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CREDIT

US Dollar Credit Supply: Supply continues at a strong pace

US Dollar supply continues to run largely ahead of most previous years

Executive summary

Corporate supply accelerates further in June

Corporate supply totalled US$110bn in June, marking the strongest month since March and almost double the volume recorded in June last year. As a result, YTD issuance has risen to US$685bn, running well ahead of 2025 and all years since the boom in 2020.

TMT once again dominated issuance, contributing more than US$40bn in June and remaining the key driver of the strong YTD supply profile. Utilities and Industrials also saw elevated issuance, with both sectors printing more than US$25bn during the month. Healthcare, meanwhile, recorded no issuance in June despite remaining one of the strongest sectors on a YTD basis (+109% YoY).

Corporate Reverse Yankee issuance slowed in June compared with the strong volumes seen earlier in the year. Nevertheless, YTD Reverse Yankee supply remains elevated, supported by continued activity from US TMT issuers and cost-saving opportunities in the EUR market, although the advantage has become more name and maturity dependent as USD credit has tightened.

The strong pace of issuance continues to be met by solid demand, with attractive all-in yields, positive USD IG fund inflows and large cash balances ready to be put to work helping to absorb supply despite already tight spread levels. This supportive technical backdrop is likely giving issuers confidence to remain active in primary markets, particularly in sectors with large Capex needs.

Financial supply remains high in June with US$88bn printed

Financials issued close to US$88.5bn in the primary market in June, up nearly US$10bn from the May levels. However, looking specifically at banks' activity, we note a slight decline MoM with US$58bn issued in June. This brings the banks' USD issuances just over US$415bn in 2026 YTD, still well ahead of the US$345bn printed in 2025 YTD.

Last month, banks issued US$31bn in senior non-preferred bonds, in line with May levels. However, we note a US$5bn drop in senior preferred issuances lying at US$15bn last month.

Bank subordinated issuances also stayed rather in line with May levels at nearly US$10.5bn while we note a pickup in covered issuance with US$2bn supplied. This brings USD covered bond supply to US$10bn in 2026 YTD, in line with last year's results.

Since the start of the year, UK issuers have printed US$37bn in USD-denominated bank bonds across the liability structure, effectively leading the Yankee supply. Japanese names follow second with nearly US$32bn and Canadian banks with US$28bn issued in 2026 YTD.

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