

THE PRIVATE PLACEMENT MARKET FOR CORPORATE DEBT

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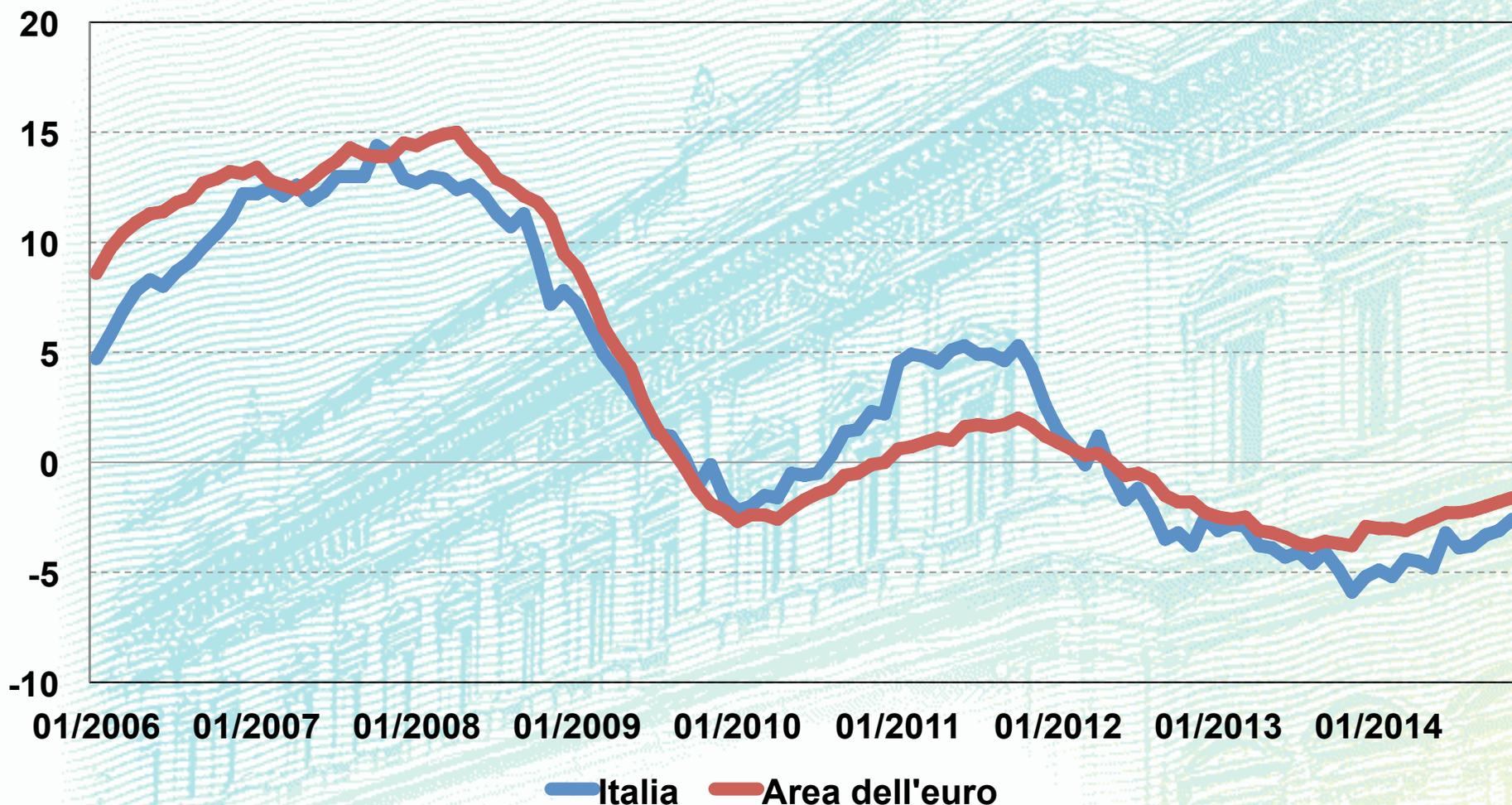
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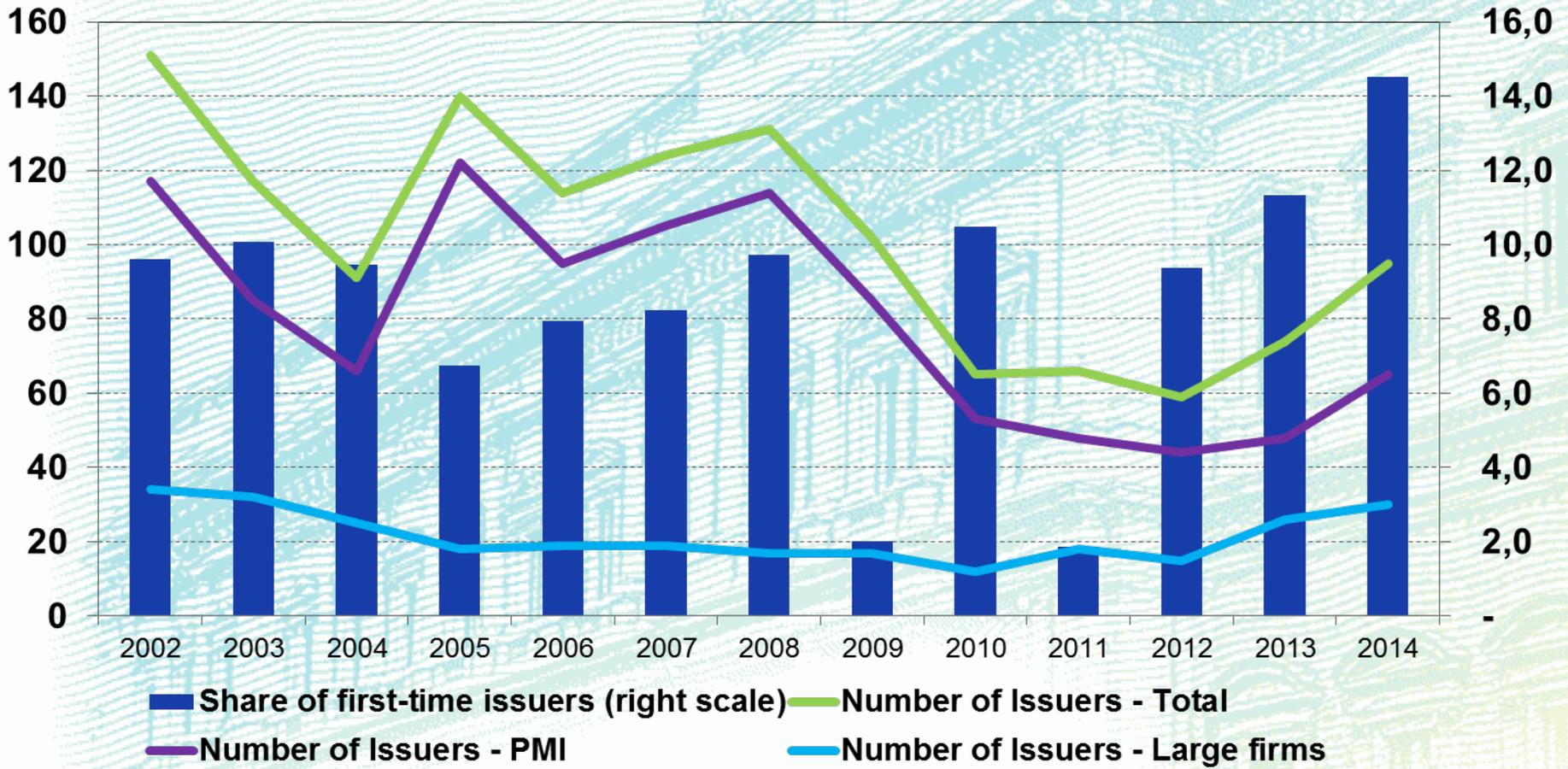
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Bank lending growth rates in Italy and the EU



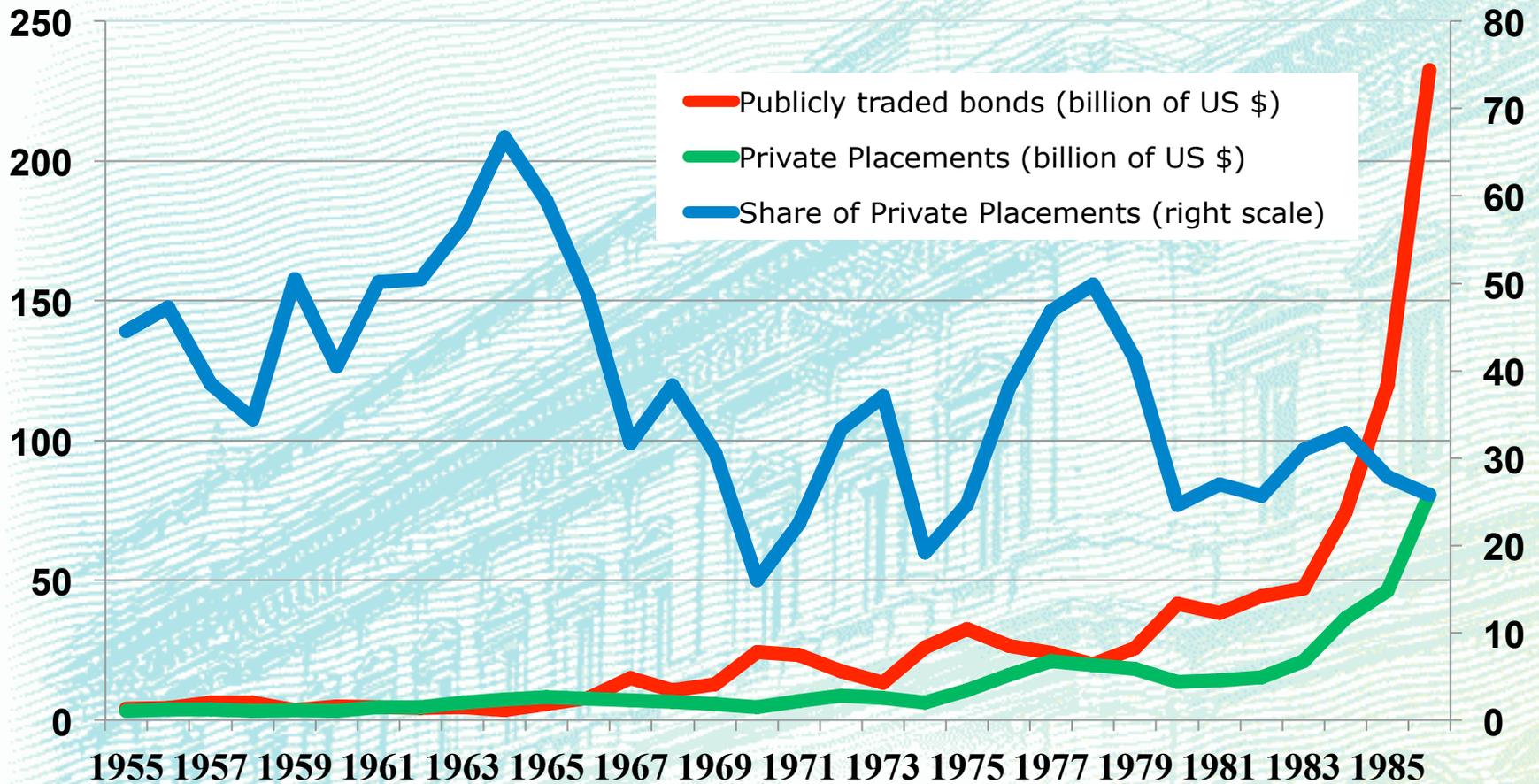
Issuers of publicly traded bonds in Italy



Outline of the talk

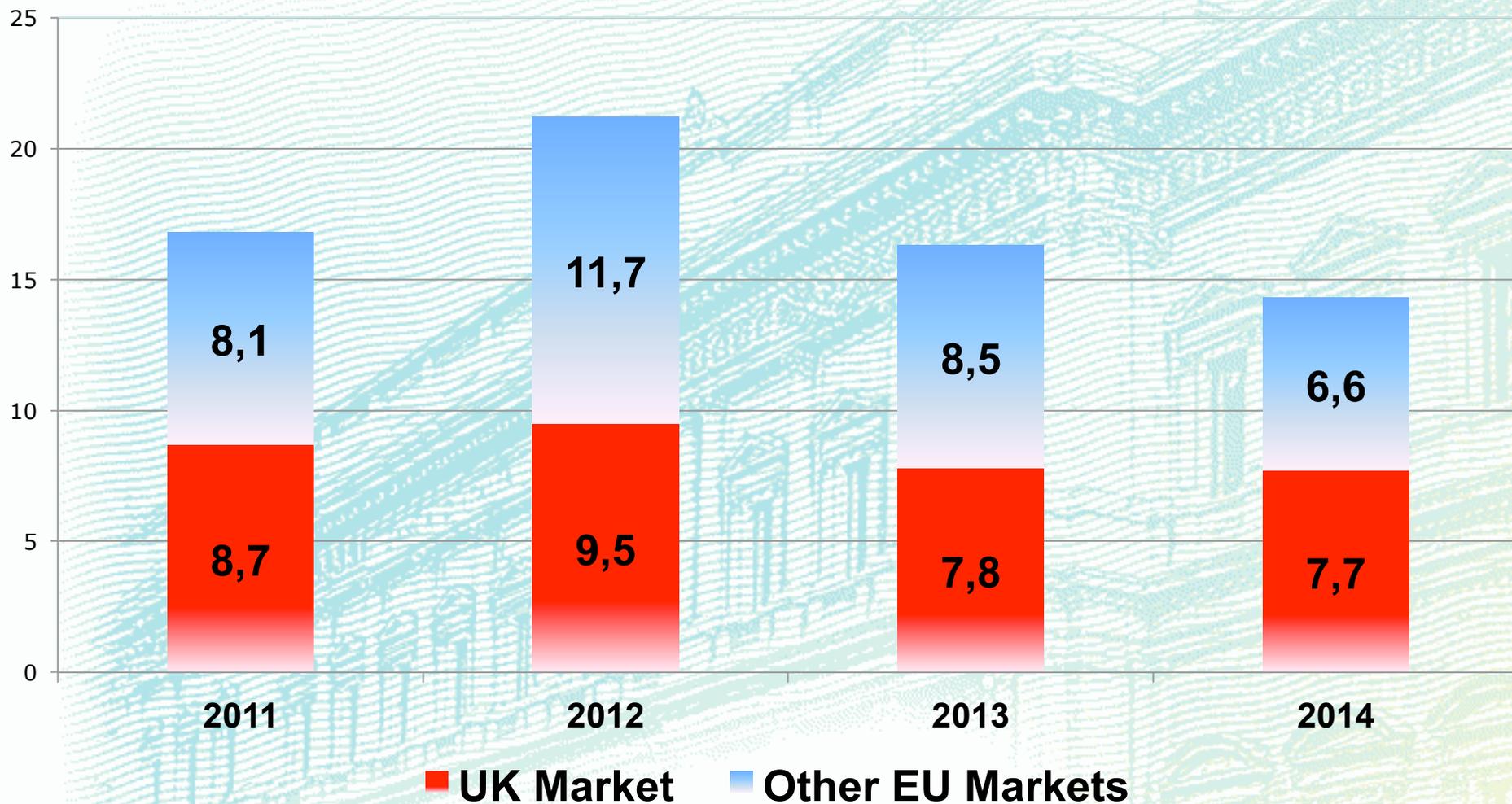
- ❑ The US market
- ❑ Private Placements in Europe:
 - ✓ The UK market
 - ✓ The French and Italian markets
- ❑ Concluding remarks

US Market: History of net issuance of PP



Source: Carey et al. (1993)

UK Market: Net issuance of PP



Source: Citigroup (2014)
Only bond data (loans excluded), in billion of US \$

The French and Italian markets

- French market:
 - total gross issuance (TGI) of €10b since 9/2012;
 - Average size of €90m, maturity 5-14 years;
 - 50% of issuers are not publicly traded;

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- Italian Market:
 - TGI of €10.9b since 2012 (including minibonds);
 - Average size of <€30m, median maturity 3y;
 - 36 issues outside Italy, median size €50m

Concluding Remarks: why the time is favourable

- A weak euro creates growth opportunities for exporting firms (which are the most productive)
- Traditional sources of funding (bank lending, internal raised capital) remain scarce
- A low interest rate environment pushes institutional investors to search for yield

THANKS!

