

Report | 7 May 2025

CREDIT

Euro Credit Supply: Market volatility reduced April supply

Market volatility and holidays resulted in low supply in April. But primary market activity picked up in the last week. We expect May will be busy with new issues



Executive summary

Corporate Supply picked up towards end of month, expect more in May

As tariffs throw markets into turmoil, primary markets were forcefully closed, leaving a somewhat smaller figure observed for April at just €28bn. The last week of April did however see a spike as markets reopened and issuers came flooding in, accounting for €19bn. As such, the April figure came in below last year but was up on other previous years. A larger pick-up on supply is expected in May, with a strong pipeline already building.

YTD supply now stands at €134bn, which lags behind the €155bn seen at the same point in 2024, though it remains higher than the full-year totals for 2021, 2022, and 2023.

Most sectors continue to post lower supply levels compared to last year. Nevertheless, there are notable increases in sectors like Healthcare and Real Estate, and especially Oil & Gas. However, Industrials, Utilities and TMT continue to represent the bulk of issuance.

Reverse Yankee supply will stay strong

USD credit has been the underperformer in the recent market volatility as risks on the US side are perceived to be higher for now. Reverse Yankee supply is set to increase as market conditions increasingly favour cost-saving advantages for US issuers. The increased differential between EUR and USD spreads creates a lower cost of issuance in euro, particularly as the cross-currency basis swap remains at historically very low levels.

Already, we have seen a jump in Reverse Yankee supply, with April levels reaching €21bn, the highest monthly Reverse Yankee supply since May of last year. This is significant considering the very low issuance levels seen overall in April. Therefore, whilst windows were limited, US issuers were ready to act swiftly when the opportunity was presented.

April marked by the lowest senior non-preferred supply in 2025 YTD

Senior unsecured bond supply reached just below €12bn in April. This is split with €7bn in senior preferred and €4.5bn in senior bail-in bonds. These levels mark a small decline from the €15bn recorded in March. The slowdown is strictly stemming from the senior non-preferred segment, which is laying at the lowest level since the start of the year and €6bn behind what we recorded in March. This contrasts with the senior preferred segment as we note a nearly €3bn increase in issuances compared to March 2025.

On a YTD basis, senior bail-in issuances total just over €58bn, a €5bn increase compared to the supply occurring over the same period last year. Conversely, senior preferred issuances lay at €38bn in 2025 YTD, €2bn behind 2024 YTD, reflecting a 5% decline.

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