ROCKVIEW

White Paper

The Eurobond Market – where global issuers meet global investors

ICMSA – International Capital Market Services Association

Rockview

Executive summary

This white paper traces the origins of the Eurobond market, from its early days as a niche solution for a particular investor base, through its evolution into a cornerstone of global financial markets, providing insights on the future state of play.

What sets Eurobonds apart from domestic market securities is their very nature and purpose: designed by the market, for the market. Established outside the confines of any specific jurisdiction and thus the requirement to support a national monetary policy framework, Eurobonds were at liberty to develop a range of differentiating and novel features from the outset. Offering an unparalleled choice of currency, security type and legal jurisdiction, alongside a deep liquidity pool and active secondary market, Eurobonds appeal to a broad range of issuers and investors worldwide. Over time, a unique ecosystem has emerged to support the Eurobond business across a multitude of geographies and time zones. Created to facilitate the clearing and settlement of Eurobonds from their inception, the two International Central Securities Depositories (ICSDs), namely Euroclear Bank (Belgium) and Clearstream Banking Luxembourg are at the core of this ecosystem, connecting to an extensive network of agents and intermediaries who facilitate the structuring, issuance, distribution, and lifecycle servicing of international securities.

The Eurobond market has demonstrated sustainably high growth rates, regularly outpacing domestic markets since the early 1970s. This was fuelled by the accelerated pace of globalisation that characterised the decades to come. As a reliable funding solution that roots outside a specific national jurisdiction, Eurobonds have continued attracting investors through times of geopolitical instability, with outstanding volumes reaching EUR 13.2 trillion in 2023.

The key features that make Eurobonds particularly attractive for issuers, investors, and the market overall can be summarized as follows.

For issuers:

- Access to international capital and a broad investor base simplifies access to funding pools outside the confines of issuers' domestic markets.
- Diversification of funding sources reduces reliance on domestic investors and banks.
- The extensive currency options available favour multinationals with global operations, supranational agencies funding projects world-wide, and all institutions engaging in currency swap operations.

For investors:

- A flexible channel enabling investors to diversify their portfolios internationally and customise their exposure to specific domestic markets and currencies, while reducing overall custody costs.
- A highly liquid financing platform, secured by a deep secondary market in Eurobonds and a broad investor base across the globe.

Overall:

- The Eurobond market accommodates a broad range of legal regimes and vast array of products, from plain vanilla instruments through to the most complex derivative and asset backed structures.
- The combined services offered by ICSDs, Common Depositories/Common Service Providers, coupled with Issuing and Paying Agent (IPA) services ensure high-quality, end-to-end follow-through from security issuance to maturity.
- Eurobonds are a reliable, safe, trustworthy and efficient instrument, exceptional in their ability to enable issuers to access capital across European and international markets. Highly adaptable by nature, they can easily incorporate new asset classes, products and services.

So, what lies ahead? The paper considers the key trends and developments shaping the market in the years to come. Emerging technologies are at the forefront driving change across the financial services industry, and the Eurobond market is no exception. Automation, digitization, data analytics and DLT stand to be transformative for the business, unlocking processing efficiencies, fostering transparency across the distribution chain and paving the way towards new value-added services.

The competitive landscape has seen rapid developments over recent years, as new fintech entrants leverage new technologies and agile methodologies to create value-added solutions catering for particular stages of the issuance processing chain. This has led to numerous fruitful collaborations and partnerships with established industry incumbents, combining their respective strengths and contributing to the dynamic nature of the ecosystem.

Macroeconomic and geopolitical trends, as well as the continuously evolving regulatory environment play an important role in shaping investor appetite, risk/return profiles and the stock and nature of securities in issue. While the bond market proved resilient in 2023, the timing and extent of interest rate cuts in 2024 and beyond remains unclear.

In the face of these challenges, and others that may lie ahead, the ecosystem needs to continue evolving, adapting and innovating to continue to offer a thriving marketplace connecting global issuers and investors.

1. Introduction and context of this paper

This white paper provides an in-depth analysis of the Eurobond market and its significance within the global financial markets. The objective is to enhance the reader's understanding of Eurobonds and why issuers and investors value them as financing instruments. The paper covers various aspects, including the historical background and evolution of the market, its characteristics and dynamics, and the benefits and value brought about by the Eurobond model for the overall global capital markets. Additionally, it explores how the Eurobond model should continue to drive innovation of global debt capital markets. This white paper has been commissioned by the International Capital Market Services Association (ICMSA) and has been produced with the support of Rockview.

Explainer - ICMSA

The International Capital Market Services Association, ICMSA, represents a wide range of institutions and companies which provide services in the International Capital Market, including global banks acting as Issuing and Paying Agents (IPAs), lawyers, advisors, and the two International Central Securities Depositories (ICSDs).

ICMSA works closely together with the International Capital Market Association (ICMA) in promoting international securities markets.

2. The Eurobond Market: Defining a global marketplace

The Eurobond market is among the best-known securities market worldwide. Even so, many struggle to define it. What distinguishes this market from the many domestic markets operating worldwide?

Firstly, although the Euro is a significant currency for issuing Eurobonds, the term "Eurobond" can be misleading as it is unrelated to the Euro currency. Historically, Eurobonds referred to U.S. dollar denominated bonds issued in the International Central Securities Depositories (ICSDs). Over time, this market expanded to include currencies beyond the U.S. dollar. The terms “International Bonds” and “Eurobonds” are often used interchangeably.

Fundamentally, the Eurobond market serves as a hub where global issuers and investors converge. Issuers access this market through a diverse network of financial intermediaries who cater to their needs across various time zones. Ultimately, investors can hold, settle, and finance these assets through the ICSDs. A Eurobond, therefore, is a security issued and serviced through a network of global corporate trust banks. It is held and serviced by a common

Explainer – ICSDs & Common Depositories

The International Central Securities Depositories (ICSDs), established in the late 1960s, support global capital market issuers and investors with efficient issuance, custody and settlement of Eurobonds. Today the ICSDs are financial institutions with banking licenses, offering a range of value-added services including securities financing and lending. The ICSDs maintain links to many domestic markets worldwide, thus allowing investors to pool liquidity of Eurobonds and many domestic equities and bonds.

The ICSDs work closely with a network of global corporate trust banks who supply a range of services in relation to the issuance of securities, including IPAs and common depository services. More specifically, common depositories provide safekeeping and asset services, including income payments and corporate actions, to enable the issuance of Eurobonds into the two ICSDs and the subsequent management of those securities throughout their lifecycle.

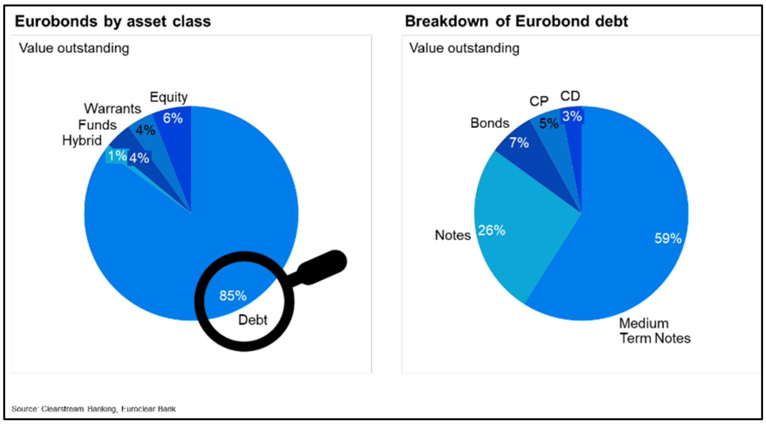

Figure 1: Eurobonds by instrument type

depository[1] and an IPA and distributed to worldwide investors through the two ICSDs. What makes the market distinctive is its ability to provide issuers with choice among competing suppliers of issuer services, whilst also offering investors the two ICSDs as competing options.

While the Eurobond market primarily concentrates on fixed income securities, it has evolved over the years in response to market demands, now including a range of additional euromarket securities, including equities and investment funds. Approximately 15% of the Eurobond market are other euromarket securities, such as warrants and equity (Figure 1).

3. Eurobonds: Origins, evolution, and global reach

In the 1960s and 1970s visionary financiers conceived a radical idea - the creation of a bond market accessible to issuers and investors from across the world. Over time, this idea became a reality after the birth of the Eurobond model in 1963. The inaugural issuance by Autostrade per l'Italia, which raised USD 15 million in a European transaction denominated in a foreign currency, marked the inception of the Eurobond market. Eurobonds quickly gained prominence for their unique characteristics: not bound to a single jurisdiction, with currency flexibility, and the absence of domestic market restrictions – thus establishing the distinct identity of the Eurobond market.

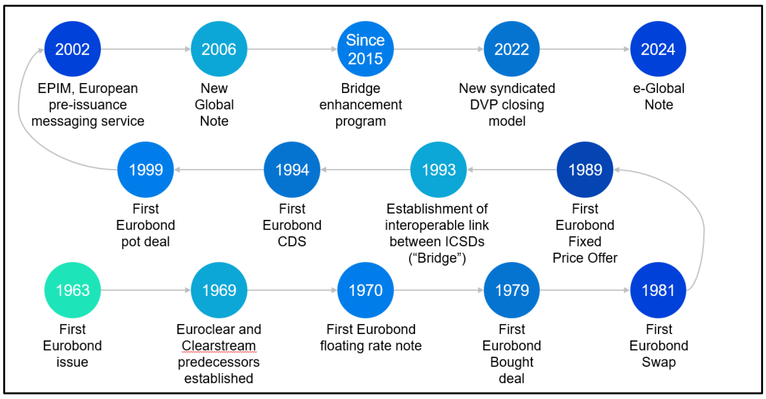

Figure 2: Development and history of Eurobond Model

Unlike domestic markets, which emerged under the guidance of governments, the Eurobond market was pioneered by market participants for the benefit of market participants. It aimed to widen and enhance international funding opportunities and introduce novel features not available through domestic bond issuance. Additionally, it facilitated streamlined access to a diverse international investor base, catering to specific investment appetites and requirements.

The success of the pioneering Autostrade transaction spurred companies and governments worldwide to participate in this market. By leveraging Eurobonds, governments and corporations gained access to a broad and diverse investor base, beyond the confines of their domestic markets. The Eurobond market continues to develop enabling governments, corporations, and supranational organizations worldwide to issue bonds in jurisdictions beyond their own (Figure[2]).

[1] When referring to common depositories in the context of this paper we also mean Common Service Providers
[2] Source: Clearstream Banking, Euroclear Bank

Accelerated globalization drove increasing numbers of companies and governments to recognize the benefits of participating in the global financial arena through the rapidly expanding Eurobond market.

The two ICSDs were originally set up to manage the clearing and settlement of the Eurobond business for which there was no supporting market infrastructure. Since their creation, the business of the ICSDs has expanded to cover most domestic and internationally traded instruments including investment funds.

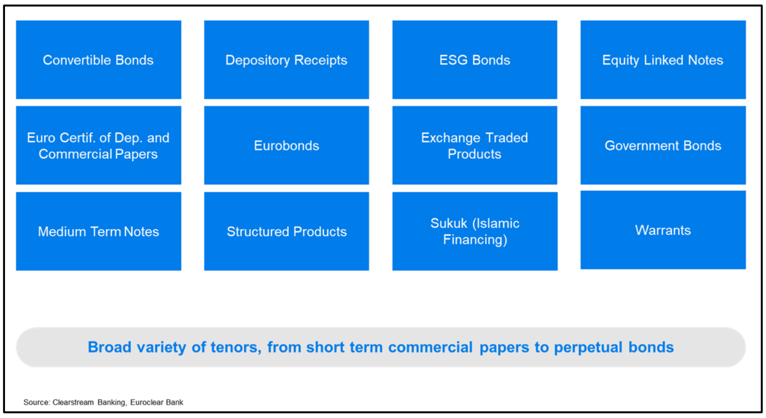

Figure 3: Examples of eligible instrument types

The Eurobond market has adapted to changing dynamics. Today, it includes not only traditional bonds but also innovative variations such as convertible bonds, equity-linked bonds, and environmentally conscious green bonds. Figure 3 showcases the breadth of available instrument types, with some non-exhaustive examples. These advancements have further enhanced the appeal of the Eurobond market, attracting issuers and investors with its unique ecosystem.

> *"For 60 years, the Eurobond market has been a major element of the global financial landscape. By providing a platform for cross-border capital flows and fostering integration among diverse economies, it has epitomized the evolution and interconnectedness of modern finance. "*
>
> Bryan Pascoe, Chief Executive, ICMA

4. The key actors in the Eurobond market

At the heart of the Eurobond market are the two ICSDs and a group of global corporate trust banks who provide securities services to issuers and their arrangers.

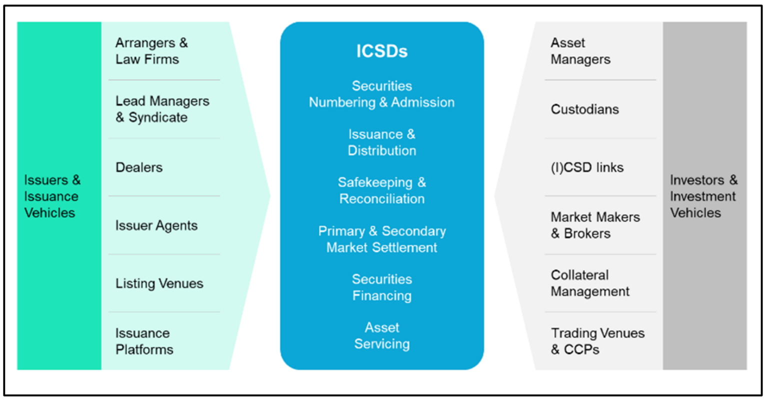

Figure 4: Ecosystem of the Eurobond Market

But the ecosystem extends further. It consists of a diverse group of participants, including various agents employed by issuers, legal professionals, plus a wide range of investors and their intermediaries. These include banks, custodians, wealth managers, retail banks, as well as dealers and brokers who facilitate the structuring and distribution of Eurobonds (Figure 4[3]).

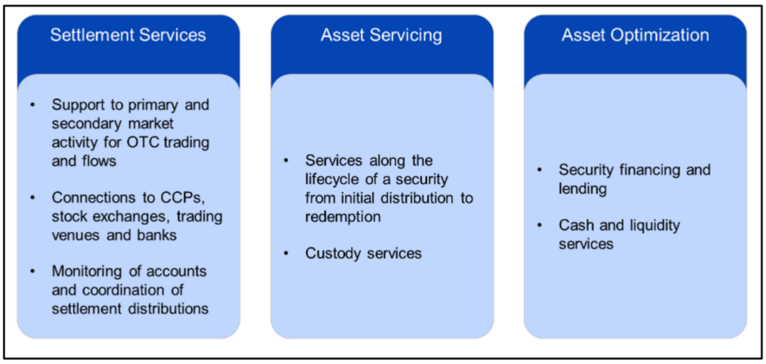

Figure 5: Core Services of ICSDs

The establishment of ICSDs and the common depository system in the late 1960s and early 1980s respectively, was instrumental in the development of the Eurobond market. The ICSDs provide a secure and neutral platform for issuers and their agents to bring new issues to market in an efficient, low-risk manner, within a robust legal and operational framework, and onward trade and re-finance these securities throughout their lifecycle. Initially designed to facilitate issuance, settlement, safekeeping, and notary functions, over time the ICSDs have evolved to offer a broader range of value-added services, focusing their core value-proposition for Eurobond issuers and investors around three pillars: Settlement services, asset services, and asset optimization (Figure 5[4]).

Settlement Services: ensure efficient, timely and accurate settlement of Eurobond transactions, exchanging securities versus cash.

Asset Services: offer solutions for the safekeeping and administration of Eurobond assets (e.g., distribution of interest).

Asset Optimization services: aim to maximize the value and performance of Eurobond portfolios and include securities financing and lending services with a wide and diverse range of counterparties.

[3] Source: Clearstream Banking
[4] Source: Clearstream Banking, Euroclear Bank

5. A large and growing market with deep liquidity

The Eurobond fixed income market boasts unparalleled liquidity and provides a unique, globally connected ecosystem. This ecosystem comprises numerous global financial institutions from both the buy and sell-side, along with other market infrastructures, supranational organizations, and central banks.

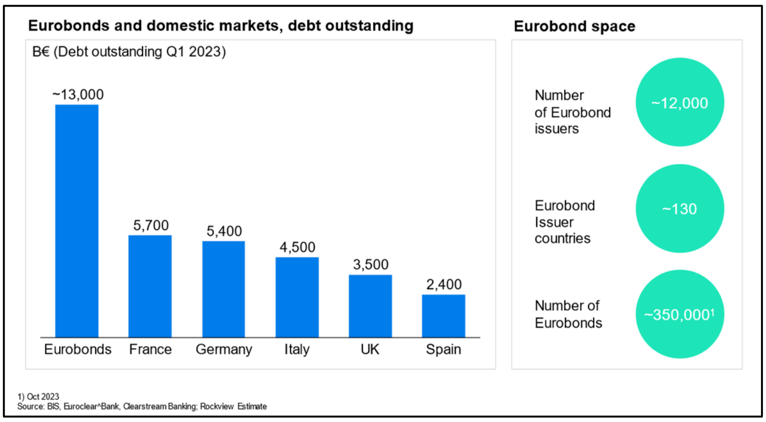

Figure 6: Relative size of fixed income markets

With an outstanding value of Euro 13.2 trillion, Eurobonds are the largest fixed income market in Europe and one of the largest globally (Figure 6). Currently, over 350,000 distinct Eurobond securities are in circulation, and between 300,000 to 550,000 new securities are issued annually.

Since its establishment, the Eurobond model has exhibited remarkable growth, both in terms of outstanding debt and the number of securities issued.

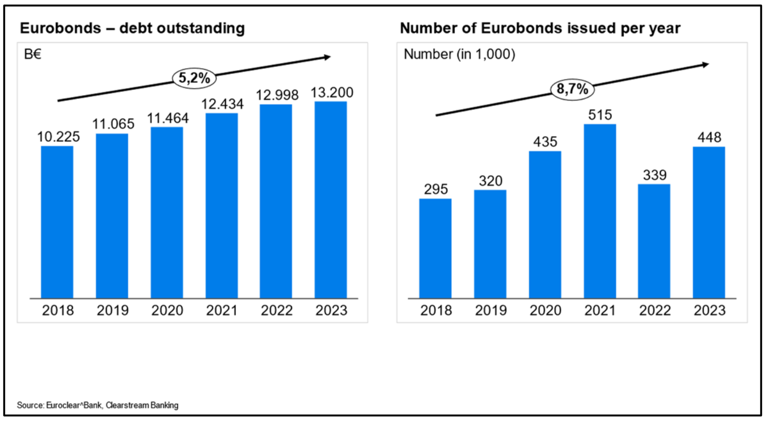

Figure 7: Development of Eurobond outstanding value and number of issuers 2018-2023

Over the past five years, Eurobond volumes have grown at a rate exceeding 5% annually, with the number of securities issued rising by circa 9% per year since 2018 (Figure 7). This growth has outpaced the overall growth of the global debt securities market by more than 11% since 2018 (Figure 8).

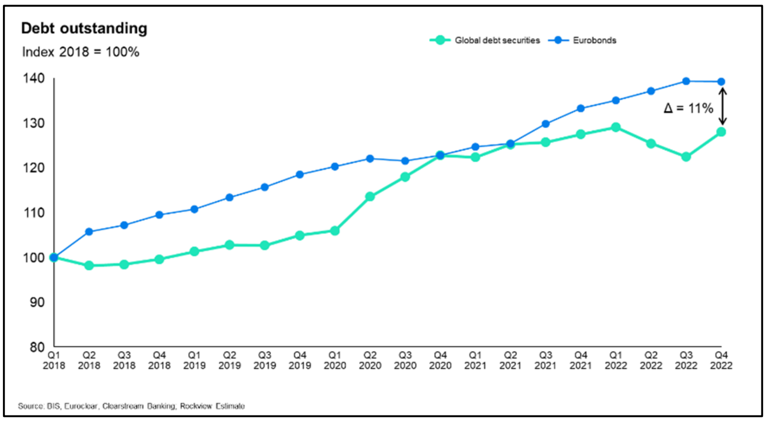

Figure 8: Growth of Global Debt Securities Markets

The Eurobond markets have experienced growth rates in net issuance substantially above those witnessed in the domestic markets; continuously since their emergence in the early 1960s. This sustained growth reflects the continued interest and demand for the features offered by Eurobonds and highlights their appeal as a means of raising funds both locally and globally.

6. Global reach

Eurobonds represent a truly global offering. With 12,000 issuers based in 130 countries[5], Eurobonds possess a more diverse issuer base than any other bond market worldwide (Figure 9). While European issuers traditionally dominate, non-European issuers are increasingly seeking funding beyond their domestic markets and regions. They see Eurobonds as an attractive funding instrument to target a large and international investor base.

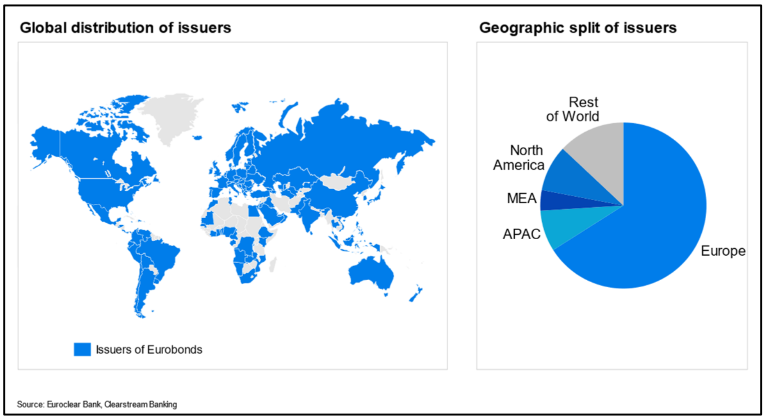

Figure 9: Geographic Distribution of Eurobond Issuers 2023

Notably, the fastest-growing financial regions, such as Asia and North America, continue to witness an expanding number of issuers choosing Eurobonds as their best way to access international funding.

The global growth of the Eurobond market has persisted even during times of global geopolitical tensions. Issued through an international rather than a domestic Central Securities Depository (CSD), Eurobonds are perceived as a more neutral yet reliable funding solution. The issuance process, the broad investor reach, and the links to domestic markets provide resilience and play a crucial role to foster stability and continuity during uncertain times.

7. Factors behind the growth in Eurobonds

Eurobonds offer numerous advantages for issuers, banks, and investors, making them an appealing choice in the financial markets. When evaluating the value-added elements of Eurobonds in relation to the requirements of issuers and investors, as well as the alternative options available in the market, several distinctive benefits of the Eurobond model can be identified (Figure 10[6]).

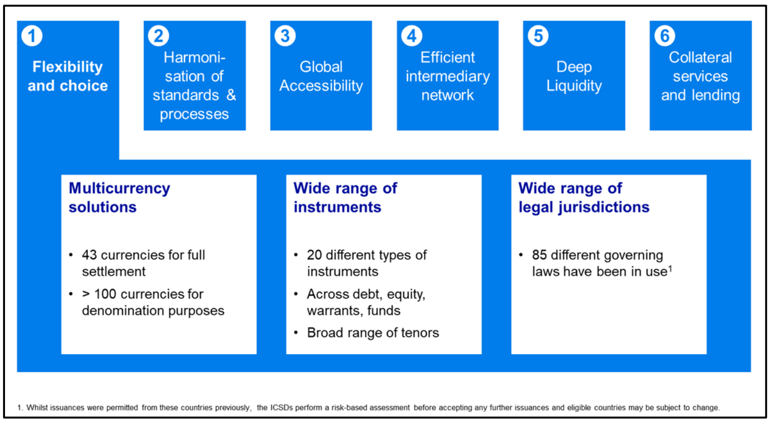

Figure 10: Key differentiating benefits of Eurobonds

[5] Source: Euroclear Bank, Clearstream Banking
[6] Source: Euroclear Bank, Clearstream Banking

Flexibility and choice in currency, type of security and jurisdiction: Eurobonds can be issued in up to 100 currencies and under various different governing laws (55 are currently in use)[7]. More than 20 different security types are available and continuously expanded (as illustrated above in Figure 3). This provides issuers with the flexibility to tailor their offerings to suit their investors' needs and enables issuers to attract investors from diverse regions with individual currency and/or governing law preferences. The value and attraction of the currency flexibility for issuers reaching out to international investors is illustrated in the currency structure of Eurobond issues (Figure 11, Figure 12). Issuers domiciled outside of the Eurozone mostly issue Eurobonds in a currency other than their domestic currency.

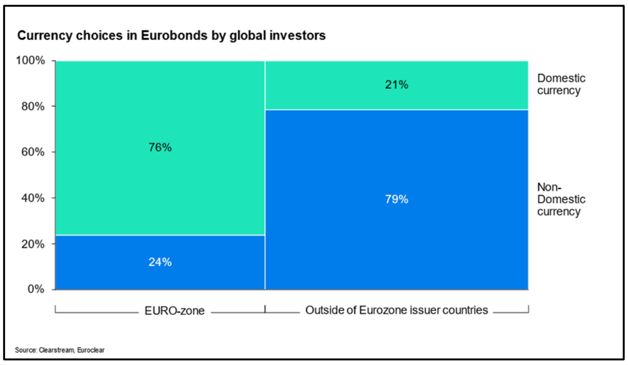

Figure 11: Eurobonds issued in foreign currencies

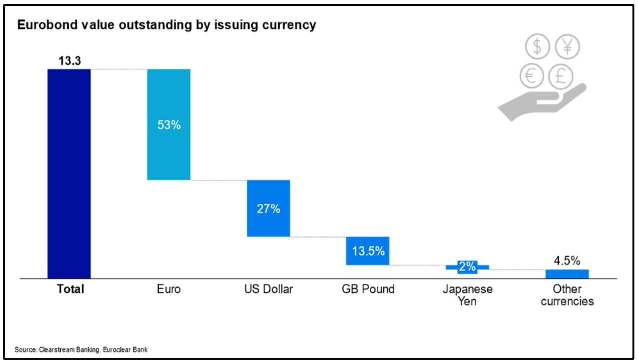

Figure 12: Currency distribution in Eurobonds

Harmonisation of standards and processes: Alongside the flexible choice of issuance terms, the Eurobond market has driven greater harmonization in standards and messaging formats, striving to remove bottlenecks and unlock process efficiencies in the securities issuance chain. The adoption of common messaging standards has been widespread, establishing ISO/SMPG (Securities Market Practice Group) compliant formats as the communication norm between ICSDs and common depositories. The International Securities Operational Market Practice Book (MPB) is a comprehensive guide developed under the auspices of the International Securities Market Advisory Group (ISMAG), describing best practices for the international market under a single set of standards. Partnerships between the ICSDs, industry associations, financial intermediaries such as the IPAs and fintechs are delivering improvements in STP and time-to-market, reducing risk and enhancing reporting capabilities to foster more transparency across the distribution chain. The increased adoption of new technologies is set to accelerate the pace of innovation in this space.

Global accessibility: Eurobonds provide access to a vast international market, allowing them to reach a wide range of investors across different geographies as a uniquely diverse funding base.

Efficient intermediary network: Eurobonds operate through a well-established network of experienced financial intermediaries that offer issuers a range of services. These intermediaries work across different time zones, ensuring efficient communication and effective execution of transactions, creating a short and safe custody and asset servicing chain.

Deep liquidity: The Eurobond market is known for its deep liquidity, enabling investors to buy and sell securities with ease. This liquidity is a result of the large number of participants in the ecosystem and an active secondary market.

Collateral services and lending: The ICSDs provide investors with a range of collateral and lending services for its eligible instruments. This enables participants to achieve capital efficiencies across

[7] Source: Euroclear Bank, Clearstream Banking

exposures and parties, optimize their balance sheets, manage risk and liquidity, increase portfolio yields and reduce settlement failures.

> *"For over 70 years, the World Bank has been a pivotal player in the international capital markets, issuing bonds that are instrumental in mobilizing sustainable development finance for emerging and developing countries around the globe. Our role as an issuer is crucial; it enables us to raise funds from a diverse investor base across various regions of the world by offering bonds in multiple currencies and markets. This versatility in bond issuance, including the issuance of Eurobonds, is essential to satisfying the requirements of borrowers and investors"*
>
> Paul Snaith, Director Treasury Operations, World Bank

In summary, the Eurobond market has demonstrated a strong track record of trustworthiness and reliability, making it a scalable model that offers a wide range of choices for issuers. It has also shown agility in adapting to market and regulatory changes and delivering improvements in client services.

8. Challenges and way ahead

The Eurobond Market has created new choices for the International Capital Markets over the last 50 years.

> **Case Study: Covid Bonds**
>
> Covid-19 bonds and associated financing options showcased the degree of innovation and adaptability of the issuance market in the face of adverse conditions, of a nature and scale unseen to date. They demonstrated the key role that the ICSDs as market infrastructures play to ensure resilience, stability and business continuity in times of market turbulence and uncertainty.
>
> While several industries were brought to a standstill and grappled to ensure a form of "business as usual", for issuers the ability to continue to bring their securities to market in a timely manner, raising funding in the primary market and reaching the right liquidity pools became paramount.
>
> In 2020, central banks worldwide led the way in opening new channels of funding and making them accessible to a broader range of market participants to prop up the overall economy. For example, the Bank of England set up a new funding programme, coined the "Covid Corporate Financing Facility (CCFF)", extending short-term credit to firms "making a material contribution to the UK economy", while the ECB's Pandemic Emergency Purchase Programme (PEPP) widened its asset acceptance criteria to include non-financial ECP papers, among other asset classes, in its collateral eligibility pool.
>
> Faced with high demand to access these facilities by a plethora of UK and EU companies, the ICSDs streamlined their issuance documentation requirements and set up processes, shortening time-to-market and removing bottlenecks.
>
> This highlights a successful collaborative effort by central banks, market infrastructures, issuers and intermediaries across the issuance chain, to ensure funding channels remain even more open and accessible in times of crisis.

To continue its successful development in a changing environment, the Eurobond model and its eco-system will have to continue to evolve, adapt and innovate. The task ahead will be to embrace new challenges and developments in technology, market structure, client needs and the competitive landscape ahead. The key dimensions include:

1. *Modernization.*

- The ecosystem supporting the issuance of Eurobonds needs to continue to invest in increased automation and digitization, **enhancing the client user experience** and increasing transparency and efficiency in the security acceptance and distribution process. These improvements will also help to accommodate and absorb the impact of the shortening of settlement cycles to T+1 (live in North America since May 2024 and anticipated at a later date in the UK and Europe).

- The implementation of **APIs and common data models** for the setup and maintenance of static data will benefit the entire ecosystem and enable future capabilities, for instance in terms of capturing ESG-related data. By embracing these new technologies, the ICSDs plan to create an open platform with multiple connectivity options for the ecosystem, incorporating the fintechs who provide services directly to issuers and dealers as well.
- The **Eurobonds electronic Global Note (e-GN) project** is a market initiative spearheaded by the ICSDs and the ICMSA. It refers to the electronic issuance and electronic safekeeping of the e-Global Note (e-GN) and its terms and conditions. The project initial scope is centered around new securities issued under New Safekeeping Structure (NSS) for English non-governmental issuers (i.e. corporates and financial institutions) and all Supranational issuers (whatever their jurisdiction) and under English law. In parallel, the ICSDs offer the possibility to sign issuance documentation with electronic signatures.

2. *Technological developments*

- **Distributed Ledger Technology** offers the opportunity to streamline, simplify and automate operational and asset servicing processes, enhance data quality and eliminate the need for data reconciliation through a golden data source, dematerialization and smart contracts. Although there have been several experiments supporting the issuance of native and non-native instruments on both private and public blockchains, the scope so far has been limited, as these experiments did not provide for extensive secondary market operations unless interoperability had been established with legacy systems. The evolution and success of (new) blockchain-type initiatives will depend on the benefits as perceived by the ecosystem, and the implementation effort. Both of which will determine the willingness of issuers, investors and their agents to fully embrace this new technology.

- **Data analytics** enable the conversion of raw data into actionable insights. The ICSDs are in principle well positioned to provide issuers with relevant insights into the "performance" of their issued securities on a stand-alone basis or relative to other comparable issuers. This would enable issuers and their agents to better structure products according to market needs and meet/track commercial targets more closely, while rewarding the best performing structures. Technological developments, and potential partnerships with third parties are accelerating developments in this field.

3. *New Entrants*

- Prospective entrants such as IPAs, agents, common depositories, and lead managers are welcome to join and support issuances via the ICSDs model. Prospective candidates are required to demonstrate that they have similar experience or capabilities to benefit the market as a whole and support the development and growth of the Eurobond business. The ICSDs and associations like the ICMSA support financial and non-financial institutions active in the provision of services to the Eurobond business. The ICMSA's primary purpose is to foster the highest standards in the practice and management of international capital market services, thereby facilitating the efficient functioning of the market.

- New entrants are in some cases fintech companies, who leverage new technologies and agile methodologies to differentiate themselves from more established parties in the market. Some fintechs specialize in niche elements of the value chain, while others focus on network dynamics, aiming to facilitate in the issuance process chain. Rather than creating new standalone ecosystems requiring wholesale market transformation, they tend to focus on modernizing pieces of the puzzle through process digitisation and advanced data solutions. This is where partnerships and collaborations with traditional financial market infrastructures with long-standing expertise and established regulatory frameworks can further reinforce and improve the efficiency of the ecosystem.

4. *Marco-economic, geopolitical and regulatory developments*

- Although outside the sphere of influence of issuers, investors and their agents, **external factors** such as recessions, inflation, the course of interest rates and geopolitical developments (wars, elections etc.) can have a significant impact on the overall issuance environment and the ongoing management of issued securities throughout their lifecycle. Although bond issuance in 2023 has remained resilient, the overall economic environment and forecast remains uncertain. The timing and extent of interest rate cuts in 2024 (and beyond) is unclear and combined with other factors, may impact issuance volumes in a positive and/or negative way.

- **The Capital Markets Union**. Although the Capital Markets Union was created over 20 years ago, it has not yet succeeded in creating deep European capital markets as foreseen. Even so, the ability for Europe to raise capital efficiently is stronger than ever with the need to fund the green transformation, the requirement to invest in new technologies (such as digitalization) and support its ageing demographic. Overall, the additional investments needed to address these challenges are in the range of EUR 1 trillion per year until 2030[8]. To succeed, Europe will therefore need to turn savers into investors and borrowers into issuers. Today bank loans are still the main funding source for EU companies. Even though companies have been reducing their reliance on bank loans and instead use corporate bonds to raise the required capital, progress has been rather slow. Bank lending accounted for 76% of all corporate borrowing in 2022, down from 82% ten years earlier (Figure 13). If EU companies would raise an additional €500 billion per year via the issuance of corporate bonds (which is almost double the amount that was raised in 2022), the split between bank lending and corporate bonds would be closer to 60/40. This would enable banks to reduce their balance sheets and use their capital instead for small and medium sized enterprises lending. Eurobonds and the Eurobond structure offer a single European market for debt issuance already today, without any fragmentation, and are therefore uniquely placed to be a key contributor to the CMU objectives.

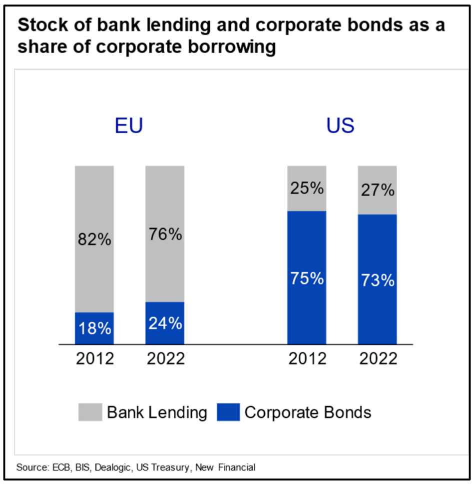

Figure 13: Bank Lending vs. Corporate Bonds

[8] Source: Paris Europlace – European Priorities 2024-2029

- **ESG issuance**. Over the last decade, sustainable bond issuance has increased significantly, expected to approach a value of EUR 1 trillion in 2024[9]. This growth is underpinned by regulatory developments such as the adoption in Q4 2023 of an EU regulation creating a European green bond standard, specifying uniform requirements for bond issuers that wish to use the designation 'European green bond' or 'EuGB' for their bonds. We have also seen the development of industry standards like ICMA's widely adopted green bonds principles (GBP), which are voluntary process guidelines that recommend transparency and promote integrity in the development of the Green Bond market. Looking ahead it can be foreseen that each ICSD could create products around ESG data and help the wider industry with the classification of ESG products, leveraging the vast amounts of data available in their systems while benchmarking this data against the relevant taxonomies. In the first 10 months of 2023 a total of 2,232 ESG Eurobonds with a value of EUR 674 billion have been issued (Figure 14 : ESG Eurobonds).

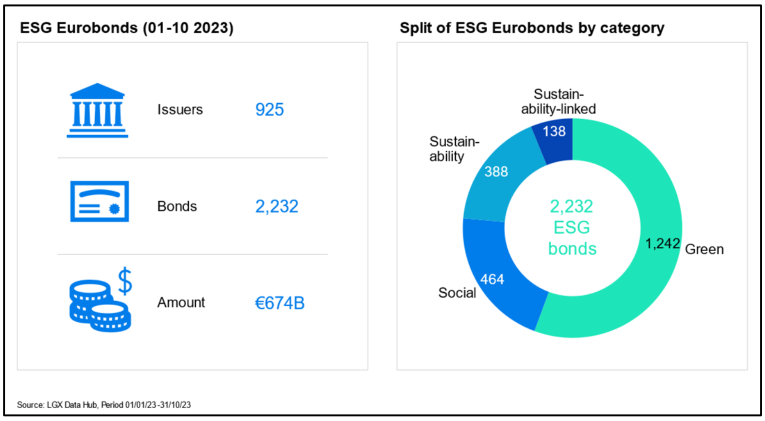

Figure 14 : ESG Eurobonds

9. Conclusion

In summary, the success and growth of the Eurobond market over the past 60 years is based on a range of differentiating features and choices it brings to the market, not available through other issuance routes. From its origins as a tactical solution to cater for a niche segment of the market – US dollar denominated international bonds in Europe – the Eurobond market has established itself as a multi-trillion euro market, integral to the operation of the global financial system.

The Eurobond market has shown its ability to innovate and has been shaped by macro-economic, geopolitical and regulatory developments. With continuous initiatives to adapt to market requirements it seems set for changes ahead, such as growing appetite for ESG investments and the prevalence of new technologies, paving the way towards the digital markets of the future.

So, what is the future of the Eurobond market? Well, our crystal ball might be blurry, but one thing is for certain, it is here to stay and continue building on its strong foundations as a pioneer of innovation and growth in the market.

[9] Source: S&P Global