Proceedings of the 2024 International Conference "ECONOMIC SCIENCE FOR RURAL DEVELOPMENT" No 58
Jelgava, LBTU ESAF, 16-17 May 2024, pp. 402-410
DOI: 10.22616/ESRD.2024.58.039

BALTIC CORPORATE BOND MARKET AFTER COVID-2019 AND CAPITAL MARKETS UNION ACTIONS

Natalja Tocelovska[1], Dr.oec, Assistant Professor;
Inga Jekabsone[2], Dr.sc.admin, Assistant Professor

[1]Riga Graduate School of Law; [2]Riga Technical University

Abstract. The implementation of the Capital Markets Union (CMU) initiative has boosted the activity within the corporate bond markets, a momentum further augmented by the consequences of the COVID-2019 pandemic. Although Baltic countries initially ranked low in the development of individual capital markets during 2007-2014, (before the CMU plan), the situation improved in the period 2015-2018 (after the CMU actions). The further expansion of the Baltic corporate bond market in the period from 2019 to 2023 traditionally associated with COVID-2019 and further CMU activities; witnessed an average annual growth rate of 125%.

This paper aims to investigate the impact of COVID-2019 and CMU-related factors on companies' decisions to issue corporate bonds in the Baltic region. This article undertakes a primary data analysis collected through surveys and in-depth interviews conducted between December 2022 and January 2023, involving Baltic corporate bond issuers and issue organisers. The results indicated that while bank borrowing remained popular, issuing corporate bonds was gaining favour among the Baltic issuers. The cost of funding was named as the main motivating factor for the bond issuance, followed by the strategic ambition to be present in the public market, and lack of funding alternative. The European Union's support for bond issuance costs was treated as beneficial, reinforcing the impact of the CMU. The identification of liquidity and investor demand as primary obstacles in Baltic corporate bond issuance further supported the ongoing CMU efforts. Methodologically, this study employs scientific publication analysis, document analysis, expert surveys, and in-depth interviews.

Key words: corporate bonds, corporate bond issuance, Baltic countries, COVID-2019, Capital Markets Union.

JEL code: G23, G12

Introduction

The existing academic research is increasingly addressing the evolution of corporate bond funding in Europe and the Baltics in particular. The implementation of the Capital Markets Union (CMU) initiative has boosted the activity within the segment, a momentum further augmented by the consequences of the COVID-2019 pandemic on capital markets. While the position of Latvia, Lithuania, and Estonia was ranked 25th (out of 25 as the maximum for the 28 member states) or the worst among other European Union countries, 18th and 11- for each country respectively when measuring the development of the capital market of a single country in the period 2007-2014 (before the CMU plan), the situation has improved in the period 2015-2018 (after the CMU plan) (Gucciardi, 2022). The active development has further expanded in the period from 2019 to 2023 traditionally associated with the COVID-2019 and Capital Markets Union activities; and witnessed an average annual growth rate of 125%.

While highly recognised by the academic and professional community for its scope and aim, the activities of the Capital Markets Union plan proved to be insufficient (the European Commission had performed reviews of the action plan) and influencing the capital markets to a dissimilar extent. Moreover, upon analysing the Baltic region, the authors identify its unique position shaped by factors such as a consolidated capital markets infrastructure provided by Nasdaq Baltic, a unified investor base, legislative integration, market scale considerations, and a disadvantaged starting position, prompting a reconsideration of the emphasis placed on COVID-2019 and Capital Markets Union related factors in shaping the development of the Baltic corporate bond market and underscoring the necessity for regional analysis.

[1] E-mail: natalja.tocelovska@rgsl.edu.lv;
[2] E-mail: inga.jekabsone@rtu.lv;

This paper aims to investigate the impact of COVID-2019 and Capital Market Union-related factors on companies' decisions to issue corporate bonds in the Baltic region. It contributes to extant research on corporate bond issuance in two fundamental ways. Firstly, the authors conduct a distinctive analysis of the Baltic region as a corporate bond issuer, scrutinising factors influencing companies' decisions to engage in corporate bond issuance in the Baltic, with a specific focus on COVID-2019 and Capital Market Union-related dynamics. Secondly, the authors undertake primary data collection and analysis to reveal the main factors affecting Baltic companies to enter the corporate bond market. In the first part of the paper, the authors review the academic contribution to the study of the influence of COVID-2019 and Capital Markets Union- related activities on the corporate bond market development; and the Baltic corporate bond market. The literature review sets the context of the research and supports the chosen methodology. In the second part, the authors present the data and research methodology. In the third part, as the result of the literature review, analysis of the primary data obtained through survey and in-depth interviews, the authors show the COVID-2019 and Capital Market Union- related factors that influence Baltic companies to issue corporate bonds and draw conclusions. Methodologically, this study employs scientific publication analysis, document analysis, expert surveys, and in-depth interviews. The primary data was collected between December 2022- January 2023.

Literature review

Despite the increasing integration of the Baltic countries and the formation of the Baltic capital market, the analysis of the Baltic corporate bond market as a single market is scarce by academics. The study of Vainovskis et al. (2023) was a unique analysis of the region and explored the determinants guiding the choice of Baltic corporate bond issuers between the local and international markets. The authors found that the main determinants stimulating international Baltic issues were bond placement size, company size, equity ratio, a satisfactory credit rating, and appropriate yields in the context of higher competition for international investor attention; on the country-level, gross domestic product per capita, country's export share, interest rate spread, regulatory quality, and political stability. Hvozdenska (2018) scrutinised Baltic bond markets on a per-country level for the government bond segment. More active academic interest can be observed on the per-country level for Latvia and Lithuania. Tocelovska et al. (2018) identified gross domestic product per capita, amount of domestic savings, real gross domestic product growth, amount of government bonds as the share of gross domestic product and regulatory quality on the amount of the corporate bonds outstanding as the determinants of the corporate bond market development in Latvia. Tocelovska et al. (2019) found that the reputation a company got as the result of the bond issue, strategic ambition to be present in the public market, cost of funding in the long-term (more than 3 years) motivated financial sector companies to come to the debt market.

Buzinske & Stankeviciene (2023a) and Buzinske & Stankeviciene (2023b) focused on the green bond segment of Lithuania. The studies pointed out the greenwashing, the questionable role of the green bond market in environmental protection, and insufficient financial and economic benefits of issuance as the challenges of green bond issuance in Lithuania as well as developed a 12-step process for the issuance of green bonds in Lithuania. Gaspareniene et al. (2019) analysed the choice for corporate financing for Lithuanian companies. While the authors based their research on the fact that corporate bonds were profitable only to large companies with a high credit rating, while small and medium companies—as well as large companies with lower credit ratings-found bank loans to be a more attractive method of external financing, the results revealed the general economics, bank sector, money market and specific characteristics of a company to influence the choice for a corporate capital structure. The main determinants of business capital structure choice included: 1) general economic determinants, linked to the economic development of a country, the level of a stock market development, the size of the banking sector and the level of a finance market development; 2) bank sector determinants, primarily the procedures of bank loan issuance, legal regulation of the banking sector, the rate of deposit insurance premiums, (in)dependency of a business company from bank financing and a company's credit rating; 3) money market determinants, interest rates fixed by central banks, deposit interest rates, interest rates for non-deposit funds, surplus of free funds in households and business accounts, the rate of bond yields; 4) specific characteristics of a company such as business nature, a company's financial and marketing objectives, financial capacity, availability of different sources of financing and the need to diversify sources of financing.

The influence of COVID-2019 on the corporate bond market development is widely covered by academic research while missing a common stance. The study of Zaghini (2023) emphasised the weakness of the euro-area bond market during pandemic crisis periods where as a result of the credit rating agencies downgrading the euro-area companies, many euro-area corporations were unable to issue debt on the market. On the contrary, Agoraki et al. (2024) pointed the capital inflow into the bond markets during a pandemic, and Falato et al. (2021) to the positive spillover of the Fed funds to primary bond markets over the post-crisis period. The study by Taghizadeh-Hesary et al. (2021) noticed a reduction in green projects during the COVID-19 pandemic and the global recession, thus, indicating the urge for green bond issuance. The research by Sisodia et al. (2022) examined the rationale behind the increased global presence of corporate green bonds. The authors found that investors value green firms more as compared to brown firms (less climate-friendly), while the resilience of both green and brown firms was not found to differ. Della Posta & Morroni (2022) pointed out the need for additional public debt to create the basis for the recovery focused on the green transition, digital technology, and labour-intensive activities.

Bletzinger et al. (2022) examined the EU_Bonds, which acted as the European Union's (EU) COVID-19-related policy responses. The development of the EU-Bonds and the issuance under SURE programme in December 2022 (European Commission, 2024b) follows the previous findings of Tocelovska & Cakure (2021) on the gradual formation of the supranational framework for the European bond issuance, Corsetti et al. (2019) exploration on the non-defaultable Eurobond issued by a "euro area fund". Moreover, Bletzinger et al. (2022) acknowledged the risk of EU bonds limited further development due to the fact that both SURE and NGEU programs were foreseen to be one-off, EU-Bonds not being included in the sovereign bond indexes, and an absence of a direct derivative hedge instrument similar to the German, French, and Italian government bonds in the form of Eurex bond futures contracts.

The importance of the Capital Markets Union as a boost to European capital markets has been recognised by academics since its introduction in 2015. The development of the Capital Markets Union could be divided into several stages: in 2015 the first CMU action plan was developed with the first review in 2017; after the High Level Forum in 2020, the new Action Plan was developed, where in 2023 list of indicators to monitor progress towards the CMU objectives was published (European Commission, 2024a). In its first action plan, the European Commission underlined the need to review the functioning of European Union corporate bond markets, focusing on how market liquidity can be improved, the potential impact of regulatory reforms, market developments and voluntary standardisation of offer documentation (European Commission, 2015). While the academic and professional society has demonstrated solid scepticism about the short timeline (the first major deadline was set for 2019), gradually the change in the CMU calendar and content was adjusted. The study of Tocelovska & Purmalis (2017) emphasised the CMU's focus on securitization, infrastructure finance, and on providing financing alternatives to small and medium-sized enterprises (SMEs), where the growth of the Latvian corporate bond market was shaped by the financial companies, not the SMEs originally targeted by the CMU. The study had expected further growth of the financial sector corporate bond as stimulated by securitisation. The banks as the representative of the financial sector companies got special attention for their funding needs in the form of covered bonds. In 2019, the European Commission reached an agreement on the harmonised rules, based on national high standards and best practices, to contribute to developing covered bonds as a stable and cost-effective source of funding for EU banks. By doing so, they planned to expand the capacity of banks to provide financing to the real economy and also to give investors a wider range of safer investment opportunities (European Commission, 2019). The study of Bajakic (2019) on the covered bond aspect of the CMU, predicted a reduction in regulatory fragmentation and more cross-border transactions, better investor protection, and more integrated European capital markets.

Allen & Pastor (2019) further challenged limited ambition in the supervision and enforcement of securities regulations, financial transactions tax, the low-interest-rate environment, cultural reasons, and potential political opposition. The primary results of the CMU as communicated in 2019 pointed to the increasing corporate bond issuance by non-financial companies, while still not utilising the full potential of the instrument. Further action to improve the functionality of the corporate bond market based on the expert group's recommendation was adopting a legislative proposal on promoting SME listing to reduce the administrative burden for issuers of corporate bonds (European Commission, 2019). Langenbucher (2021) has summarised the four areas of the High Level Forum in 2020 as: 1) promoting financing of a business; 2) creating a uniform market infrastructure; 3) fostering individual investor's engagement and 4) tackling obstacles to cross-border investment. The study of Werner et al. (2020) pointed out that the capital markets as stimulated by the CMU activities will not substitute but complement the bank SME financing.

Methodology

The primary data analysed in this paper has been obtained via in-depth interviews and surveys of the Baltic corporate bond issuers and issue organisers in the period of December 2022 to January 2023. The limitation for the issuer sample was made in the form of setting the issuance period of the corporate bonds by the company: 2017-2022. The questionnaire comprised three parts (covering the choice for funding, corporate bond issue process, and expert details) and was sent to 158 out of 168 issuers, generating 38 original responses and reaching a 24% response rate. The authors have further analysed the questionnaires and the questionnaires where more than 60% of responses were missing or where the same number appeared in 100% of responses, were not included in the sample thus reducing the number of valid questionnaires to 30. The survey experts were approached 2-5 times via email, phone, or LinkedIn account. The expert interviews took place in the period of December 2022 to January 2023 with the four organisers of the Baltic corporate bond issues. The authors have identified in total seven issue organisers each arranging more than seven corporate bond issues in the period 2017-2022: Siauliu bankas, Luminor Bank, Orion Securities, Signet Bank, BlueOrange Bank, LHV, and SEB. The response rate for the in-depth interviews reached 57%. The in-depth interview process took place in English or Latvian depending on the preferences of the interviewee.

Research results and discussion

The results of the survey "Corporate Bonds in the Baltics: Factors that Affect Corporate Bond Issuers" conducted in December 2022- January 2023 indicated that while borrowing outside the group company (bank borrowing) was still recognised as the most preferred way of financing (the other options being borrowing outside the group company (bank borrowing), equity funding, and organising initial public offering (IPO)), issuing corporate bonds was favoured by the issuers in a similar manner. The results support the findings of Agoraki et al. (2024) rejecting the findings of Zaghini (2023) about the accessibility of the capital markets in the COVID-2019 and post-COVID-2019 years. During the interviews, when commenting on the choice for companies to issue corporate bonds instead of applying for bank financing the expert pointed to several reasons: the company reached the maximum available bank financing or outgrown the capacity of local banks (like quasi sovereign and financial institutions); the lack of pledge as required by the banks while most of the corporate bonds issued were unsecured; diversification and flexibility in the debt structure (looser financing structure, payment of the debt amount at the end of the period instead of amortising the loan); and pricing during the low-interest-rate environment during the past three years. The additional factors, mentioned by a few experts were company recognition and transparency (media presence, NASDAQ listing, increasing trust of investors and employees) and lack of knowledge about the capital markets from the older generation entrepreneurs. Additionally, the experts have commented on the contrasting situation in Estonia as compared to the Baltic region. The more aggressive practice of the banking sector (as perceived by the experts when compared to Latvia and Lithuania) resulted in Estonian issuers lagging their coming to the corporate bond market. The IPO option while still rated low by the survey experts (mean 2.21 out of 10 maximum) was commented during interviews to gain popularity in the future as an increasing number of potential issuers were evaluating the option.

Table 1

Main statistical indicators of expert evaluations on obstacles to issue corporate bonds

Obstacles	**Mean**	**Std. Error of Mean**	**Median**	**Mode**	**Std. Deviation**	**Variance**	**Range**	**Minimum**	**Maximum**
cost of issue (documentation, issue organiser etc.)	5.04	0.98	5.50	2.00	2.78	7.72	8.00	1.00	9.00
cost of market entrance (registration fees, listing fees etc.)	4.77	0.93	5.00	2.00	2.64	6.98	8.00	1.00	9.00
cost when compared to the borrowing from the group company	5.27	0.99	7.00	7.00	3.14	9.88	10.00	-	10.00
cost when compared to the borrowing outside the group company (bank borrowing)	6.76	0.87	8.00	8.00	2.62	6.86	9.00	1.00	10.00
cost when compared to the equity funding	4.75	0.90	5.00	3.00	2.69	7.24	9.00	-	9.00
level of competence in bond issue process by the reasonable people in my company	5.59	0.86	6.00	5.00	2.58	6.64	9.00	1.00	10.00
level of corporate bond understanding among investors	5.07	0.97	5.00	8.00	2.73	7.46	8.00	1.00	9.00
level of demand from investors	6.89	0.91	7.00	9.00	2.58	6.64	8.00	2.00	10.00
liquidity of the corporate bond market	7.59	0.75	8.00	9.00	2.14	4.56	8.00	2.00	10.00
regulatory policies	5.40	0.90	5.00	2.00	2.69	7.25	9.00	1.00	10.00
restrictive covenants of the corporate bonds	5.48	1.00	5.00	5.00	3.00	9.01	9.00	1.00	10.00

Evaluation scale 1 – 10, where 1- strongly disagree; 10 – strongly agree

DOI: 10.22616/ESRD.2024.58.039

Source: Authors' construction based on conducted survey "Corporate Bonds in the Baltics: Factors that Affect Corporate Bond Issuers" conducted in December 2022- January 2023

Tables 1 and 2 represent the summary of the descriptive statistics of questions: "In my country the main obstacles to issue bonds are: cost of issue (documentation, issue organiser, etc.); cost of market entrance (registration fees, listing fees etc.); cost when compared to the borrowing from the group company; cost when compared to the borrowing outside the group company (bank borrowing); cost when compared to the equity funding; level of competence in bond issue process by the reasonable people in my company; level of corporate bond understanding among investors; level of demand from investors; liquidity of the corporate bond market; regulatory policies; and restrictive covenants of the corporate bonds" and question: "My company, when issuing bonds is targeting: retail clients (excluding high net worth individuals); high net worth individuals; institutional clients (banks' own books); institutional clients (banks' assets under management departments); institutional clients (insurance); and institutional clients (pension plans)" of the survey "Corporate Bonds in the Baltics: Factors that Affect Corporate Bond Issuers" conducted in December 2022- January 2023. While the participants of both the survey and expert interviews have pointed to the cost of funding as the main motivating factor to issue bonds for a company, followed by the strategic ambition to be present in the public market, and lack of funding alternative, the analysis of the main obstacles to issuing corporate bonds reveals the high cost of funding if compared to the borrowing outside the group company (bank borrowing) (Table 1). The difference in the perception of the cost of funding when compared to the results of the survey and the expert interviews could be due to the distinct perception as present by the issuers (survey experts) and issue organisers (interview experts). Moreover, the financial support of the EU for covering the cost of the corporate bond issues was recognised as a significant relief thus supporting the CMU impact.

Table 2

Main statistical indicators of expert evaluations on the target clients when issuing corporate bonds

Client groups	Mean	Std. Error of Mean	Median	Mode	Std. Deviation	Variance	Range	Minimum	Maximum
retail clients (excluding high net worth individuals)	5.17	1.09	5.00	2.00	3.26	10.62	9.00	1.00	10.00
high net worth individuals	7.30	0.98	8.00	10.00	2.95	8.68	9.00	1.00	10.00
institutional clients (banks' own books)	8.10	0.91	9.00	10.00	2.86	8.19	10.00	-	10.00
institutional clients (banks' assets under management departments)	7.96	1.08	10.00	10.00	3.43	11.77	10.00	-	10.00
institutional clients (insurance)	8.05	0.91	9.00	10.00	2.73	7.45	9.00	1.00	10.00
institutional clients (pension plans)	8.10	1.09	10.00	10.00	3.26	10.62	9.00	1.00	10.00

Evaluation scale 1 – 10, where 1- strongly disagree; 10 – strongly agree
Source: Authors' construction based on conducted survey "Corporate Bonds in the Baltics: Factors that Affect Corporate Bond Issuers" conducted in December 2022- January 2023

The analysis of the main obstacles to issuing corporate bonds indicated that the liquidity of the corporate bond market had the highest rank, followed by the level of demand from investors. Baltic corporate bond issuers' views on the liquidity of the corporate bond market as an obstacle to issuing corporate bonds were not homogeneous – the lowest evaluation was 2 and the highest evaluation was 10 with mode 9 (the most often chosen evaluation by the experts) and median 8 (around half of the experts gave evaluation 8 or less, and half of the experts gave evaluation 8 and 9), the arithmetic mean of the expert evaluations was 7.59 with standard deviation 0.75). The concern about the liquidity issue supports the desire of the European Commission to review the functioning of European Union corporate bond markets, focusing on how market liquidity can be improved (European Commission, 2015). The liquidity concern while mentioned during the expert interviews, was not among the key highlights of the experts. The experts commented that the liquidity problems were typical for small bonds (even for international issues) and not a major issue for institutional investors, where private investors hold bonds to maturity. The average Baltic corporate bond issue size viewed by different interview experts varied from EUR 5-10 million to EUR 20-30 million not exceeding EUR 50 million.

Baltic corporate bond issuers' views on the level of demand from investors as an obstacle to issuing corporate bonds were not homogeneous – the lowest evaluation was 2 and the highest evaluation was 10 with mode 9 (the most often chosen evaluation by the experts) and median 7, the arithmetic mean of the expert evaluations was 6.89 with standard deviation 0.91. Further analysis of the Baltic corporate bond issue evaluation of the target clients for the bonds revealed institutional investors: pension plans, banks' own books, insurance companies and bank's assets under management were viewed as the main target clients followed by the high-net-worth individuals (Table 2). During the interviews, the demand from investors was highlighted as a significant factor for the whole pan-Baltic region. While referring to the strong urge for the local pension fund assets to be invested in the corporate bonds of the region, the experts realised the EU regulation requirements and understood the investment limits. The experts commented on the limited presence of institutional investors in the Baltics except for the pension funds while the banks' own investments (proprietary books) only recently started their activity, same applied to the family offices. The need for more green bonds for green fund investments was recognised thus supporting the findings of Taghizadeh-Hesary et al. (2021). The retail clients got significantly lower evaluations by the Baltic corporate bond issuers as the target clients with the arithmetic mean of the expert evaluations of 5.17 and a standard deviation of 1.09. The interview experts recognised modest retail interest in the less retail oriented (by their core activity) issuers, whereas the opposite was observed in the well-recognised issuers like Maxima Grupe, UAB. The experts mentioned that high minimum investments, low financial literacy and lack of information, high fees, as well as limited (or no positive) experience in financial markets were among the factors affecting retail limited interest in corporate bond investing.

Conclusions, proposals, recommendations

1) Academic research on the Baltic corporate bond market is limited, with a focus on individual countries rather than the region as a whole. Recent studies have highlighted factors influencing the choice between local and international bond markets for Baltic issuers, the determinants of the corporate bond market development in Latvia, the green bond segment in Lithuania as well as the choice of corporate financing in Lithuania.
2) The impact of the COVID-19 pandemic on corporate bond markets exhibits divergent perspectives. Some academic papers highlighted weaknesses in the euro-area bond market due to downgrades by credit rating agencies, while others pointed to increased capital inflows during the pandemic, positive spillovers from Fed funds to primary bond markets post-crisis, and a reduction in green projects prompting a call for green bond issuance.
3) Academic recognition of the Capital Markets Union's (CMU) significance in boosting European capital markets has been consistent since its inception in 2015. The CMU's developmental trajectory, marked by key milestones such as action plans and reviews reflected a strategic evolution

aimed at enhancing market liquidity, regulatory reforms, and financing alternatives, despite initial scepticism. The European Commission underlined the need to review the functioning of European Union corporate bond markets, among other issues, focusing on the market liquidity. Despite increased corporate bond issuance by non-financial companies, the CMU's potential remains underutilised, prompting further action such as legislative proposals to facilitate SME listings. The four areas of the High Level Forum include promoting business financing, market infrastructure, investor engagement, and addressing cross-border investment barriers.

4) The analysis of the Baltic corporate bond issuers reveals that while bank borrowing remains the preferred financing method, issuing corporate bonds is gaining similar favour among issuers. Reasons for choosing corporate bonds over bank financing include reaching maximum bank borrowing capacity, preference for unsecured debt, flexibility in debt structure, and favourable pricing in low-interest-rate environments. The additional factors being company recognition, transparency, and generational differences in knowledge about capital markets.

5) While cost remained the main motivating factor to issue bonds for a company, followed by the strategic ambition to be present in the public market, and lack of funding alternative, the analysis of the main obstacles to issuing corporate bonds revealed the high cost of funding if compared to the borrowing outside the group. The financial support of the EU for covering the cost of the corporate bond issue was recognised as a significant relief thus supporting the CMU impact.

6) The further analysis identified liquidity and investor demand as primary obstacles to issuing corporate bonds in the Baltic region. These findings supported the European Commission's initiative to review the functioning of the EU corporate bond markets, focusing on how market liquidity could be improved. While liquidity concerns were acknowledged in expert interviews, they weren't emphasized as key highlights, particularly as they primarily affect smaller bond issues rather than institutional investors. The Baltic corporate bond issue sizes were found to range from EUR 5-10 million to EUR 20-30 million, with few exceeding EUR 50 million.

7) The analysis revealed institutional investors such as pension plans, banks' own books, and insurance companies as the main target clients for Baltic corporate bond issues. Retail clients received lower recognition due to factors such as high minimum investments, low financial literacy and lack of information, and high fees, although recognising that retail-oriented (by their core activity) issuers attracted more interest.

Bibliography

1. Agoraki, M.-E., K., Wu, H., Xu, T. & Yang, M. (2024). Money never sleeps: Capital flows under global risk and uncertainty. Journal of International Money and Finance 141, 103013. https://doi.org/10.1016/j.jimonfin.2023.103013
2. Allen, F. & Pastor, L. (2019). The Capital Markets Union: Key Challenges. Capital Markets Union and Beyond, 3-24
3. Bajakic, I. (2019). Capital Markets Union and European Covered Bonds Initiative for Upgrading Capital Markets in the New Member States. Economic and Social Development (ESD 2019), 67-75.
4. Bletzinger, T., Greif, W. & Schwaab, B. (2022). Can EU Bonds Serve as Euro-Denominated Safe Assets? Journal of Risk and Financial Management 15(11), 530. https://doi.org/10.3390/jrfm15110530
5. Buzinske, J. & Stankeviciene, J. (2023a). Analysis of Success Factors, Benefits, and Challenges of Issuing Green Bonds in Lithuania. Economies 11(5), 143. https://doi.org/10.3390/economies11050143
6. Buzinske, J. & Stankeviciene, J. (2023b). Decision-Making Algorithm for the Issuance of the Green Bonds by Municipalities in Inter-Municipal Cooperation in Lithuania. Economies 11(12), 287. https://doi.org/10.3390/economies11120287
7. Corsetti, G., Dedola, L., Jarocinski, M., Mackowiak, B. & Schmidt, S. (2019). Macroeconomic Stabilization, Monetary-Fiscal Interactions, and Europe's Monetary Union. European Journal of Political Economy 57, 22-33. https://doi.org/10.1016/j.ejpoleco.2018.07.001

8. Della Posta, P. & Morroni, M. (2022). The credibility of monetary policy and the fiscal response to the pandemic in the Eurozone. Evolutionary and Institutional Economics Review 19(1), 77-96. https://doi.org/10.1007/s40844-021-00226-0
9. European Commission. (2015). Action Plan on Building a Capital Markets Union. Document 52015DC0468. Retrieved from: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0468
10. European Commission. (2024a). CMU. Retrieved from: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/capital-markets-union/what-capital-markets-union_en
11. European Commission. (2024b). Funding Instruments. Retrieved from: https://commission.europa.eu/strategy-and-policy/eu-budget/eu-borrower-investor-relations/funding-instruments_en#:~:text=in%20December%202022.-,EU%2DBonds,through%20syndicated%20transactions%20and%20auctions.
12. European Commission. (2019). Capital Markets Union: progress on building a Single Market for capital for a strong Economic and Monetary Union. COM(2019) 136 final. Retrieved from: https://ec.europa.eu/finance/docs/policy/190315-cmu-communication_en.pdf
13. Falato, A., Goldstein, I. & Hortacsu, A. (2021.) Financial fragility in the COVID-19 crisis: The case of investment funds in corporate bond markets. Journal of Monetary Economics 123, 35-52. https://doi.org/ 10.1016/j.jmoneco.2021.07.001
14. Gaspareniene, L., Remeikiene, R., Sadeckas, A. & Chadysas, V. (2019). A Preference for Corporate Borrowing in Alternative Markets over Borrowing from Banks under the Impact of Monetary Policies: a Lithuanian Case. Economic Research-Ekonomska Istrazivanja 32(1), 1903- 1921. https://doi.org/10.1080/1331677X.2019.1638288
15. Gucciardi, G. (2022). Measuring the relative development and integration of EU countries' capital markets using composite indicators and cluster analysis. Review of World Economics 158(4), 1043-1083. https://doi.org/10.1007/s10290-022-00453-6
16. Hvozdenska, J. (2018). Convergence of the Government Bond Yields in Estonia, Latvia and Lithuania. European Financial Systems 2018: Proceedings of the 15th International Scientific Conference, 196-201.
17. Langenbucher, K. (2021). Building a Capital Market - the Final Report of the High Level Forum on the EU Capital Market Union. European Company and Financial Law Review 17(6), 601-618.
18. Sisodia, G., Joseph, A. & Dominic, J. (2022). Whether corporate green bonds act as armour during crises? Evidence from a natural experiment. International Journal of Managerial Finance 18(4), 701-724. https://doi.org/10.1108/IJMF-10-2021-0501
19. Taghizadeh-Hesary, F., Yoshino, N. & Phoumin, H. (2021). Analyzing the Characteristics of Green Bond Markets to Facilitate Green Finance in the Post-COVID-19 World. Sustainability 13(10), 5719. https://doi.org/10.3390/su13105719
20. Tocelovska, N. & Cakure, A. (2021). Analysis of the Legal and Regulatory Situation of Uncovered Corporate Bond Issuance in the Baltic States: Is There a Common Framework Possible? European Integration Studies 15, 170-181. http://dx.doi.org/10.5755/j01.eis.1.15.28804
21. Tocelovska, N. & Purmalis, K. (2017). Capital Markets Union: the Case of Latvian Corporate Bond Market. New Challenges of Economic and Business Development-2017: Digital Economy, 671-680.
22. Tocelovska, N., Sloka, B. & Arfejevs, I. (2018) Determinants of the Development of the Corporate Bond Market in Latvia. (2018). European Integration Studies 12/2018, 148-161. http://dx.doi.org/10.5755/j01.eis.0.12.21875
23. Tocelovska, N., Sloka, B. & Purmalis, K. (2019) Financial Companies in Latvia: Why are they Coming to the Bond Market? European Integration Studies 13(2019), 70-79. http://dx.doi.org/10.5755/j01.eis.0.13.23500
24. Vainovskis, O., Lenerts, T. & Tocelovska, N. (2023). Going Global or Staying Local: Determinants of Domestic and International Corporate Bond Issues in the Baltics. European Integration Studies 17, 141-152. https://doi.org/10.5755/j01.eis.1.17.34041
25. Werner, A., Menk, M. T. & Neitzert, F. (2020). The European Capital Markets Union and its Impact on Future SME Financing. Contemporary Development in Entrepreneurial Finance: An Academic and Policy Lens on the Status-Quo, Challenges and Trends, 31-58. https://doi.org/10.1007/978-3-030-17612-9_2
26. Zaghini, A. (2023). The Covid pandemic in the market: infected, immune and cured bonds. Journal of Financial Services Research. https://doi.org/10.1007/s10693-022-00394-z