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CREDIT

# Euro Credit Supply: Supply underwhelming in January

Supply in January has been underwhelming, as somewhat less windows of opportunity were presented



## Executive summary

**Corporate supply amounted to €35bn in January, lower than expected**

Supply was underwhelming in January at just €35bn, as the expectation was for more. This is partially explained by slightly less windows of opportunity as Trump has been rather active as well as eventful central bank meetings. In addition, the rise in rates a few weeks ago added another 40-50bp of cost for issuers. Supply is now marginally trailing last year's supply, but unlike last year we expect February will be quiet as is the norm. Thus, supply will be trailing last year for the coming months.

Autos and Utilities were driving supply in January with €7bn and €8bn respectively, although this is lower than last year's issuance. Corporate hybrids also were also active with €5bn coming to the market last month, on the higher side of the past few years.

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