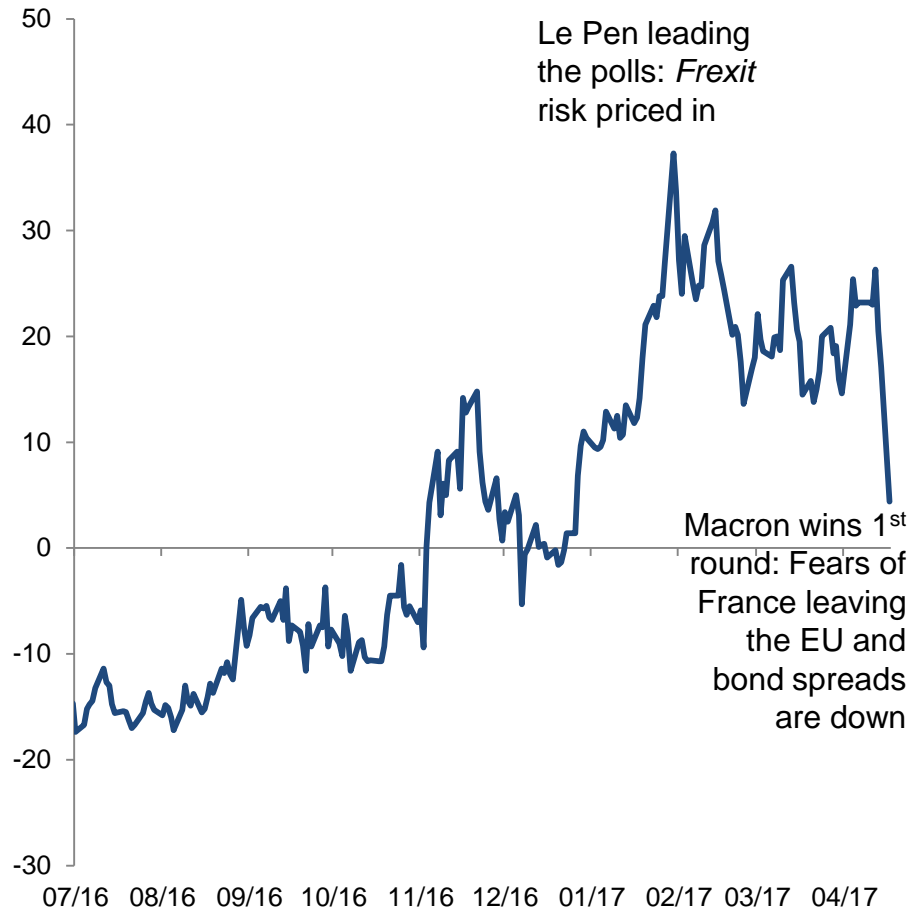


# France: Frexit Fear Subsides, Risk Appetite is Up

French Long-Term Bond (OAT 10-yr) Spread vs. Swap rate, *basis points*



Frexit fears subsided as investors drew a sigh of relief following the French presidential election first round results. Pro-European Emmanuel Macron won the poll with Eurosceptic Marine Le Pen coming in second. Markets expect Macron to win a run-off on May 7.

**French bond spreads** (OAT 10-year) tumbled, **European stocks** rallied, and the **Euro** jumped.

Sources: Bloomberg, Euler Hermes