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CREDIT

US Dollar Credit Supply: We expect higher USD supply in 2025

We expect USD corporate supply to increase to US\$850bn in 2025, making it a bumper year but not record-breaking



We forecast US\$850bn in USD corporate supply in 2025

- We expect USD corporate supply to increase to US\$850bn in 2025, making it a bumper year but not record-breaking like 2020. Increased M&A activity and higher CAPEX add to the higher redemptions scheduled as the cost of debt falls. This means net supply is forecast to rise to US\$300bn.
- USD corporate supply stood at US\$34bn in October, down 62% compared to the previous month, marking the lowest monthly supply so far this year. On a YTD basis, supply remained ahead of the previous three years, at US\$744bn.
- The Utility sector led monthly and YTD supply at US\$7bn and US\$136bn, respectively. Some sectors saw a sharp drop in supply, particularly Oil & Gas which issued US\$0bn (from US\$13bn in September) and TMT, where supply fell by 87% month on month. Consumers was the only sector to record a decrease in YTD supply.

We forecast €65bn in Reverse Yankee supply in 2025

- We expect a rise in Reverse Yankee supply to €65bn in 2025, up from c.€58bn in 2024. Normally Reverse Yankee supply is a factor of both EUR corporate supply and US corporate supply in both EUR and USD. We expect a return to average levels in 2025, after the somewhat low levels seen in recent years.
- We expect Reverse Yankee supply to be just shy of the average 19% of EUR corporate supply at 18%, and just short of the 9% average of US corporate supply in USD and EUR, at 8%. In addition, redemptions for Reverse Yankee bonds are set to rise in 2025 - to €47bn, an increase from the €39bn maturing in 2024.
- The cross-currency basis swap equation will continue to offer a net investment hedge for US issuers to come to the EUR market and swap back into the longer end of the curve. Both EUR and USD credit are expected to remain range-bound in 2025, as seen in 2024. As such, opportunities for cost-saving advantages across the curve may also open up during times of USD underperformance over EUR.
- October registered only US\$2.6bn of Reverse Yankees coming to the market, the lowest monthly level since January 2024.

See more details on our forecast for 2025 in our report - [Credit Supply Outlook 2025: our forecasts](#).

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