

# Muzinich & Co. Corporate Credit Snapshot | March 2026



## KEY TAKEAWAYS

- Global credit delivered negative returns in March, reflecting a period of spread widening on the back of the conflict in the Middle East and related concerns around oil prices
- Interest rates also moved higher. This repricing came in response to fears of higher inflation driven by higher energy prices, and was fuelled by more hawkish central bank comments, particularly in Europe. However, despite the potential impact of higher energy prices and the closure of the Strait of Hormuz, the spread move felt relatively contained
- Given the volatility throughout the month, primary markets were quieter than had been anticipated, particularly in high yield
- In EM, energy-importing nations were among the most acutely affected, facing sharply higher import costs at a time when many had only recently achieved a degree of macroeconomic stability following several years of reform and balance sheet repair. Asian economies were particularly exposed given their structural dependence on Gulf energy flows, with disruption to key shipping corridors adding to supply concerns and currency pressures

## HIGH YIELD AND LEVERAGED LOAN TECHNICALS

### US Retail Fund Flows

US\$6.3 billion in high yield outflows, US\$2.5 billion in leveraged loan retail outflows  
MTD (through 03.31)

<b>HY New Issuance*</b>	US	EUROPE	<b>Main Market Driver</b>		
YTD	US\$79.8 bn	US\$22.8 bn	Macro: Middle East conflict, oil prices, higher rates, risk-off		
MTD	US\$21.0 bn	US\$1.7 bn	Micro: Weaker technicals		
<b>Loan New Issuance*</b>	US		<b>Default Rates (Dollar weighted)**</b>		
YTD	US\$223.8 bn		US	EUR	
MTD	US\$28.2 bn		LTM	1.6%	7.2%

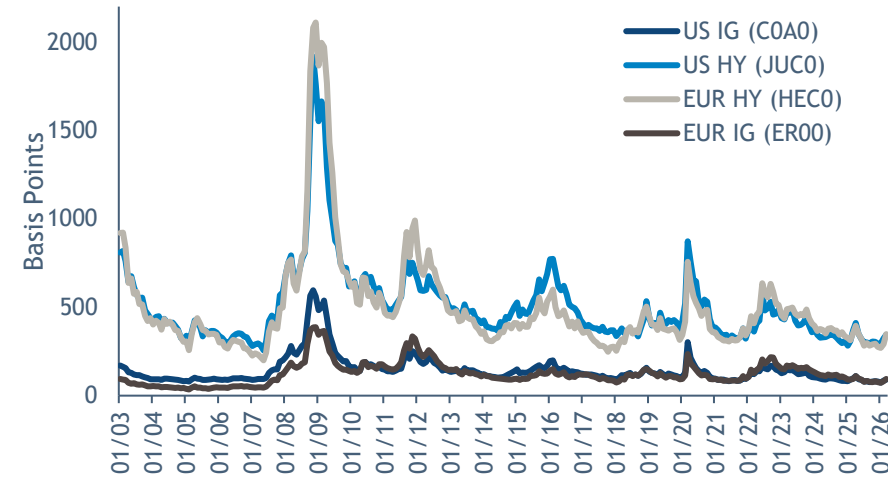
### US New Issuance Names (500 mn and above) MTD

Applied Digital, Post Holdings, Versigent, SM Energy, Moog Inc., Penn Entertainment, Fair Isaac Corp., Kodiak Gas Services, Calumet Speciality Prod, Nexstar Media Inc., EA Sports

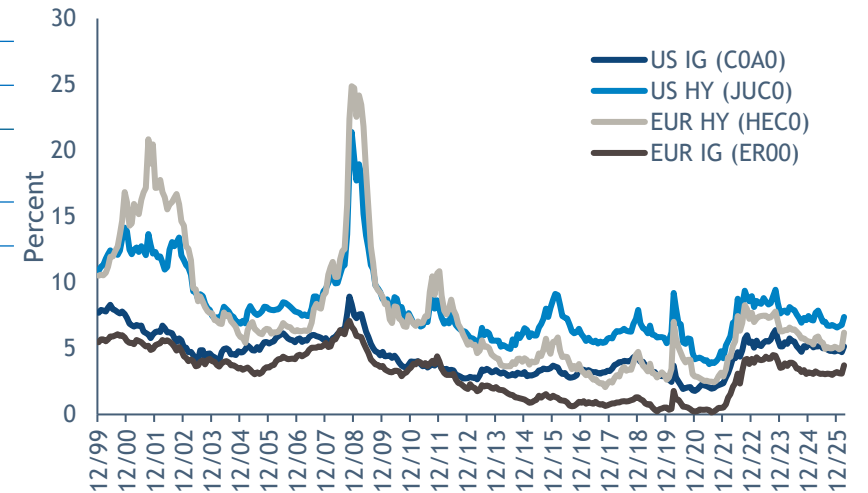
### US New Issuance Pipeline (Announced)

AMC Entertainment, Sealed Air

## CORPORATE BOND SPREADS (STW) BY INDEX



## CORPORATE BOND YIELDS (YTW) BY INDEX



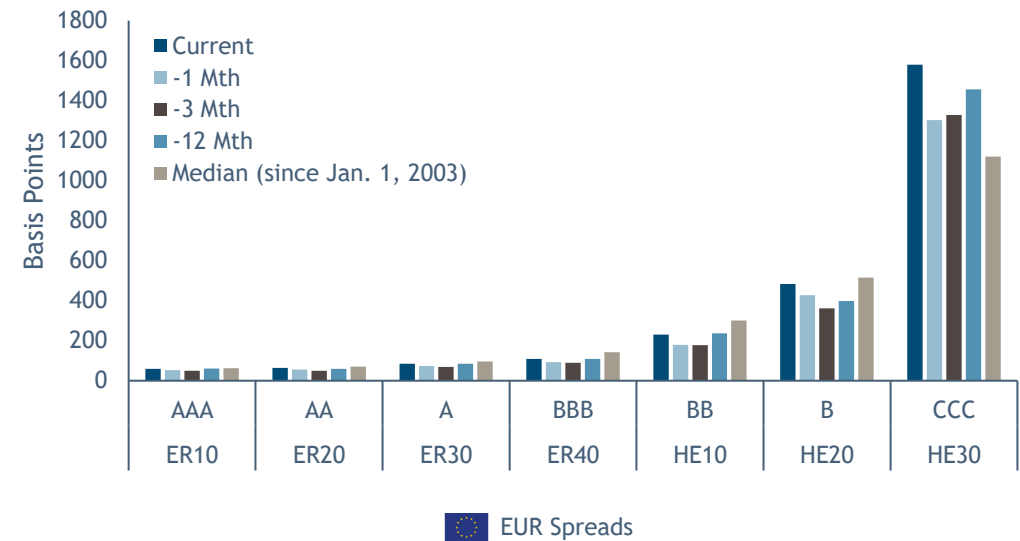
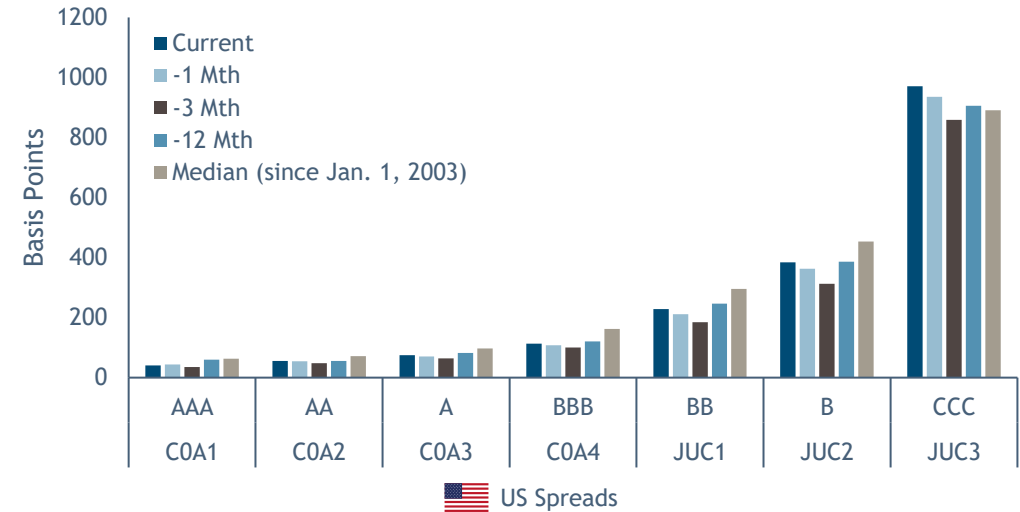
**Note:** Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

Muzinich views and opinions are for illustrative purposes only and not to be construed as investment advice. Unless stated all data figures are sourced from Bloomberg as of March 31<sup>st</sup>, 2026. Full information on indices is provided on page 5. \*JP Morgan; European figures include non-Euro issues of European companies. \*\*Moody's Default Report as of February 28<sup>th</sup>, 2026. Most recent data available used.

## CORPORATE BOND SPREADS (STW) - MARCH 31, 2026

	Index	Rating	Current STW	-1 Mth	-3 Mth	-12 Mth	Median (since Jan. 1, 2003)
<b>US</b>	COA0	IG	90	86	79	98	127
	JUC0	HY	344	325	291	371	434
	JUC4	BB/B	282	263	231	301	369
	COA1	AAA	41	44	35	60	63
	COA2	AA	56	55	48	56	72
	COA3	A	75	71	64	82	97
	COA4	BBB	113	108	100	121	162
	JUC1	BB	228	211	185	246	296
	JUC2	B	384	363	313	386	453
	JUC3	CCC	971	936	859	906	891
<b>EM</b>	EMCL	All	192	170	167	191	295
<b>EUR</b>	ER00	IG	95	82	77	94	114
	HEC0	HY	348	291	276	355	414
	ER10	AAA	59	53	49	61	62
	ER20	AA	64	56	50	59	70
	ER30	A	85	74	69	85	96
	ER40	BBB	109	93	89	109	142
	HE10	BB	231	180	178	237	301
	HE20	B	484	427	362	399	516
	HE30	CCC	1580	1302	1329	1457	1121

## CORPORATE BOND SPREADS (STW)



## MARKET PERFORMANCE % AND STATISTICS - MARCH 31, 2026

		Performance Summary (%)				Characteristics			Performance History (% annualised)				
High Yield		MTD	Pr. Mth	QTD	YTD	DTW (yrs)	YTW (%)	STW (bps)	1 Year	2 Year	3 Year	4 Year	5 Year
JUC0	US HY	-1.19	0.19	-0.53	-0.53	3.28	7.38	344	6.94	7.23	8.47	5.35	4.20
JC4N	US HY BB-B	-1.14	0.42	-0.18	-0.18	3.34	6.71	276	7.26	6.89	7.87	5.07	3.95
HEC0	Euro HY	-2.71	0.32	-1.72	-1.72	3.22	6.20	348	2.67	5.09	6.99	3.99	2.52
HEC5	Euro HY BB-B	-2.71	0.42	-1.68	-1.68	3.22	5.70	298	3.32	5.19	6.99	4.04	2.59
<b>Investment Grade</b>													
COA0	US IG	-2.02	1.27	-0.42	-0.42	6.46	5.15	90	4.85	5.06	4.94	2.31	0.95
C4NF	US BBB Corporates	-2.11	1.26	-0.41	-0.41	6.54	5.35	108	5.10	5.27	5.29	2.59	1.10
ER00	Europe IG	-2.27	0.55	-0.95	-0.95	4.46	3.73	95	1.89	3.14	4.34	1.18	-0.21
EN40	Europe BBB	-2.40	0.61	-1.01	-1.01	4.42	3.84	105	1.99	3.36	4.61	1.31	-0.26
<b>Governments (7-10 Year Indices)</b>													
G4O2	US Treasuries 7-10 Yrs	-2.33	2.50	-0.09	-0.09	7.01	4.24	0	4.04	4.38	2.39	0.33	-0.51
G4L0	UK Gilts 7-10 Yrs	-4.07	2.37	-1.71	-1.71	7.25	4.83	0	3.33	1.42	1.29	-1.87	-2.42
G4D0	German Fed Govt 7-10 Yrs	-2.69	1.59	-0.53	-0.53	7.50	2.94	0	0.75	0.26	1.04	-2.30	-3.20
<b>Equities</b>													
S&P	S&P 500 incl. Dividends	-4.98	-0.76	-4.35	-4.35				17.77	12.90	18.29	11.16	12.04
DAX	DAX Index	-10.30	3.04	-7.39	-7.39				2.33	10.75	13.22	12.00	8.61
<b>Syndicated Loans</b>													
							YTM (%)	3Y DM (bps)					
US	US Leveraged Loan Index	0.48	-0.86	-0.56	-0.56		5.51	518	4.30	5.47	7.70	6.34	5.67
Europe	European Leveraged Loan Index	-0.03	-0.59	-0.85	-0.85		8.09	556	2.53	4.89	6.96	5.34	4.75

Past performance is not a reliable indicator of current or future performance.

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## CREDIT MARKET UPDATE

### US:

US credit delivered negative returns in March, reflecting a period of spread widening on the back of the conflict in the Middle East and related concerns around oil prices. Interest rates also moved higher as the market priced out rate cuts from the Federal Reserve in 2026. This repricing came in response to fears of higher inflation driven by higher energy prices. However, despite the potential impact of higher energy prices and the closure of the Strait of Hormuz, the spread move felt relatively contained. In the US, real yields (indicating growth expectations) have moved higher, suggesting that markets are not pricing in a meaningful deterioration in growth, but rather the opposite. This may help explain the limited widening in credit spreads, which are typically more sensitive to growth expectations, while also reinforcing the idea that the conflict in Iran may be short lived.

### Europe:

As was the case in the US, European credit markets delivered negative returns in March. Interest rates also moved higher as markets priced in rate hikes anticipated in Europe and no rate cuts in the US in 2026. This repricing came in response to fears of higher inflation driven by higher energy prices, and was fuelled by more hawkish central bank comments, particularly in Europe. However, despite the potential impact of higher energy prices and the closure of the Strait of Hormuz, the spread move felt relatively contained. Given the volatility throughout the month, primary markets were quieter than had been anticipated, particularly in high yield. Credit generally saw outflows as investors reacted to the weaker sentiment, although shorter-dated credit remained in demand as short-term yields saw some of the largest moves higher.

### EM:

Emerging markets (EM) debt delivered negative returns in March. While corporate credit market spreads have widened, the moves have been relatively contained compared to previous episodes of event-driven stress. Energy-importing nations were among the most acutely affected, facing sharply higher import costs at a time when many had only recently achieved a degree of macroeconomic stability following several years of reform and balance sheet repair. Asian economies were particularly exposed given their structural dependence on Gulf energy flows, with disruption to key shipping corridors adding to supply concerns and currency pressures. A stronger US dollar compounded the challenge for many EM central banks, limiting their room to ease policy in response to slowing growth. Issuance activity slowed sharply as primary markets effectively closed for much of the month, with issuers unwilling to test investor appetite amid the uncertainty. Credits in Eastern Europe and Latin America held up somewhat better in relative terms, benefiting from greater distance from the immediate shock.

### Outlook:

It seems that the conflict in Iran is being treated as a mostly controlled, inflationary geopolitical shock, rather than the start of a broader economic downturn. Implicitly, markets appear to be pricing a scenario in which the conflict is resolved within a limited timeframe. In our view, the conflict is likely to de-escalate, and the market has turned overly hawkish on central bank policy expectations. At the same time, we continue to closely follow private credit liquidity developments, noting that while private credit continues to experience close scrutiny, we do not see the asset class as carrying systemic risk. Regarding the broad theme of AI disruption, we continue to view the buildout of AI as an important growth driver—particularly in the US—bolstering our overall confidence in a resilient growth picture, despite the headwinds of higher energy prices.

## Important Information

The following indices referenced in the snapshot are ICE BofA indices:

JUC0 - ICE BofA US Cash Pay High Yield Constrained Index  
JUC1 - ICE BofA BB US Cash Pay High Yield Constrained Index;  
JUC2 - ICE BofA Single-B US Cash Pay High Yield Constrained Index;  
JUC3 - ICE BofA CCC and Lower US Cash Pay High Yield Constrained Index;  
JUC4 - ICE BofA BB-B US Cash Pay High Yield Constrained Index;  
JC4N - ICE BofA BB-B US Non-Financial Cash Pay High Yield Constrained Index;  
HEC0 - ICE BofA Euro High Yield Constrained Index;  
HE10 - ICE BofA BB Euro High Yield Index;  
HE20 - ICE BofA Single-B Euro High Yield Index;  
HE30 - ICE BofA CCC & Lower Euro High Yield Index;  
HEC5 - ICE BofA BB-B Euro Non-Financial High Yield Constrained Index;  
COA0 - ICE BofA US Corporate Index;  
COA1 - ICE BofA AAA US Corporate Index;  
COA2 - ICE BofA AA US Corporate Index;  
COA3 - ICE BofA Single-A US Corporate Index;  
COA4 - ICE BofA BBB US Corporate Index;  
C4NF - ICE BofA BBB US Non-Financial Corporate Index;  
ER00 - ICE BofA Euro Corporate Index;  
ER10 - ICE BofA AAA Euro Corporate Index;  
ER20 - ICE BofA AA Euro Corporate Index;  
ER30 - ICE BofA Single-A Euro Corporate Index;  
ER40 - ICE BofA BBB Euro Corporate Index;  
EN40 - ICE BofA BBB Euro Non-Financial Index;  
G4O2 - ICE BofA 7-10 Year US Treasury Index  
G4L0 - ICE BofA 7-10 Year UK Gilt Index  
G4D0 - ICE BofA 7-10 Year German Government Index;  
EMCL - ICE BofA US Emerging Markets Liquid Corporate Plus Index.

S&P 500 - The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists.

DAX - The German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation.

Bloomberg US Leveraged Loan Index - The Bloomberg US Leveraged Loan Index measures the performance of USD denominated, high-yield, floating-rate, institutional leveraged loan market. The US Loan Index was created in 2024, with history backfilled to January 1, 2019.

Bloomberg European Leveraged Loan Index - The Bloomberg European Leveraged Loan Index measures the performance of the EUR- and GBP- denominated, high-yield, floating-rate, institutional leveraged loan market. The index was created in 2025, with history backfilled to January 1, 2019.

All performance, duration, yield and spread data downloaded from Bloomberg. Markit iBoxx USD Leveraged Loan (IBOXLTRI), S&P 500 incl. Dividends, and DAX figures from Bloomberg. You cannot invest directly into an index.

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