

# **Euro Basics Panel** **Looking to 2024: Where are we in the Cycle?**

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# Euro Basics Panellists:



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**MIHIR TRIVEDI**

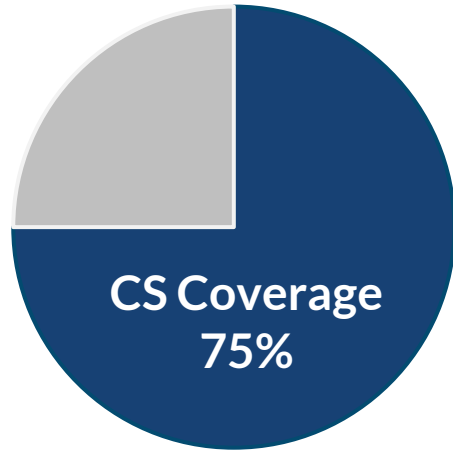
Analyst, Construction &  
Infrastructure at CreditSights



# Basics in the Euro Bond Markets

## IG Basics

€130.7 bn  
MV of Paper



~5%

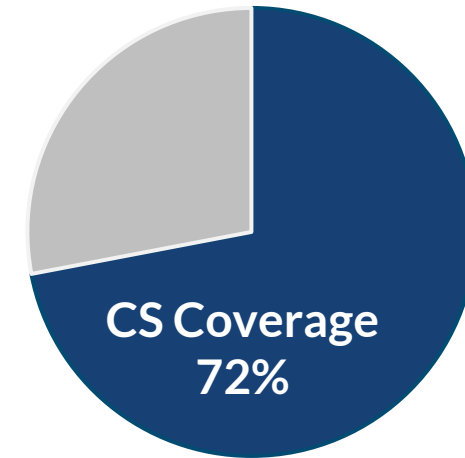
The percentage of the BAML IG Index represented by Basics (inc Packaging)

~-21 bp

Average spread discount to the BAML IG Index for IG Basics

## HY Basics

€36.1 bn  
MV of Paper



~10%

The percentage of the BAML HY Index represented by Euro Basics (incl Packaging)

~+20 bp

Average yield premium to the BAML HY Index for Euro HY Basics

A hand holding a black pen is pointing at a financial chart on a screen. The chart features a candlestick pattern and a line graph. The background is a blurred image of a person's face, suggesting a professional or analytical setting.

Question 1.

**What is the outlook for fundamental risk in 2024, and what are you most concerned about?**

- *Higher for Longer?*
- *Volume Declines?*
- *Change in Cycle?*
- *Recession?*
- *Commodity Prices?*
- *Inflation?*





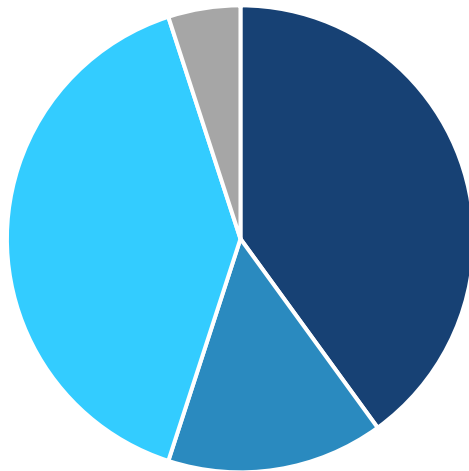
Question 2.

**To what extent has sustainability risk become an issue for your clients when deciding whether to invest in your space, and which names to focus on?**



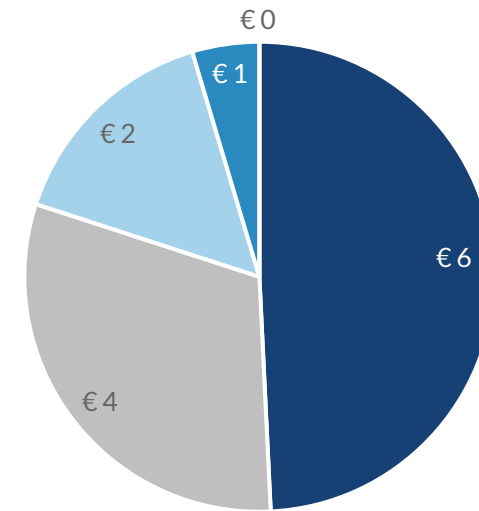
# Question 3: How is your sector thinking about capital allocation in 2024?

## What's the focus of Capital Allocation?



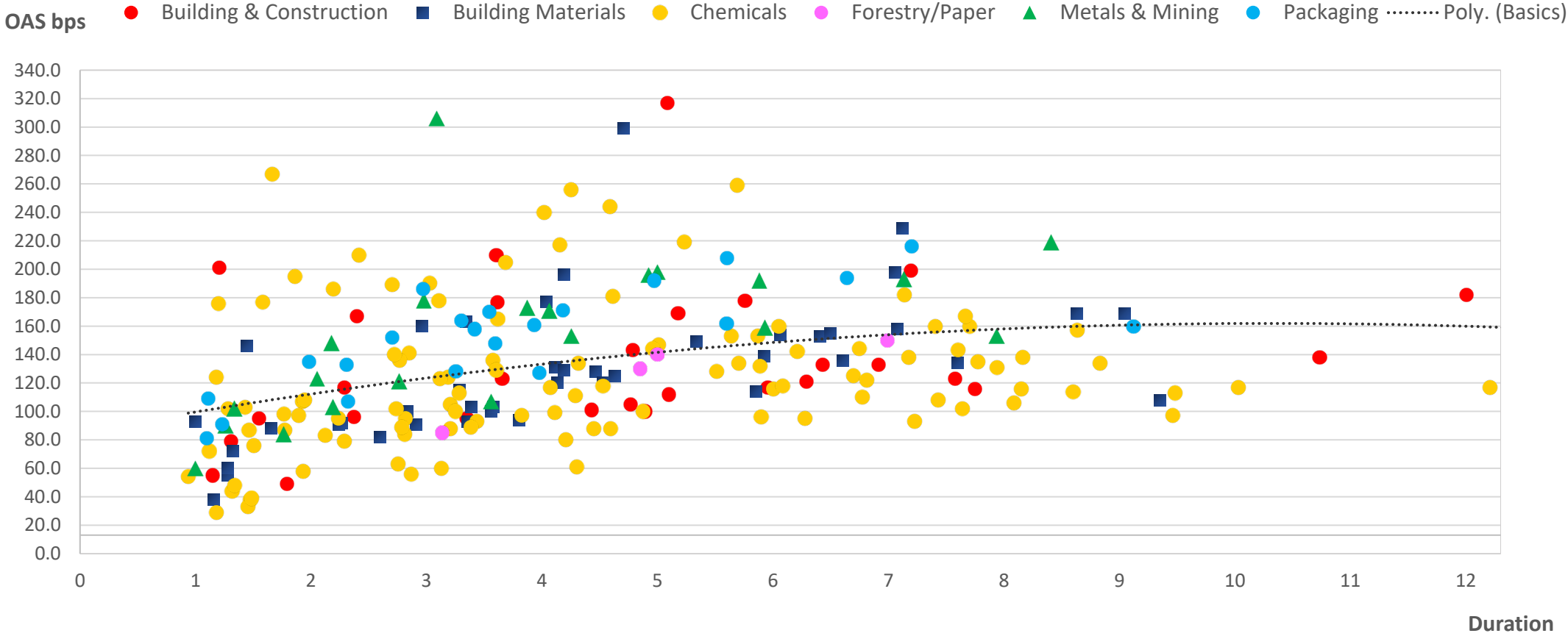
- Capex
- M&A
- Shareholder Value (Buybacks, Divis)
- Debt Repayment

## Basics – Estimated 2024 Bond Maturities

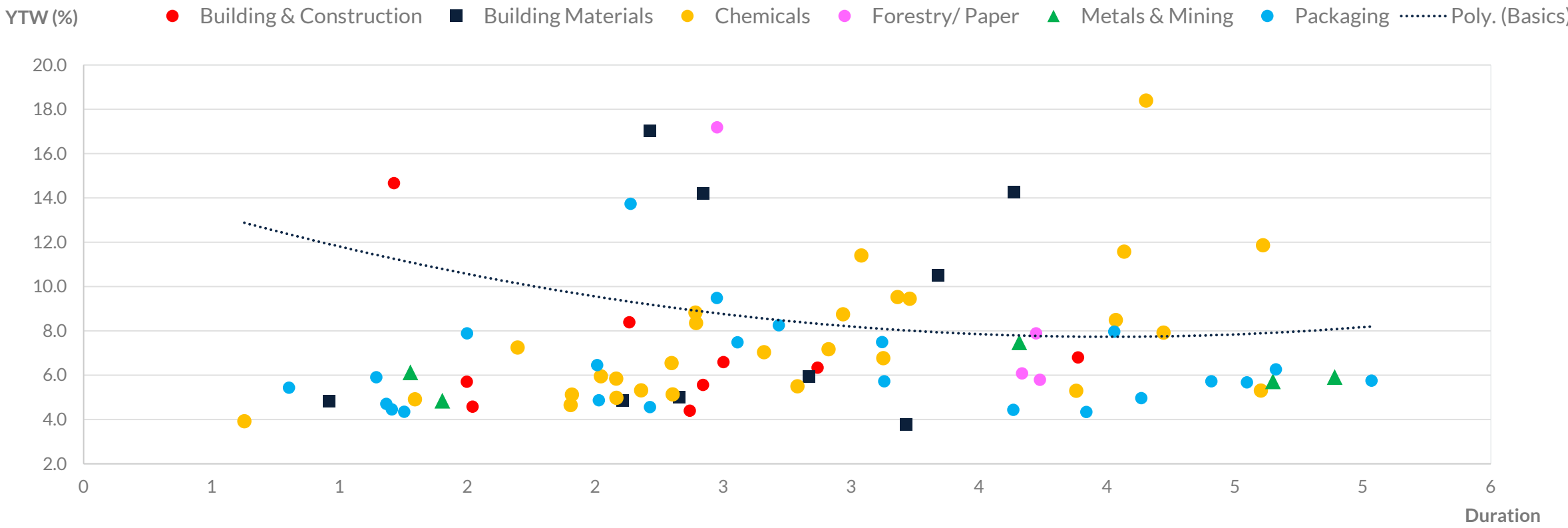


- Building Materials
- Metals
- Chemicals
- Paper
- Construction

# Where does EUR IG Basics trade?



# Where does EUR HY Basics trade?





# Question 4: How are you thinking about relative value in your sector?



# Question 5: Where do you see single name value for 2024?





# Question 6: And what names would you stay away from?



**CONSOLIS**

**RioTinto**

**ferrovial**





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