

NEWS | CEO BRIEFING

French 10-year yield breaks 5% a day before Moody's review

France's borrowing costs are at their highest since 2002 as protests and a stalled budget shake investor confidence.

By **Manasee Kurlekar** | October 22, 2026



France is now paying 2002-level prices to borrow.

The 10-year yield rose above 5.10% on Thursday, and the gap over German Bunds hit a 15-year high.

The cause is political as much as financial. Prime Minister Sébastien Lecornu's minority government is struggling to pass the 2027 budget amid protests over the cost of living, while debt sits above 119% of GDP and this year's deficit is expected at 5.4%.

The stress is spreading: Belgian and Italian spreads widened, European bank stocks fell about 2%, and the CAC 40 dropped more than 1%.

Next up is Moody's, which reviews France's rating on Friday. A downgrade would make that borrowing bill even bigger.

Read online: <https://worldbusinesswatch.com/news/9/300/french-10-year-yield-breaks-5-a-day-before-moodys-review.html>

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