Credit Suisse recently shocked investors by issuing bonds with punishing yields. Now it is rumored it wants to tap the debt markets further.

Credit Suisse has commissioned various banks to find investors for covered bonds, according to a report from «Reuters» on Tuesday, citing an internal memo.

According to the report, Credit Suisse has authorized European banks including Commerzbank, Danske Bank, DZ Bank, Helaba, ING, and Natixis to organize virtual meetings with Credit Suisse and pitch them to investors.

**Top Rating Expected**

In addition, the bank plans to issue a euro-denominated covered bond with a short maturity.
backed by high-quality loans. According to the memo, it is expected that Fitch will assign a AAA rating.

Issuing covered bonds is not new to Credit Suisse. In June 2019, Credit Suisse (Schweiz) launched its Swiss Covered Bond Program and issued an inaugural 250 million Swiss francs ($265 million) bond. Since then, a further seven successful francs issuances were priced for a cumulative total of 1.97 billion francs.

Share Hit All-Time Low

In early November, Credit Suisse raised $5 billion with two conventional bond tranches to improve its liquidity at eye-popping coupons of 7.75 and 9 percent that it had to pay to attract investors.

In addition, the bank received the green light from shareholders to raise 4 billion francs via fresh equity on the market. This too has proven painful, with the share price falling below 3 francs for the first time in its history at the start of the week and with the start of rights trading.

CDS Turmoil

Credit Suisse also suffered the ignominy of three downgrades on certain debt securities following October’s strategy review, as finews.com reported. This tends to make refinancing on the bond market more expensive for the Swiss institution.

The rise in the price of default insurance (CDS) for Credit Suisse bonds is once again a cause for concern, having reached a new record high today. In October when prices climbed, management had actively turned to investors to reassure them.