

5 March 2024

Credit Strategy

Supply for February (€bn)

	Corporates	Financials
February	41.9	26.0

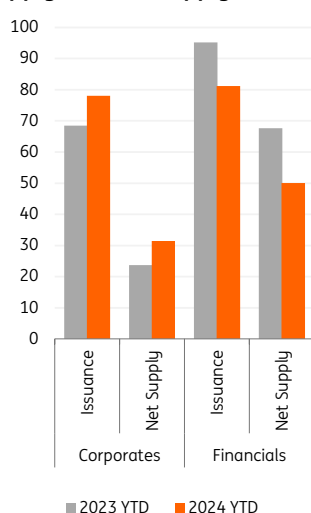
Source: ING, Dealogic

Supply FY and YTD (€bn)

Corporates	FY	YTD
2018	282	47
2019	392	65
2020	445	64
2021	343	67
2022	256	52
2023	307	69
2024	-	78
Financials	FY	YTD
2018	226	53
2019	270	55
2020	234	64
2021	265	61
2022	289	61
2023	316	96
2024	-	81

Source: ING, Dealogic

Supply and Net Supply YTD



Source: ING, Dealogic

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Euro Credit Supply

Record-breaking corporate supply



Record-breaking corporate supply for February at €42bn

- Corporate supply remained very busy, unusual for February due to earnings season. The record-breaking supply of €42bn was even up on January's €36bn. As such YTD supply now sits in excess of all previous years at €78bn. We expect supply will remain busy throughout the coming months as market conditions remain favourable and more uncertainty lies ahead later this year, thus front loading is being seen. In addition, demand remains very strong for these new issues as books are very strong sitting above average, despite the very low NIPs. We did, however, see demand falter slightly last week as investors began to indicate a need for more NIP at these relatively tight spread levels.
- TMT, Utilities and Industrials led the supply coming to the market in February, with €12bn for TMT and €8bn for both Utilities and Industrials. On a YTD basis, Autos also stand with large supply due to the busy January. Utilities sit at €18bn YTD, TMT at €17bn YTD, Autos at €15bn YTD and Industrials at €11bn YTD.
- Corporate Reverse Yankee supply surprised to the upside with a notable €15bn in supply in February. This comes when the cross currency basis swap offers little to no cost saving advantage due to USD spreads trading very tight relative to EUR spreads.

Drop in the February financial supply after a record-breaking month of January

- In February, senior unsecured bond issuances were halved compared to January levels. Indeed, supply reached €18bn, €17bn behind what was seen the previous month. Issuances were split with €14bn in bail-in senior and €4bn in preferred senior. Therefore, the overall drop is due to a significant decline in new issues in the preferred segment.
- After the historically high January EUR benchmark covered bond supply, covered issuances also dropped last month to €14.5bn. That's €13bn behind what was recorded in 2023 MTD. Gross issuances were led by French issuers with €4.5bn supplied as German and Portuguese banks follow with €2.3bn and €2bn issued respectively.
- We expect EUR benchmark covered supply to pick up again this month as the largest TLTRO-III.7 tranche expires in March. Furthermore, redemptions will increase again to reach €13bn. French covered bonds will see the highest amount to be repaid with €3.3bn.

Fig 1 Euro corporate supply overview (€bn)

	2020	2021	2022	2023	2023 Feb	2024 Jan	2024 Feb	2023 YTD	2024 YTD	% diff
Auto	38	32	26	50	1	3	2	4	15	236%
Consumer	66	38	25	50	7	0	4	7	6	-3%
Healthcare	40	22	24	18	4	0	3	4	3	-26%
Industrial & Chemicals	75	60	44	57	4	8	8	12	11	-8%
Real Estate	39	61	24	8	1	1	2	2	3	31%
TMT	68	39	33	43	7	8	12	15	17	10%
Utility	52	53	57	54	5	17	8	22	18	-17%
Oil & Gas	47	13	3	10	-	2	-	2	1	-50%
Others	19	26	19	16	0	1	3	1	5	276%
Corporate Hybrid	42	36	12	15	-	6	1	6	2	-62%

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2020	2021	2022	2023	2023 Feb	2024 Jan	2024 Feb	2023 YTD	2024 YTD	% diff
Bank Senior	139	148	203	231	18	34	18	70	52	-24%
of which Bail-in	77	51	73	97	9	13	14	32	27	-14%
of which Pref	62	98	130	134	9	21	4	38	25	-33%
Bank Capital	39	39	27	32	4	9	3	14	15	4%
Financial Services	36	57	40	40	4	6	6	10	14	39%
Insurance	20	21	20	12	-	2	-	2	5	104%
Covered	95	99	212	194	28	41	16	69	58	-16%

Note: Dealogic sorts some Banks into the Financial Services sector

Source: ING, Dealogic

Fig 3 Euro corporate supply and net supply by month (€bn)

Issuance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	28.7	35.5	49.4	68.6	62.2	62.9	21.8	6.6	49.6	28.7	21.2	9.7	444.8
2021	37.0	27.1	45.4	21.8	34.3	37.8	10.1	19.8	43.4	26.5	35.2	4.6	342.9
2022	37.5	14.2	47.4	10.3	32.1	16.4	2.7	15.8	24.6	23.7	30.3	1.0	255.9
2023	40.7	27.8	26.0	19.8	48.0	26.8	11.6	22.3	31.3	8.0	40.2	4.2	306.6
2024	36.2	41.9											78.1
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	7.4	27.4	19.1	52.8	40.6	52.6	5.0	-1.6	29.3	13.4	-4.2	-0.6	241.0
2021	14.9	11.1	14.4	5.6	16.7	19.3	-2.3	10.1	23.5	8.8	15.8	-9.5	128.5
2022	15.6	-3.0	18.9	-7.6	13.5	-8.9	-11.9	8.8	-2.8	13.3	8.4	-11.6	32.7
2023	19.3	4.4	-4.4	-2.4	26.0	5.9	-3.9	15.1	-5.4	-10.4	18.6	-1.6	61.0
Redemptions	29.7	17.0	23.3	24.7	28.0	19.3	26.3	1.4	29.7	23.9	18.8	16.3	258.4
2024	6.5	25.0											31.5

Redemptions shown for 2023 only

Source: ING, Dealogic

Fig 4 Euro financial supply and net supply by month (€bn)

Issuance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	45.2	18.7	14.7	26.1	24.8	27.9	13.2	8.7	13.2	16.6	22.6	2.7	234.3
2021	28.4	32.4	28.6	15.0	28.2	23.1	5.0	12.2	36.8	23.3	28.7	3.1	264.9
2022	38.9	22.4	30.9	22.1	30.6	20.0	6.1	25.1	27.5	17.2	44.1	4.0	288.7
2023	69.6	25.6	15.6	25.0	37.4	32.3	9.6	18.4	35.9	16.2	27.9	2.5	316.0
2024	55.2	26.0											81.2
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	21.0	-0.8	-2.6	10.8	14.6	6.0	-3.5	-3.1	-3.5	11.3	0.7	-8.7	42.0
2021	7.1	16.2	8.9	0.1	18.4	9.8	-3.3	6.6	10.7	12.7	13.5	-6.2	94.4
2022	4.4	1.7	8.1	4.3	16.8	5.6	-4.9	15.1	3.0	0.3	31.7	-8.0	78.1
2023	50.9	16.7	-11.0	11.6	19.5	12.3	-4.6	9.9	14.7	-1.1	13.2	-3.0	129.1
Redemptions	17.0	14.2	13.1	19.3	27.5	24.5	14.4	4.5	17.2	8.5	10.9	7.1	178.2
2024	38.2	11.8											50.0

Covered Bonds excluded from aggregate throughout. Redemptions shown for 2023

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2024 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	12.6	2.3											14.8
Consumer	2.3	4.2											6.5
Healthcare	0.0	2.8											2.8
Industrial	2.8	7.9											10.7
Real Estate	1.1	1.5											2.6
TMT	4.3	12.5											16.8
Utility	11.0	7.5											18.5
Oil & Gas	1.0	0.0											1.0
Others	1.3	3.4											4.6
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	6.0	1.9	2.3	4.8	1.5	1.9	6.4	0.0	1.7	4.2	5.3	1.9	37.7
Consumer	4.0	1.3	3.4	4.8	7.5	1.2	2.5	0.0	5.0	4.5	3.9	1.2	39.0
Healthcare	1.2	0.5	0.9	0.9	5.0	2.1	1.7	0.0	1.0	1.6	3.0	1.9	19.7
Industrial	4.7	2.8	3.4	4.7	5.1	5.1	3.2	0.2	4.5	1.0	1.7	4.2	40.5
Real Estate	2.3	2.7	1.7	1.9	0.4	1.3	2.8	0.0	1.1	3.6	2.4	1.1	21.3
TMT	5.7	3.1	7.9	1.2	2.7	1.9	2.3	0.1	7.8	2.4	1.1	2.5	38.6
Utility	2.5	1.7	2.9	2.7	3.0	2.2	2.1	1.1	6.1	3.0	1.0	0.9	29.2
Oil & Gas	3.3	1.3	1.0	2.5	1.8	1.9	1.0	0.0	1.8	1.9	0.0	0.1	16.5
Others	0.0	1.7	0.0	1.2	1.0	1.7	4.5	0.0	0.8	1.8	0.6	2.6	15.8

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2024 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	30.6	17.4											48.0
of which NPS	13.5	11.1											24.6
of which Pref	17.1	6.3											23.4
Bank Capital	11.7	2.8											14.5
Financial Services	7.9	5.8											13.8
Insurance	4.9	0.0											4.9
Covered	42.9	15.5											58.4
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	15.0	12.3	9.8	17.2	24.1	21.2	12.1	3.4	12.6	6.0	7.2	4.7	145.4
of which NPS	4.7	5.0	1.6	4.8	11.2	8.1	3.0	1.1	5.5	4.8	1.4	1.3	52.3
of which Pref	10.3	7.3	8.3	12.4	12.9	13.1	9.2	2.3	7.1	1.2	5.8	3.5	93.1
Bank Capital	0.8	3.5	3.2	1.2	1.3	1.1	1.1	0.0	1.5	1.7	0.5	0.0	15.7
Financial Services	2.0	0.6	2.4	1.1	2.8	2.8	2.3	0.9	2.3	2.5	3.0	1.5	24.2
Insurance	0.0	1.3	0.9	1.0	0.7	0.5	0.0	0.3	2.4	0.0	0.7	0.9	8.5
Covered	24.0	11.5	13.9	7.7	13.4	11.8	8.8	2.1	7.7	6.6	11.4	7.4	126.3

Source: ING, Dealogic

Fig 7 Euro supply, redemptions and net supply by year (€bn)

Corporates	YTD	FY	Reds	Net	Financials	YTD	FY	Reds	Net
2013	36	236	141	95	2013	50	206	341	-135
2014	45	267	165	102	2014	57	266	322	-56
2015	64	275	122	154	2015	72	257	320	-63
2016	39	307	144	163	2016	52	234	262	-28
2017	59	324	155	170	2017	55	229	270	-41
2018	47	282	159	124	2018	53	226	181	45
2019	65	392	172	220	2019	55	270	188	81
2020	64	445	204	241	2020	64	234	192	42
2021	67	343	214	128	2021	61	265	171	94
2022	52	256	223	33	2022	61	289	211	78
2023	69	307	246	61	2023	96	316	187	129
2024	78	78	258		2024	81	81	178	
2025			277		2025			230	
2026			285		2026			258	

Source: ING, Dealogic

Fig 8 Subordinated supply, 2023 and 2024 (€bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	4.4	1.1	0.8	0.0	0.0	1.2	0.3	0.8	0.5	0.0	0.3	0.0	9.2
T2	5.1	2.7	0.2	0.0	4.0	3.1	0.1	2.3	0.8	0.2	1.7	0.0	20.0
Bank Capital	9.4	3.8	1.0	0.0	4.0	4.3	0.3	3.0	1.3	0.2	2.0	0.0	29.2
Corp Hybrids	5.9	0.0	0.7	1.0	1.3	0.0	0.0	2.5	1.8	0.5	1.4	0.0	14.9
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	3.0	1.1											4.1
T2	8.6	1.8											10.3
Bank Capital	11.6	2.8											14.4
Corp Hybrids	1.3	0.9											2.2

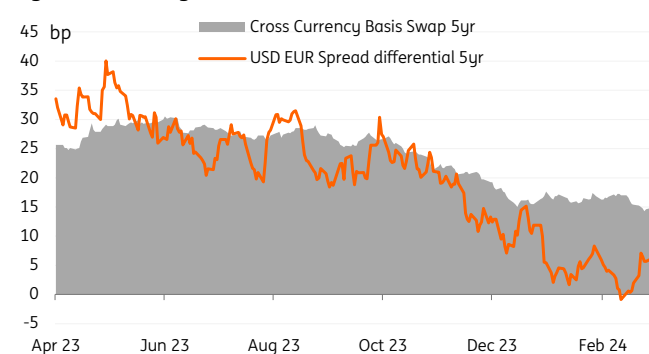
Source: ING, Dealogic

Fig 9 Reverse Yankee supply, 2023 and 2024 (€bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5	5.5	2.8	1.8	12.2	3.8	0.0	0.8	0.5	0.0	7.2	0.6	40.6
Financial	1.5	2.0	1.7	0.0	0.5	2.7	0.1	0.9	0.0	0.2	2.7	0.5	12.7
Total	7.0	7.5	4.5	1.8	12.7	6.4	0.1	1.7	0.5	0.2	9.9	1.1	53.2
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	1.4	15.4											16.7
Financial	0.7	0.5											1.2
Total	2.0	15.9											17.9

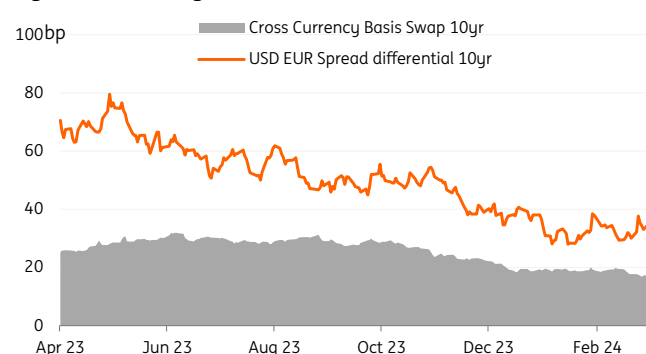
Source: ING, Dealogic

Fig 10 XCCY 5yr



Source: ING, ICE, Refinitiv

Fig 11 XCCY 10yr



Source: ING, ICE, Refinitiv

Fig 12 European, Yankee and Reverse Yankee supply (€bn)

Corporates	European	Yankee (US\$)	Rev Yankee	Financials	European	Yankee (US\$)	Rev Yankee
2013	155.5	114.7	33.0	2013	145.2	78.1	15.4
2014	153.9	108.9	42.7	2014	174.3	124.6	32.5
2015	145.7	109.5	61.8	2015	145.7	127.1	28.8
2016	176.9	114.1	66.3	2016	133.8	114.4	45.6
2017	192.9	103.0	65.4	2017	133.0	112.6	35.8
2018	182.7	130.1	31.1	2018	128.1	133.0	17.7
2019	235.8	95.1	99.1	2019	176.5	95.8	28.5
2020	285.9	153.1	68.4	2020	152.3	124.9	24.2
2021	196.7	101.7	59.0	2021	139.9	167.1	40.6
2022	166.5	85.5	33.2	2022	174.0	147.5	28.6
2023	196.5	101.6	40.6	2023	218.0	149.2	12.7
2024	47.8	27.6	16.7	2024	62.1	56.0	1.2

Source: ING

Fig 13 ESG supply per month 2024 (€bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	13.4	6.1											19.5
Social	0.0	0.0											0.0
Sustainable	0.8	1.2											1.9
ESG	14.2	7.3											21.4
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	4.3	5.6											9.9
Social	1.7	0.8											2.5
Sustainable	0.0	0.0											0.0
ESG	6.0	6.4											12.4
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	6.5	0.3											6.8
Social	0.5	0.0											0.5
Sustainable	0.0	0.0											0.0
ESG	7.0	0.3											7.3

Source: ING, Dealogic – classified as ESG under Dealogic

Fig 14 ESG supply per year and YTD (€bn)

Corporate	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	34.9	61.2	63.9	67.9	19.5	8.3	9.1	10.3	18.4	19.5
Social	1.3	3.7	3.1	0.1	0.0	0.0	0.0	0.7	0.0	0.0
Sustainable	2.6	6.1	4.3	0.6	1.9	0.6	1.0	0.5	0.0	1.9
ESG	38.8	71.0	71.3	68.7	21.4	8.8	10.1	11.5	18.4	21.4
Financial	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	18.2	42.5	49.5	51.4	9.9	1.1	5.3	9.7	14.3	9.9
Social	4.8	7.7	8.4	8.8	2.5	1.0	2.3	1.0	1.3	2.5
Sustainable	1.8	5.5	2.5	3.9	0.0	0.0	0.8	0.3	2.0	0.0
ESG	24.9	55.6	60.4	64.1	12.4	2.1	8.3	11.0	17.6	12.4
Covered	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	5.1	10.8	16.0	15.9	6.8	1.3	1.5	1.5	4.3	6.8
Social	2.5	4.8	3.1	7.4	0.5	1.0	0.5	0.0	2.3	0.5
Sustainable	0.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESG	8.2	16.3	19.6	23.3	7.3	2.3	2.0	1.5	6.6	7.3

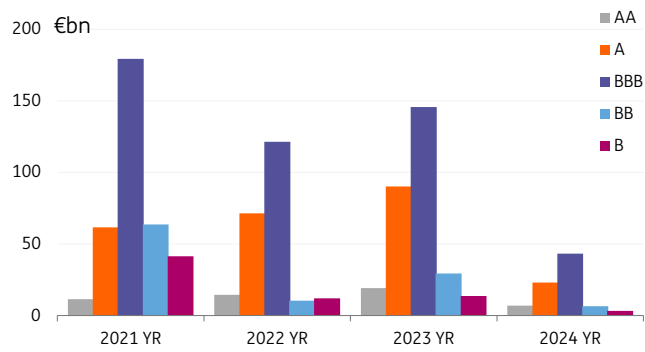
Source: ING, Dealogic – classified as ESG under Dealogic

Fig 15 Investment grade issuance by maturity, 2023 and 2024 (US\$bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023
Corp 0-3yr	1.6	3.3	5.0	4.6	7.4	2.7	1.3	2.8	4.1	0.6	5.9	2.1	41.1
Corp 3-6yr	8.4	2.0	5.8	3.8	10.6	6.4	3.3	4.0	10.2	2.2	8.4	0.6	65.7
Corp 6-9yr	10.5	11.9	10.1	5.5	13.2	9.4	3.3	4.8	7.9	3.8	14.3	1.4	96.1
Corp 9-12yr	4.2	2.8	2.8	4.7	10.9	6.2	2.0	5.2	4.3	0.2	7.4	0.0	50.5
Corp 12yrs+	16.1	7.9	2.4	1.2	6.0	2.2	1.7	5.6	4.8	1.2	4.2	0.1	53.2
Fin 0-3yr	18.7	5.5	2.5	6.6	10.0	5.3	3.2	3.7	11.4	5.1	4.9	1.3	78.0
Fin 3-6yr	17.9	9.2	6.3	8.0	9.2	9.9	2.5	3.7	8.2	3.6	7.7	0.6	86.8
Fin 6-9yr	19.5	5.9	3.0	7.4	7.8	6.8	3.1	6.0	10.2	6.8	7.9	0.5	84.8
Fin 9-12yr	7.1	3.7	2.8	0.8	9.2	7.7	0.5	3.0	4.8	0.7	5.8	0.0	45.9
Fin 12yrs+	6.5	1.3	1.0	2.2	1.3	2.5	0.3	2.0	1.4	0.1	0.9	0.0	19.6
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	4.7	1.5											6.2
Corp 3-6yr	10.1	7.8											17.9
Corp 6-9yr	8.8	14.2											23.0
Corp 9-12yr	7.2	4.6											11.7
Corp 12yrs+	5.4	13.9											19.3
Fin 0-3yr	10.8	7.0											17.8
Fin 3-6yr	10.5	5.2											15.8
Fin 6-9yr	10.7	3.5											14.2
Fin 9-12yr	16.3	7.4											23.7
Fin 12yrs+	6.9	2.8											9.8

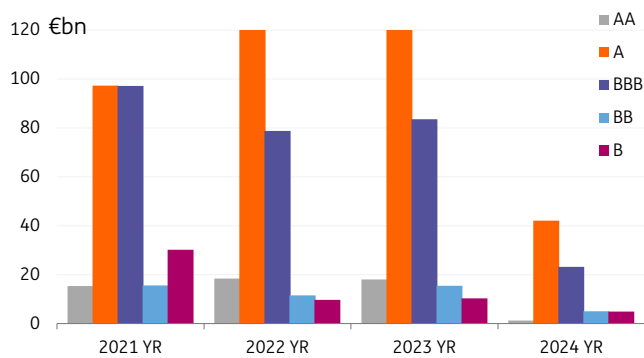
Source: ING, Dealogic

Fig 16 Corporate supply per S&P rating (€bn)



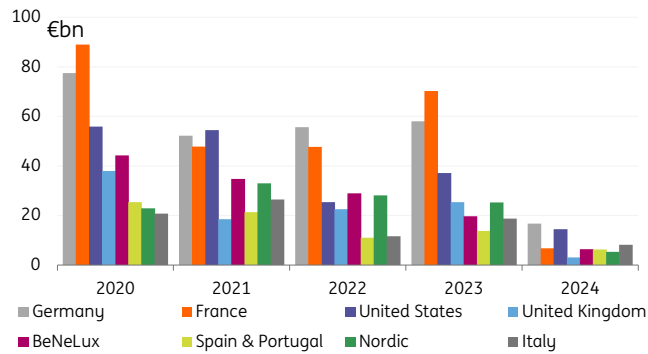
Source: ING, Dealogic

Fig 17 Financial supply per S&P rating (€bn)



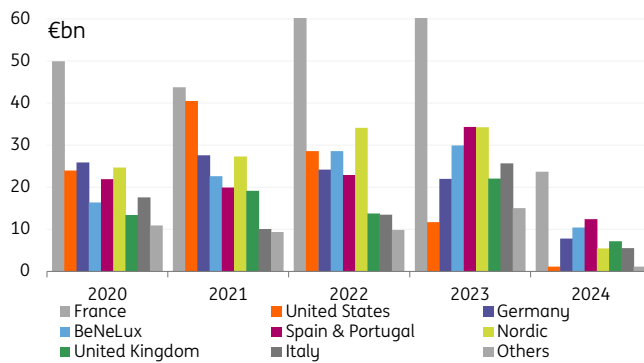
Source: ING, Dealogic

Fig 18 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 19 Financial supply per country (€bn)



Source: ING, Dealogic

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