

## A Fresh Look at Trading Covered Bonds

Michelle Bradley  
Morgan Stanley & Co. International plc+  
London: +44 (0) 207 677 3702  
michelle.bradley@morganstanley.com

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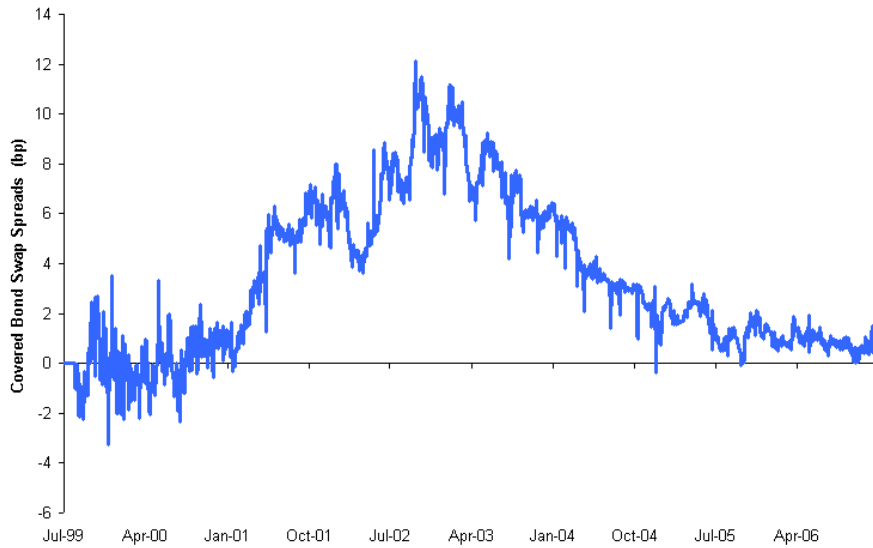
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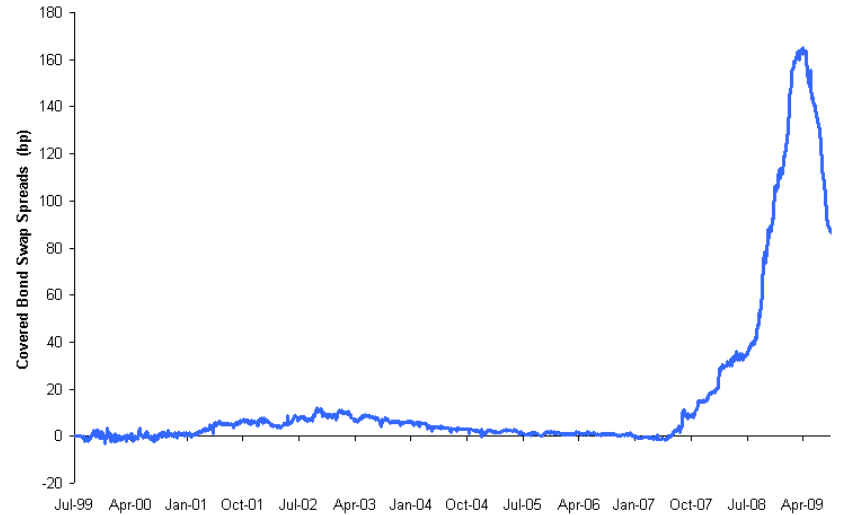
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# A Brand New Trading Range

From a 20 bp Market.....

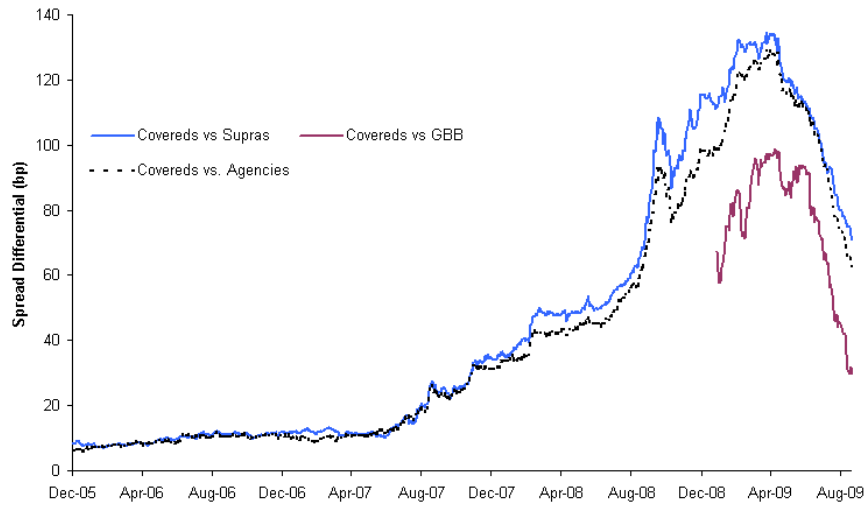


... to a 200 bp Market

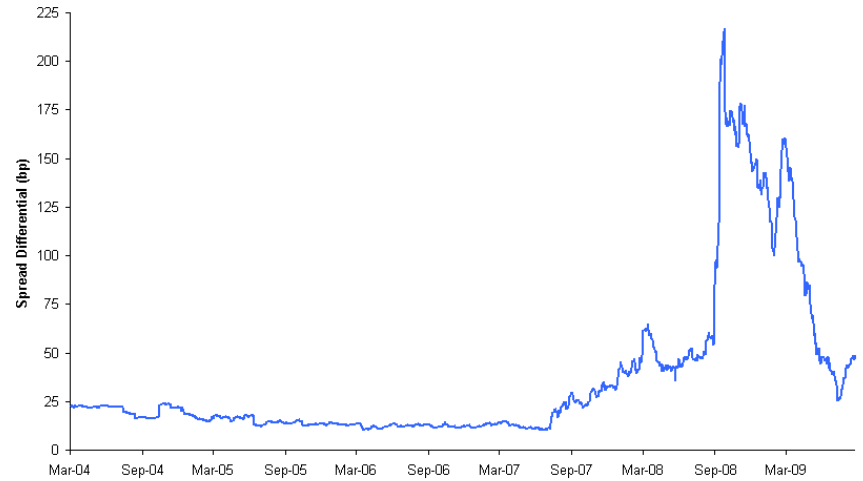


# There is value in the cover pool

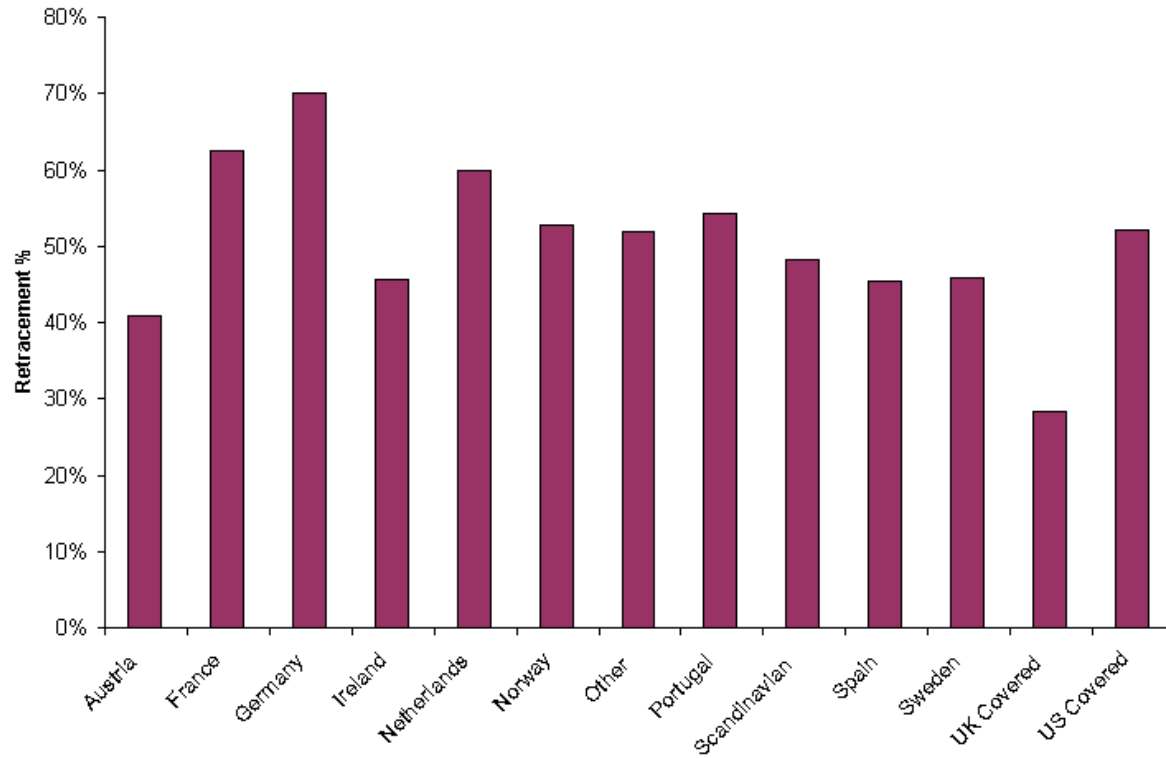
Covered Bonds underperformed Supras and Agencies.....



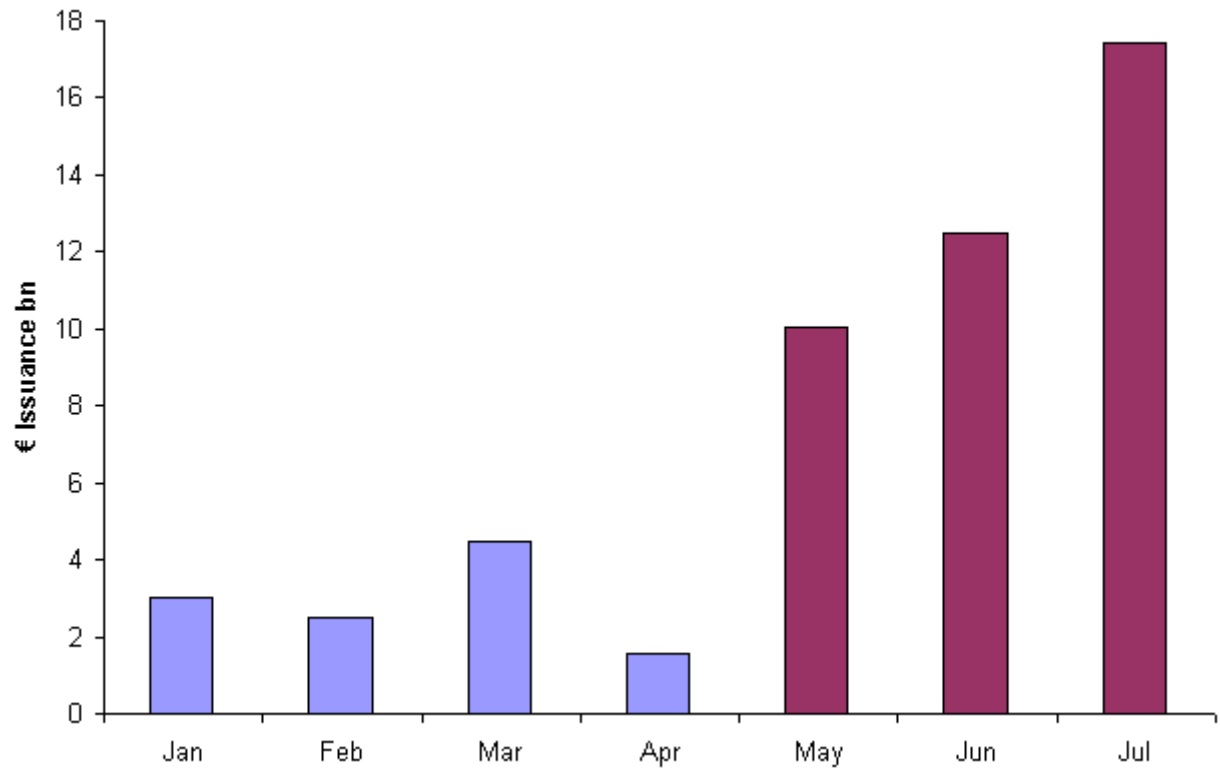
..but outperformed Senior Financials



## Spreads have retraced

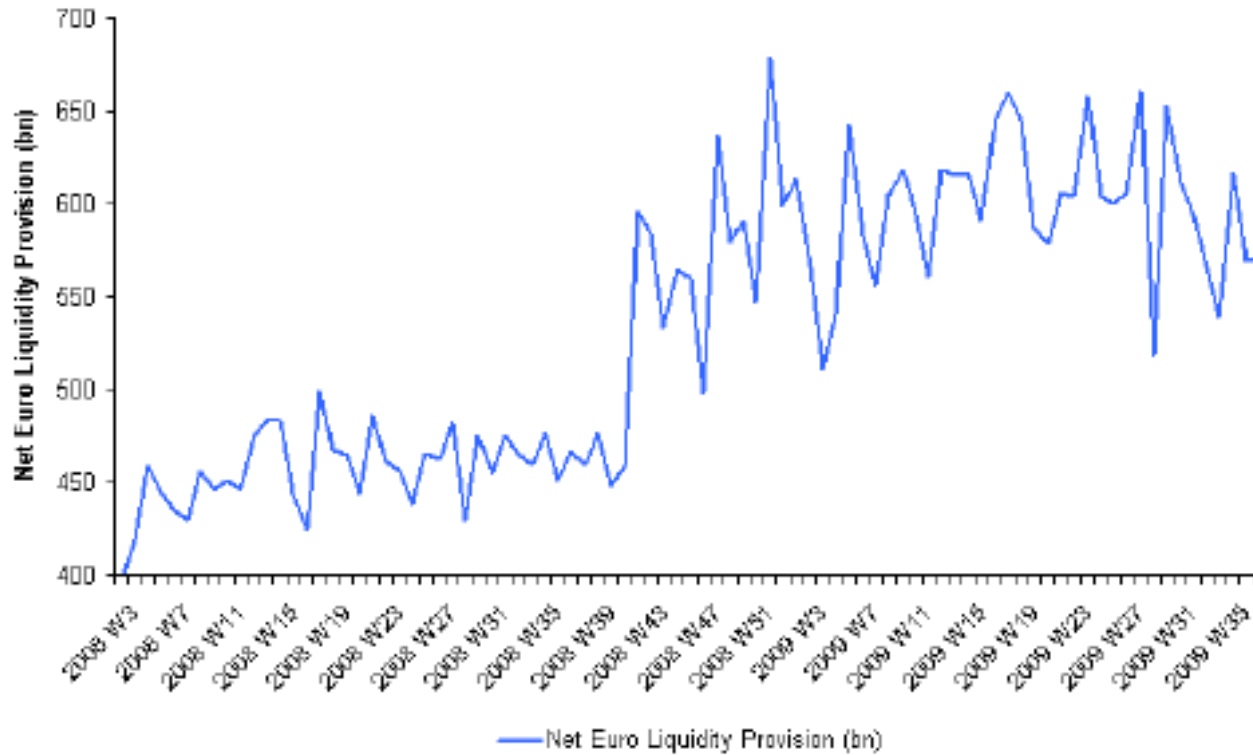


# The primary market is open

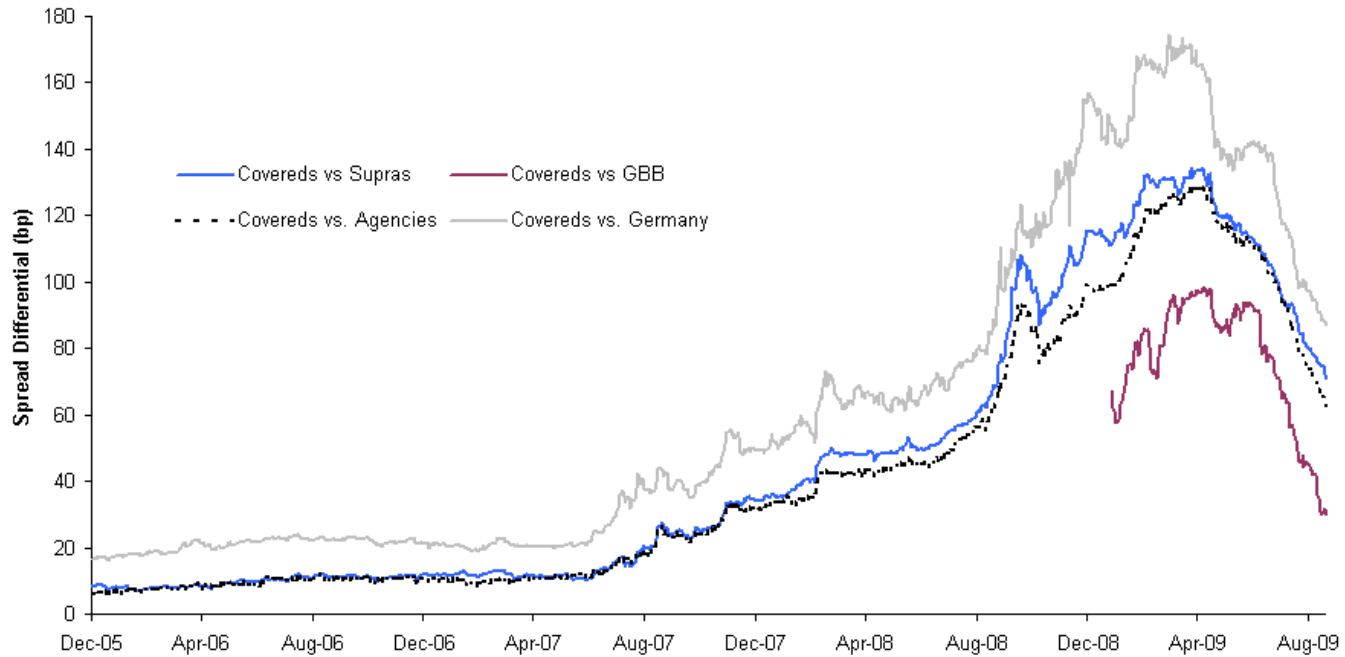


There are Opportunities in the Covered Bond Market

# 1. There is lots of liquidity in the system



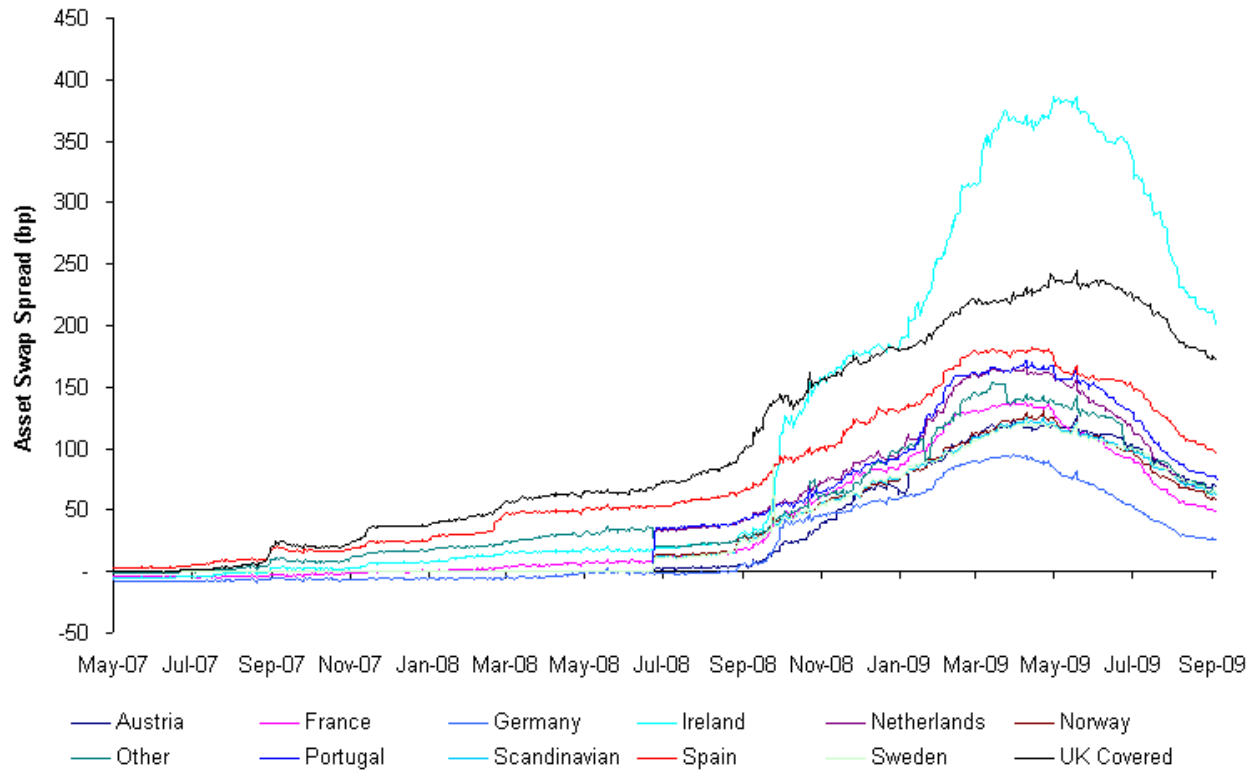
## 2. Covered bonds are still cheap versus other rates products



### 3. Covered bonds are cheap versus corporate bonds



## 4. We have intra country spreads



To sum up

1. Primary Market Open
2. Secondary Market Open
3. Spread pick-up

Covered Bond Market is Open for Business

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			
	Count	% of Total	Count	% of Total IBC	% of Rating	Category
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Equal-weight/Hold	1062	46%	316	49%		30%
Not-Rated/Hold	26	1%	3	0%		12%
Underweight/Sell	434	19%	88	14%		20%
Total	2,305		645			

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