

IFR EUROPEAN SECURITISATION BRIEFING

STRUCTURED FINANCE - ALL
INTERNATIONAL ISSUERS J10C

1: RBS	US\$6.34bn
2: BNP Paribas	US\$5.96bn
3: Citi	US\$4.32bn
4: Merrill Lynch	US\$3.5bn
5: UniCredit	US\$2bn

PRIMARY: There is been no new primary information aside from a confirmation that the **BAA** debt migration has been a success. £12.1bn of senior debt facilities have been migrated or raised against the Designated Airports (Heathrow, Stansted and Gatwick) to repay acquisition facilities that were put in place in 2006. The structure offers enough flexibility to sell one of the Designated Airports should the competition commission favour a sale.

The £12.1bn senior loan facility comprises of the £4.5bn migration of existing long term debt, £4.4bn of new bank facilities, £440m of EIB funded facilities and £2.75bn of uncommitted undrawn facilities. An additional £1.56bn subordinate facility takes the total facility for the Designated Airports to £13.7bn. There is also a separate £1.255bn 7-year bank financing package for the 4 remaining Non-designated Airports comprising of £1bn in senior bank loans and a further £255m of senior undrawn loans.

Citi and RBS were co-lead arrangers of the bond programme totalling GBP6bn and joint dealer managers for the consent solicitation process.

Bankers away from the deal have raised some question over the authenticity of spreads on the **Fosse 2008-1** RMBS that priced on Monday. 1-year UK master trust paper in dollars trades in the plus 180bp region, some 120bp wider than the USD150m A1 Class print of plus 60bp (that priced at 99.93 for a 0.91-year WAL in Fosse 2008-1).

The leads ascribed this huge disparity down to the strong demand for high current coupon paper. But players away from the group say the 120bp differential to secondary levels cannot easily be ignored noting that it is possible to buy low coupon paper in the secondary market, do a TRS for investors who pay par and who then get a much larger running coupon.

"If you are looking for a high running coupon then it would logically make more sense to go to the secondary market, do the TRS and clients will get a far higher run rate," a banker away from the group said.

SECONDARY: European ABS trading has been particularly slow. UK prime cash and CDS is tending to dominate with the former trading around a 170bp area mid for better names like HMI and Arkle while CDS is around 40bp tighter at a mid of 130bp for both. Perma CDS is creeping wider now seen around a mid of 154bp, out 4bp from Monday. Granite CDS is much wider at around a mid of plus 270bp.

Wider still are the Spanish later vintage normal LTV deals which hold around the 300bp to low 300bp area. Higher LTV Shipo 3 CDs is +400bp bid, no offer. The lack of any offer implies it is heading towards the CDS on high LTV Caja Madrid RMBS which now seems to have stabilised (since the close of last week) at a mid of 550bp.

RATING: Fitch has put the UK **CMBS** sector on Negative Outlook reflecting widespread commercial property value declines. Fitch reckons it is a challenge to monitor the financial strength of loans secured by commercial property because the collateral market value is not continually updated and thus there is a danger that rating agencies "ignore the assets for which updated valuations are not available". It is better to measure market conditions and determine the impact on all properties and the loans based on that rather than "singling out loans that have breached LTV covenants merely because an indicator of their collateral's market value is more readily available." Fitch will be adopting this more conservative approach in reviewing UK CMBS in future.

Editorial

William Thornhill,

+44 (0)20 7369 7219

william.thornhill@thomsonreuters.com

Jean-Marc Poilpré,

+44 (0)20 7369 7733

jmp@thomsonreuters.com

Sales

Iain Kitself

+44 (0)20 7369 7616

iain.kitsell@thomsonreuters.com

Marketing

Paul Holliday

T: +44 (0)20 7369 7855

paul.holliday@thomsonreuters.com

IFR EUROPEAN SECURITISATION BRIEFING
LAUNCHED & PRICED, BPS (WAL IN BRACKETS)
P = PLACED / R = RETAINED

DATE	ISSUER	TYPE	BOOKS	AAA	AA	A	BBB	BB
18-8	FOSSE 2008-1	RMBS	GS/RBS	90 (3)				
15-8	SIGISMUND	CBS	IKB			4.2%		
14-8	HAF FUNDING 08-1	CLO	GLITNIR			300		R
14-8	QUARZO	ABS	MEDIO/RBS	80				R
13-8	SUN FINANCE	ABS	CITI	*200		*250	350	P
12-8	CIRCULO I	SME CLO	CIRCULO	30		60	125	R
8-8	BALLIOL	RMBS	BOS	12				R
7-8	ARKLE 08-2	RMBS	LLOYDS	12	60	80	100	R
6-8	FTPYME TDA CAM 7	SME	CAM	30 (2.2)		75 (13)	150 (13)	R
6-8	CAIXA PENEDES FTGENCAT 1	ABS	C. PENEDES/DEPFA	35 (4)		70 (8.4)		R
6-8	AYT COL EMP CAJA CIRCULO	CLO	CECA	30 (2.2)		60 (5.6)	125 (8)	R
5-8	TDA CREDIFIMO 1	RMBS	CAPYON	30 (7.7)		60 (26)	100 (33)	120 R
5-8	TDA SA NOSTRA EMPRESA 1	CLO	CALYON/EBN BCO	30 (2.7)		50 (7.3)	125 (9)	200 R
5-8	ADRIANO FIN	RMBS	BANCA IMI	70				R
1-8	C SABADELL HIP I	RMBS	CECA	30 (5.9)		60 (12)	100 (12)	200 R

UNDER GUIDANCE, BPS (WAL IN BRACKETS) * SPLIT RATING ##BENCHMARK 1ML #BENCHMARK 6ME ~GUARANTEE/WRAP

DATE	ISSUER	TYPE	BOOKS	AAA	AA	A	BBB	L&P
24-7	SUN FINANCE	SUKUK	ADCB/CITI/FGB		*200 AREA	*250 AREA	*350	THIS WK
03-03	QUEEN STREET	CAT	BASL/MUNICH RE				375-400 (BB+)	
27-07	VERSAILLES II	CLO	CALYON		60 (8)	75 (8)	200(8)	DELAYED

Pipeline
RMBS

- MBRD; Russian RMBS via DB - rumoured
- <US\$500m RMBS for VTB 24; VTB - Q4
- QIB Real Estate deal; HSBC
- US\$200m Dubai RMBS from Amlak Finance`

CMBS

- US\$90m Talaat Mostafa Egypt - June
- €1.3bn NPL for Opus Advisors/Eurohypo/GMAC; Citi
- €900m German CMBS by Wachovia;
- US\$2bn Dubai CMBS (rumoured)
- €800m Portuguese deal for Eurohypo via Morgan Stanley

ABS

- €106m CoSMO 2008-1; CMZ
- About US\$200m, Russian Factoring Deal; DB/VTB; July
- US\$50m+ Lizincom Leasing ABS; Veles Capital
- Pharma Finance; Calyon (whisper out) May
- £1bn Life Insurance deal for Zurich; LB (rumoured)
- US\$75m Nelson Re Cat Bond, sponsored by Glacier Re

- US\$50m Azerbaijani Autoloan deal; DK/ADB
- €750m Unique Pub Co deal (Enterprise Inns)
- Whitbread Securitisation
- Consumer Loan deal for Russian Agricultural Bank
- £9b (approx) BAA Refinancing; Citi/RBS - 2008
- US\$50m-60m Hanco Rental Car; BSEC Due in September
- £400m Anglian Water WBS - BNPP
- Up to €1.5bn Int't Fleet Financing 1; Hertz; RBS/BNPP PRIVATE

CDO

Mizuho CLO VII	€500+	ML
Queen St Series 1	€150m	Mu Re/BASL
Syracuse Funding	€2.5m	Natixis
Confluence 2/Pimco	€	Calyon
Fortress CF Euro 1	€750m	
CVC Cordatus III		BarCap
Synthetic Lev loan CLO		Deutsche
Synthetic Lev loan CLO		Lehman
Queen St III/Indicus	€400m	GS
Dekannia IV/	€400m	ML
Egret Funding CLO II	€400m	ML/SG
ScandiNotes	€	HSH Nordbk Mkting
Babson	RBS	