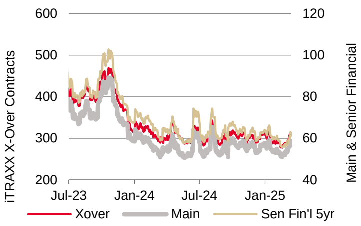
DAILY

Market Wrap-up

Credit is more attractive but uncertainty remains high

iTraxx



Market data*	Today	Change
10y Bund Yield	2.82	-0.06
10y Bund Futures	127.73	0.50
10y UST Yield	4.30	-0.01
10y UST Futures	110.50	-0.14
DJ	41488.19	674.62
S&P 500	5638.94	117.42
Stoxx 50	5430.16	25.98
VIX	21.86	0.09
Oil futures	68.06	0.88

** Data as of time of writing*

European Credit Strategist
Juan Esteban Valencia
+33 1 56 37 36 83
juan.valencia@sgcib.com

Recent spread widening has given the market some breathing space, making credit more attractive (wider spreads/higher yields) than a few weeks ago. Unfortunately, the uncertainty around the damage to be caused by the tariff wars is not over and continues to weigh on sentiment.

Market highlights

The tone in the markets remained positive but the gains were smaller and more laboured than at the end of last week. The war in Ukraine and tariffs were still in the headlines but equity markets managed to rise gently while sovereign bonds improved decidedly. The 10y Bund yield dropped by 6bp to 2.82% and the 10y OAT – Bund differential dropped to 68bp. The 10y UST yield also gained a little ground, dropping by 1bp at the time of writing. Finally, on the credit side the iTraxx indices improved slightly, with the Main index tightening by almost 1bp to 56.5bp and the X-Over by almost 3bp to drop below 307bp.

The new issue markets sprung to life and we saw healthy volumes led by the IG space, which had been relatively muted in the first half of the month. We also had a few senior financial transactions and, in total, the new issues added €6.9bn to the monthly tally, making this the best day in the past four weeks. The overall total for March now stands at €34.7bn, and activity will have to improve considerably this week and next to just match the €76.4bn we saw in March last year.

Today's new issues

	Issuer	Maturity	CCY	Amount	Tier	Ratings	Pricing
IG	American Honda	4y	EUR	€650m	Sen	A3/A-/nr	MS+90bp
	American Honda	7y	EUR	€750m	Sen	A3/A-/nr	MS+140bp
	Deutsche Post	5y	EUR	€850m	Sen	A2/nr/A-	MS+63bp
	Deutsche Post	9y	EUR	€750m	Sen	A2/nr/A-	MS+95bp
	Deutsche Post	15y	EUR	€650m	Sen	A2/nr/A-	MS+130bp
	Sandoz	10y	EUR	€500m	Sen	nr/BBB/nr	MS+138bp
Sen Fins	RBC	2y FRN	EUR	€1500m	Bail-in	A1/A/AA-	€3m+45bp
	Swiss Life Finance	10y	EUR	€500m	Sen	nr/A-/nr	MS+115bp
	Swedbank	4.5y Gr	EUR	€750m	NPS	Baa1/A-/AA-	MS+90bp

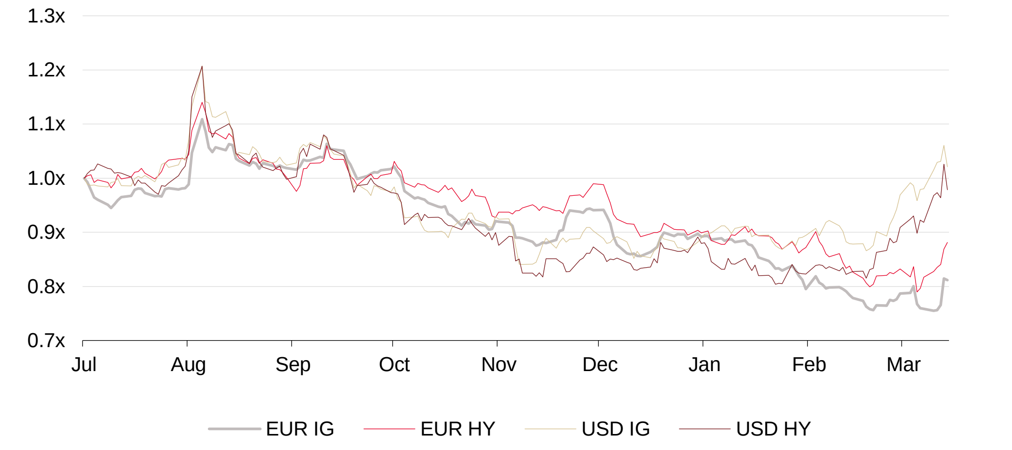
Source: Bloomberg, SG Cross Asset Research/Credit

The secondary market in euros was stable on Friday with the iBoxx Corporates index grinding tighter, but the USD market rallied strongly with the iBoxx USD Corporates index tightening by 5bp. Today, the tone in the market remained positive with spreads unchanged to a little better and with financials faring well. Senior bank bonds were around 0.5bp to 1bp tighter while Tier 2 bonds gained 1bp across the board. The AT1 CoCos gained a little ground and rose by 10 cents through the day.

Market thoughts

Recent volatility in the credit markets has seen spreads give up some ground, and particularly so in the USD markets where spreads are now well above their euro counterparts. Moreover, while the euro indices are still tighter year-to-date, the USD indices are back to levels seen in September last year.

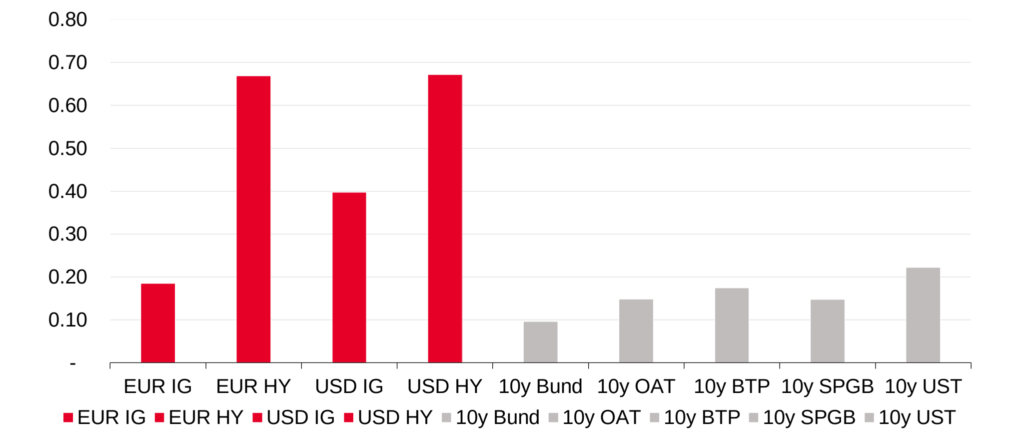
USD indices have suffered since mid-February



Source: SG Cross Asset Research/Credit

In our view, the main reason for the poor performance of the USD indices has been the tariffs war and the uncertainty surrounding it. The good news is that the retracement has made the credit indices increasingly attractive, as they offer even higher yields, for a lower volatility than sovereign bonds – as we can see in the chart below.

Sharpe ratios of credit indices are much more attractive than sovereigns or UST bonds



Source: SG Cross Asset Research/Credit

The less good news is that the uncertainty surrounding the tariff wars seems likely to continue for a while and it is far from clear that the recent spread widening is enough to entice investors to add credit risk more aggressively. We still expect the euro and USD markets to recover, as we have yet to see evidence that credit metrics are deteriorating, at a time when yields are attractive and spreads are less tight, and we see the indices as being on track to hit our most recent targets.


Global Head of Economics,
Cross-Asset & Quant Research
Kokou Agbo Bloua
+44 20 7762 5433
kokou.agbo-bloua@sgcib.com

CROSS ASSET RESEARCH – FIXED INCOME GROUP


Head of FIC & Commodity Research
Dr Mike Haigh
+44 20 7762 4694
michael.haigh@sgcib.com

Credit Strategy


Macro Credit Strategy
Juan Esteban Valencia
+33 1 56 37 36 83
juan.valencia@sgcib.com

Rates


Head of Rates Strategy
Adam Kurpiel
+33 1 42 13 63 42
adam.kurpiel@sgcib.com


Ninon Bachet
+33 1 58 98 30 26
ninon.bachet@sgcib.com


Head of US Rates Strategy
Subadra Rajappa
+1 212 278 5241
subadra.rajappa@sgcib.com


Shakeeb Hulikatti
+91 80 6731 4380
shakeeb.hulikatti@sgcib.com


Jorge Garayo
+44 20 7676 7404
jorge.garayo@sgcib.com


Sean Kou
+44 20 7550 2053
sean.kou@sgcib.com


Mathias Kpade
+33 157294393
mathias.kpade@socgen.com


Theodore Kalambokidis
+1 212 278 4504
theodore.kalambokidis@sgcib.com


Anamika Misra
+91 8067310385
anamika.misra@sgcib.com


Stephen Spratt
+852 2166 4108
stephen.spratt@sgcib.com

Foreign Exchange


Chief Global FX Strategist
Kit Juckes
+44 20 7676 7972
kit.juckes@sgcib.com


FX Derivatives Strategy
Olivier Korber
+33 1 42 13 32 88
olivier.korber@sgcib.com

Rates & Forex Research for Corporates


Kenneth Broux
+44 2076767334
kenneth.broux@sgcib.com


Santosh Ejanthkar
(91) 80 67168215
santosh.ejanthkar@sgcib.com


Tanmay Purohit
+91 80 6731 8267
tanmay.purohit@sgcib.com


Juliette Guillaume
+33 1 57 29 40 41
juliette.guillaume@sgcib.com

Emerging Markets


Head of EM Strategy
Phoenix Kalen
+44 20 7676 7305
phoenix.kalen@sgcib.com


Kiyong Seong
+852 2166 4658
kiyong.seong@sgcib.com


Bertrand Delgado
+1 212 278 6918
bertrand.delgado-calderon@sgcib.com


Marek Drimal
+44 20 7550 2395
marek.drimal@sgcib.com


Senior Frontier Markets Strategist
Gergely Urmossy
+44 20 7762 4815
gergely.urmossy@sgcib.com

Report completed on 17 March 2025 15:16 CET

APPENDIX

ANALYST CERTIFICATION

The following named research analyst(s) hereby certifies or certify that (i) the views expressed in the research report accurately reflect his or her or their personal views about any and all of the subject securities or issuers and (ii) no part of his or her or their compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report: **Juan Esteban Valencia**

The analyst(s) who author research are employed by SG and its affiliates in locations, including but not limited to, Paris, London, New York, Hong Kong, Tokyo, Bangalore, Frankfurt, Madrid, Milan, Geneva, Seoul, Warsaw and Casablanca.

SECTOR WEIGHTINGS:

OVERWEIGHT: Sector spread should outperform its iBoxx corporate index
NEUTRAL: Sector spread should perform in line with its iBoxx corporate index
UNDERWEIGHT: Sector spread should underperform its iBoxx corporate index

CONFLICTS OF INTEREST

This research contains the views, opinions and recommendations of Société Générale (SG) credit research analysts and/or strategists. To the extent this research contains trade ideas based on macro views of economic market conditions or relative value, it may differ the views and opinions of other departments of SG and its affiliates. Credit research analysts and/or strategists routinely consult with SG sales and trading desk personnel regarding market information including, but not limited to, pricing, spread levels and trading activity of a specific fixed income security or financial instrument, sector or other asset class. Trading desks may trade, or have traded, as principal on the basis of the research analyst(s) views and reports. As a general matter, SG and/or its affiliates normally make a market and trade as principal in fixed income securities discussed in research reports. SG has mandatory research policies and procedures that are reasonably designed to (i) ensure that purported facts in research reports are based on reliable information and (ii) to prevent improper selective or tiered dissemination of research reports. In addition, research analysts receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, competitive factors and SG's total revenues including revenues from sales and trading and investment banking.

FOR DISCLOSURES PERTAINING TO COMPENDIUM REPORTS OR RECOMMENDATIONS OR ESTIMATES MADE ON SECURITIES OTHER THAN THE PRIMARY SUBJECT OF THIS RESEARCH REPORT, PLEASE VISIT OUR GLOBAL RESEARCH DISCLOSURE WEBSITE AT https://insight-public.sgmarkets.com/compliance/credit or call +1 (212).278.6000 in the U.S.

SG has mandatory research policies and procedures that are reasonably designed to (i) ensure that purported facts in research reports are based on reliable information and (ii) to prevent improper selective or tiered dissemination of research reports. The analyst(s) responsible for preparing this report receive compensation that is based on various factors including SG's total revenues, a portion of which are generated by investment banking activities.

Non-U.S. Analyst Disclosure: The name(s) of any non-U.S. credit analysts who contributed to this report and their SG legal entity are listed below. U.S. analysts are employed by SG Americas Securities LLC. The non-U.S. analysts are not registered/qualified with FINRA, may not be associated persons of SGAS and may not be subject to the FINRA restrictions on communications with a subject company, public appearances and trading securities held in the research analyst(s)' account(s): Juan Esteban Valencia Société Générale Paris

Important Notice: Sections of this publication that are contributed by non-independent analysts should not be construed as investment research as such have not been prepared in accordance with legal requirements designed to promote the independence of investment research. Therefore, even if such sections contain a research recommendation, such sections should be treated as a marketing communication and not as investment research. SG is required to have policies in place to manage the conflicts which may arise in the production of its research, including preventing dealing ahead of investment research.

Other Material Conflicts: Société Générale (SG), SG Americas Securities LLC and Société Générale Capital Canada Inc. (together, "SG Entities") have been engaged by Bernstein Institutional Services LLC and Sanford C. Bernstein (Canada) Limited (together, "Bernstein Entities") to introduce potential clients to Bernstein Entities. While SG Entities and Bernstein Entities have certain business relationships, SG Entities are not a current advisory client. SG Entities receive cash compensation from Bernstein Entities for its referral services, which is based on the revenue Bernstein Entities earn from clients referred by SG Entities. The fee payable to SG Entities for its referral of clients to Bernstein Entities presents a strong economic incentive for SG Entities to actively seek clients on behalf of Bernstein Entities. Prospective clients should be aware that SG Entities are therefore subject to certain conflicts of interest, including an incentive to recommend Bernstein Entities over other services providers from which we do not receive compensation, or from which we receive less compensation, for recommending them.

Important Disclaimers: Material contained in this publication was prepared by financial analysts employed by Societe Generale or one of its affiliates. Material contained in this publication has been produced in accordance with the regulatory provisions concerning investment research. This publication is not a marketing communication. Societe Generale has organisational arrangements and information barriers in place to ensure the objectivity and independence of financial analysts and of the investment research they produce and to manage the conflicts which may arise in the production of its investment research.

Information concerning conflicts of interest and Societe Generale's management of such conflicts is contained in Societe Generale's Policies for Managing Conflicts of Interests in Connection with Investment Research which is available at: https://insight-public.sgmarkets.com/compliance/equity.
The financial analysts responsible for preparing this publication receive compensation that is based on various factors including Societe Generale's total revenues, a portion of which are generated by investment services and activities and other ancillary services, no part of the financial analysts' compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this publication. Societe Generale does, from time to time, deal, trade in, profit from, hold, act as market-makers or advisers, brokers or bankers in relation to the securities, or derivatives thereof, of persons, firms or entities mentioned in this publication and may be represented on the board of such persons, firms or entities. Societe Generale does, from time to time, act as a principal trader in equities or debt securities that may be referred to in this publication and may hold equity or debt securities positions or related derivatives. Societe Generale is under no obligation to disclose or take account of this document when advising or dealing with or on behalf of customers. Employees of Societe Generale, or individuals connected to them, may from time to time have a position in or hold any of the investments or related investments mentioned in this publication.
The views expressed in this publication reflect the financial analysts' personal views about the issuers or securities covered and may differ from the views and opinions of others at, or other departments or divisions of, Societe Generale and its affiliates. Though material contained in this publication is believed to be reliable and has been obtained from public sources believed to be reliable, neither Societe Generale, any representatives, directors, employees of Societe Generale nor any other entities affiliated with Societe Generale make any representations or warranties, expressed or implied, with respect to the completeness or accuracy of any of the information contained in this publication or any other information (whether communicated in written or oral form) transferred or made available to you.
The views of Societe Generale reflected in this publication may change without notice. In addition, Societe Generale may issue other publications that are inconsistent with, and reach different conclusions from, the information presented in this publication and is under no obligation to ensure that such other publications are brought to the attention of any recipient of this publication. Where the views presented in this publication differ from any previous publications concerning the same financial instrument or issuer that has been disseminated during the preceding 12-month period, the change(s) and the date of that previous recommendation will be indicated.
Any past performance or simulated past performance contained in this publication is not a reliable indicator of future performance. Forecasts of future performance are based on assumptions that may not be realized and are not a reliable indicator of future performance.
To the maximum extent possible at law, Societe Generale does not accept any liability whatsoever arising from the use of the material or information contained herein.
The information herein is not intended to be an offer to buy or sell, or a solicitation of an offer to buy or sell, any securities or financial instruments.
Investments in general, and derivatives in particular, involve numerous risks, including, among others, market, counterparty default and liquidity risk. The value of securities and financial instruments is subject to currency exchange rate fluctuation that may have a positive or negative effect on the price of such securities or financial instruments, and investors in securities and financial instruments assume this risk.
Societe Generale does not provide, and has not provided, any advice, including personal recommendations, investment advice or tax advice. The financial instruments discussed in this publication may not be suitable for all investors and investors must make their own informed decisions and seek their own advice regarding the appropriateness of investing in financial instruments or implementing strategies discussed herein. This publication is not intended for use by or targeted to retail customers. Should a retail customer or potential retail customer obtain a copy of this publication he/she should not base his/her investment decisions solely on the basis of this publication and must seek independent financial advice.

Trading in options involves additional risks and is not suitable for all investors. An option may become worthless by its expiration date, as it is a depreciating asset. Option ownership could result in significant loss or gain, especially for options of unhedged positions. Prior to buying or selling an option, investors must review the "Characteristics and Risks of Standardized Options" at https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document or from your SG representative. Analysis of option trading strategies does not consider the cost of commissions. Supporting documentation for options trading strategies is available upon request.

Notice to French Investors: This publication is issued in France by or through Société Générale ("SG") which is authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers (AMF).
Notice to U.K. Investors: Société Générale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudentiel (the French Prudential Control Authority) and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.
Notice to Swiss Investors: This document is provided in Switzerland by or through Société Générale Paris, Zürich Branch, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.
Notice to Polish Investors: this document has been issued in Poland by Societe Generale S.A. Oddzial w Polsce ("the Branch") with its registered office in Warsaw (Poland) at 111 Marszałkowska St. The Branch is supervised by the Polish Financial Supervision Authority and the French "Autorité de Contrôle Prudentiel". This report is addressed to financial institutions only, as defined in the Act on trading in financial instruments. The Branch certifies that this document has been elaborated with due diligence and care.
Notice to U.S. Investors: For purposes of SEC Rule 15a-6, SG Americas Securities LLC ("SGAS") takes responsibility for this research report. This report is intended for institutional investors only. Any U.S. person wishing to discuss this report or effect transactions in any security discussed herein should do so with or through SGAS, a U.S. registered broker-dealer and futures commission merchant (FCM). SGAS is a member of FINRA, NYSE and NFA. Its registered address at 245 Park Avenue, New York, NY, 10167. (212)-278-6000.
Notice to Canadian Investors: This document is for information purposes only and is intended for use by Permitted Clients, as defined under National Instrument 31-103, Accredited Investors, as defined under National Instrument 45-106, Accredited Counterparties as defined under the Derivatives Act (Québec) and "Qualified Parties" as defined under the ASC, BCSC, SFSC and NBSC Orders
Notice to Singapore Investors: This document is provided in Singapore by or through Société Générale ("SG"), Singapore Branch and is provided only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289. Recipients of this document are to contact Société Générale, Singapore Branch in respect of any matters arising from, or in connection with, the document. If you are an

accredited investor or expert investor, please be informed that in SG's dealings with you, SG is relying on the following exemptions to the Financial Advisers Act, Cap. 110 (“FAA”): (1) the exemption in Regulation 33 of the Financial Advisers Regulations (“FAR”), which exempts SG from complying with Section 25 of the FAA on disclosure of product information to clients; (2) the exemption set out in Regulation 34 of the FAR, which exempts SG from complying with Section 27 of the FAA on recommendations; and (3) the exemption set out in Regulation 35 of the FAR, which exempts SG from complying with Section 36 of the FAA on disclosure of certain interests in securities.

Notice to Hong Kong Investors: This report is distributed or circulated in Hong Kong only to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”). Any such professional investor wishing to discuss this report or take any action in connection with it should contact SG Securities (HK) Limited. This report does not constitute a solicitation or an offer of securities or an invitation to the public within the meaning of the SFO.

Notice to Japanese Investors: This publication is distributed in Japan by Societe Generale Securities Japan Limited, which is regulated by the Financial Services Agency of Japan. This document is intended only for the Specified Investors, as defined by the Financial Instruments and Exchange Law in Japan and only for those people to whom it is sent directly by Societe Generale Securities Japan Limited, and under no circumstances should it be forwarded to any third party. The products mentioned in this report may not be eligible for sale in Japan and they may not be suitable for all types of investors.

Notice to Korean Investors: This report is distributed in Korea by SG Securities Korea Co., Ltd which is regulated by the Financial Supervisory Service and the Financial Services Commission.

For Documents distributed In Australia by SG Securities (HK) Limited - Notice to Australian Investors: This document is distributed by SG Securities (HK) Limited, a Registered Foreign Company and Foreign Financial Services Provider in Australia (ARBN 126058688) that is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (“Act”). SG Securities (HK) Limited is regulated by the Securities and Futures Commission under Hong Kong laws, which differ from Australian laws. The information contained in this document is only directed to recipients who are wholesale clients as defined under the Act.

For Documents Distributed in Australia by SG Sydney Branch - Notice to Australian investors: This document is distributed by Société Générale (ABN 71 092 516 286). Société Générale holds an AFSL no. 511956 issued under the Corporations Act 2001 (Cth) (“Act”). Société Générale is a foreign Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth) and any products described in this document which are issued by Société Générale do not form deposits or other funds of Société Générale. No entity described in this document (aside from Société Générale) is an Authorised Deposit-Taking Institution and the transactions which may be proposed and products which may be issued as described in this document do not form deposits or other funds of Société Générale. Unless this document expressly provides that Société Générale will provide a guarantee, Société Générale does not guarantee the obligations of any other entity described in this document in respect of any proposed transactions or products and those obligations do not represent liabilities of Société Générale. This document is provided to you on the basis that you are a 'wholesale client' within the meaning of section 761G of the Act.

Notice to Indian Investors: Societe Generale Global Solution Center Pvt. Ltd (SG GSC) is a 100% owned subsidiary of Societe Generale, SA, Paris. Societe Generale SA is authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers (AMF). Analysts employed by SG GSC do not produce research covering securities listed on any stock exchange recognised by the Securities and Exchange Board of India (SEBI) and is not licensed by either SEBI or the Reserve Bank of India.

For Recipients in Thailand receiving this document from offshore: This document has been distributed by SG solely at your request. This document is not intended to be either an offer, sale, or invitation for subscription or purchase of the securities or any regulated financial services in Thailand. Neither SG, any representatives, directors, employees of SG nor any other entities affiliated with SG make any representations or warranties, expressed or implied, with respect to the completeness or accuracy of any of the information contained in this document or any other information (whether communicated in written or oral form) transferred or made available to you.