

iTraxx Crossover Report

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures

Data as of COB: 01 Aug 17

5y on-the-run (S27)

Spread	234.6 bp
Fair value	227.6 bp
Skew	7.0 bp
Coupon	500 bp
Upfront	-11.95%
# Credits	75

	Volatility
3m ATM implied vol	35.2%
	5.6 bp/day
3m realised vol	21.0%
	3.4 bp/day
3m implied / realised ratio	1.7

	Curves		
	Traded	Theor.	Diff.
3s5s	78 bp	70 bp	8.0 bp
5s7s	51 bp	43 bp	8.8 bp
7s10s	30 bp	19 bp	11.6 bp
5s10s	82 bp	61 bp	20.3 bp

Non-dealer positioning (\$bn)

03-Feb-17	Current	1w chg
26	-0.3	0.3
25	-0.5	0.0
Sum	-0.8	0.2

5y on-the-run (S27)

Daily traded volume	1.1 €bn
	31-Jul

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Spreads

5y Spreads

In bp. On-the-run series.

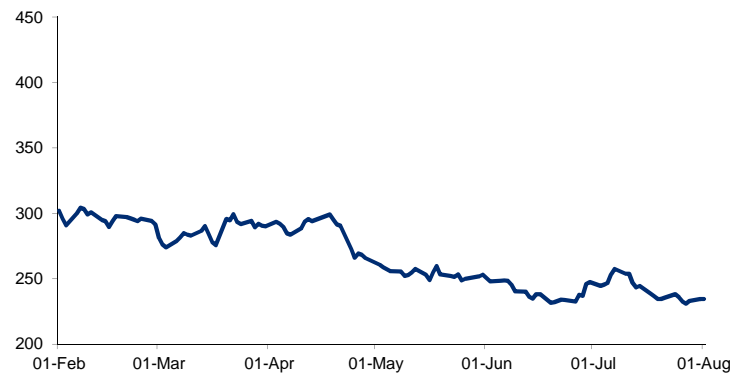
Since: Jan-05



5y Spreads

In bp. On-the-run series.

Since: 01-Feb-17



5y skew (basis-to-theoretical)

In bp. On-the-run series. Traded spread minus theoretical spread.

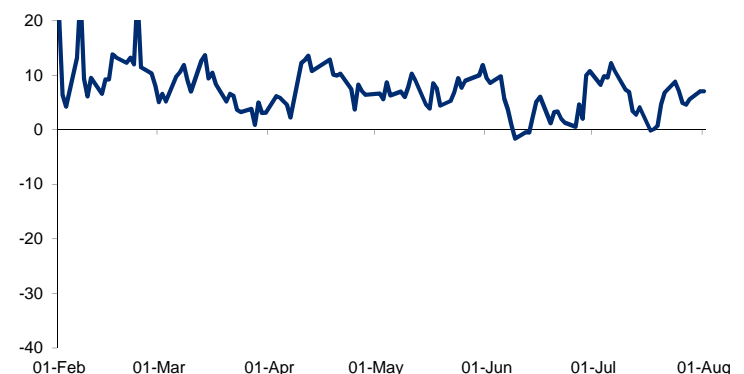
Since: Jan-05



5y skew (basis-to-theoretical)

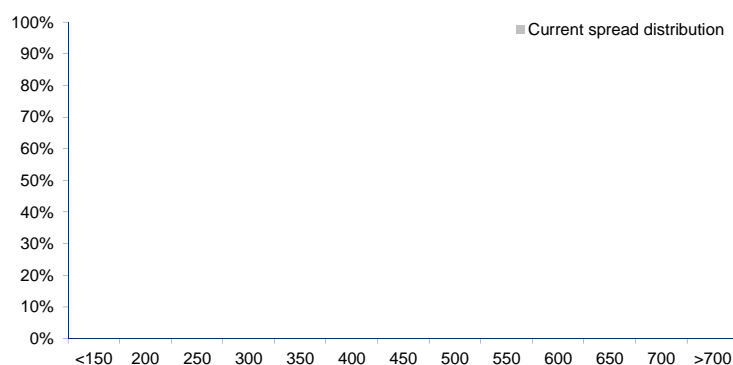
In bp. On-the-run series. Traded spread minus theoretical spread.

Since: 01-Feb-17



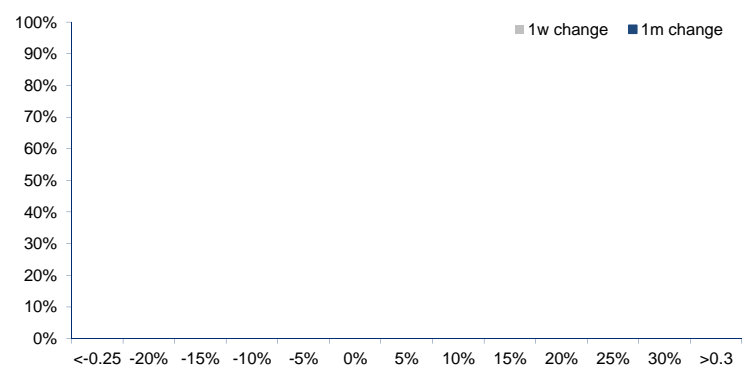
Current 5y spread distribution across index constituents

X-axis: bp. Y-axis: % credits.

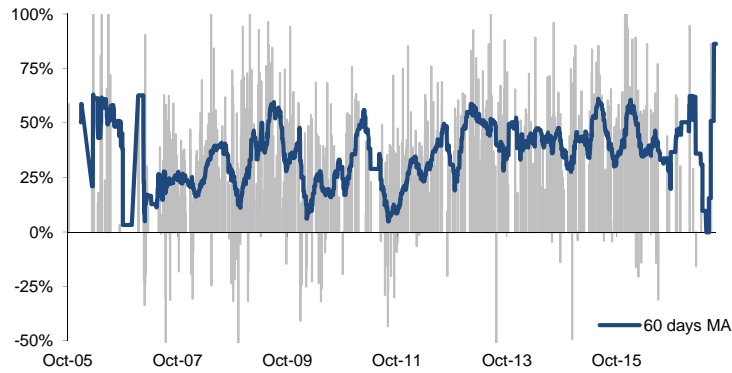


Distribution of 5y spread changes across index constituents

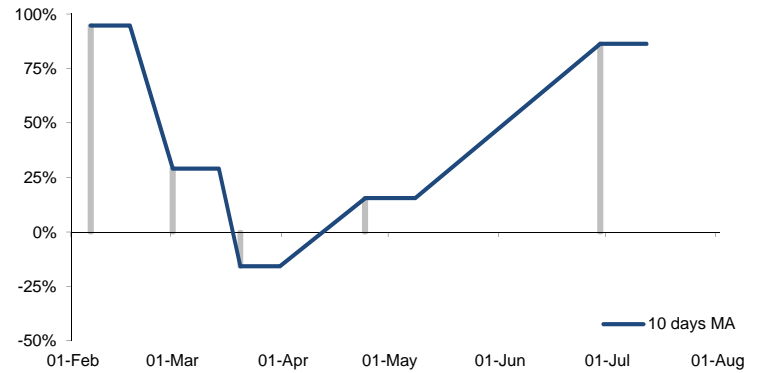
X-axis: %. Y-axis: % credits.



% of index spread changes explained by skew changes (5y) Since: Jan-05
Ratio of skew bp change to index bp change. Only for days when the index spread moves more than 3%.



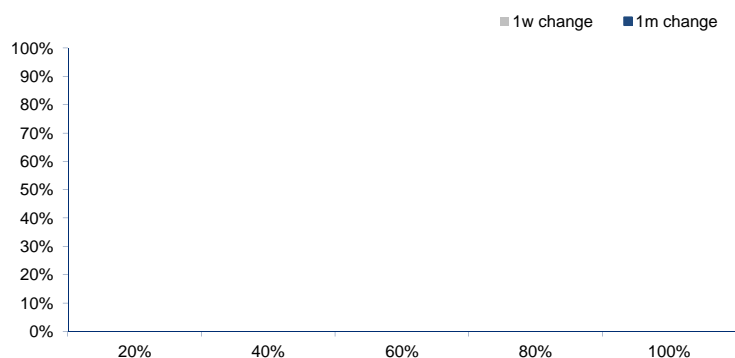
% of index spread changes explained by skew changes (5y) Since: 01-Feb-17
Ratio of skew bp change to index bp change. Only for days when the index spread moves more than 3%.



Recent spread changes across single name constituents

Average % spread change across credits by spread percentile

5y spreads. Tightest credits on the left, widest on the right.

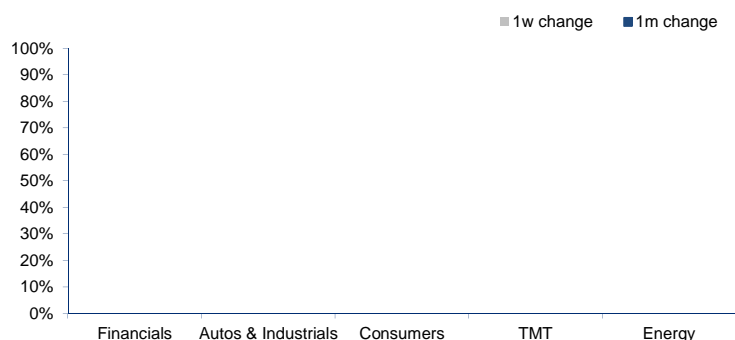


Sector	Count	Av. 5y spread
Financials	0	
Autos & Industrials	29	#DIV/0!
Consumers	18	#DIV/0!
TMT	12	#DIV/0!
Energy	3	#DIV/0!

Country	Count	Av. 5y spread
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Average % spread change across credits by sector

5y spreads.



Average % spread change across credits by country

5y spreads.



Non-dealer positioning

Data as of the week ending on:
Volume data measured in:

03 Feb 17
\$bn

What do the volume signs represent?
Positive: Non-dealers long risk
Negative: Non-dealers short risk

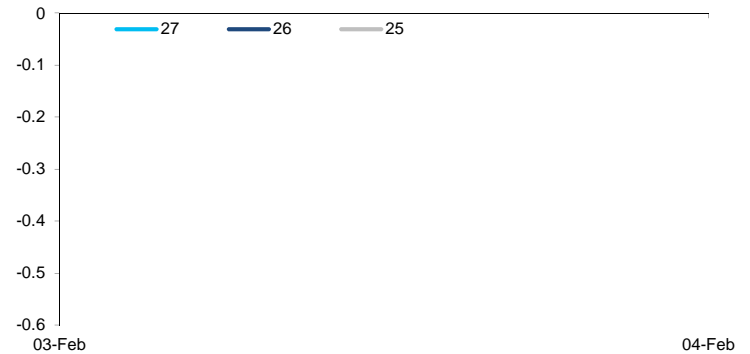
Non-dealer positioning by Series

In \$bn, +ve/-ve: Non-dealers long/short risk. On-the-run + previous 2 series

Series	Current	1w chg	1m chg
26	-0.3	0.3	-1.2
25	-0.5	0.0	0.3
Sum	-0.8	0.2	-0.9

Non-dealer positioning by Series

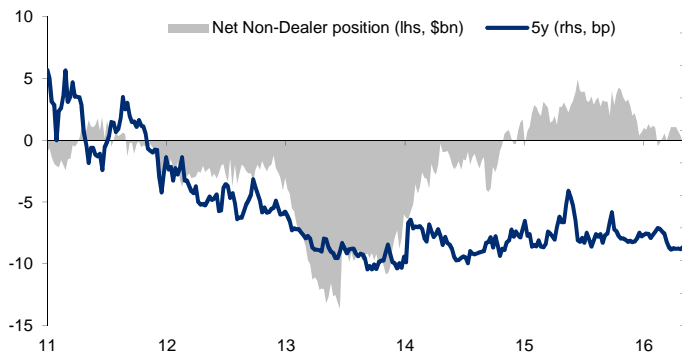
In \$bn, +ve/-ve: Non-dealers long/short risk. On-the-run + previous 2 series



Index series included in charts below: On-the-run + previous 2

Non-dealer positioning & Index spreads

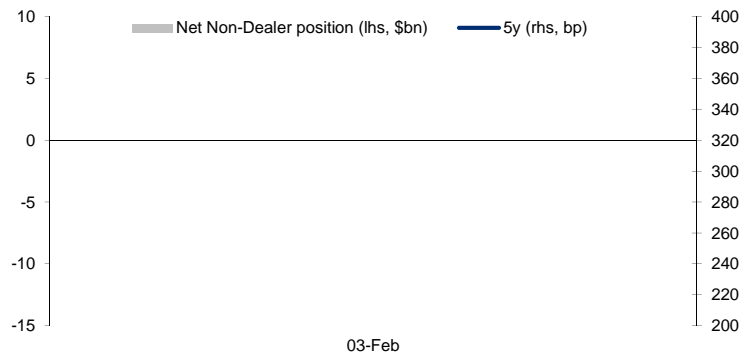
In \$bn, +ve/-ve: Non-dealers long/short risk. On-the-run + previous 2 series



Non-dealer positioning & Index spreads

Data since: 01 Feb 17

In \$bn, +ve/-ve: Non-dealers long/short risk. On-the-run + previous 2 series



Weekly changes in net non-dealer position

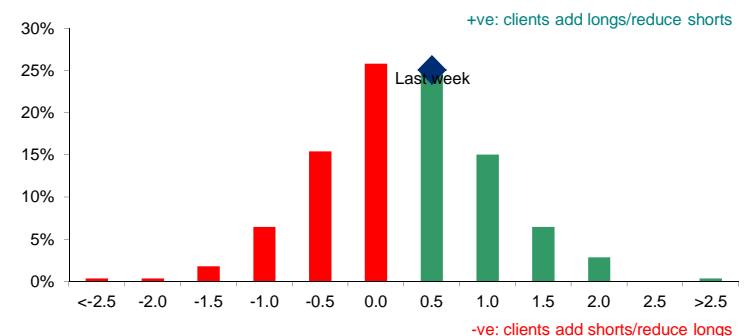
Data since: 01 Feb 17

In \$bn.



Distribution of weekly changes in non-dealer positioning

Using all available historical data.

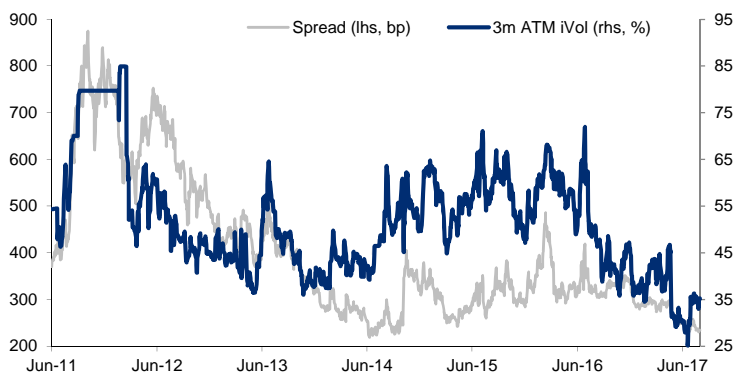


Implied volatility

3m ATM iVol & index spread

Underlying: 5y on-the-run index.

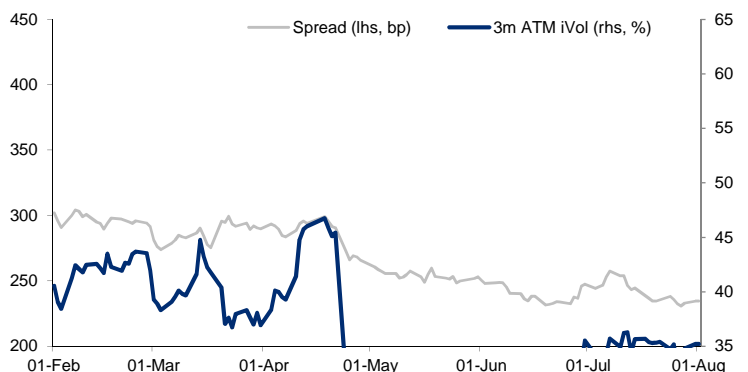
Since: Jun-11



3m ATM iVol & index spread

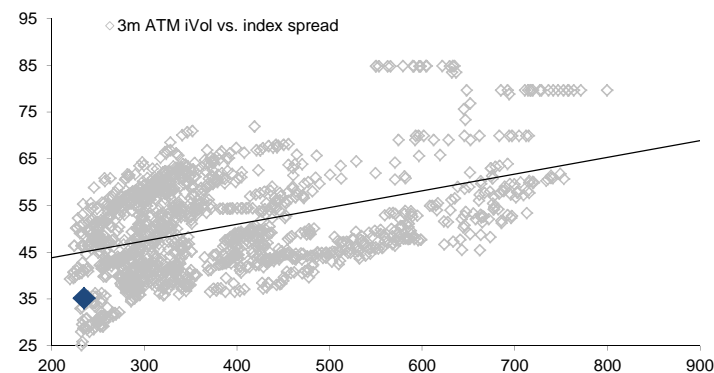
Underlying: 5y on-the-run index.

Since: 01-Feb-17



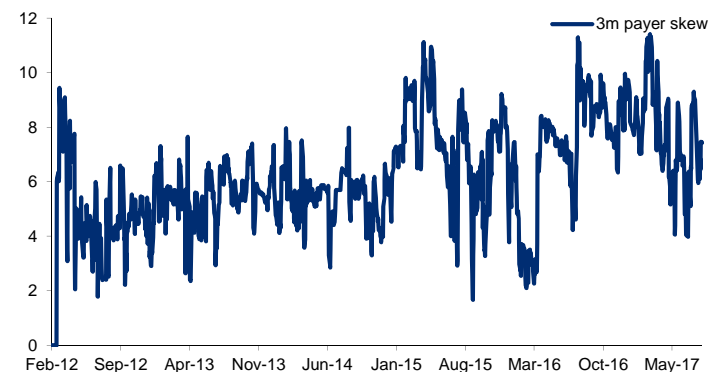
3m ATM iVol vs. index spread

X-axis: spread in bp (ATM strike: 50% delta). Y-axis: vol in %.



3m payer skew

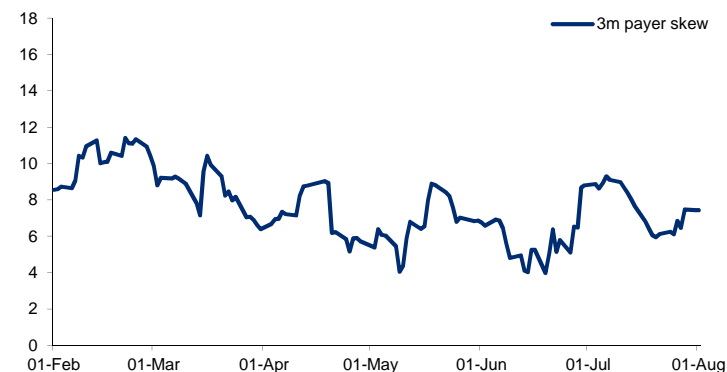
Implied vol diff. between payer options with 25% and 50% delta. In %.



3m payer skew

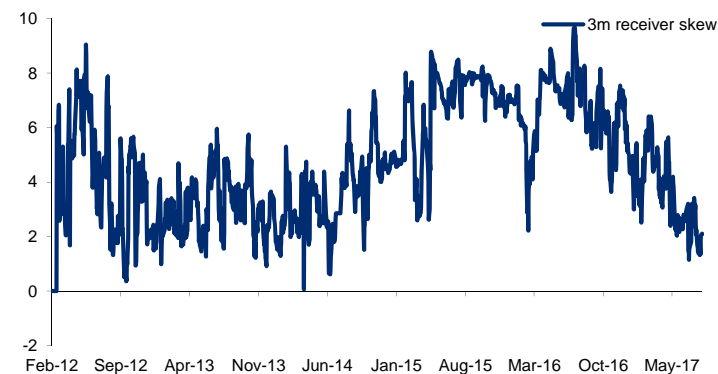
Implied vol diff. between payer options with 25% and 50% delta. In %.

Since: 01-Feb-17



3m receiver skew

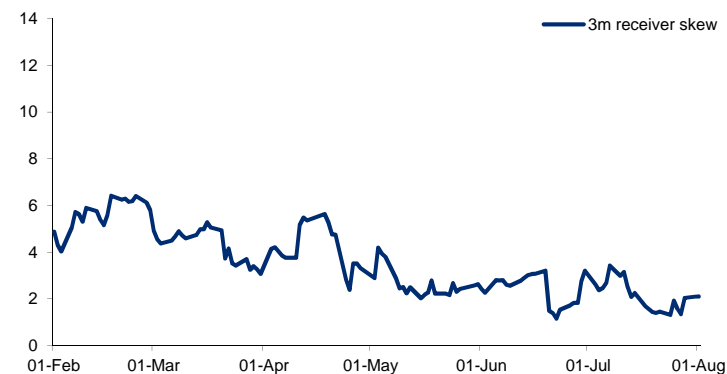
Implied vol diff. between receiver options with 50% and 25% delta. In %.



3m receiver skew

Implied vol diff. between receiver options with 50% and 25% delta. In %.

Since: 01-Feb-17

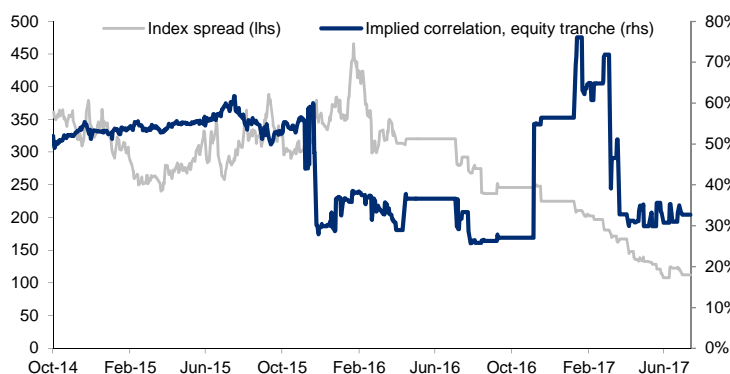


Implied correlation (tranches)

Implied correlation & index spreads

5y on-the-run index. Correlation: 0-10% tranche.

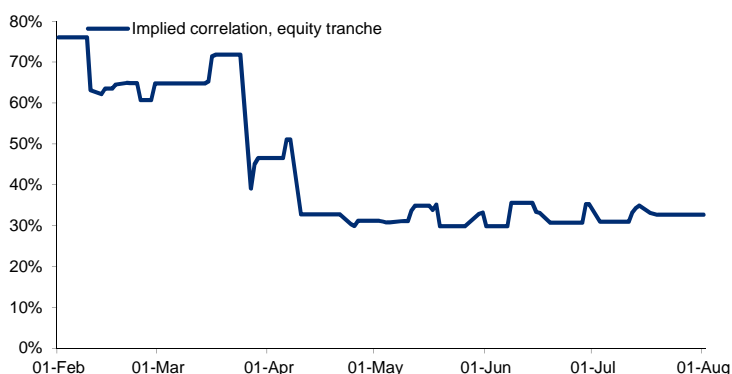
Since: Jan-05



Implied correlation & index spreads

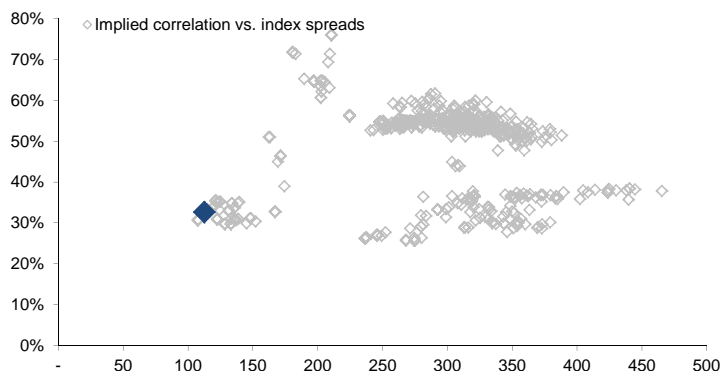
5y on-the-run index. Correlation: 0-10% tranche.

Since: 01-Feb-17



Implied correlation vs. index spreads

X-axis: index spread, bp. Y-axis: 0-10% equity tranche implied correlation, %.



Index constituents spread dispersion

5y dispersion among underlying single name spreads

Dispersion: St. Dev. Of single name spreads divided by average spread. On-the-run index.

Since: Jan-05



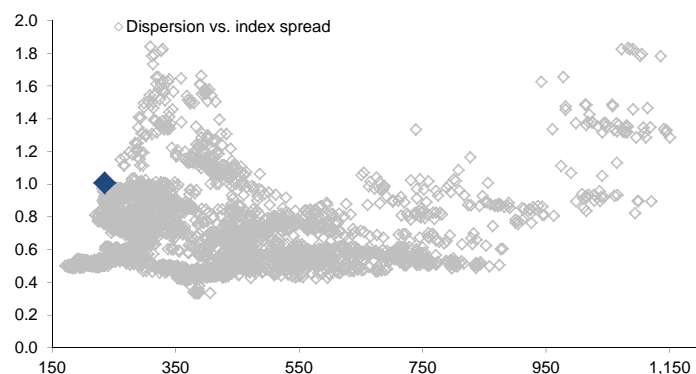
Dispersion	
Current	101%

Change	
1w	6.5%
1m	11.7%

Dispersion vs. index spread

5y spreads. Dispersion: St. Dev. Of single name spreads divided by average spread. On-the-run index.

Since: Jan-05



Off-the-run series and rolls

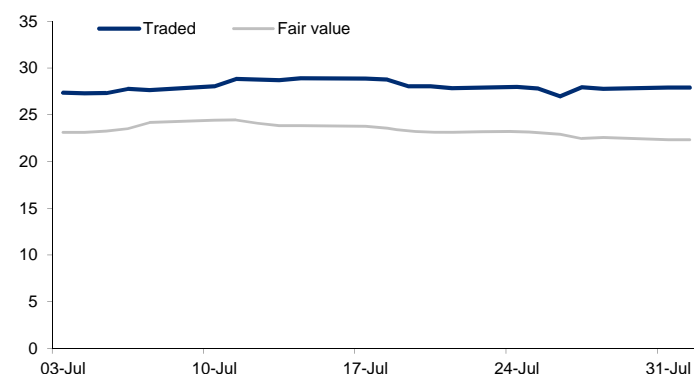
5 tenor			
Series	Spread	Fair value	Skew
27	235	228	7.0
26	207	205	1.5
25	184	183	0.4
24	163	171	-8.4

Roll	Traded	Fair value	Skew
S26-27	27.9	22.4	5.6
S25-27	50.7	44.1	6.7
S24-27	71.7	56.2	15.5

S26-27 roll

Since: 01-Feb-17

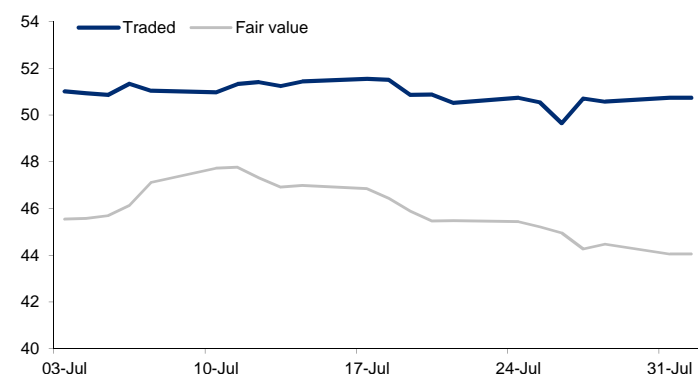
5y spreads, in bp.



S25-27 roll

Since: 01-Feb-17

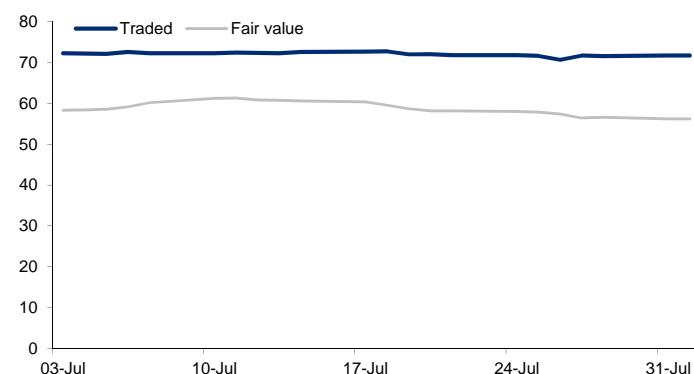
5y spreads, in bp.



S24-27 roll

Since: 01-Feb-17

5y spreads, in bp.



Index trading volumes

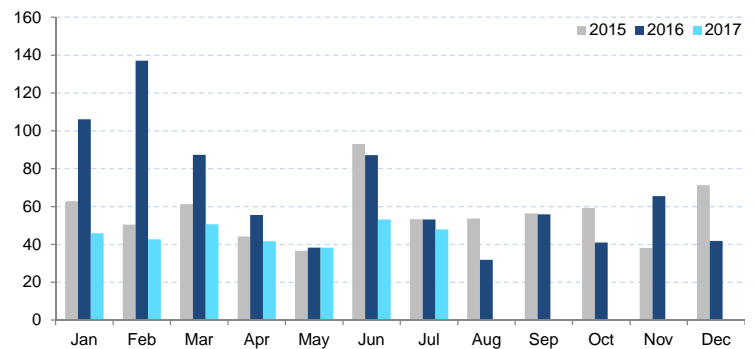
Daily volumes by Series

5Y tenor. In local currency bn.

	S27	S26	S25	S24
31-Jul-17	1.1	0.0	0.0	0.0
1w average	1.4	0.3	0.0	0.0
1m average	2.3	0.3	0.0	0.0
6m average	2.3	0.3	0.1	0.5

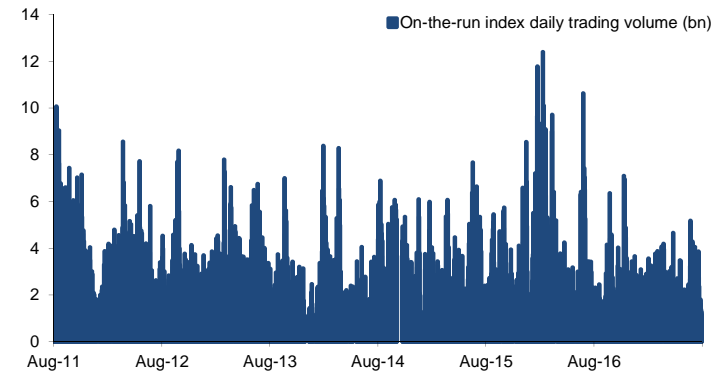
Total monthly trading volumes: on-the-run index

5Y tenor. In local currency bn.



Daily trading volumes: on-the-run index

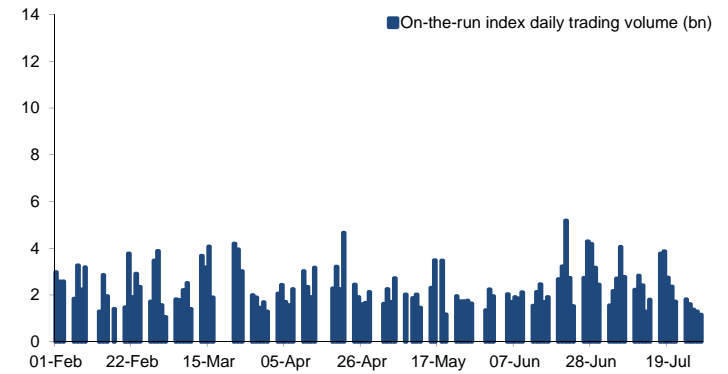
5Y tenor. In local currency bn.



Daily trading volumes: on-the-run index

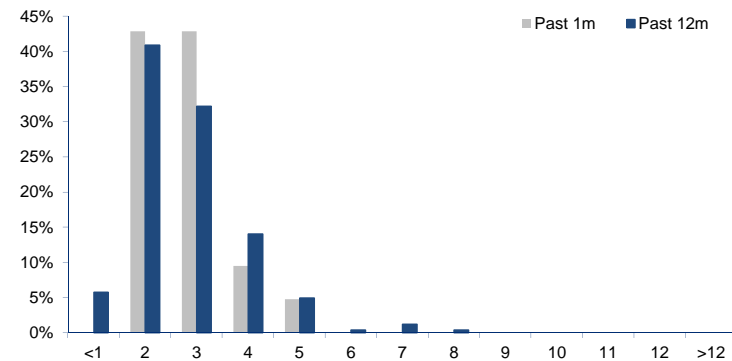
5Y tenor. In local currency bn.

Since: 01-Feb-17



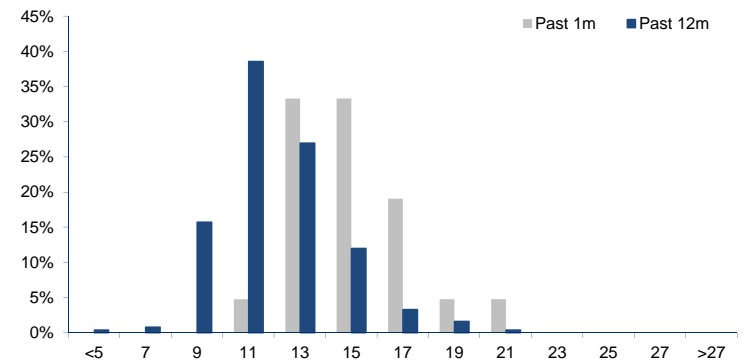
Distribution of daily trading volumes: on-the-run index

5Y tenor. In local currency bn.



Distribution of average size per trade: on-the-run index

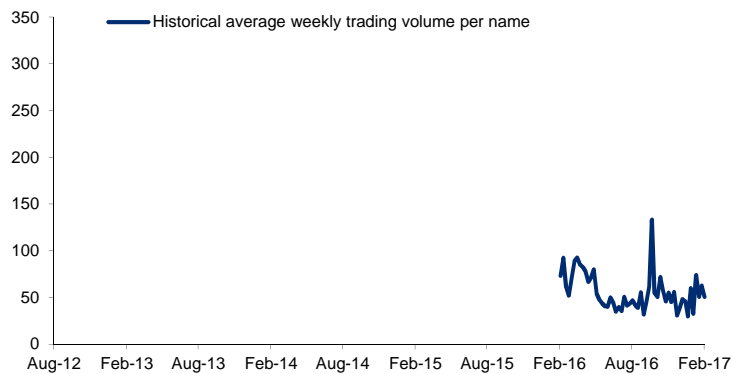
5Y tenor. In local currency m.



Single name trading volumes

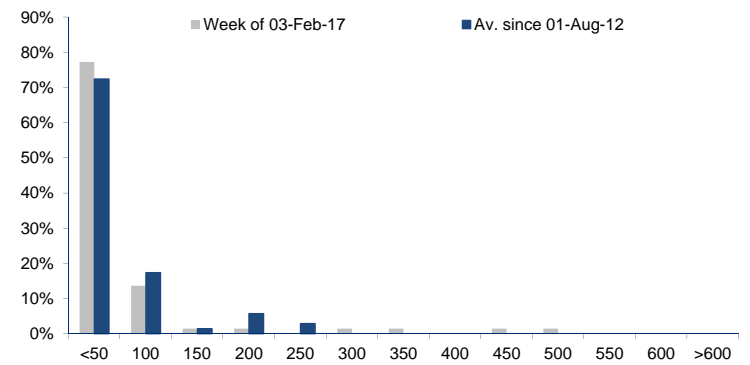
Historical average weekly trading volume per name

In USD millions. Using the constituents of the current on-the-run index.



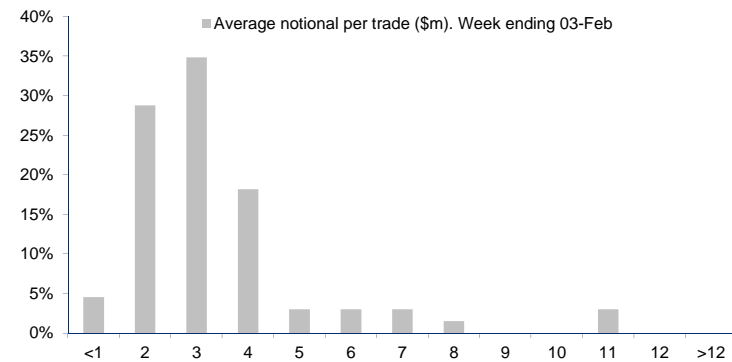
Distribution of weekly trading volume across single name index constituents

In USD millions. Using the constituents of the current on-the-run index.



Distribution of average notional per trade

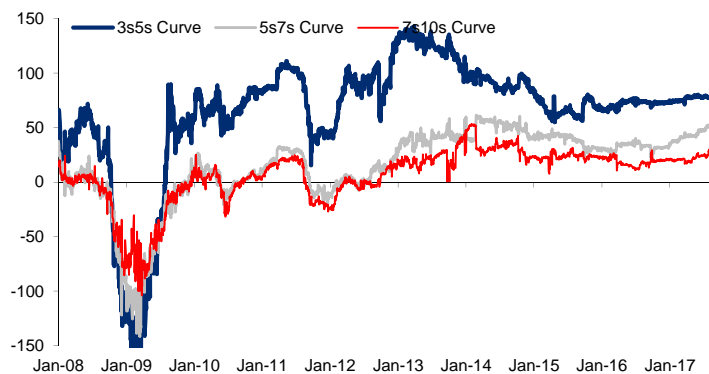
In USD millions. Using the constituents of the current on-the-run index.



Spread Curves

Spread curves

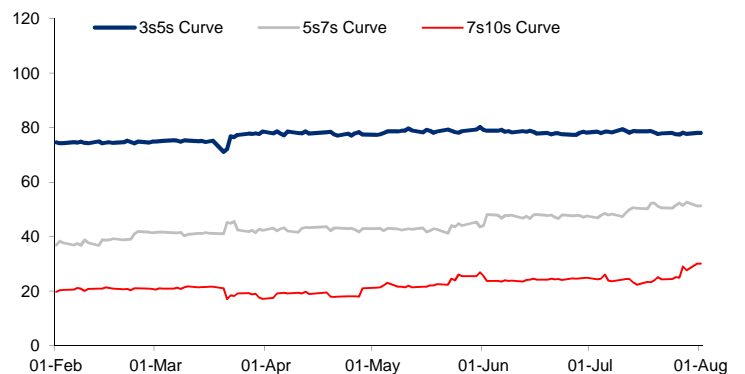
In bp.



Spread curves

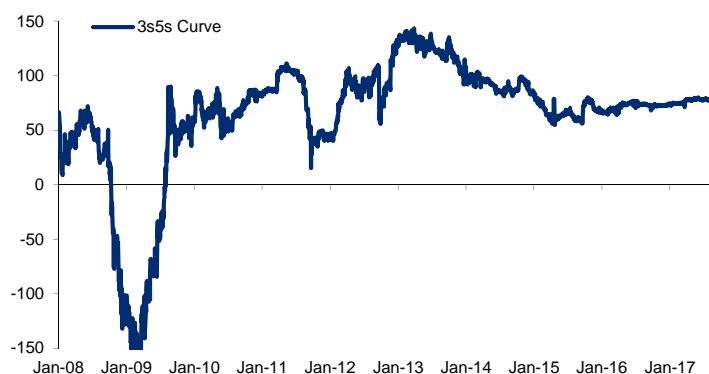
In bp.

Since: 01-Feb-17

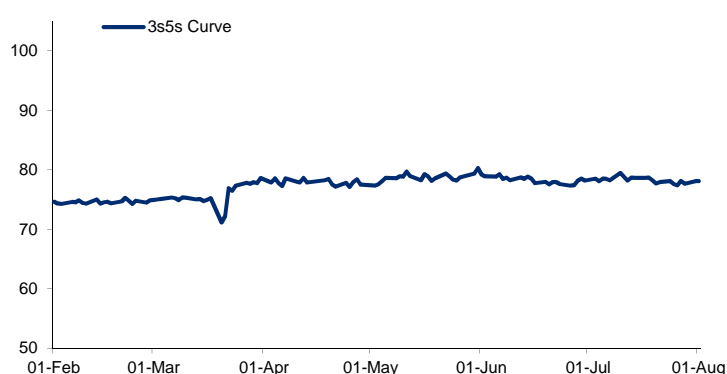


Spread curves: 3s5s

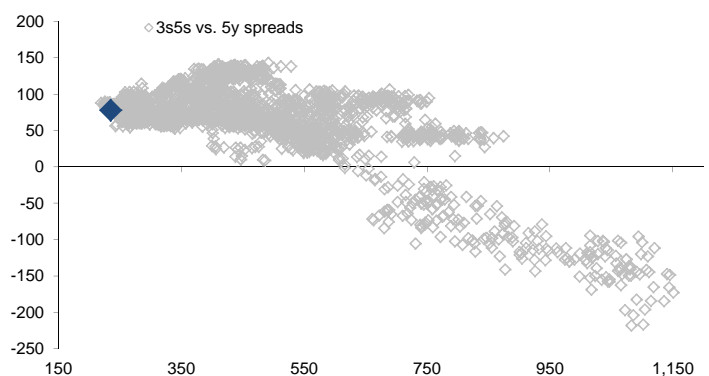
Spread curve Since: Jan-05
In bp. On-the-run series.



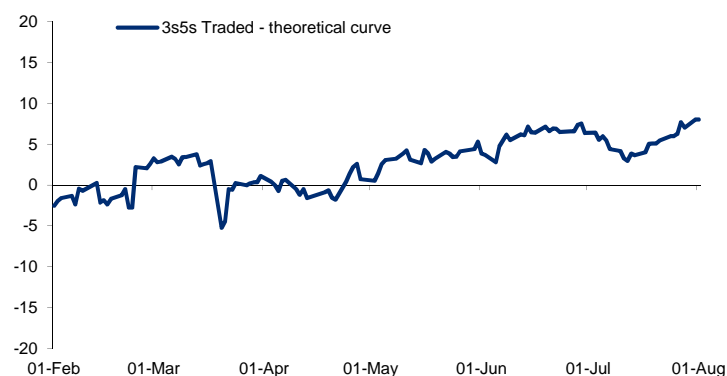
Spread curve Since: 01-Feb-17
In bp. On-the-run series.



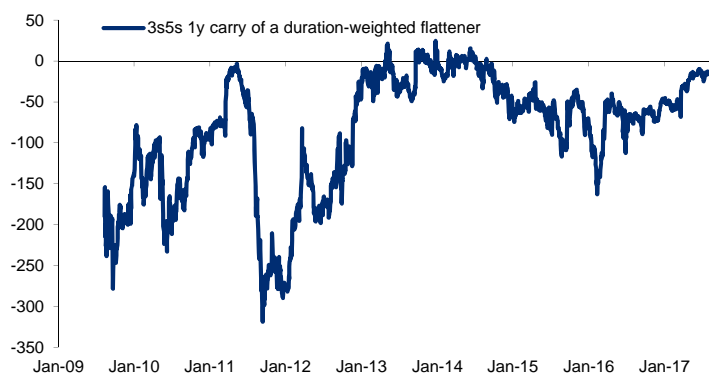
Spread curve vs. 5y spreads Since: Jan-05
In bp. On-the-run series.



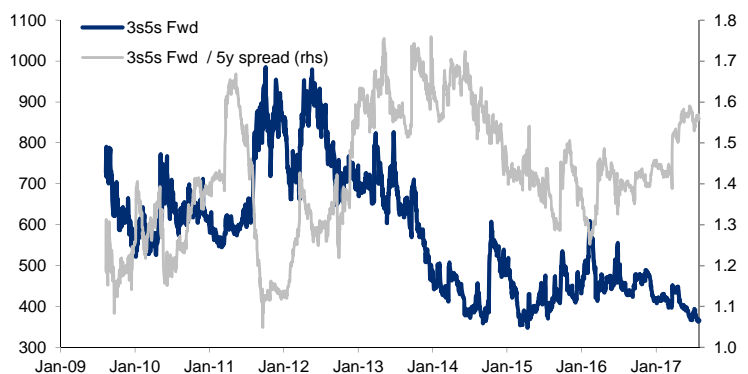
Traded - theoretical curve Since: 01-Feb-17
In bp. On-the-run series.



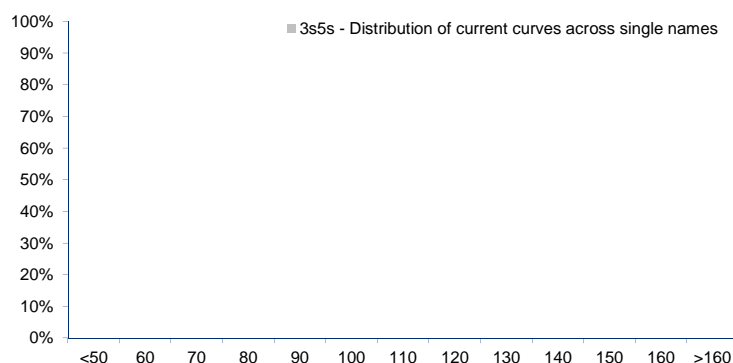
1y carry of a duration-weighted flattener
In bp. On-the-run series.



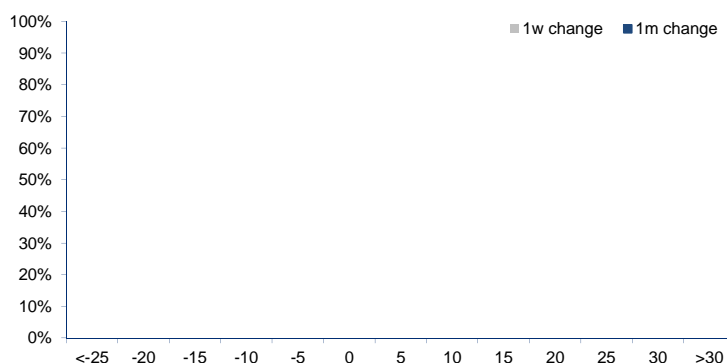
Forward spreads and ratio of forward to long dated spread
In bp. On-the-run series.



3s5s - Distribution of current curves across single names
X-axis: bp. Y-axis: % of single name curves.

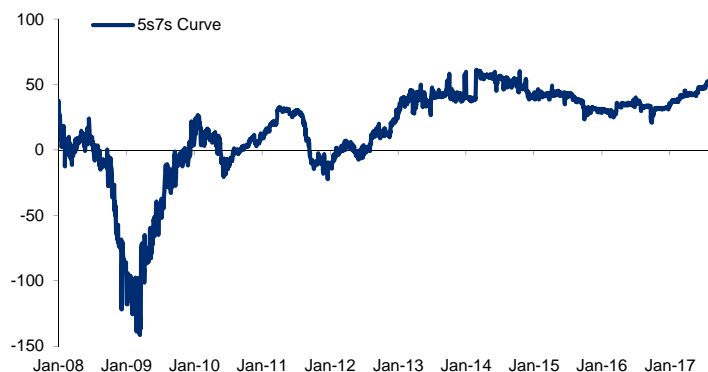


3s5s - Distribution of curve changes across single names
X-axis: bp. Y-axis: % of single name curves.

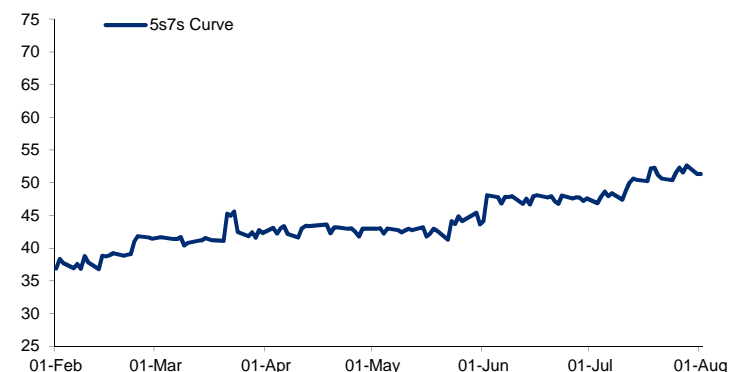


Spread curves: 5s7s

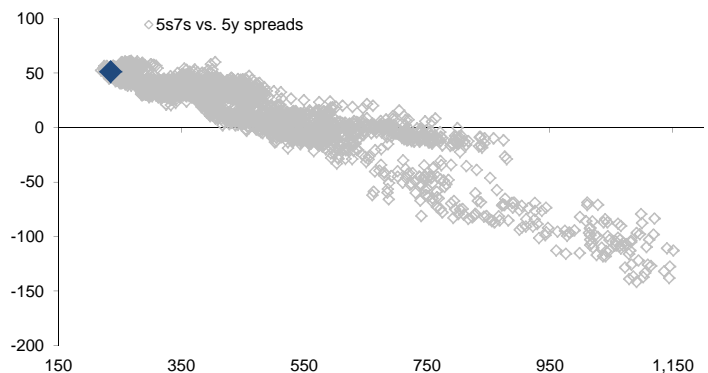
Spread curve Since: Jan-05
In bp. On-the-run series.



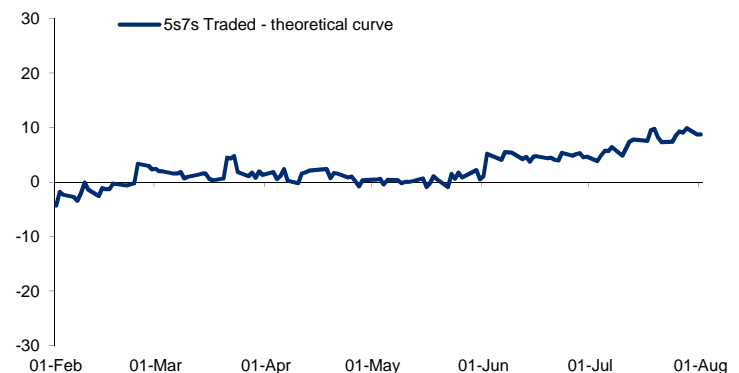
Spread curve Since: 01-Feb-17
In bp. On-the-run series.



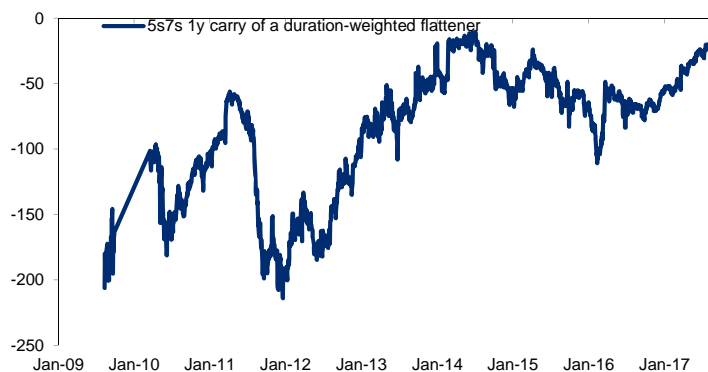
Spread curve vs. 5y spreads Since: Jan-05
In bp. On-the-run series.



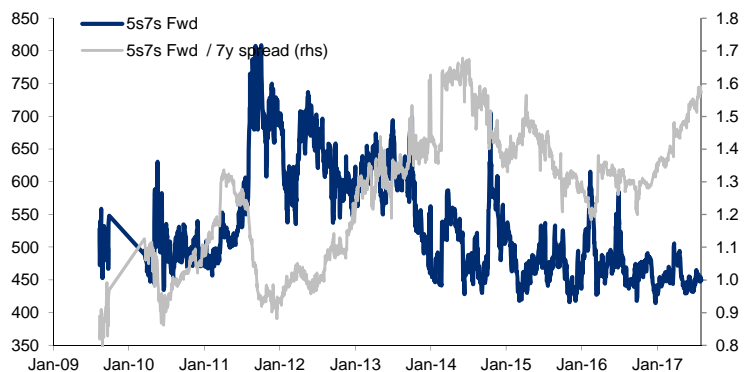
Traded - theoretical curve Since: 01-Feb-17
In bp. On-the-run series.



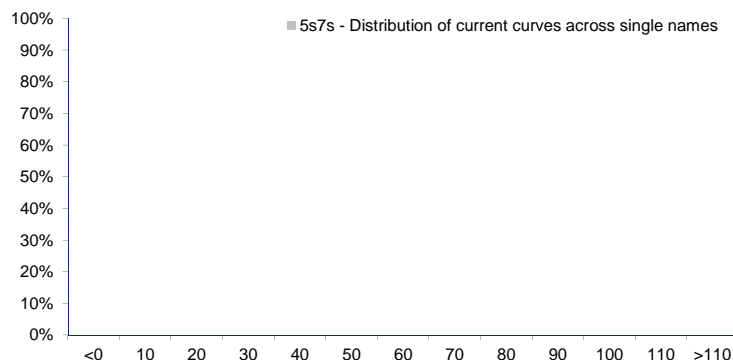
1y carry of a duration-weighted flattener
In bp. On-the-run series.



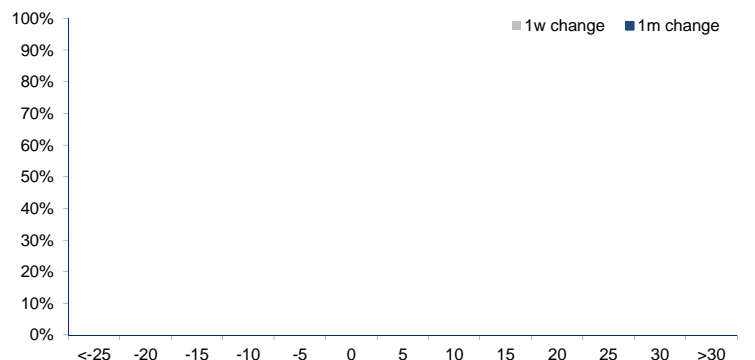
Forward spreads and ratio of forward to long dated spread
In bp. On-the-run series.



5s7s - Distribution of current curves across single names
X-axis: bp. Y-axis: % of single name curves.

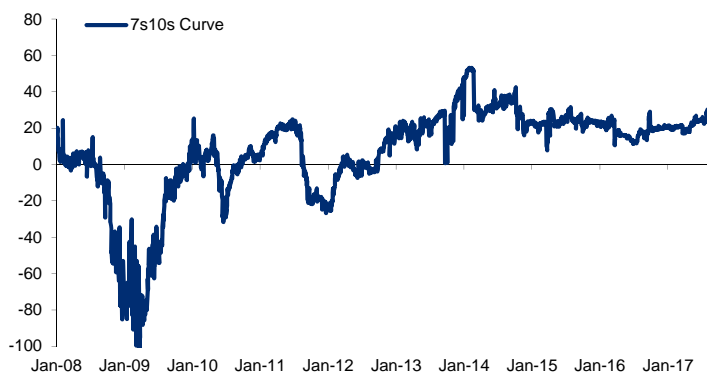


5s7s - Distribution of curve changes across single names
X-axis: bp. Y-axis: % of single name curves.

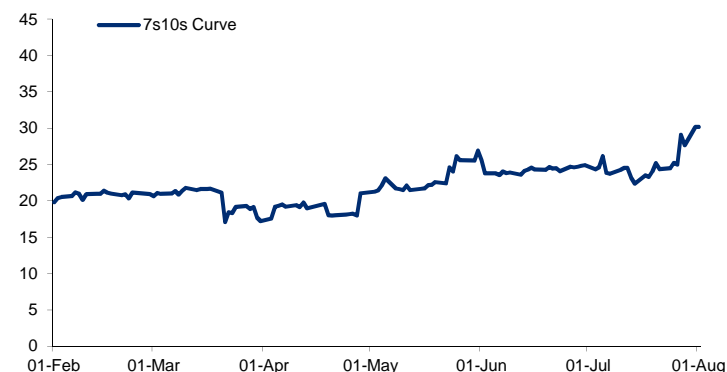


Spread curves: 7s10s

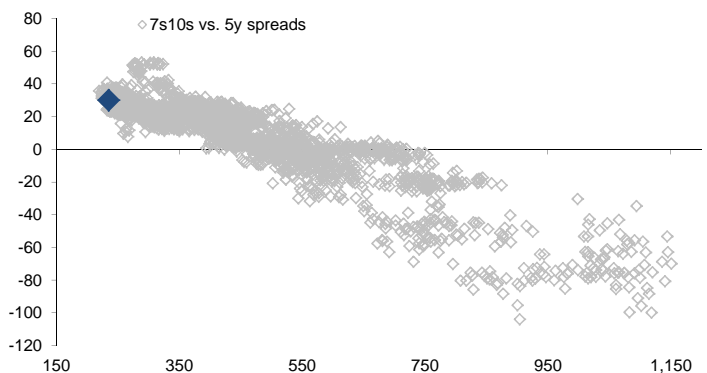
Spread curve Since: Jan-05
In bp. On-the-run series.



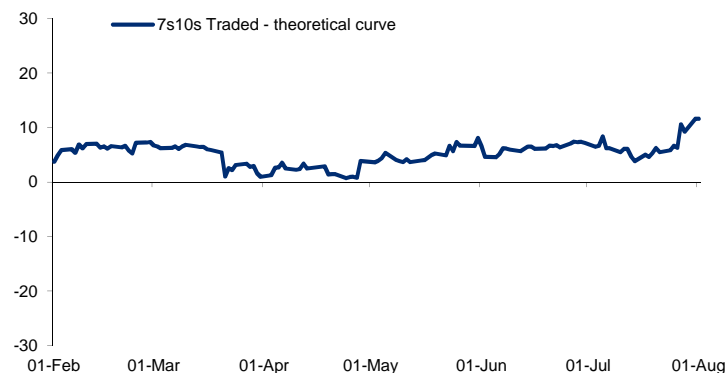
Spread curve Since: 01-Feb-17
In bp. On-the-run series.



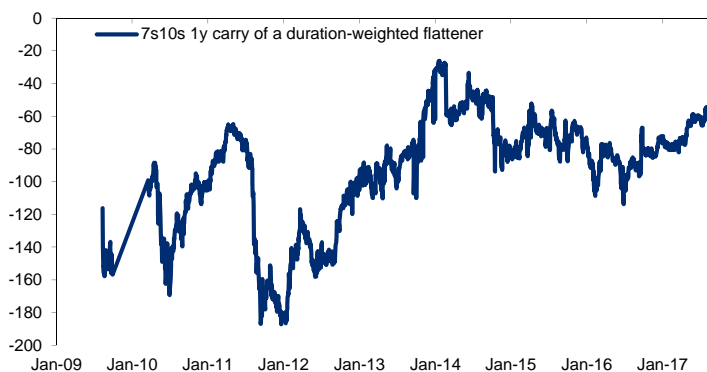
Spread curve vs. 5y spreads Since: Jan-05
In bp. On-the-run series.



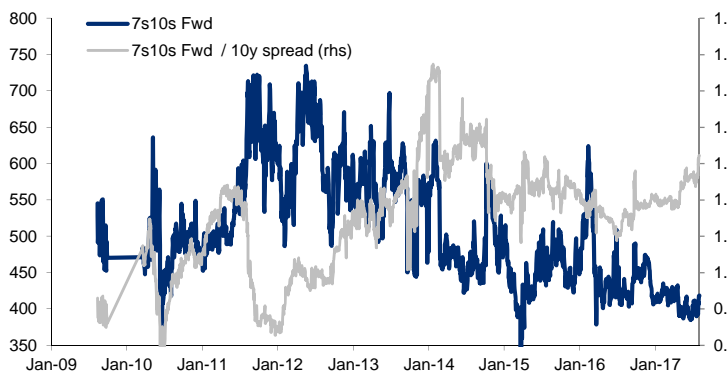
Traded - theoretical curve Since: 01-Feb-17
In bp. On-the-run series.



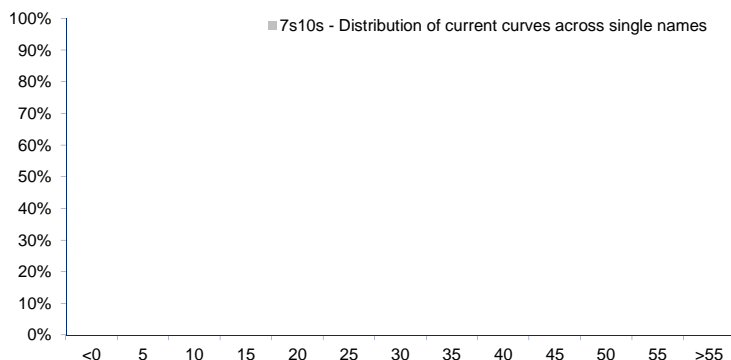
1y carry of a duration-weighted flattener
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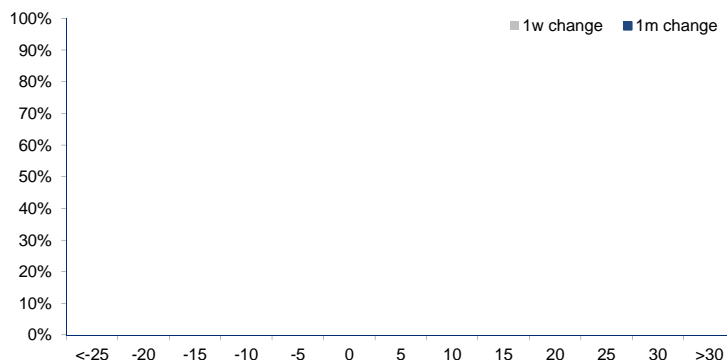
Forward spreads and ratio of forward to long dated spread
In bp. On-the-run series.



7s10s - Distribution of current curves across single names
X-axis: bp. Y-axis: % of single name curves.

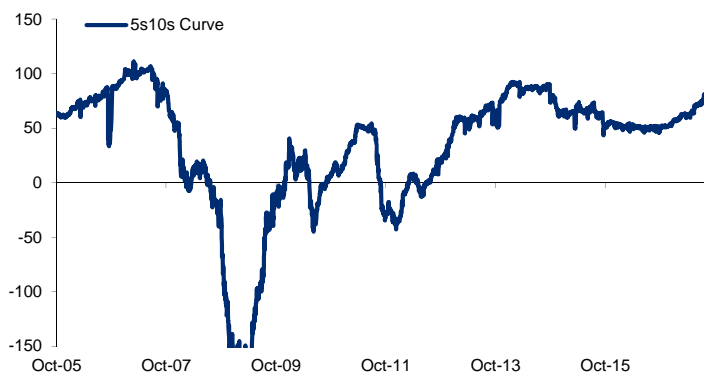


7s10s - Distribution of curve changes across single names
X-axis: bp. Y-axis: % of single name curves.

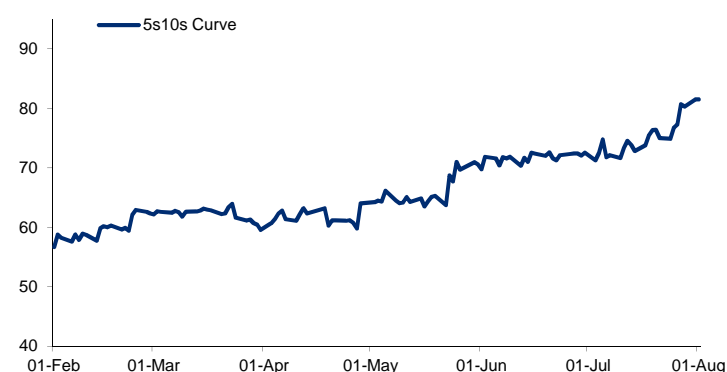


Spread curves: 5s10s

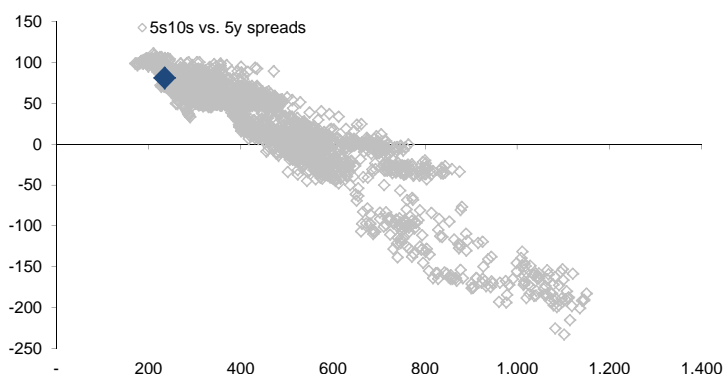
Spread curve Since: Jan-05
In bp. On-the-run series.



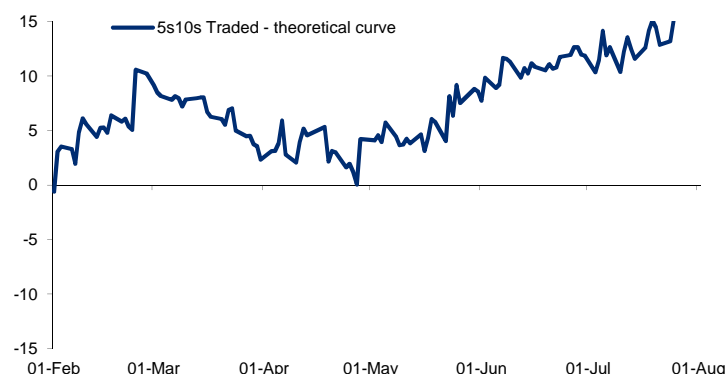
Spread curve Since: 01-Feb-17
In bp. On-the-run series.



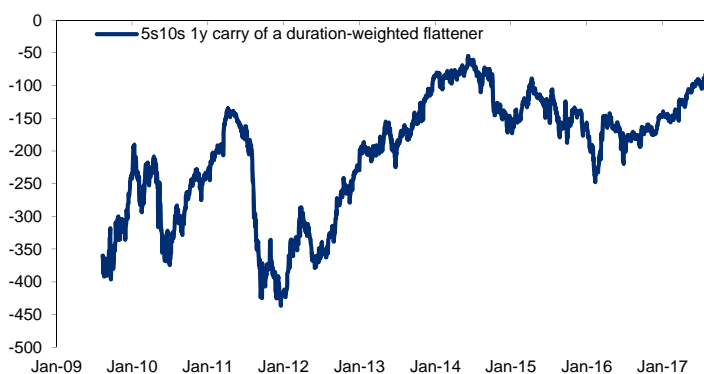
Spread curve vs. 5y spreads Since: Jan-05
In bp. On-the-run series.



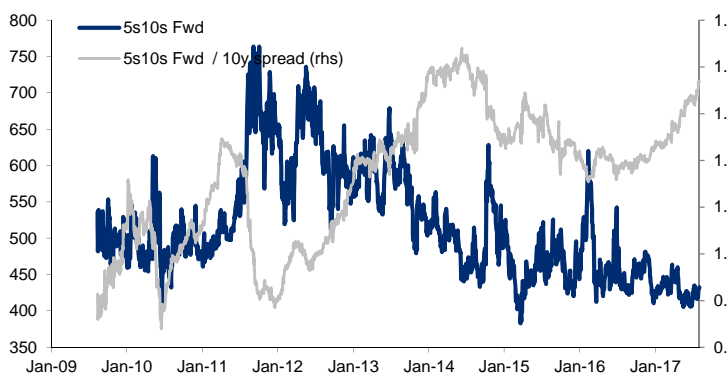
Traded - theoretical curve Since: 01-Feb-17
In bp. On-the-run series.



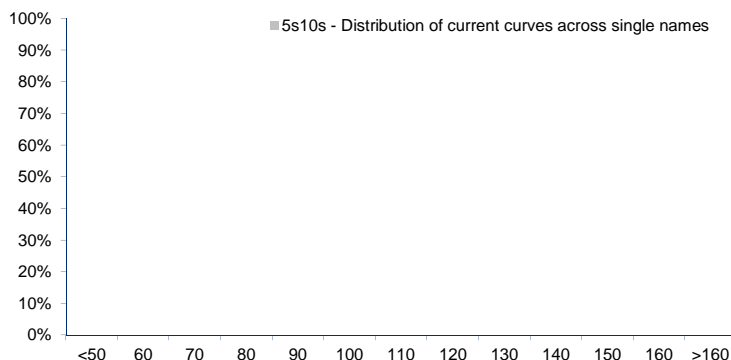
1y carry of a duration-weighted flattener
In bp. On-the-run series.



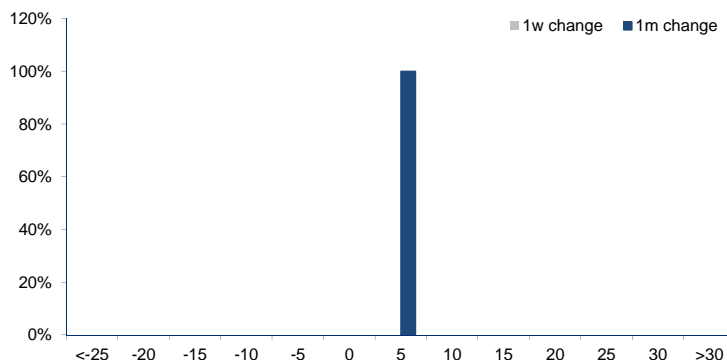
Forward spreads and ratio of forward to long dated spread
In bp. On-the-run series.



5s10s - Distribution of current curves across single names
X-axis: bp. Y-axis: % of single name curves.



5s10s - Distribution of curve changes across single names
X-axis: bp. Y-axis: % of single name curves.



Appendix A-1

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