

French elections

Pricing uncertainty

What investors expect

Investors have already priced in **the double-trigger risk of the French elections**: a minority government. We estimate the additional cost of financing reached **+30 basis points since the start of the year**. France's unique two-tier system and the need for reforms make this election **more about governability than the identity of the next President**. Frexit is, on the contrary, not priced in.