

Best Bank for Covered Bond Research Credit Agricole CIB

To be voted the Best Bank for Covered Bond Research is an impressive achievement requiring a significant effort and investment of resources. But to repeatedly be voted the Best Bank – in nine of the last 11 years, as Credit Agricole CIB has – requires more: not just effort and commitment but a willingness to adapt to the myriad changes in the market, and the way participants use research over the last 11 years.

Covid has changed the way all of us work, but few can have been as impacted as the travelling covered bond researcher. Before the pandemic struck Florian Eichert, head of covered bond and SSA research at Credit Agricole CIB, estimates that he was travelling just shy of two days per week on average. Whilst video calls can fill some of the gaps, particularly with investors you already know, they are a less than perfect replacement to build relationships with new clients or in case of people rotation at existing clients.

As Eichert puts it: “There are always bits and pieces that you take away from investor meetings...without the meetings you can miss the nuances between the headlines and it is sometimes the nuances and small puzzle pieces that complete the picture”.

One way that Credit Agricole CIB has tried to respond to this change is by publishing more, and putting more focus on the data, not just the news and opinions. Eichert recognises that investors are often doing the same things that he is – they have clients they need to market to and committees they need to persuade – so a key part of his job is to make their jobs as easy as possible by giving them more data, one of the aspects of his job that he has been able to spend more time on as a result of the travel moratorium.

Another trend covered bond researchers have had to contend with is the downturn in covered bond issuance – which has halved this year. As investor attention has moved away from covered bonds, the amount of time that they still spend on the market has fallen, with the remaining time inevitably being focussed on the better established banks such as Credit Agricole CIB.

Similarly, Covid-19 has tended to concentrate investor attention on the established researchers. As more investors, traders and salespeople enter the market that have never even known the pre-Covid era of conferences and physical meetings, they naturally gravitate towards the researchers whose names are



Florian Eichert, head of covered bond and SSA research

more familiar.

It isn't just the clients who have joined mid-pandemic, so has Eichert's colleague in covered bond and SSA research, Victor Tanguy. Whilst Tanguy focuses more on the SSA aspects they work together closely and, as Eichert argues: “Covering SSAs and covered bonds together has been even more useful than was the case pre-Covid given the high issuance and the strong focus on the EU also when assessing covered

bonds' relative value”.

One of the burdens of being a leading covered bond bank is an obligation to work, pro bono, on matters that impact the whole market, but it's a task that Eichert – member of the ECBC steering committee and contributor to many of the ad hoc groups of the ECBC – welcomes. “It's a sign of my personal, and our institutional commitment to the covered bond market,” he says. It is also enjoyable, as he points out: “I just really enjoy working with the ECBC secretariat as well as the fellow steering committee as well as working group and task force members”.

Can Credit Agricole CIB continue their incredible track record in 2022? On a professional level Eichert says that he is looking forward to an uptick in new issuance in the covered bond market to give him more to speak to clients about. And on a personal level he hopes to resume his busy travel schedule – he counter-intuitively argues that back-to-back video calls are actually more tiring than those early morning flights – and ‘meeting old friends and new clients that I haven't had a chance to meet yet’.

That is something that he will have to do if he is to maintain his position at the forefront of covered bond research. Eichert hates to lose, something he learnt from his days as an amateur athlete – he is a former state long jump champion. But there are many excellent covered bond analysts looking jealously at those nine awards. The effort and commitment that put Credit Agricole CIB in this position is going to be needed more than ever to maintain it. GC