSA segment (ytd)
10/2023 ♦ 15 March	▪ Transparency requirements §28 PfandBG Q4/2022 ▪ Credit authorisations of the German Laender for 2023
09/2023 ♦ 08 March	▪ ECB preview: Soft landing lets ECB play hard ball with key rates ▪ Where does the Pfandbrief stand within the covered bond universe?
08/2023 ♦ 01 March	▪ The covered bond market and the ECB: a gradual farewell? ▪ Beyond Bundeslaender: Focus on Greater Paris (IDF and VDP)
07/2023 ♦ 22 February	▪ The Italian market for EUR benchmark covered bonds ▪ European supranationals – an overview

NORD/LB:
Markets Strategy & Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuer Research

Bloomberg:
RESP NRDR <GO>

Appendix
Publication overview

Covered Bonds:

Issuer Guide Covered Bonds 2022

Covered Bond Laws

Covered Bond Directive: Impact on risk weights and LCR levels

Risk weights and LCR levels of covered bonds (updated semi-annually)

Transparency requirements §28 PfandBG Q1/2023 (quarterly update)

Covered bonds as eligible collateral for central banks

SSA/Public Issuers:

Issuer Guide – German Laender 2022

Issuer Guide – German Agencies 2022

Issuer Guide – Dutch Agencies 2022

Issuer Guide – European Supranationals 2023

Issuer Guide – French Agencies 2023

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Beyond Bundeslaender: Spanish regions

Fixed Income Specials:

ESG-Update 2023

ECB rates: We can fly so high that we can touch the sky

ECB interest rate decision: All new in May... Or: The force of past rate hikes!

ECB interest rate decision: Backbone in times of turmoil?!

Appendix
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Sales MM/FX	+49 511 9818-9460
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Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

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Origination Corporates	+49 511 361-2911

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Asset Finance	+49 511 361-8150

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Time of going to press: Wednesday, 12 July 2023 (08:46)