

FIG issuers continue printing but not much time left to get trades over the line



FIG issuers continued to print trades in recent days, though the market gives the impression it's entering wind-down mode. The US Thanksgiving holiday will curtail activity into the back end of the week. That will maybe leave time to squeeze in some trades next week that need to be done prior to year-end, but probably not many.

Only a couple of FIG deals priced on Monday 25 November and new visible supply is slim, going on the number of banks that have mandated or which are roadshowing. But since the previous Primary Market Talk on 18 November, some 18 European banks, insurers and other financials priced transactions for a total of EUR 11bn equivalent, plus a smattering of US, Asian and Middle Eastern financial names predominantly in dollars.

The currency breakdown of the European primary haul was almost exactly split between US dollar and non-dollar trades. That was down to jumbo USD 1.5bn offerings from BFCM (senior preferred) and Deutsche Bank (senior non-preferred), as well as a USD 2bn short-dated senior deal from DNB Bank.

Of the 18 European transactions that priced, eight were in Tier 2 or AT1/hybrid format, continuing the trend of the past few weeks. Beyond that, there was no real discernible trend or cohesiveness to the activity; issuers are just ticking off what they need to do before the market squares off and doing what they can to engage investors in this late hour.

The euro market saw 11 public trades between 18 and 25 November across the spectrum of covereds, senior preferreds, non-preferreds and T2. There was no really arresting new macro news to upset or encourage sentiment; most trades seemed to work, although underwriters didn't really seem to push too aggressively on price.

In sector news, the Financial Stability Board's 2019 G-SIB vintage didn't elicit much drama or reaction when it emerged on 22 November. The total number of G-SIBs was restored to 30 as Toronto-Dominion Bank was added to the list in the 1% capital-surcharge bucket. T-D says it already meets the requirements and does not expect any impact to its capital position. The only other change – widely anticipated – was Deutsche Bank being allocated to the 1.5% bucket, down from the 2% of previous years.

Talking of DB, a week after its first public CPT structured covered bond (a EUR 500m five-year), the bank was back in the market on 21 November, selling a USD 1.5bn callable (6NC5) fixed-to-floating senior non-preferred with head-turning IPTs of mid-200s. The notes ended up printing at the T+235bp guidance point. Worth noting is that notes have a SOFR back end.

Continuing the trend of pulled transactions retuning and getting over the line, CNP Assurances and Nykredit Realkredit both printed tickets. Nykredit pulled its long 10-year SNP on 7 November but came back with EUR 500m long three-year SNP and got its book covered 3x.

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CNP brought back its green Tier 2 on 20 November (EUR 750m). Supervisors had pushed back on the deal in June, as the insurer was in the process of being taken over by State-owned postal services company La Poste. Supervisory authorities ultimately approved the transfer of the government's 42% stake in the insurer to La Banque Postale.

The issuer took no chances on pricing. Switching to a 30NC10 structure and despite its state connections, leads went out with an attractive 220bp IPT handle, tightened to 200bp+205bp WPIR guidance and priced at the tight end, achieving 3x book coverage and a small concession.

Also worthy of mention, Raiffeisen Bank International got its debut benchmark mortgage covered away on a 2x covered book, helped by a concession to domestic Austrian peers; justified, according to market talk, by the composition of its cover pool (bigger and fewer CRE loans relative to residential loans and its geographical diffusion – Austria 47%, Germany and Romania 13%, Czech Republic 12% and smaller shares in other CEE markets).

Summary of FIG debt issuance 18 November to 26 November (11:00 CET)

EUROPEAN BANKING GROUPS

Russia's **Alfa Bank** priced a USD 450m tap of its April 2030 NC 2025 Tier 2 offering on 21 November at a price of 101 to yield 5.73%. The deal was originally sold in October 2019; total size is USD 850m. IPTs were for a 5.84% yield (100.50 price area); final price guidance was 101.75-101.

Axa Equitable Holdings priced its USD 725m preferred stock offering on 20 November at a 5.25% yield. The deal upsized from USD 250m. Guidance emerged at 5.375% area.

Bank of Ireland priced its EUR 650m 6NC5 senior unsecured offering on 18 November at MS+125bp against demand of EUR 1.15bn. IPTs were MS+135bp area.

Banque Fédérative du Crédit Mutuel priced its two-tranche dollar senior preferred on 18 November. The USD1bn three-year tranche A priced at T+63bp, well through with IPTs of T+85bp area; the USD500m Tranche B five-year went at T+83bp, against IPTs of T+100bp area.

BPCE was out with a no-grow EUR 500m five-year green senior preferred benchmark on 26 November.

Caisse de Refinancement de l'Habitat priced its EUR 1bn seven-year mortgage covered bond on 22 November at MS+2bp, equivalent to a negative yield of -0.105%. The final book was EUR 1.1bn. Pricing came at the bottom of MS+2bp-4bp WPIR guidance.

Caixa Geral de Depósitos priced its no-grow EUR 500m senior non-preferred on 18 November at MS+150bp, with final books hitting EUR 3.5bn at re-offer. IPTs had been MS+175bp area.

Caixa Montepio Geral priced its EUR 100m 10NC5 Tier 2 on 20 November with a 10.50% yield, the same levels at IPTs, with books covered. Up to EUR 80m in demand came from a related party.

CNP Assurances priced its EUR 750m 30NC10 green Tier 2 on 20 November at MS+200bp. Books closed above EUR 2.2bn. Pricing came at the bottom of MS+200bp-205bp WPIR guidance. IPTs were MS+220bp area.

Credito Valtellinese priced its EUR 300m three-year senior preferred notes at a 2.125% yield, equivalent to a 278.2bp pick-up to the OBL. Books closed around EUR 750m from more than 100 investors. Pricing came through 2.25%-2.375% guidance; IPTs were 2.50% area.

Deutsche Bank priced USD 1.5bn of 6NC5 fixed-to-FRN senior non-preferred notes on 21 November at T+235bp guidance. IPTs had been T+mid 200s. The notes have a SOFR back end.

DNB Bank priced a USD 2bn senior unsecured offering on 25 November split into a USD 1.4bn three-year fixed-rate tranche at T+58bp guidance and a USD 600m FRN at 3mL+62bp guidance.

Erste Group Bank priced its no-grow EUR 500m 10.5NC5.5 Tier 2 on 18 November at MS+130bp, the tight end of MS+130bp-135bp guidance. Final books at re-offer were above EUR 1.65bn. Leads had gone out with IPTs of MS+150bp-155bp.

Grenke Leasing was out with IPTs of 5.75% area for its EUR 50m PNC6 AT1 on 26 Nov following an investor call.

Iccrea Banca sold a EUR 400m 10NC5 Tier 2 on 21 November at a yield of 4.125%. Books were above EUR 550m. IPTs emerged at 4.25% area. The size range at the start of marketing was EUR 400m-EUR 500m.

Intesa Sanpaolo mandated leads to arrange roadshows to present its new sustainability bond framework. A debut euro benchmark five-year senior preferred sustainability bond focused on the Circular Economy is expected to follow.

Legal & General priced its GBP 600m 30NC10 Tier 2 on 19 November at G+305bp. Demand of GBP2.5bn was good at guidance. Pricing came at the tight end of G+305bp-310bp WPIR guidance; IPTs were G+325bp area.

MünchenerHyp priced its debut Swiss hybrid, a CHF 125m PNC5.5 non-cumulative fixed-to-reset temporary write-down 7%-trigger AT1, on 25 Nov at 3.125%, through 3.25%-3.5% yield IPTs and the tight of 3.125%-3.25% guidance.

Nationale-Nederlanden Bank priced a no-grow EUR 500m long five-year senior preferred on 19 November at MS+65bp, with books covered. IPTs were MS+65bp-70bp.

Nykredit Realkredit priced EUR 500m of long three-year senior non-preferred notes on 19 November at MS+62bp to demand of over EUR 1.5bn. Pricing was at the tight end of MS+65bp +/-3bp WPIR guidance; IPTs were MS+75bp-80bp. The issuer pulled its long 10-year senior non-preferred on 7 November.

Raiffeisen Bank International priced its debut benchmark mortgage covered bond, no-grow 10-year EUR 500m, on 25 November at MS+11bp. Books were over EUR 1bn. Pricing came through MS+14bp guidance.

NON-EUROPEAN GROUPS

American Financial Group priced USD 200m of 40NC5 subordinated debentures on 21 November at a 5.125% yield. Proceeds will redeem the issuer's outstanding USD 150m 6.25% debentures due September 2024.

Armenia's **Ardshinbank** postponed its five-year US dollar loan participation note offering on 21 November.

Banco BTG Pactual mandated leads on 25 Nov ahead of a five-year senior unsecured benchmark.

Fédération des caisses Desjardins du Québec priced a no-grow EUR 500m eight-year Canadian covered bond on 19 November at MS+11bp on a 2x covered book. Guidance was MS+15bp

Morgan Stanley priced its no-grow USD 500m perpetual non-cumulative Series L preferred stock on 18 November at a yield of 4.875%. Price talk had been 5.00% area.

National Bank of Kuwait priced its USD 750m PNC6 AT1 with a 4.50% yield on 21 November, with books above USD 1.75bn. Pricing came through 4.625%-4.75% guidance; IPTs had been high 4s.

Oversea-Chinese Banking Corp mandated leads on 25 Nov to arrange calls ahead of a three-year green FRN.

Sumitomo Mitsui Banking Corp sold AUD 750m three-year FRN on 21 November at 3mBBSW+73bp, 5bp through +78bp area final guidance. Initial guidance was +80bp area.

China's **Tianfeng Securities** mandated leads on 25 Nov to arrange roadshows ahead of a USD senior unsecured.

TMB Bank (Thai Military Bank) priced its USD 400m PNC5 AT1 on 26 November at a 4.90% yield. Demand reached USD 1.5bn from 114 accounts. Initial guidance .had been 5.25% area.

Uzbek Industrial and Construction Bank priced its USD 300m five-year senior unsecured on 25 Nov at 6% (6.125% +/-0.125% WPIR final guidance initial guidance 6.375% area; IPTs mid 6). Books were USD 1.2bn.

Zhongyuan Asset Management priced a USD 400m three-year senior unsecured bond on 22 November at a yield of 4.20% (final guidance). Books ended up above USD 2bn. Initial guidance had been 4.70% area.

(Source for raw bond data: Bond Radar (www.bondradar.com); bank sources



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