



Improved credit market sentiment as optimism returns among corporates

In the March issue of CREDI the Main index increases from 45.5 to 53.5 as corporates turn optimistic with regards to improved credit availability and decreased credit margins.

“The CREDI Main index is back above the 50-mark as corporates’ positivity due to increased credit availability, lower credit margins and increased duration outweigh banks’ more pessimistic view on the sector,” says Jacob Bruzelius, Head of Debt Advisory at Catella.

“The last year's massive monetary policy stimuli have pushed capital on the risk scale and driven the strong development in the real estate market. The focus is clearly on residential, logistics/industrial and public properties,” says Arvid Lindqvist, Head of Research at Catella.

“The CREDI Survey results together with the absence of net lending towards the real estate sector during the second half of 2020 suggest increased bank appetite for real estate financing in the first quarter of 2021 while bond market remains a competitive alternative,” says Jacob Bruzelius.

“We are now seeing a substantial increase in the US long-term interest rate. It has partly spilled over on Swedish market interest rates, but rising interest rates have so far not affected the transaction market. It will be interesting to see if the rise in US interest rates continues. However, we will probably see a correction downwards, and therefore expect interest rates to be low for the rest of 2021. Thus, we believe in a strong year for real estate,” Arvid Lindqvist concludes.

The Catella Real Estate Debt Indicator (CREDI) is attached and can also be downloaded from catella.com/en/sweden/research. CREDI consists of two parts: one is an index based on a survey of listed property companies and active banks, and the other a set of indices and analyses based on publicly available data.

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