



European 4Q17 Survey: Investor Expectations

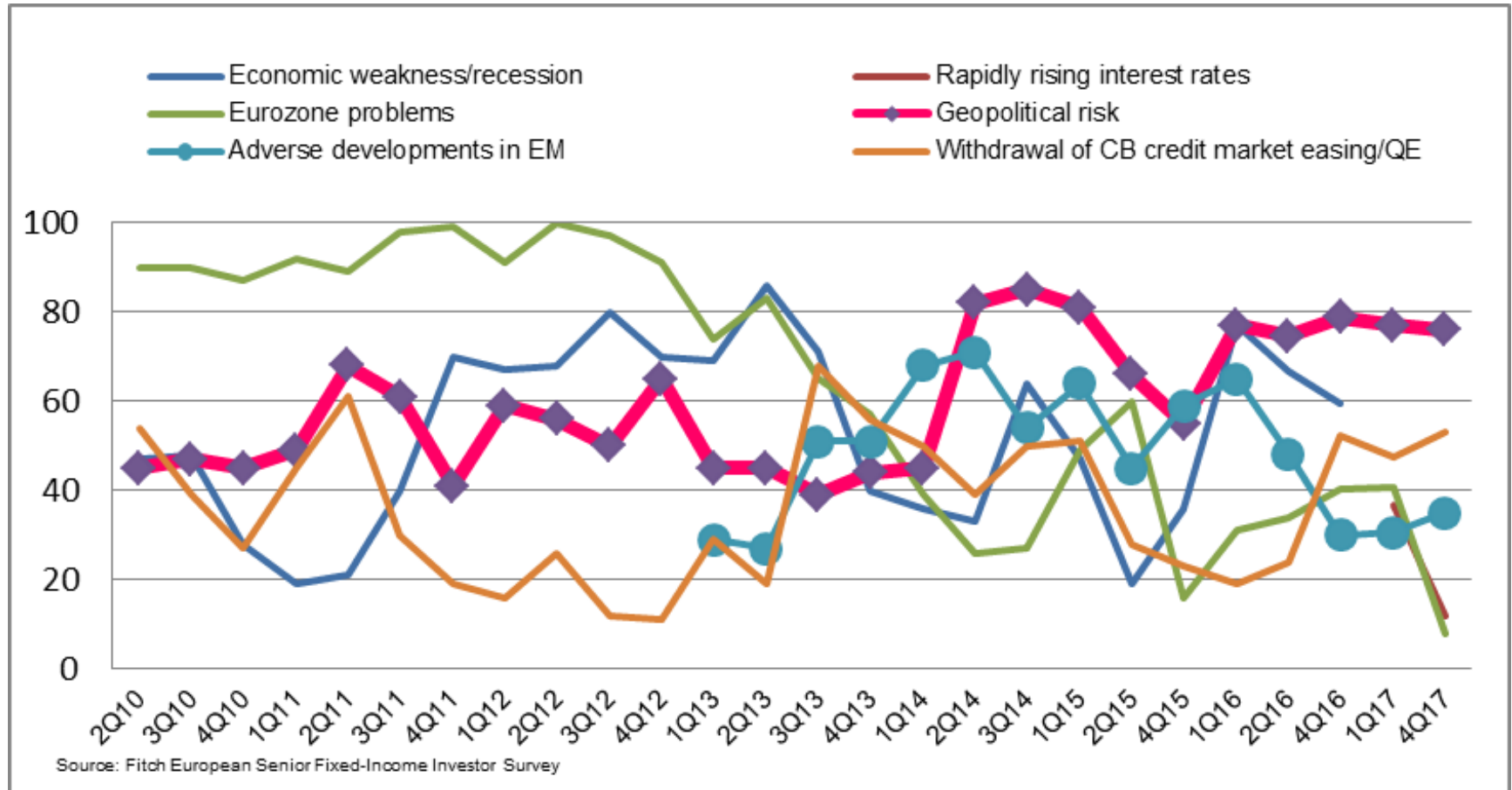
XV Russian Bond Congress

Nikolai Lukashevich, Senior Director, Head of Russia/CIS Corporates, Fitch Ratings

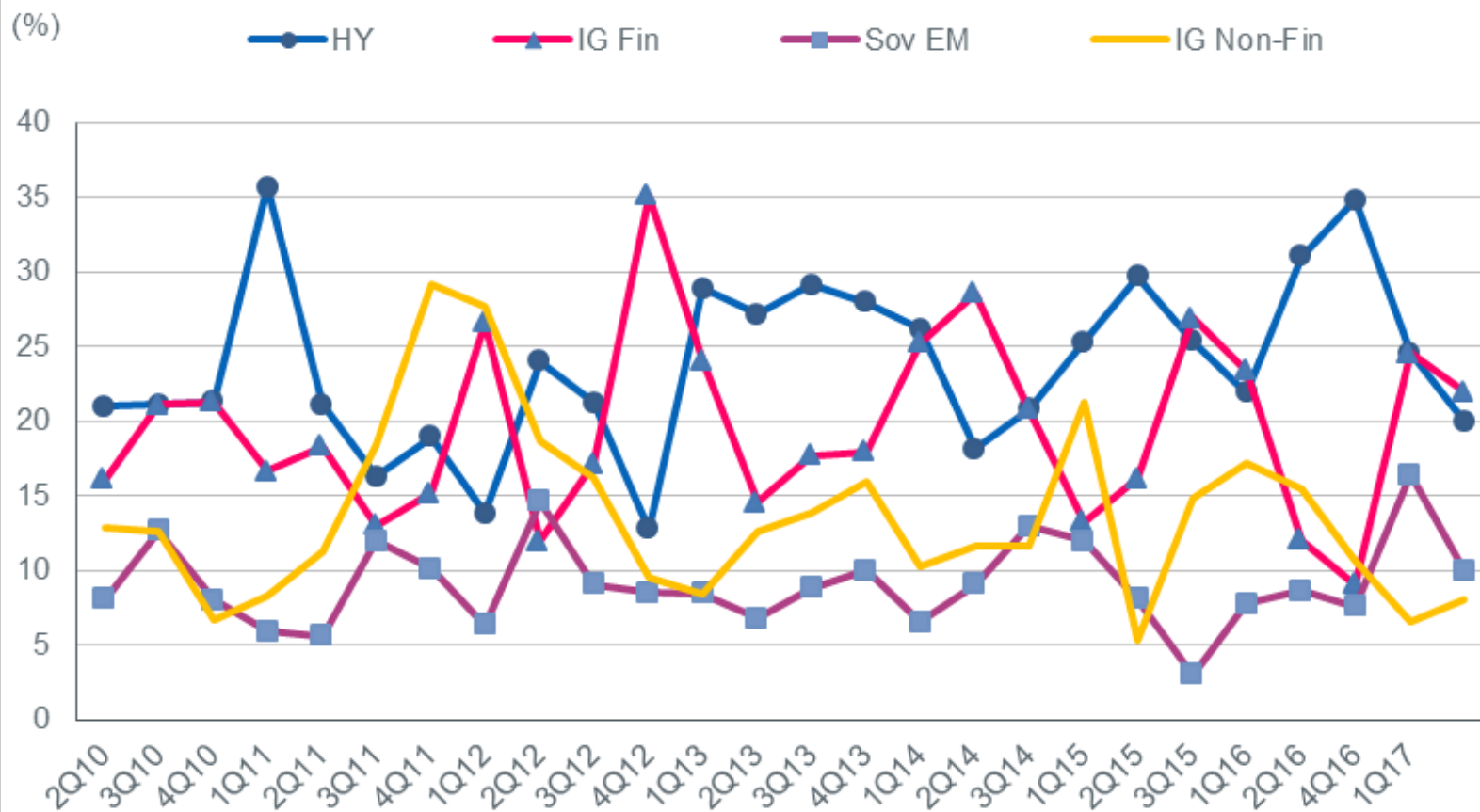
7 December 2017

FitchRatings

Political Risk Firmly At The Top

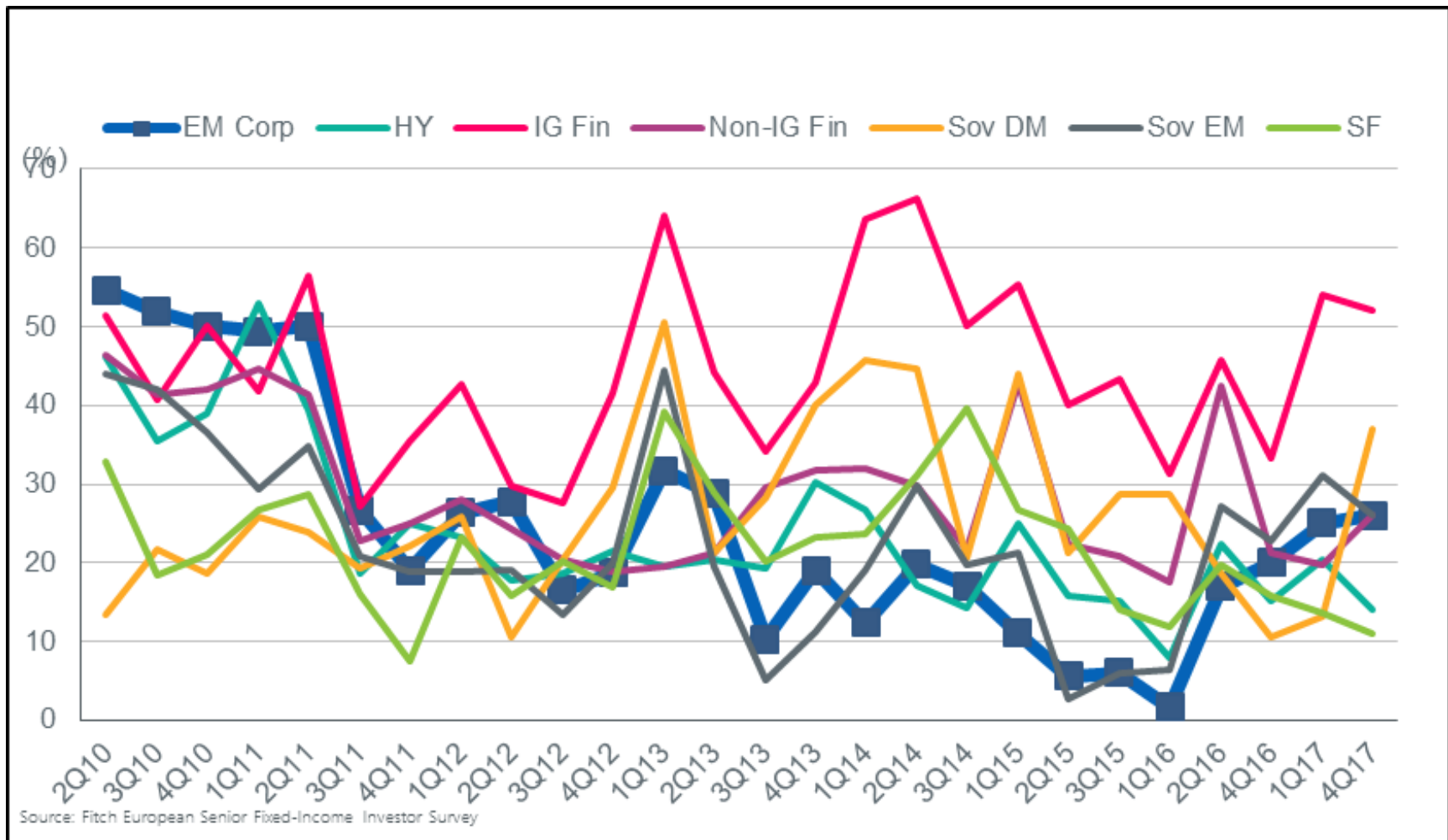


Most Favoured: High Yield and IG Financials

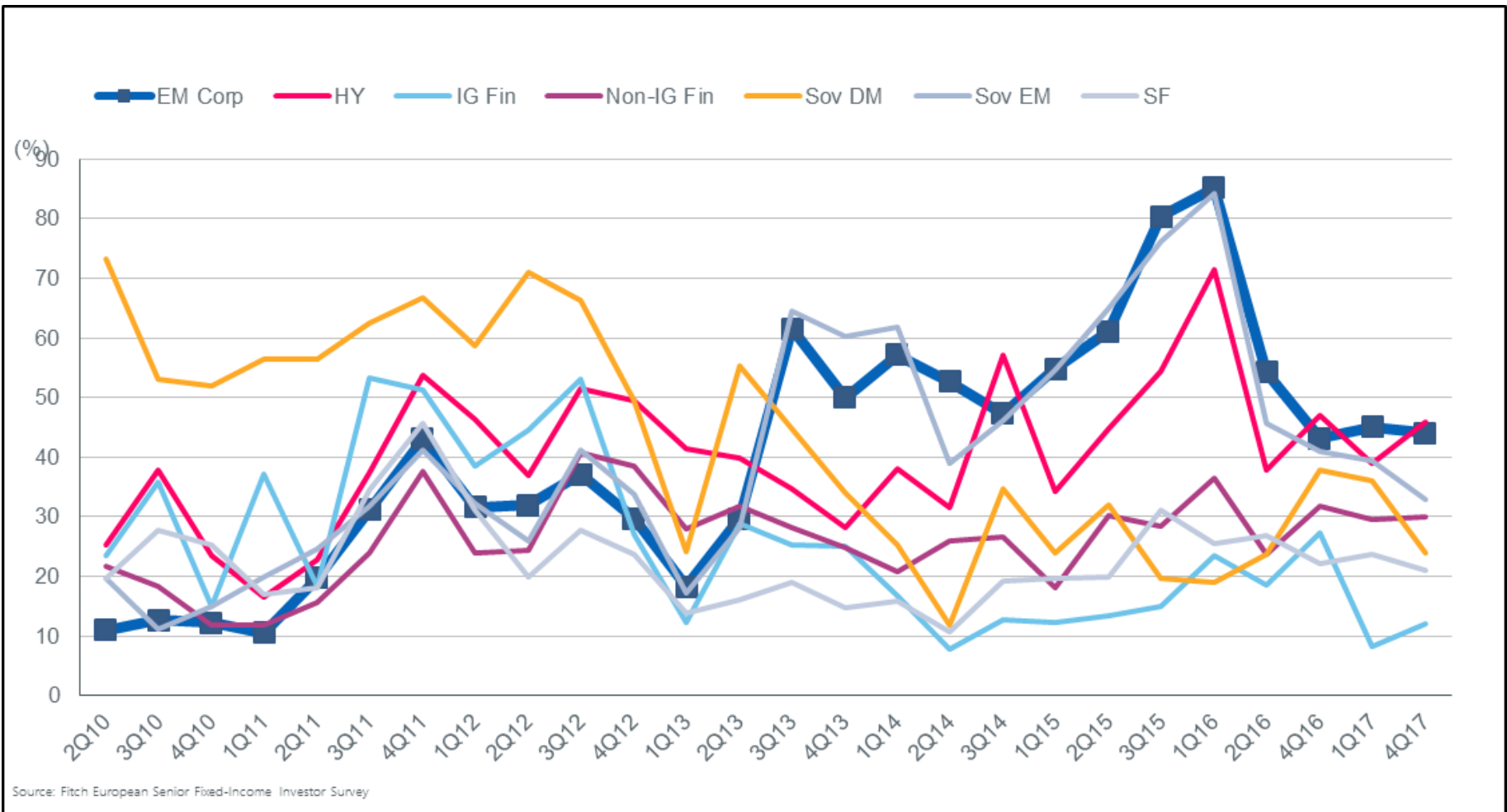


Source: Fitch European Senior Fixed-Income Investor Survey

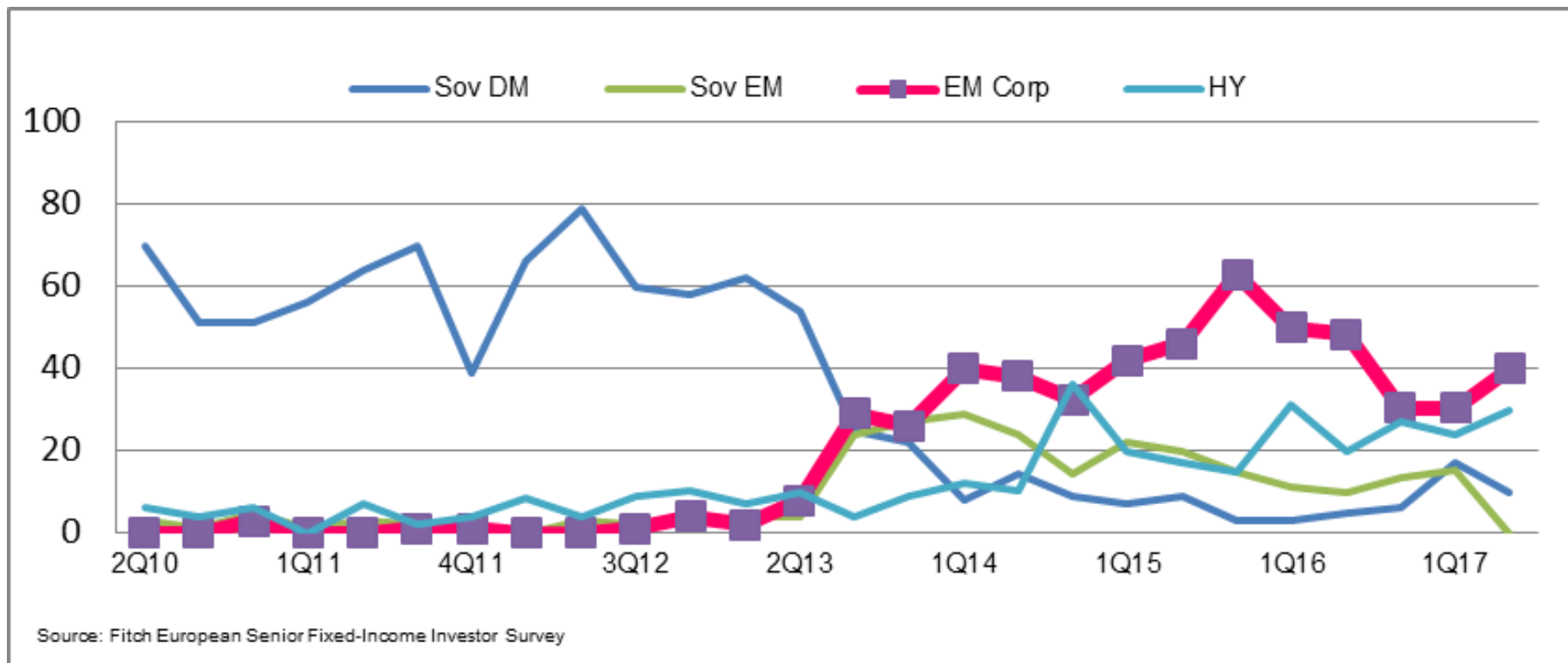
Expectations of Improving Fundamental Credit Conditions



Expectations of Worsening Fundamental Credit Conditions

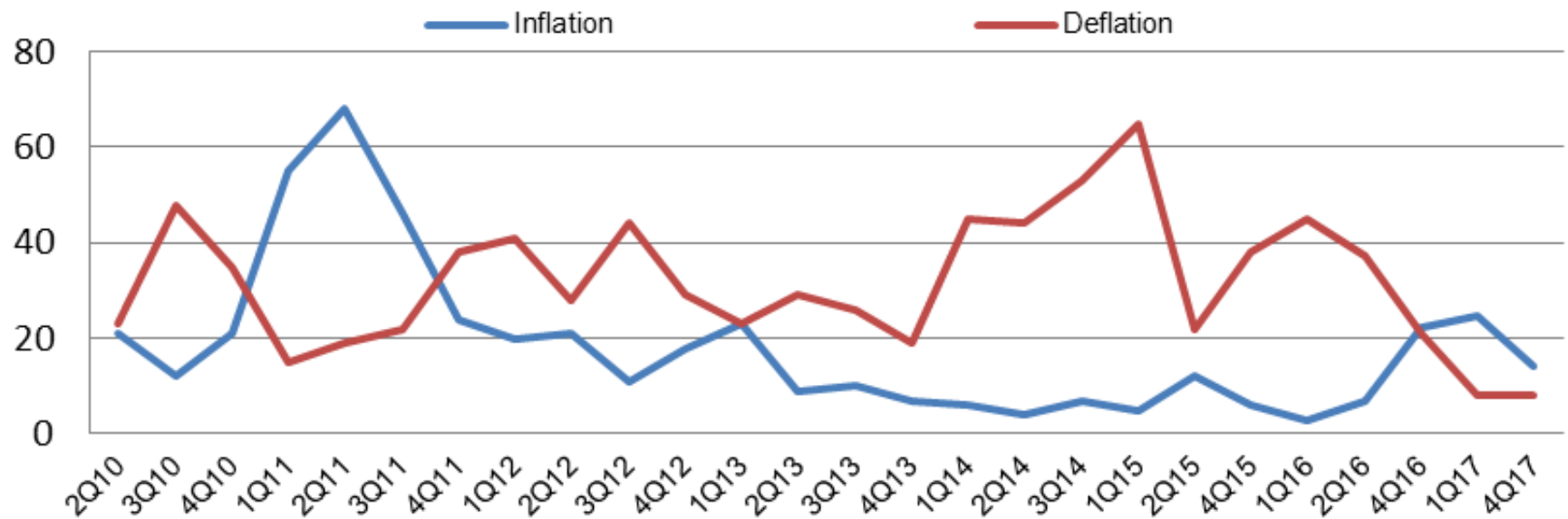


Refinancing Risk Perception Rising



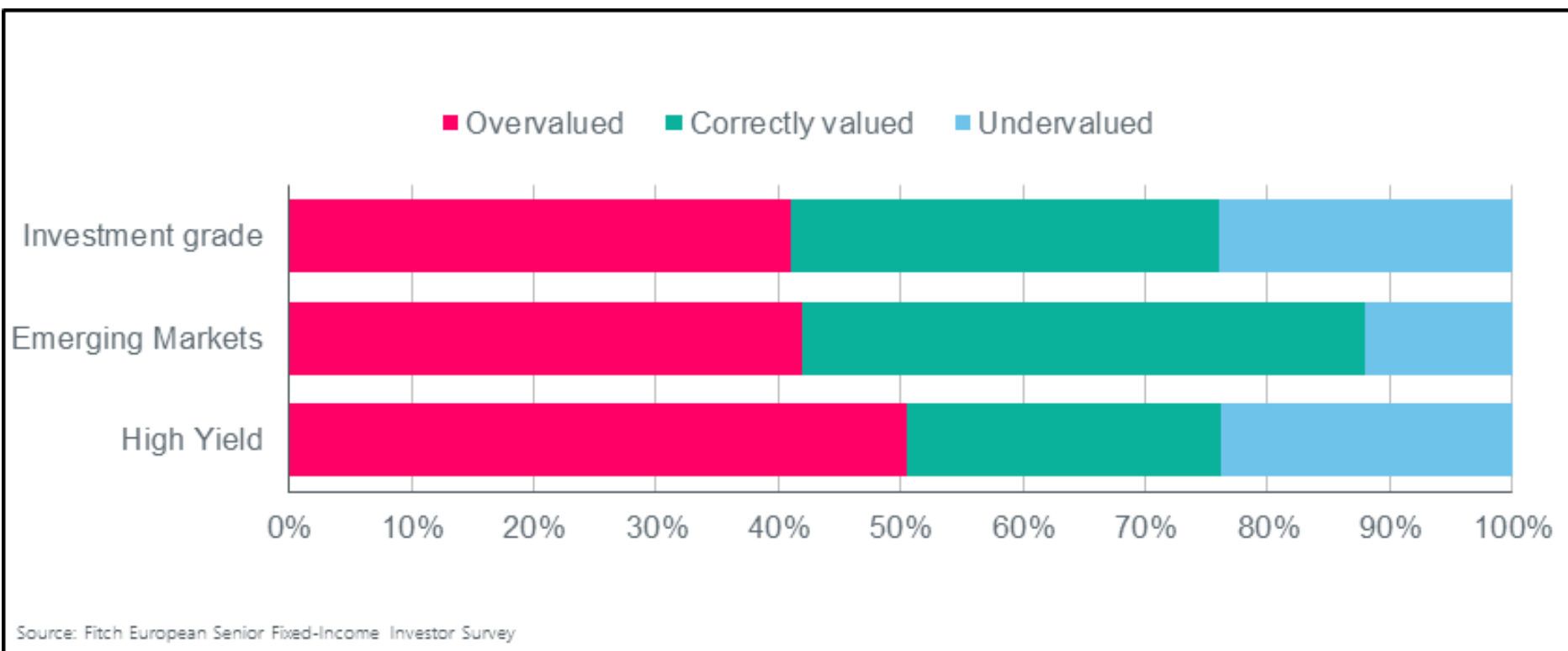


High Risk of Inflation vs Deflation

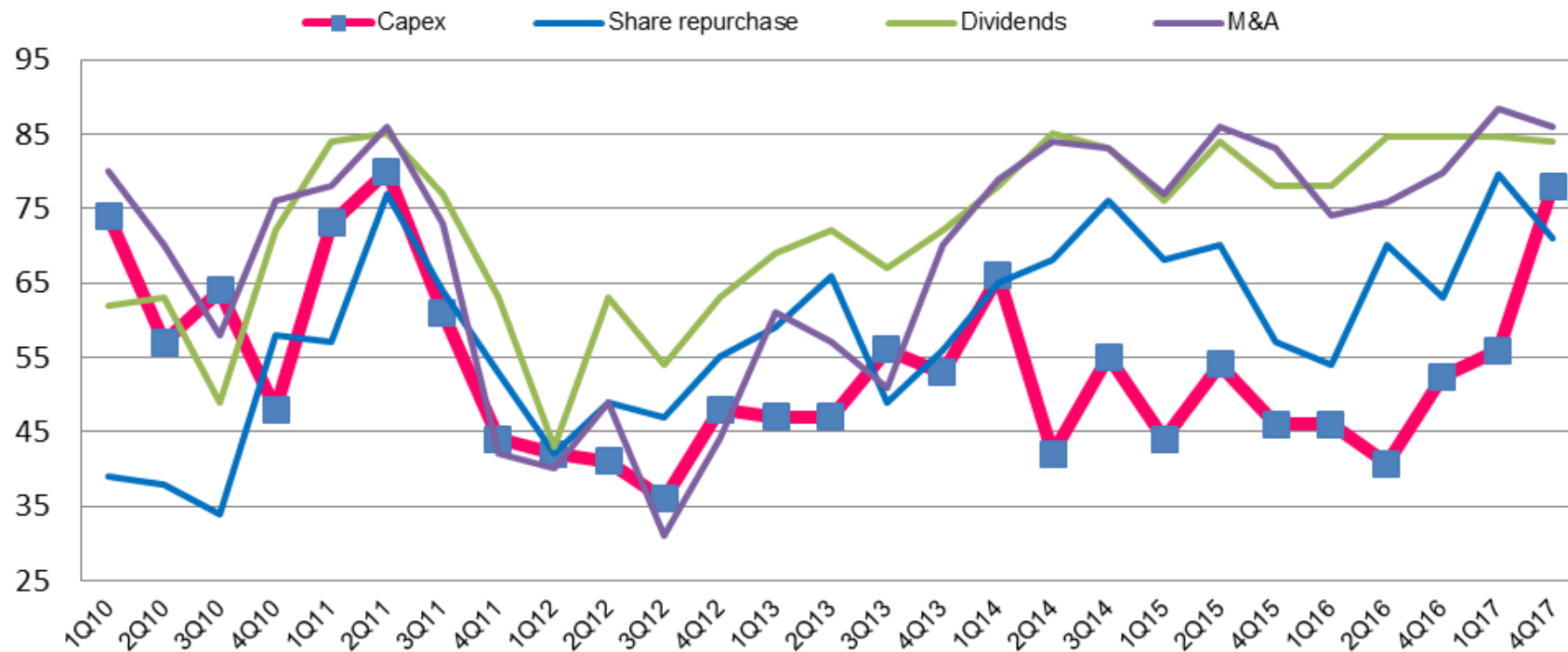


Source: Fitch European Senior Fixed-Income Investor Survey

Are spreads correctly valuing risk in these corporate credit segments?



Corporate Cash Spend Expectations: Rising Capex Optimism

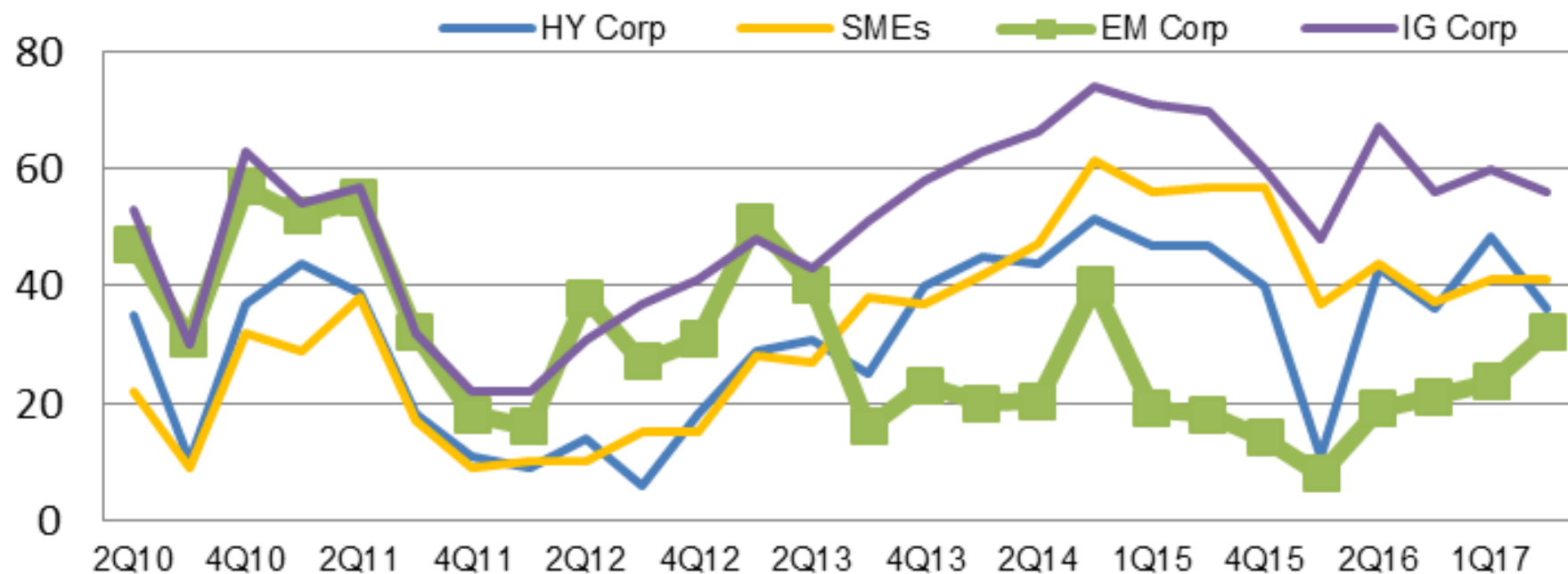


Source: Fitch European Senior Fixed-Income Investor Survey

Lending Conditions: Flat Outlook



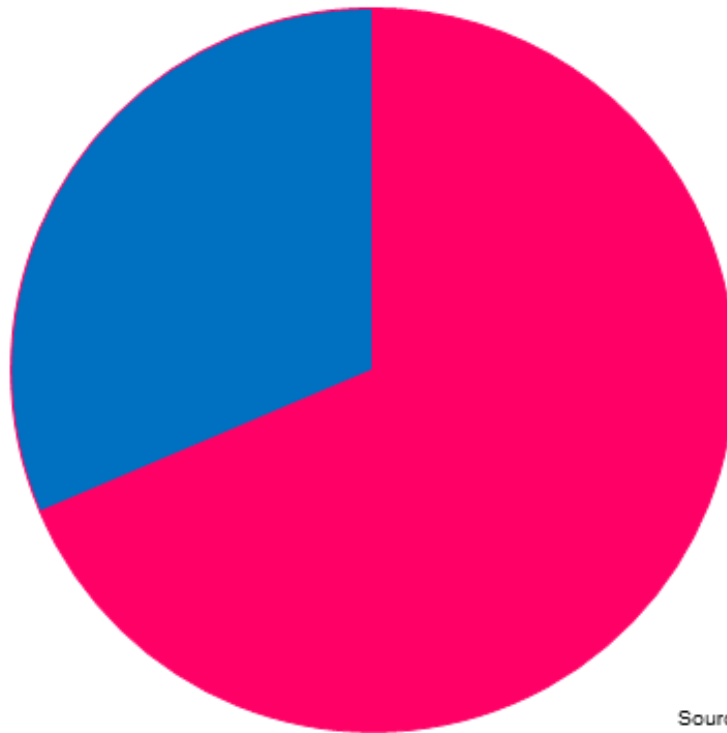
(Loosening Significantly + Moderately)



Source: Fitch European Senior Fixed-Income Investor Survey



How long will ECB asset purchases continue?

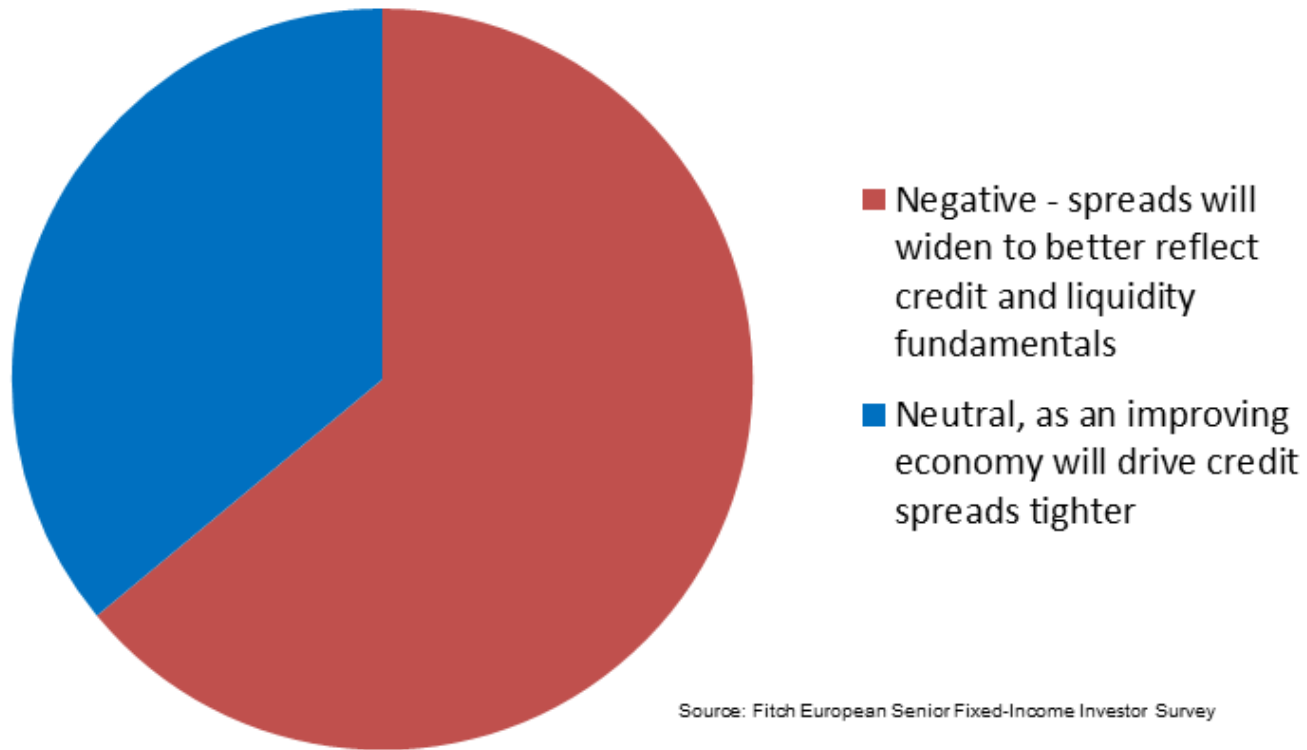


- They will be gradually phased out in the course of 2018
- They will be reduced in scale but will persist well into 2019
- They will be halted abruptly after the end of 2017

Source: Fitch European Senior Fixed-Income Investor Survey



The impact of ECB tapering on corporate funding costs will be:



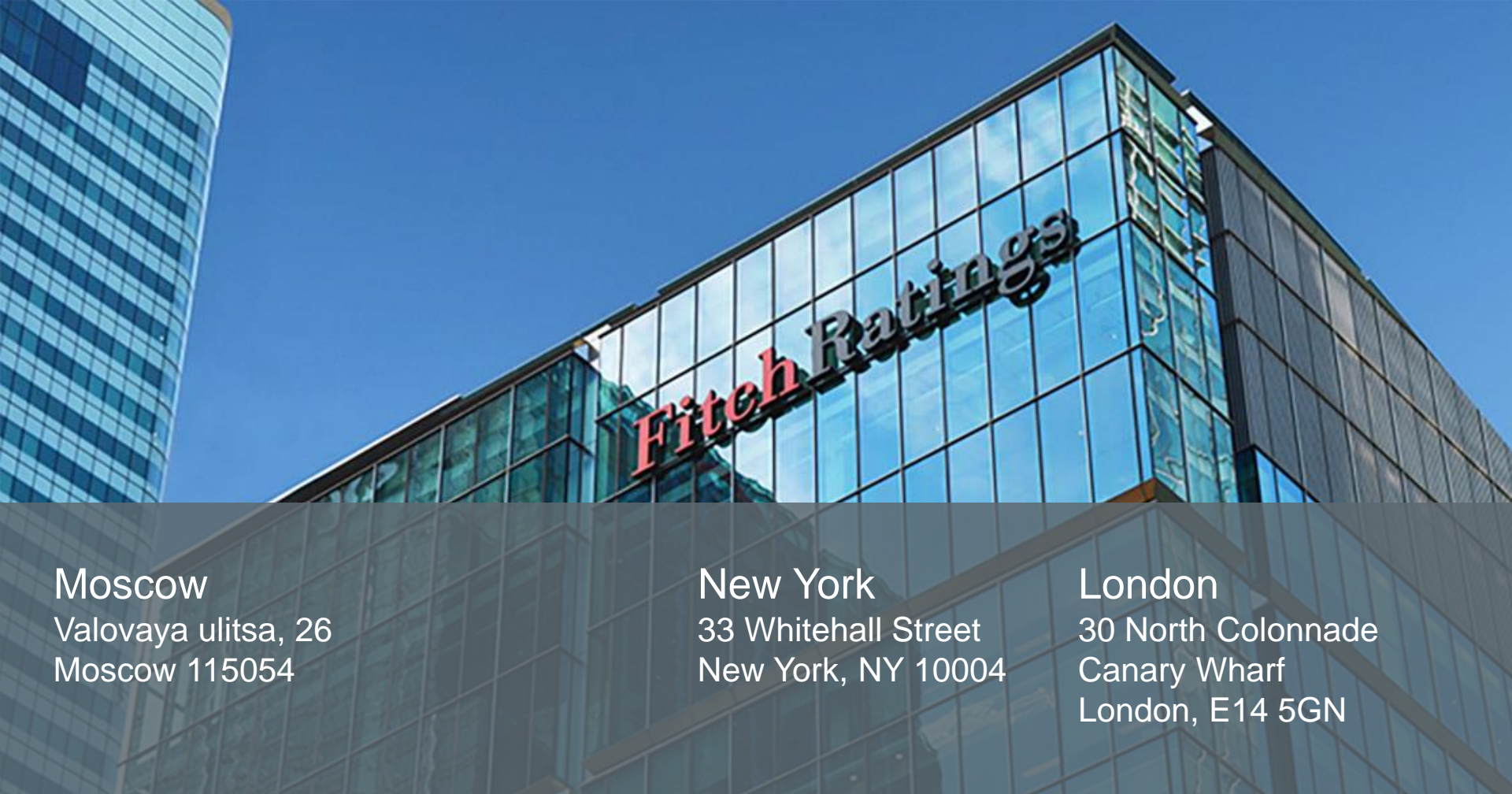
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