

3 May 2023

Credit Strategy

Supply for April (€bn)

	Corporates	Financials
April	19.9	20.5

Source: ING, Dealogic

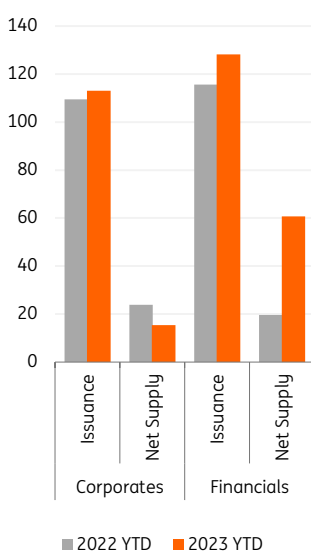
Supply FY and YTD (€bn)

Corporates	FY	YTD
2017	324	107
2018	282	107
2019	392	121
2020	445	182
2021	345	132
2022	258	109
2023	113	113

Financials	FY	YTD
2017	229	99
2018	226	105
2019	270	105
2020	234	105
2021	267	104
2022	290	116
2023	128	128

Source: ING, Dealogic

Supply and Net Supply YTD



Source: ING, Dealogic

Euro Credit Supply

Expect an increase in supply in May



Strong demand for new issues to remain high

- Supply was decent in April despite the earnings blackout and some market turbulence. Much like most previous years, we expect a small increase in supply in May, as earnings season ends. This may add minor strain on secondary market spreads but this should be limited as the demand for new issues has been very strong. We have seen supply well absorbed by the market, with new issues being met with strong oversubscriptions of books and very low new issue premiums. We expect this will continue as there is still a significant amount of cash ready to be put to work in credit; mutual fund flows into EUR IG credit has been substantial, particularly inflows into ETF funds.
- Corporate supply reached €20bn in April, down from €24bn in March, though higher than the previous year's €10bn. Hence, the supply in April is somewhat higher than the average of previous years, disregarding the outlier in 2020. However, YTD supply in 2023 is up compared to last year, now at €113bn relative to €109bn. Although supply is still running behind 2019, 2020 and 2021 on a YTD basis. Furthermore, net supply was again negative in April, with €22bn in redemptions a net of -€2.6bn was reached.
- TMT and Oil & Gas issuance is up this year with YTD supply in TMT now at €21bn compared to only €11bn YTD 2022, while Oil & Gas saw €4bn being issued in the same period, compared to only €2bn the previous year. Real Estate supply remains low, sitting at just €2bn YTD compared to €19bn last year. With elevated rates and significantly wider real estate spreads, we don't expect much supply from the sector this year.

Financial supply still running ahead of previous years

- Financials 2023 YTD supply remains ahead of previous years, now at €128bn, despite the volatility. Financials supply in April was in line with the average at €20bn of which €18bn came from Bank senior debt. With only €13bn in redemptions, net supply was positive at €7bn. Supply is significantly higher towards the short-end compared to the long-end.
- Similar to corporates, we expect an increase in financial supply in May, particularly as the primary market has been more limited to financials during March and April.

Timothy Rahill
 Credit Strategist
 timothy.rahill@ing.com

Fig 1 Euro corporate supply overview (€bn)

	2019	2020	2021	2022	2022 Apr	2023 Mar	2023 Apr	2022 YTD	2023 YTD	% diff
Auto	55	39	32	27	-	7	4	14	16	18
Consumer	36	67	38	27	5	5	3	14	15	12
Healthcare	52	39	22	22	0	-	-	8	4	-56
Industrial & Chemicals	55	73	60	43	1	5	7	16	23	39
Real Estate	32	39	61	24	1	-	0	19	2	-89
TMT	75	69	39	33	0	4	2	11	21	86
Utility	46	52	53	57	1	1	2	17	25	47
Oil & Gas	14	47	13	3	-	1	1	2	4	106
Others	27	19	27	21	2	1	1	8	3	-58
Corporate Hybrid	21	42	36	12	1	1	1	8	8	-8

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2019	2020	2021	2022	2022 Apr	2023 Mar	2023 Apr	2022 YTD	2023 YTD	% diff
Bank Senior	174	139	146	202	15	14	18	79	99	25
of which Bail-in	82	77	51	73	7	2	6	30	38	25
of which Pref	92	62	95	128	8	11	12	49	61	25
Bank Capital	31	39	39	27	1	1	-	10	14	38
Financial Services	42	36	60	40	4	1	1	20	9	-53
Insurance	22	20	21	20	2	1	3	7	6	-10
Covered	142	95	99	212	13	18	20	95	105	10

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
2019	34.3	30.9	36.5	16.8	36.9	42.9	22.1	22.9	58.2	39.8	42.4	8.5	392.4
2020	28.7	35.4	49.4	68.6	62.1	62.9	21.8	6.6	49.6	28.7	21.2	9.7	444.6
2021	37.0	27.2	46.2	21.8	34.6	37.8	10.1	19.8	44.1	26.5	35.1	4.6	344.7
2022	37.6	14.2	47.4	10.3	32.1	16.9	2.7	15.8	25.4	23.7	30.7	1.1	257.9
2023	41.3	27.2	24.6	19.9									113.0
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	16.4	18.3	14.1	3.3	26.0	29.1	4.3	18.9	38.8	30.3	22.6	-1.5	220.6
2020	7.4	27.2	19.1	52.5	40.6	52.6	5.0	-1.6	29.3	13.4	-4.2	-0.6	240.5
2021	14.9	11.2	15.2	5.6	17.0	19.3	-2.3	10.1	24.2	8.8	15.8	-9.5	130.3
2022	15.7	-3.0	18.9	-7.6	13.5	-8.4	-11.9	8.8	-2.0	13.3	8.9	-11.6	34.6
Redemptions	21.4	23.4	30.5	22.4	22.0	21.0	15.5	7.2	36.7	18.4	21.6	5.9	245.9
2023	19.9	3.8	-5.8	-2.6									15.3

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
2019	29.1	25.7	21.9	26.0	19.0	33.7	14.5	14.5	27.6	25.2	27.9	5.2	270.2
2020	45.2	18.6	14.7	26.1	24.8	27.9	13.2	8.7	13.2	16.6	22.6	2.7	234.1
2021	28.4	32.4	28.6	15.0	29.8	23.1	5.0	12.2	36.8	23.3	28.7	3.1	266.5
2022	38.9	22.3	32.4	22.0	30.5	20.0	6.1	25.0	27.3	17.2	44.1	3.9	289.9
2023	67.8	23.1	16.8	20.5									128.2
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	6.8	12.5	0.2	6.0	0.3	18.5	3.9	2.2	6.5	10.6	15.2	-1.0	81.6
2020	21.0	-1.0	-2.6	10.8	14.5	6.7	-3.5	-3.1	-3.5	11.3	0.3	-8.7	42.1
2021	7.1	16.2	8.9	0.1	20.0	9.8	-3.3	6.6	10.7	12.7	13.5	-6.2	96.0
2022	4.5	1.6	9.2	4.2	16.7	5.6	-4.9	15.1	2.9	-0.2	31.6	-8.0	78.4
Redemptions	18.7	8.9	26.6	13.4	17.9	20.0	14.2	8.5	21.1	17.3	14.7	5.5	186.8
2023	49.1	14.2	-9.8	7.1									60.6

Covered Bonds excluded from aggregate throughout. Redemptions shown for 2023

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2023 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	3.0	1.5	7.4	4.4									16.2
Consumer	0.0	6.7	5.5	3.3									15.4
Healthcare	0.0	3.7	0.0	0.0									3.7
Industrial	7.6	3.5	4.9	6.7									22.7
Real Estate	1.3	0.6	0.0	0.2									2.0
TMT	8.2	6.6	4.3	2.0									21.0
Utility	17.3	4.8	1.1	2.0									25.1
Oil & Gas	2.0	0.0	1.0	0.6									3.6
Others	2.0	0.0	0.6	0.8									3.4
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	4.9	5.0	4.4	4.2	3.2	1.8	2.6	1.6	5.1	6.0	4.2	0.0	42.8
Consumer	3.0	3.1	3.6	2.4	1.4	4.7	1.3	1.3	3.4	2.5	3.9	0.0	30.6
Healthcare	0.0	0.7	5.8	0.0	2.1	1.1	0.1	1.2	2.9	0.0	5.5	0.8	20.2
Industrial	3.6	2.9	4.3	3.5	5.8	3.4	1.8	0.8	6.3	2.1	1.9	1.2	37.6
Real Estate	2.0	0.7	2.3	3.1	1.5	1.9	1.1	0.0	2.9	0.9	1.2	1.0	18.7
TMT	3.8	3.6	4.3	2.6	4.5	2.3	3.2	1.3	9.3	1.2	1.5	0.7	38.1
Utility	1.8	3.8	3.9	2.9	1.0	1.8	2.9	0.5	5.0	2.7	2.2	1.9	30.3
Oil & Gas	0.5	2.8	1.7	0.8	0.9	1.5	2.3	0.7	0.0	0.9	0.0	0.0	11.9
Others	1.8	1.0	0.3	3.0	1.7	2.5	0.2	0.0	1.8	2.1	1.3	0.1	15.8

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2023 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	51.0	16.5	13.7	17.5									98.8
of which NPS	21.2	9.1	2.3	5.5									38.0
of which Pref	29.9	7.5	11.4	12.0									60.8
Bank Capital	9.4	3.8	1.0	0.0									14.2
Financial Services	4.9	2.8	1.1	0.5									9.3
Insurance	2.4	0.0	1.1	2.5									6.0
Covered	38.5	27.9	18.1	20.1									104.7
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	13.8	5.8	22.9	10.0	13.7	12.7	12.7	7.8	15.7	15.1	8.8	4.9	144.2
of which NPS	6.9	0.0	8.6	1.0	2.6	2.3	0.0	1.8	6.8	5.5	1.2	1.0	37.6
of which Pref	7.0	5.8	14.3	9.0	11.2	10.5	12.7	6.1	8.9	9.6	7.6	3.9	106.6
Bank Capital	1.1	2.5	1.6	2.3	0.0	1.8	1.4	0.0	5.8	1.1	0.0	0.5	17.9
Financial Services	3.6	2.4	2.9	2.8	2.9	2.8	1.2	0.7	3.5	0.6	5.9	0.1	29.3
Insurance	1.3	0.8	0.4	0.6	1.3	4.5	0.3	0.0	1.9	1.7	0.0	0.5	13.0
Covered	21.1	17.1	15.6	14.6	6.4	10.0	4.5	1.4	13.5	16.4	8.2	2.3	131.1

Source: ING, Dealogic

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

Corporates	YTD	FY	Reds	Net	Financials	YTD	FY	Reds	Net
2012	69.2	222.1	111.7	110.4	2012	84.4	201.8	412.0	-210.2
2013	85.7	235.9	141.2	94.6	2013	84.0	205.6	342.3	-136.7
2014	91.9	267.7	165.7	102.1	2014	110.9	267.5	323.1	-55.5
2015	136.3	276.2	122.1	154.1	2015	118.9	257.4	320.7	-63.3
2016	116.2	307.2	144.5	162.7	2016	120.7	235.0	262.4	-27.4
2017	107.0	324.3	155.3	169.1	2017	99.4	229.2	270.5	-41.3
2018	107.5	282.1	158.5	123.6	2018	105.2	226.3	181.3	45.0
2019	121.2	392.4	171.8	220.6	2019	105.3	270.2	188.6	81.6
2020	182.1	444.6	204.1	240.5	2020	104.5	234.1	191.9	42.1
2021	132.2	344.7	214.4	130.3	2021	104.4	266.5	170.5	96.0
2022	109.5	257.9	223.2	34.6	2022	115.6	289.9	211.5	78.4
2023	113.0	113.0	245.9		2023	128.2	128.2	186.8	
2024			258.1		2024			178.6	
2025			265.3		2025			206.8	

Source: ING, Dealogic

Fig 8 Subordinated supply, 2022 and 2023 (€bn)

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	0.2	0.2	2.8	0.3	0.0	0.3	0.0	1.0	0.0	0.3	1.3	0.0	6.2
T2	2.8	0.0	3.0	0.5	1.0	2.0	0.0	3.9	1.5	0.0	4.0	0.0	18.7
Bank Capital	3.0	0.2	5.8	0.8	1.0	2.3	0.0	4.9	1.5	0.3	5.3	0.0	24.9
Corp Hybrids	2.1	1.0	4.1	1.0	0.0	0.0	0.0	0.2	1.1	0.1	2.3	0.0	11.8
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	4.4	1.1	0.8	0.0									6.2
T2	5.1	2.7	0.2	0.0									8.0
Bank Capital	9.4	3.8	1.0	0.0									14.2
Corp Hybrids	5.9	0.0	0.7	1.0									7.5

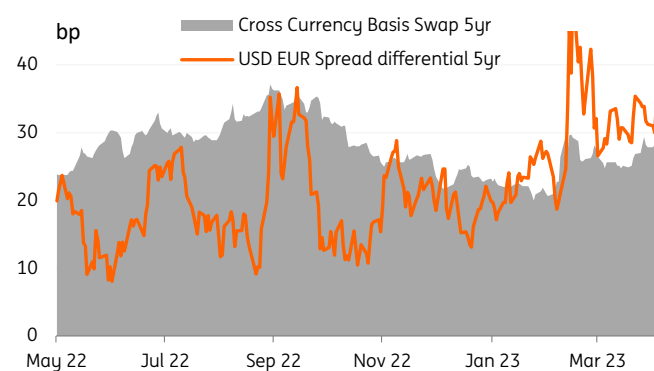
Source: ING, Dealogic

Fig 9 Reverse Yankee supply, 2022 and 2023 (€bn)

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	2.3	2.6	6.4	0.6	2.3	2.5	1.5	1.2	4.3	3.7	5.3	0.4	32.9
Financial	0.5	3.0	3.8	4.5	7.0	0.1	0.0	0.5	3.7	3.3	2.3	0.1	28.6
Total	2.8	5.6	10.1	5.0	9.3	2.6	1.5	1.7	7.9	6.9	7.5	0.5	61.5
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5	5.5	2.8	1.8									15.6
Financial	1.5	0.0	1.1	0.0									2.6
Total	7.0	5.5	3.9	1.8									18.1

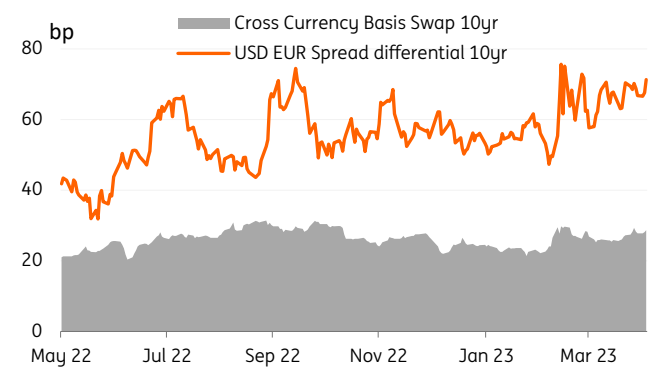
Source: ING, Dealogic

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
2012	158.4	140.5	16.8	2012	156.2	59.4	7.6
2013	155.5	112.3	32.2	2013	145.5	77.9	14.4
2014	154.4	110.3	42.7	2014	174.8	126.1	32.4
2015	146.5	108.6	61.8	2015	145.7	128.0	28.7
2016	175.7	113.9	66.2	2016	134.4	114.9	45.5
2017	193.0	101.9	65.4	2017	133.6	113.5	35.8
2018	182.6	129.5	31.1	2018	128.1	133.0	17.7
2019	235.6	95.1	98.9	2019	176.7	95.8	28.3
2020	281.0	148.1	68.3	2020	152.3	124.9	24.2
2021	196.5	98.1	58.9	2021	140.2	168.1	40.5
2022	167.9	82.1	32.9	2022	173.8	147.5	28.6
2023	65.4	38.0	15.6	2023	84.9	51.0	2.6

Source: ING

Fig 13 ESG supply per month 2023 (€bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	12.2	6.1	9.4	2.4									30.1
Social	0.0	0.0	0.0	0.0									0.0
Sustainable	0.0	0.0	0.0	0.0									0.0
ESG	12.2	6.1	9.4	2.4									30.1
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	10.8	4.6	1.6	2.5									19.4
Social	1.3	0.0	0.5	0.0									1.8
Sustainable	2.0	0.0	0.0	0.0									2.0
ESG	14.0	4.6	2.1	2.5									23.1
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	2.8	1.5	1.0	0.0									5.3
Social	2.3	0.0	0.5	0.6									3.4
Sustainable	0.0	0.0	0.0	0.0									0.0
ESG	5.1	1.5	1.5	0.6									8.7

Source: ING, Dealogic - classified as ESG under Dealogic

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

Corporate	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	29.4	34.9	61.2	63.9	30.1	8.5	13.3	20.1	21.9	30.1
Social	0.0	1.3	3.7	3.1	0.0	0.0	0.0	0.2	2.4	0.0
Sustainable	0.9	2.6	6.1	4.3	0.0	0.3	1.1	2.1	1.1	0.0
ESG	30.3	38.8	71.0	71.3	30.1	8.7	14.4	22.4	25.3	30.1
Financial	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	21.8	18.2	42.5	49.5	19.4	7.5	2.6	12.0	13.6	19.4
Social	2.8	4.8	7.7	8.4	1.8	0.0	1.0	2.8	2.0	1.8
Sustainable	2.1	1.8	5.5	2.6	2.0	0.1	0.0	2.9	0.3	2.0
ESG	26.7	24.9	55.6	60.5	23.1	7.5	3.6	17.6	15.9	23.1
Covered	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	4.5	5.1	10.8	16.0	5.3	0.0	1.3	2.5	4.3	5.3
Social	2.0	2.5	4.8	3.1	3.4	1.0	2.0	1.8	1.1	3.4
Sustainable	0.0	0.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0
ESG	6.5	8.2	16.3	19.6	8.7	1.0	3.3	4.3	5.4	8.7

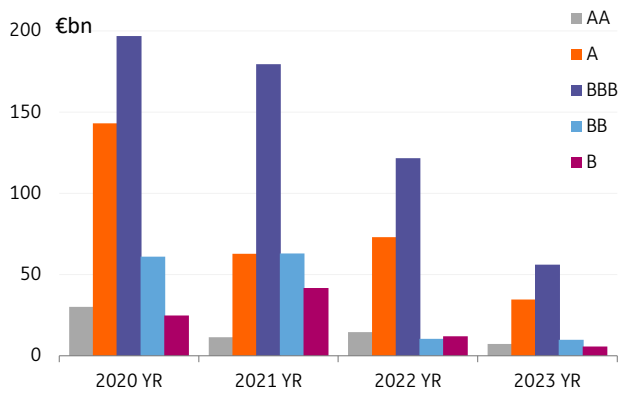
Source: ING, Dealogic - classified as ESG under Dealogic

Fig 15 Investment grade issuance by maturity, 2022 and 2023 (US\$bn)

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022
Corp 0-3yr	5.5	3.2	8.5	0.8	3.6	0.8	0.1	3.9	2.1	2.0	4.7	0.0	35.0
Corp 3-6yr	8.3	2.7	10.6	1.9	5.9	6.0	1.0	2.8	8.2	3.4	9.4	0.1	60.3
Corp 6-9yr	9.2	3.6	11.3	2.7	13.2	5.1	1.6	3.5	7.0	6.3	7.5	0.8	71.6
Corp 9-12yr	5.6	1.2	6.9	2.9	4.6	3.5	0.0	5.5	5.9	4.6	3.8	0.1	44.5
Corp 12yrs+	9.1	3.5	10.2	2.1	4.8	1.6	0.0	0.2	2.3	7.5	5.4	0.1	46.5
Fin 0-3yr	6.0	3.5	2.5	5.1	4.5	5.6	1.8	1.1	3.2	2.1	5.3	0.3	41.2
Fin 3-6yr	6.9	8.9	11.4	8.3	12.0	8.9	2.5	3.9	12.3	6.8	11.5	0.1	93.4
Fin 6-9yr	15.0	6.9	6.9	3.3	6.6	1.0	0.1	12.0	5.9	4.9	9.8	3.2	75.6
Fin 9-12yr	5.0	2.2	7.8	4.4	3.8	3.7	1.4	5.3	5.3	3.1	12.2	0.3	54.3
Fin 12yrs+	5.9	0.7	3.8	0.9	3.7	0.9	0.3	2.8	0.6	0.4	5.4	0.0	25.2
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	1.6	3.3	5.0	5.4									15.2
Corp 3-6yr	9.2	2.0	4.7	3.8									19.6
Corp 6-9yr	10.5	11.6	10.1	5.2									37.3
Corp 9-12yr	4.1	2.5	2.5	4.5									13.6
Corp 12yrs+	16.1	7.9	2.4	1.1									27.4
Fin 0-3yr	18.5	4.6	2.5	6.0									31.6
Fin 3-6yr	17.9	7.6	7.8	5.5									38.7
Fin 6-9yr	17.9	5.9	3.0	6.5									33.3
Fin 9-12yr	7.1	3.7	2.5	0.5									13.8
Fin 12yrs+	6.4	1.3	1.0	2.1									10.7

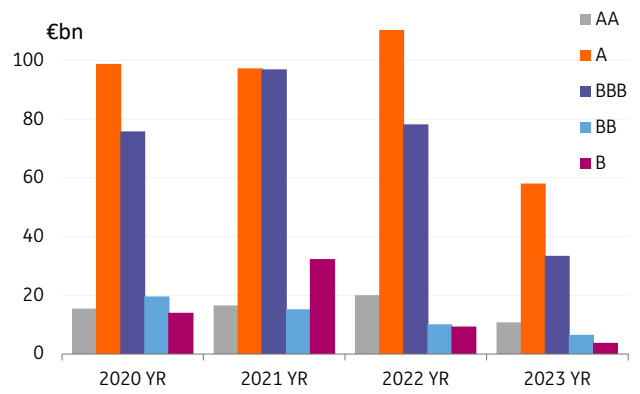
Source: ING, Dealogic

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



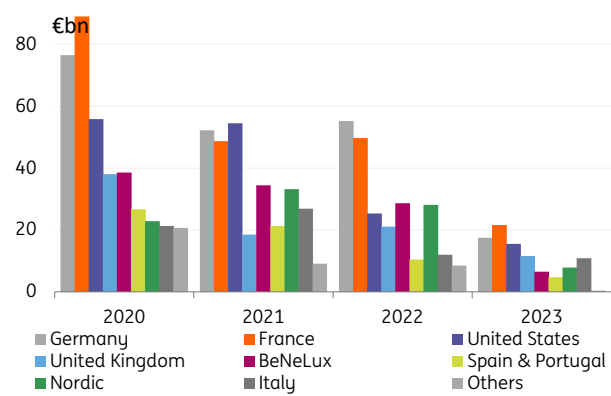
Source: ING, Dealogic

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



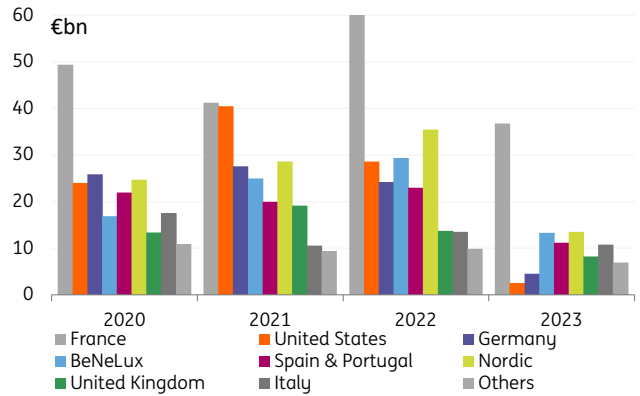
Source: ING, Dealogic

Fig 18 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 19 Financial supply per country (€bn)



Source: ING, Dealogic

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