

European Securitized Products Weekly

Easing Off Regulatory Gas

- **Basel Capital Charges for Securitization Could Decrease** — While Basel III capital charges are unlikely to be reduced to pre-crisis levels, the regulator's willingness to consider compromising on capital requirements could help in reviving the sluggish European ABS primary markets.
- **Solvency II Implementation Postponed** — A proposal from the European Commission to delay Solvency II until 2016 does not come as a surprise for ABS markets, but it would give the insurance industry more time to become compliant.
- **Early Launch of Help-to-buy Scheme Positive for UK NCRMBS** — The newly-launched mortgage guarantee scheme, if successful, will increase the availability of high LTV mortgages and consequently non-conforming prepayments. Currently only 42 mortgage products are available to buyers with 5% deposits (95% LTV) whereas 505 products are available to buyers with 40% (60% LTV) deposits.
- **Flurry of CMBS Loan Maturities** — The CMBS market will likely shrink further as 36 loans are scheduled to mature this month. However, all deals may not benefit from note pay downs as Fitch highlights that many loans will fail to refinance because of high LTVs.
- **Well-priced Opportunities in Italian RMBS** — The back up in Italian RMBS spreads amid recent political instability provides an opportunity to buy well-priced senior with [attractive risk-adjusted credit enhancement](#). Senior spreads widened 15bp to 250bp last week and are now wider than Spanish RMBS.

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

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Noteworthy News and Events

Regulation and Policy

- **Basel Signals Reduction in Securitization Capital Charges.** The Basel Committee could consider softening the risk-weights for securitizations next year, according to Stefan Ingves, head of the committee. We think it is unlikely that the proposed Basel III capital charges would be reduced to pre-crisis levels. However, the regulator's willingness to consider compromising on capital requirements could help in reviving the sluggish ABS primary markets in Europe.
- **Proposal to Postpone Solvency II Implementation until 2016.** While the proposed delay does not come as a surprise to ABS markets, it would give the insurance industry more time to become compliant. The European Commission has put forward a [draft directive](#) to postpone the implementation of Solvency II by two years to 1 January 2016. The delay in concluding the negotiations on Omnibus II, a legislative proposal that makes significant modifications to Solvency II, has most likely resulted in the postponement proposal.
- **UK Brings Forward Help-to-buy Scheme.** The UK government has brought forward the second phase of the [help-to-buy scheme](#) by three months from the original implementation date of January 2014. The scheme aims to increase the availability of 95% LTV mortgages with state guaranteeing up to 15% of the borrowing. While RBS and Lloyds have signed up for the scheme, and Aldermore Bank intends to join next year, other major high street banks are waiting for further details from the government.
- **Bank of England Proposes Annual UK Bank Stress Tests.** The BoE has outlined plans to establish a framework for annual stress tests covering the eight largest UK banks and incorporating three scenarios. These tests are separate from the European asset quality review exercise and the findings of first such a test would be communicated publicly in 2014 ([UK Bank Stress Tests - Negative Short-Term Implications; Positive Long-Term](#)).
- **Aversion to Cédulas May Encourage Spanish Banks to Issue RMBS.** The Bank of Spain may be encouraging Spanish lenders to consider funding tools that require less over-collateralisation because of asset encumbrance related concerns, according to S&P. Cédulas Hipotecarias gives bond holders claim to the entire mortgage book of the lender whereas RMBS is generally not over-collateralised and its off balance-sheet structure prevents asset encumbrance.

Mortgage Lending and Credit Availability

- **UK Lending for House Purchase Increases 5% month-over-month.** According to Bank of England data gross lending for house purchase increased 5% month-over-month to £11.29 billion in August, whereas remortgaging activity declined 12% to £4.36 billion. Mortgage approvals increased to 62,226 from 60,914 over the same period but still remain at approximately half of pre-crisis highs.
- **Availability of High LTV Mortgages Limited in the UK.** Only 42 mortgage products are available to buyers with 5% deposits (95% LTV) whereas 505 products are available to buyers with 40% (60% LTV) deposits, reports the Financial Times. Once lenders adopt the second phase of the help to buy scheme this equation could change. Currently only three lenders, RBS, Lloyds, and Aldermore have signed up for the scheme.

- **Spain Mortgage Capital Loaned Declines 31.6% year-over-year.** Spain mortgage capital loaned declined 31.6% year-over-year to €2.8 billion in July 2013. Monthly mortgage capital loaned has declined 90% from the pre-crisis high of January 2007 and remains in a strong downtrend.

Housing and Rental Markets

- **UK House Prices Rise 6.2% year-over-year: Halifax.** Halifax house prices increased 6.2% year-over-year and 0.3% month-over-month in August. House prices are on a path to steady recovery and have now surpassed October 2008 levels.
- **Spanish Housing Permits Rise but Remain Very Low.** Spanish monthly housing permits increased to 6,525 in July from 5,175 in the previous month. The current reading is the highest in the past 12 months but it still remains 95% below the pre-crisis high of September 2006.

Commercial Real Estate

- **Flurry of CMBS Loan Maturities in October.** Timely repayment on the 36 CMBS loans maturing this month is unlikely, according to Fitch. Fitch estimates that around 14 maturing loans are already underwater and another 27 loans have loan-to-value ratios exceeding 80%. However, any partial bond repayment would strengthen already favourable technicals in the European CMBS market, which is shrinking fast.
- **Chinese Developer to Invest £500 million to Rebuild Crystal Palace.** London remains a favoured investment destination for foreign investors and real estate developers. Chinese company Shanghai Zhongrong Property Group plans to invest £500 million in redeveloping the Crystal Palace area in South London, reported Bloomberg.

Macroeconomic News

- **Spanish Car Registrations Increase 29% month-over-month.** Spanish car registrations increased 29% month-over-month to 45,175 in September. The main reason for this increase is the government subsidy plan called PIVE which gives a rebate of €2,000 to people who scrap their old car for a more efficient car.
- **Irish Unemployment Rate Declines to 13.3%.** The Irish unemployment rate declined to 13.3% in September from 13.4% in the previous month. The Irish unemployment rate has steadily dropped from the February 2012 high of 15%. Citi economists expect the Irish unemployment rate to average 13.6% and 13.2% in 2013 and 2014 respectively.
- **Italian Unemployment Rate Reaches New High.** The Italian unemployment rate increased to 12.2% in August from 12.1% in the previous month. Citi economists expect the Italian unemployment rate to average 12.2% and 12.4% in 2013 and 2014 respectively.

Tender Update

- **Italian RMBS - MEDIA 1 Tender Announced.** Banca Popolare di Puglia e Basilicata announced a tender offer for the MEDIA 1 RMBS transaction. While the announced minimum tender price for the senior bond is in line with the secondary market price, the premium for mezzanine notes look attractive (Figure 1). The tender offer is due on 10 October.

Figure 1. Banca Popolare di Puglia e Basilicata – MEDIA 1 Tender due 10 October

Bond	ISIN	Current Face(€)	Min Tender Price	Markit Price	Markit Price Date
MEDIA 1 A	IT0003805329	27,094,450	99.1	99.1	1-Oct-13
MEDIA 1 B	IT0003805345	13,000,000	95.0	87.5	14-Jun-13
MEDIA 1 C	IT0003805352	13,100,000	90.0	N/A	N/A

Source: IFR, Markit and Citi Research

- **Barclays AYTGH Tender Results.** Barclays accepted €275.4 million of Spanish RMBS notes in the recently concluded tender offer. Average accepted price reflected a premium of 0.96–6.40 pts from recent Markit prices (Figure 2).

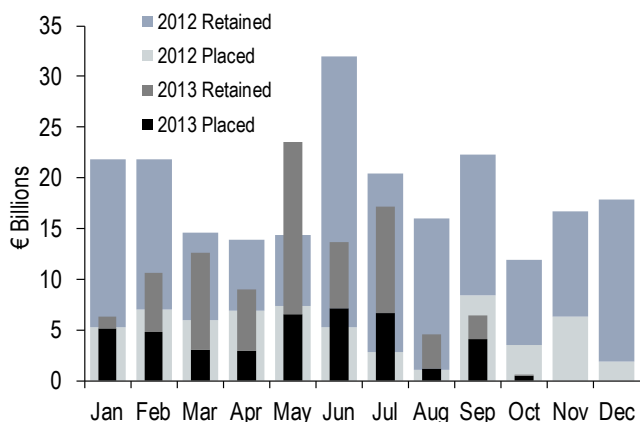
Figure 2. Barclays' AYTGH Tender Results

Bond	Amount Accepted (€)	Avg Accepted Price	Markit Price	Markit Price Date	Premium
AYTGH II A	10,350,000	92.33	87.55	17-Sep-13	4.78
AYTGH II B	0	N/A	80.44	6-May-13	N/A
AYTGH III A	13,050,000	91.13	87.36	17-Sep-13	3.77
AYTGH III B	0	N/A	77.63	18-Sep-13	N/A
AYTGH IV A	6,530,000	89.00	86.32	17-Sep-13	2.68
AYTGH IV B	6,230,000	84.00	N/A	N/A	N/A
AYTGH VI A2	52,780,000	88.67	84.73	17-Sep-13	3.94
AYTGH VI B	0	N/A	N/A	N/A	N/A
AYTGH VII A2	36,470,000	87.09	85.21	17-Sep-13	1.88
AYTGH VII B	2,030,000	76.50	75.54	18-Sep-13	0.96
AYTGH VII C	13,060,000	78.00	N/A	N/A	N/A
AYTGH VIII A2	73,130,000	88.42	84.66	17-Sep-13	3.76
AYTGH VIII B	12,100,000	76.48	70.64	17-Sep-13	5.84
AYTGH VIII C	16,750,000	75.00	68.60	10-May-13	6.40
AYTGH IX A2	31,070,000	85.15	82.68	17-Sep-13	2.47
AYTGH IX B	0	N/A	N/A	N/A	N/A
AYTGH IX C	1,850,000	69.27	N/A	N/A	N/A

Source: Concept ABS, Markit and Citi Research

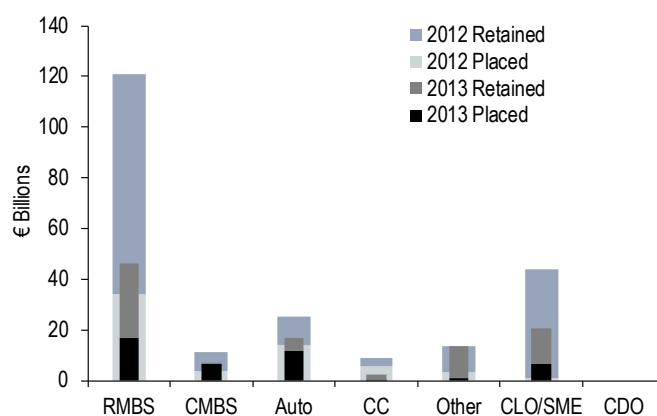
New Issuance

Figure 3. Placed and Retained Issuance by Month, 2012–2013YTD (€ billions)



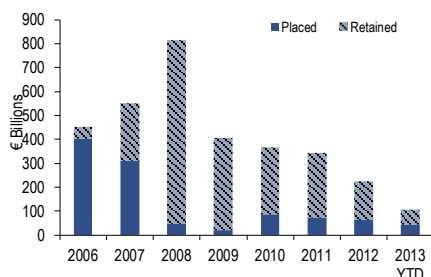
Source: Concept ABS, IFR, Informa and Citi Research

Figure 4. Placed and Retained Issuance by Sector, 2012–2013YTD (€ billions)



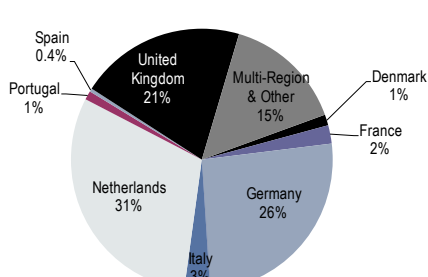
Source: Concept ABS, IFR, Informa and Citi Research

Figure 5. Annual Historical Placed and Retained Issuance, 2006–2013YTD (€ billions)



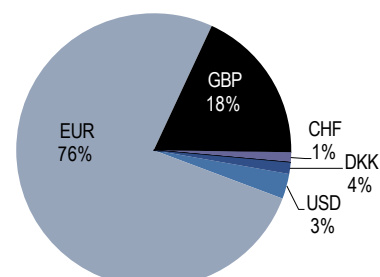
Source: Concept ABS, IFR, Informa and Citi Research

Figure 6. Placed Issuance by Region, 2013YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 7. Placed Issuance by Currency, 2013YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 8. Placed and Retained Issuance by Sector, 2012* and 2013YTD (€ million)

	RMBS(MM)		CMBS(MM)		Autos(MM)		Credit Card ABS(MM)		CLO/SME(MM)		Other(MM)		Total(MM)	
	2013YTD	2012	2013YTD	2012	2013YTD	2012	2013YTD	2012	2013YTD	2012	2013YTD	2012	2013YTD	2012
Placed	16,665	33,928	6,401	3,936	11,603	13,921	164	5,591	6,355	990	897	3,459	42,086	61,825
Retained	29,644	87,137	143	7,460	5,225	11,364	2,076	3,067	14,393	42,879	12,654	10,145	64,135	162,052
Total	46,310	121,065	6,543	11,395	16,829	25,285	2,240	8,658	20,749	43,869	13,551	13,604	106,221	223,877

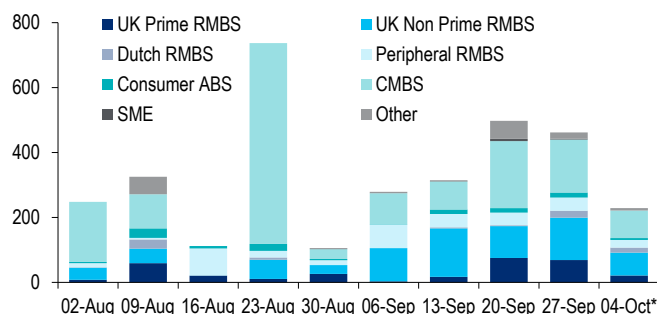
* 2012 complete year

Source: Concept ABS, IFR, Informa and Citi Research

BWIC Tracker

Weekly and Monthly BWIC Volume

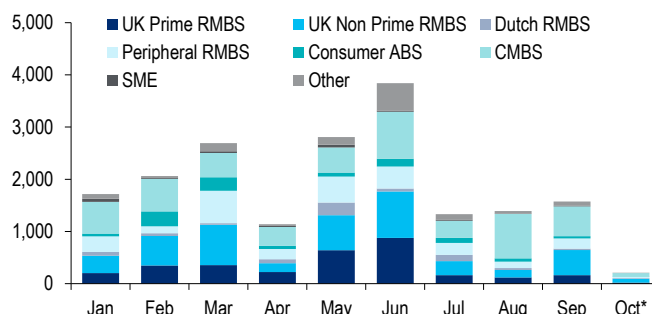
Figure 9. Weekly BWIC Volume by Sector, Aug 13–Oct 13 (\$ eq. million)



* Data until 04 Oct Morning

Source: Citi Research

Figure 10. Monthly BWIC Volume by Sector, 2013YTD (\$ eq. million)

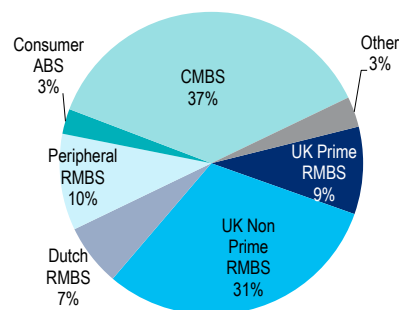


* Data until 04 Oct Morning

Source: Citi Research

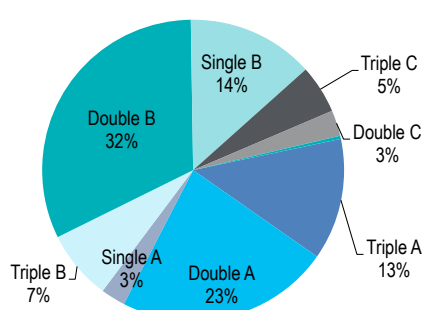
Last Week's BWIC Distribution by Sector, Rating and Currency

Figure 11. BWIC Volume Distribution by Sector, 27 Sep – 04 Oct 2013 (%)



Source: Citi Research

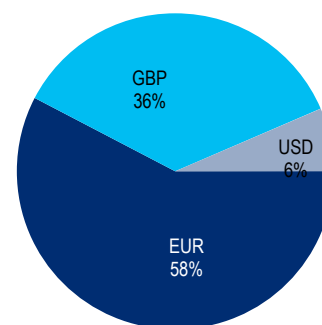
Figure 12. BWIC Volume Distribution by Current Rating*, 27 Sep – 04 Oct 2013 (%)



* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

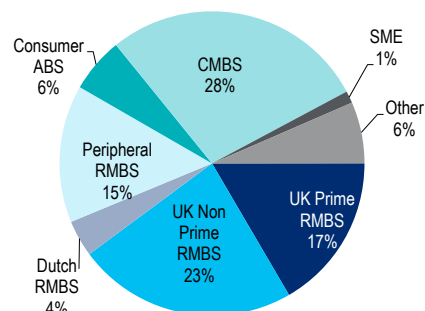
Figure 13. BWIC Volume Distribution by Currency, 27 Sep – 04 Oct 2013 (%)



Source: Citi Research

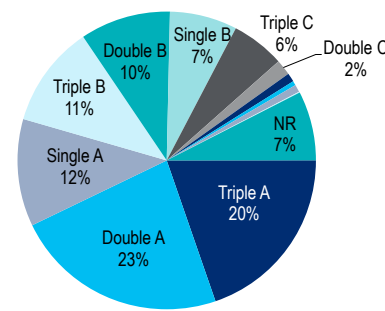
YTD BWIC Distribution by Sector, Rating and Currency

Figure 14. BWIC Volume Distribution by Sector, 2013YTD (%)



Source: Citi Research

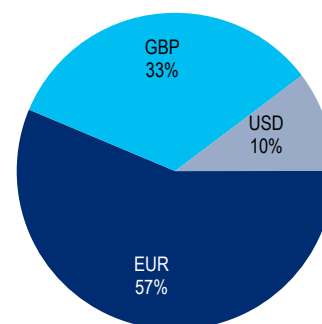
Figure 15. BWIC Volume Distribution by Current Rating*, 2013YTD (%)



* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

Figure 16. BWIC Volume Distribution by Currency, 2013YTD (%)



Source: Citi Research

Figure 17. BWIC Volume and Number of Bonds by Sector and Current Rating*, 27 Sep – 04 Oct 2013 and 2013 YTD

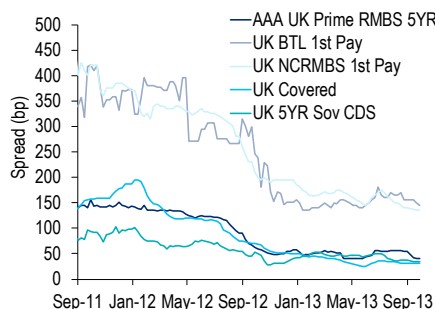
Sector	Rating*	27 Sep – 04 Oct		YTD	
		Volume (MM USD EQ)	Number of Bonds	Volume (MM USD EQ)	Number of Bonds
UK Prime RMBS	Triple A	9.4	11	1,515	290
	Double A	11.9	6	1,270	327
	Single A	-	-	68	8
	Lower and Not Rated	-	-	261	64
	Total	21.3	17	3,113	689
UK Non Prime RMBS	Triple A	-	-	271	46
	Double A	40.3	5	1,899	333
	Single A	-	-	791	121
	Lower and Not Rated	30.2	6	1,400	291
	Total	70.5	11	4,361	791
Dutch RMBS	Triple A	15.1	9	495	117
	Double A	-	-	77	9
	Single A	-	-	51	18
	Lower and Not Rated	-	-	104	35
	Total	15.1	9	728	179
Peripheral RMBS	Double A	-	-	652	49
	Single A	-	-	575	126
	Triple B	10.8	1	602	124
	Double B	12.7	1	280	45
	Single B	-	-	146	50
	Triple C	-	-	192	56
	Lower and Not Rated	-	-	293	123
	Total	23.5	2	2,740	573
CMBS	Triple A	-	-	73	8
	Double A	-	-	202	42
	Single A	-	-	434	76
	Lower and Not Rated	84.8	15	4,545	648
	Total	84.8	15	5,254	774
Consumer ABS	Triple A	5.4	8	709	211
	Double A	-	-	184	16
	Single A	-	-	56	35
	Lower and Not Rated	0.8	1	145	73
	Total	6.1	9	1,093	335
SME	Double A	-	-	5	2
	Single A	-	-	74	27
	Triple B	-	-	26	19
	Double B	-	-	32	18
	Single B	-	-	38	18
	Lower and Not Rated	-	-	67	42
	Total	-	-	241	126
Other	Triple A	-	-	632	133
	Double A	-	-	52	13
	Single A	6.1	1	135	31
	Triple B	-	-	90	23
	Double B	-	-	94	16
	Single B	1.4	1	64	11
	Triple C	-	-	90	11
	Lower and Not Rated	-	-	68	19
	Total	7.4	2	1,226	257
Grand Total		228.8	65	18,755.3	3,724

* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

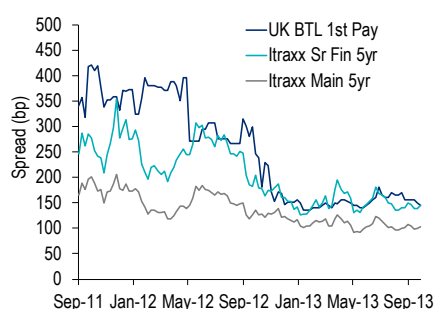
Core RMBS Spreads and Relative Value

Figure 18. UK RMBS Seniors Versus Indexes, Sep 11 – Sep 13



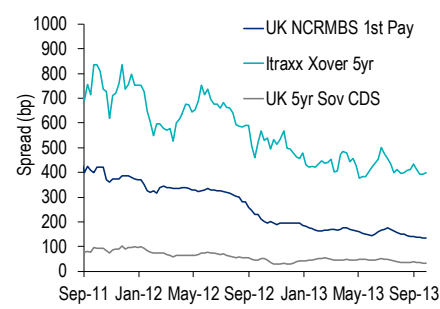
Source: Markit and Citi Research

Figure 19. UK BTL RMBS Seniors Versus Indexes, Sep 11 – Sep 13



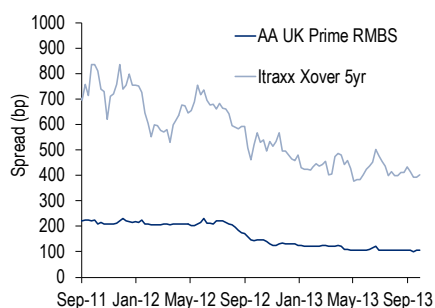
Source: Markit and Citi Research

Figure 20. UK NCRMBS Seniors Versus Indexes, Sep 11 – Sep 13



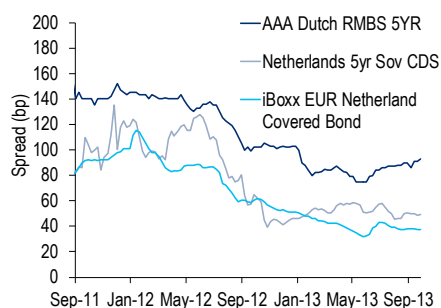
Source: Markit and Citi Research

Figure 21. UK Prime RMBS Subordinates Versus Index, Sep 11 – Sep 13



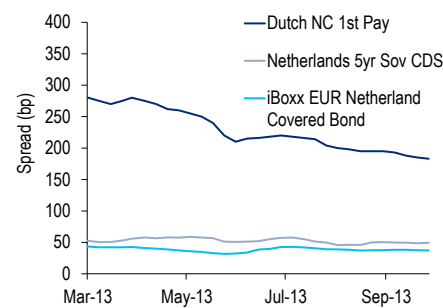
Source: Markit and Citi Research

Figure 22. Dutch RMBS Seniors Versus Indexes, Sep 11 – Sep 13



Source: Markit and Citi Research

Figure 23. Dutch NC 1st Pay Versus Indexes, Mar 13 – Sep 13



Source: Markit and Citi Research

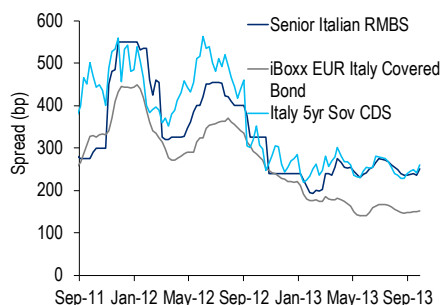
Figure 24. UK Prime, UK NC, UK BTL, Dutch Prime and Dutch NC Spread Changes and Statistics, 2013YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ From Low	2013 High	Δ From High
UK	Prime RMBS	AAA 1YR	31	-2	-4	-7	-	23	8	38	-7
		AAA 3YR	35	-3	-9	-12	-	32	3	47	-12
		AAA 5YR	40	0	-15	-15	-22	40	0	56	-16
		Mezz	105	0	0	0	-40	100	5	125	-20
	Buy to Let	PARGN 1st Pay	145	-5	-10	-20	-101	135	10	180	-35
		PARGN 2nd Pay	240	-5	-5	-15	-	230	10	275	-35
		PARGN 3rd Pay	365	0	0	15	-	325	40	375	-10
		AIREM AAA	103	0	-15	-48	-	103	0	160	-57
		AIREM AA	193	0	-47	-52	-	189	4	250	-57
		AIREM BBB	299	0	-31	-36	-	293	6	350	-51
Netherlands	Non-Conforming RMBS	NC 1st Pay	135	-1	-5	-40	-75	135	0	183	-48
		NC 2nd Pay	228	-2	-7	-42	-	220	8	315	-87
	Covered Bonds	iBoxx EUR UK	30	-1	-1	-6	-39	24	6	50	-20
		Sovereign CDS	34	0	-4	-16	-19	34	0	53	-20
	Prime RMBS	AAA 1YR	51	1	1	6	-	33	18	51	0
		AAA 3YR	71	1	1	8	-	54	17	76	-5
		AAA 5YR	93	2	3	7	-9	75	18	100	-7
		Mezz	185	0	0	0	-	160	25	200	-15
	Non-Conforming	NC 1st Pay	183	-2	-12	-35	-	183	0	320	-137
		NC 2nd Pay	232	-3	-18	-46	-	232	0	365	-133
		NC 3rd Pay	435	-5	-25	-63	-	435	0	675	-240
	Covered Bonds	iBoxx EUR Netherland	37	0	0	-6	-23	32	6	51	-13
		Sovereign CDS	49	1	-1	-8	-15	46	4	59	-9

Source: Markit and Citi Research

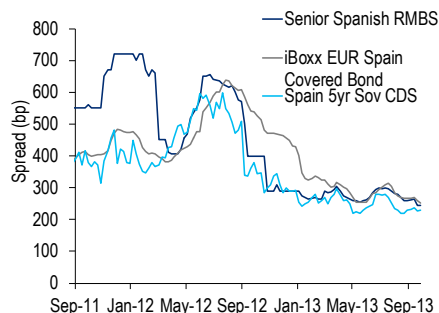
Peripheral RMBS and Relative Value

Figure 25. Italian RMBS Seniors Versus Indexes, Sep 11 – Sep 13



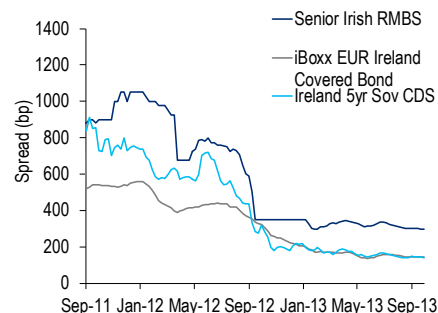
Source: Markit and Citi Research

Figure 26. Spanish RMBS Seniors Versus Indexes, Sep 11 – Sep 13



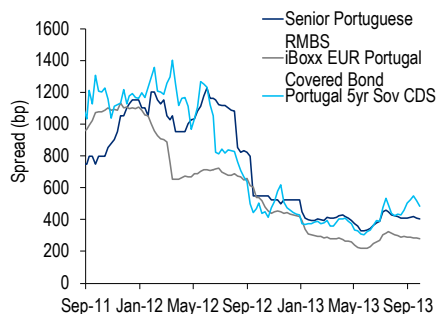
Source: Markit and Citi Research

Figure 27. Irish RMBS Seniors Versus Indexes, Sep 11 – Sep 13



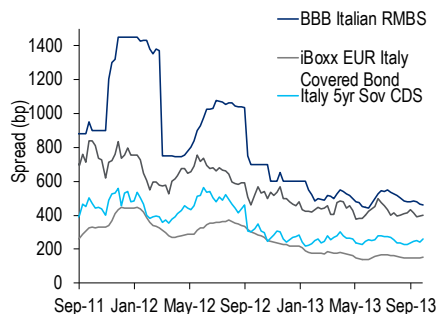
Source: Markit and Citi Research

Figure 28. Portuguese RMBS Seniors Versus Indexes, Sep 11 – Sep 13



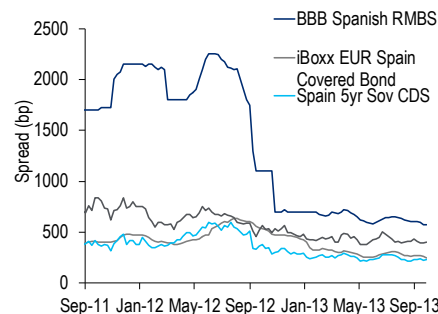
Source: Markit and Citi Research

Figure 29. Italian RMBS Subordinates Versus Indexes, Sep 11 – Sep 13



Source: Markit and Citi Research

Figure 30. Spanish RMBS Subordinates Versus Indexes, Sep 11 – Sep 13



Source: Markit and Citi Research

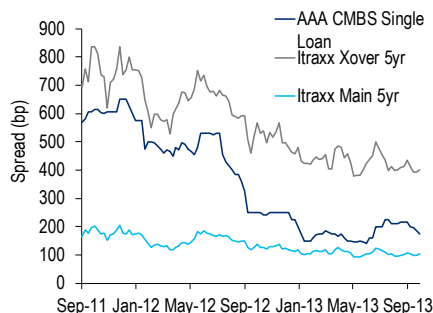
Figure 31. Peripheral RMBS Spread Changes and Statistics, 2013YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Italy	RMBS	AAA Italy	250	15	15	-22	-75	193	57	275	-25
		AA Italy	295	10	10	-27	-	255	40	325	-30
		A Italy	358	8	3	-49	-	323	35	440	-82
		BBB Italy	460	-5	-20	-82	-240	444	16	600	-140
	Covered Bonds	iBoxx EUR Italy	151	2	4	-15	-135	140	11	211	-60
	Sovereign CDS	Italy Sovereign 5YR	260	19	22	-15	-91	219	41	300	-40
Spain	RMBS	AAA Spain	243	-2	-17	-54	-157	243	0	305	-62
		AA Spain	355	-5	-20	-43	-	340	15	410	-55
		A Spain	515	-5	-20	-45	-	505	10	690	-175
		BBB Spain	570	-5	-35	-70	-530	570	0	725	-155
	Covered Bonds	iBoxx EUR Spain	251	-9	-17	-51	-288	251	0	401	-151
	Sovereign CDS	Spain Sovereign 5YR	229	1	1	-46	-151	218	11	296	-67
Portugal	RMBS	AAA Portugal	405	-5	-5	-45	-145	328	77	460	-55
		AA Portugal	485	0	5	-40	-	428	57	595	-110
		A Portugal	585	-5	-5	-55	-	512	73	740	-155
		BBB Portugal	660	-5	-5	-60	-	594	66	840	-180
	Covered Bonds	iBoxx EUR Portugal	277	-5	-11	-29	-260	218	59	392	-115
	Sovereign CDS	Portugal Sovereign 5YR	485	-33	-21	13	-18	304	181	548	-63
Ireland	RMBS	AAA Ireland	297	2	-5	-33	-53	295	2	349	-52
		AA Ireland	550	-2	-5	-45	-	440	110	600	-50
		A Ireland	695	0	-5	-50	-	575	120	750	-55
		BBB Ireland	930	0	-12	-60	-	750	180	1000	-70
	Covered Bonds	iBoxx EUR Ireland	142	-1	-1	-14	-180	136	5	200	-58
	Sovereign CDS	Ireland Sovereign 5YR	141	-1	-7	-22	-176	140	1	197	-56

Source: Markit and Citi Research

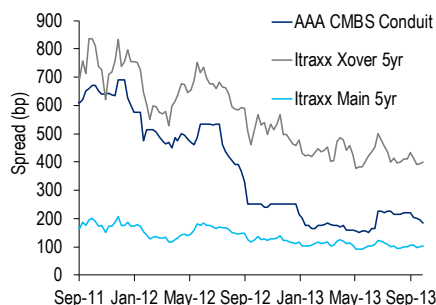
CMBS and CLO Spreads and Relative Value

Figure 32. AAA CMBS Single Loan Versus Indexes, Sep 11 – Sep 13



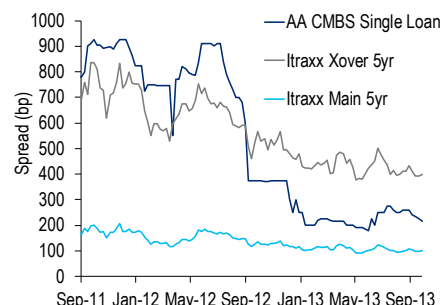
Source: Markit and Citi Research

Figure 33. AAA CMBS Conduit Versus Indexes, Sep 11 – Sep 13



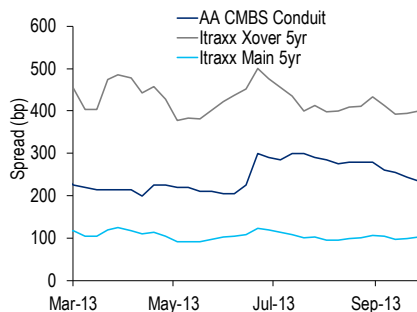
Source: Markit and Citi Research

Figure 34. AA CMBS Single Loan Versus Indexes, Sep 11 – Sep 13



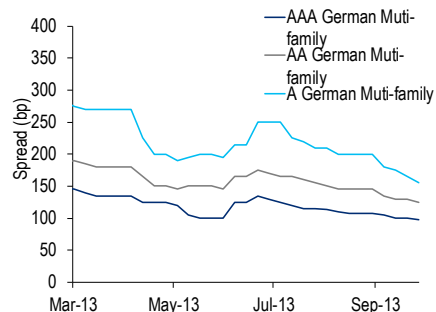
Source: Markit and Citi Research

Figure 35. AA CMBS Conduit Versus Indexes, Mar 13 – Sep 13



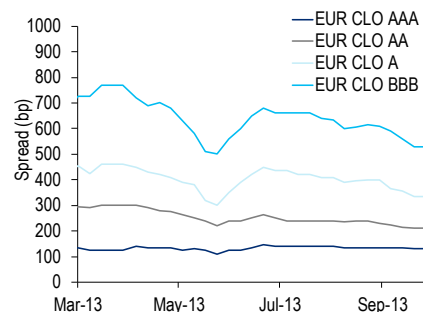
Source: Markit and Citi Research

Figure 36. German Multifamily Spreads, Mar 13 – Sep 13



Source: Citi Research

Figure 37. EUR CLO Spreads, Mar 13 – Sep 13



Source: Citi Research

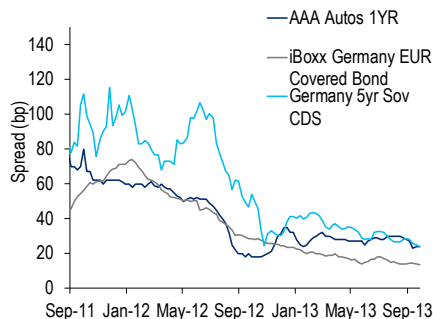
Figure 38. CMBS, WBS and CLO Spread Changes and Statistics, 2013YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Europe	CMBS	AAA German Multi	98	-2	-10	-27	-	98	0	150	-52
		AAA Single Loan	175	-10	-40	-25	-75	140	35	225	-50
		AAA Conduit	185	-10	-35	-35	-65	150	35	225	-40
		AAA Fixed	120	-5	-10	-25	-	110	10	225	-105
		AA German Multi	125	-5	-20	-40	-	125	0	225	-100
		AA Single Loan	215	-10	-45	-35	-160	180	35	275	-60
		AA Conduit	235	-10	-45	-50	-140	200	35	300	-65
		AA Fixed	145	-10	-30	-45	-	145	0	250	-105
		A German Multi	155	-10	-45	-95	-	155	0	350	-195
		A Single Loan	405	-10	-45	5	-295	250	155	450	-45
		A Conduit	430	-10	-45	30	-270	270	160	475	-45
		A Fixed	255	-10	-30	-45	-	210	45	495	-240
	CLO	AAA	130	0	-5	-10	-	110	20	150	-20
		AA	210	0	-20	-30	-	210	0	300	-90
		A	335	0	-65	-100	-	300	35	460	-125
		BBB	530	0	-80	-130	-	500	30	800	-270
	WBS	AAA	160	-5	-25	-65	-	160	0	300	-140
		AA	190	-10	-30	-60	-	190	0	350	-160
		A	270	-10	-30	-80	-	270	0	425	-155
		BBB	440	-10	-55	-135	-	390	50	600	-160

Source: Markit and Citi Research

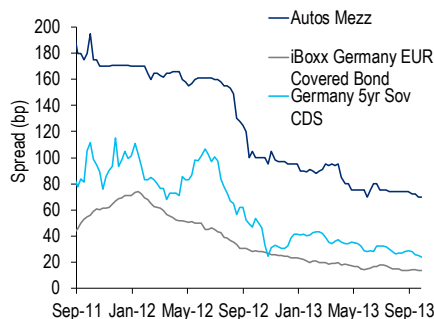
Auto and Credit Card ABS Spreads and Relative Value

Figure 39. European Auto Seniors Versus Indexes, Sep 11 – Sep 13



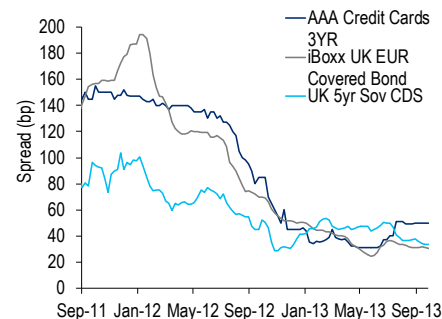
Source: Markit and Citi Research

Figure 40. European Auto Mezz Versus Indexes, Sep 11 – Sep 13



Source: Markit and Citi Research

Figure 41. UK Credit Card ABS Versus Indexes, Sep 11 – Sep 13



Source: Markit and Citi Research

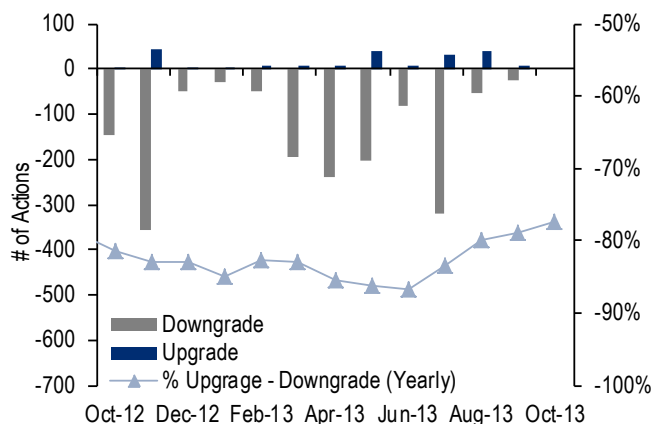
Figure 42. European Autos and UK Credit Card ABS Spread Changes and Statistics, 2013YTD

Country	Product	Product	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Europe	Autos	1YR	24	1	-5	-5	4	23	1	32	-8
		3YR	45	3	0	2	-	38	7	45	0
		5YR	60	5	0	-1	-	55	5	63	-3
		Mezz	70	-2	-4	-5	-35	70	0	95	-25
Germany	Automobile and Parts Index	iBoxx EUR Automobile & Parts	55	-1	7	-11	-72	47	8	91	-36
		iBoxx EUR Germany	14	-1	0	-4	-15	14	0	23	-9
		Sovereign 5YR	25	-1	-3	-7	-22	25	0	43	-18
UK	Credit Cards	1YR	38	0	0	8	-	25	13	38	0
		3YR	50	0	1	13	-35	31	19	51	-1
		5YR	58	0	1	10	-14	42	16	63	-5
		Mezz	110	0	0	0	-	89	21	127	-17
	Covered Bonds	iBoxx EUR UK	31	0	0	-5	-39	24	7	50	-19
	Sovereign CDS	Sovereign 5YR	34	-1	-3	-16	-12	34	0	53	-20

Source: Markit and Citi Research

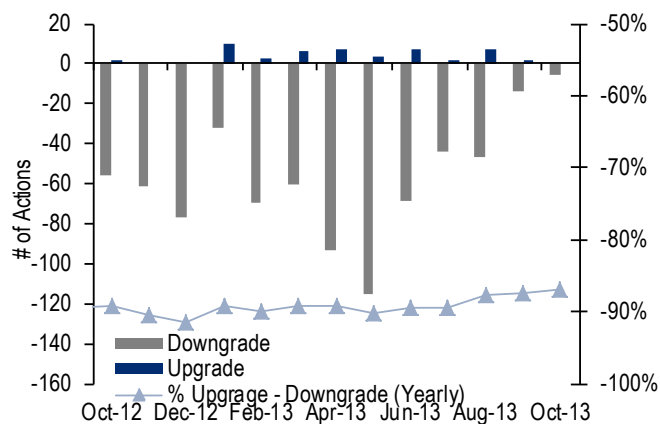
Rating Actions and Trends

Figure 43. European RMBS Rating Upgrades and Downgrades, Oct 12 – Oct 13



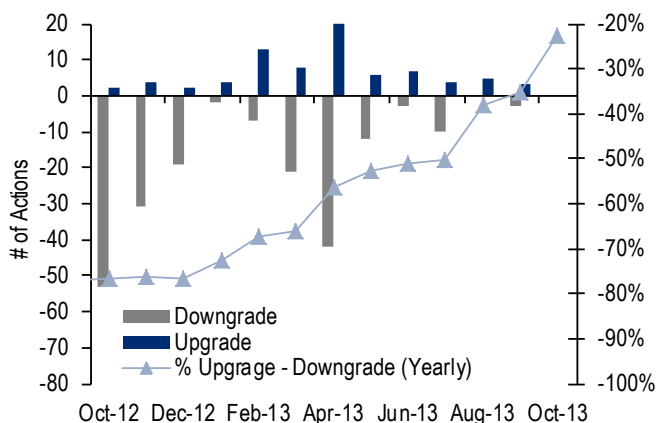
Source: Moody's, S&P and Fitch

Figure 44. European CMBS Rating Upgrades and Downgrades, Oct 12 – Oct 13



Source: Moody's, S&P and Fitch

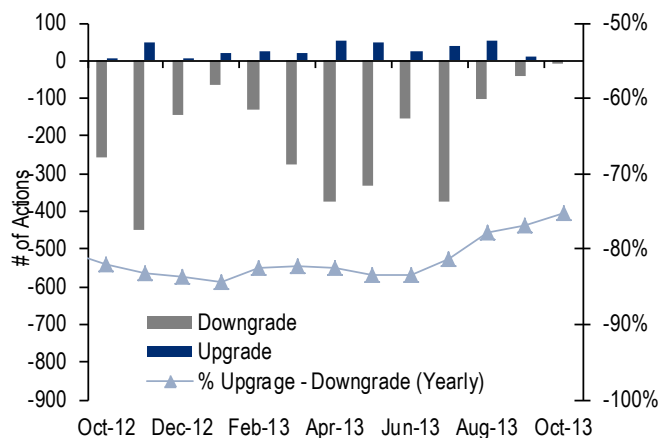
Figure 45. European ABS* Rating Upgrades and Downgrades, Oct 12 – Oct 13



* ABS includes – European Lease ABS, European Consumer ABS, SME ABS, Auto ABS, UK Credit Card ABS, NPL ABS

Source: Moody's, S&P and Fitch

Figure 46. European Total Securitized Products Rating Upgrades and Downgrades, Oct 12 – Oct 13



Source: Moody's, S&P and Fitch

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Notes

Notes

Appendix A-1

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