

2 February 2024
Credit Strategy

Euro Credit Supply

Strong demand for new issues

Supply for January (€bn)

	Corporates	Financials
January	35.3	52.9

Source: ING, Dealogic

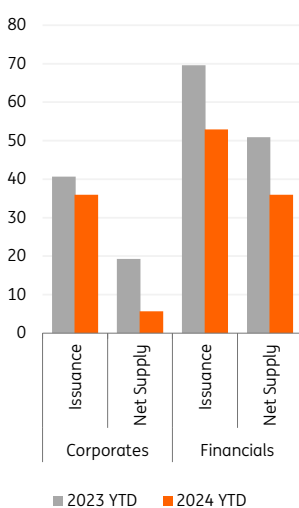
Supply FY and YTD (€bn)

Corporates	FY	YTD
2018	282	31
2019	392	34
2020	445	29
2021	343	42
2022	256	41
2023	307	41
2024	-	36

Financials	FY	YTD
2018	226	29
2019	270	30
2020	234	45
2021	266	30
2022	290	44
2023	315	70
2024	-	54

Source: ING, Dealogic

Supply and Net Supply YTD



Source: ING, Dealogic



Active primary markets with high oversubscriptions and low NIPs

- Another big start to the year with corporate supply reaching €35bn in January. The beginning of the month saw some supply indigestion resulting in a widening of credit spreads, but this has retraced in the last couple of weeks. Demand for new issues was very high, with books well oversubscribed – although this also resulted in rather low new issue premiums. Similarly, the leveraged loan market is also busy and seeing strong demand in primary. As such, the c.30bp increase in cost of debt since the end of November hasn't deterred any issuance in either the bond market or the loan market.
- The Autos sector and the Utilities sector saw the most active supply with a remarkable €12bn issued by each in January. While the Autos space is a jump up compared to the €3bn issued in January last year, the Utility supply number actually fell from the significant €17bn issued in January 2023.
- Consumer supply amounted to €2bn, while it remained inactive in January 2023. All other sectors saw marginal falls in supply, such as Corporate Hybrids with only €1bn versus €6bn issued in the same period of the previous year. Industrial & Chemicals and TMT YTD supply also sit a bit below January 2023.

Significant senior unsecured supply in January without reaching last year's level

- The supply of senior unsecured instruments reached €35bn last month split with €22bn in senior preferred bonds and another €13bn in senior bail-in prints. Combined, this is €26bn behind what we saw last year at the same period. The most notable difference with January 2023 is in bail-in senior instruments for which we see a decline of €11bn against only €5bn for senior preferred.
- Looking at the different maturities issued last month, we can highlight a relatively even distribution along the curve for bail-in bonds. There is a slightly higher supply in the 7-8yr maturity bucket reaching €3.5bn.
- However, when zooming in on preferred, notice a strong preference for the 5-6yr buckets, representing 40% of January's total preferred supply. The long end of the curve has also seen an important share of issuances with nearly 30% of preferred issuances having a maturity of 9yr and over.

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Fig 1 Euro corporate supply overview (€bn)

	2020	2021	2022	2023	2023 Jan	2023 Dec	2024 Jan	2023 YTD	2024 YTD	% diff
Auto	38	32	26	50	3	1	12	3	12	308%
Consumer	66	38	25	50	0	-	2	0	2	-
Healthcare	40	22	24	18	0	1	-	0	0	-
Industrial & Chemicals	75	60	44	57	8	0	3	8	3	-65%
Real Estate	39	61	24	8	1	1	1	1	1	-30%
TMT	68	39	33	43	8	1	4	8	4	-48%
Utility	52	53	57	54	17	1	11	17	12	-33%
Oil & Gas	47	13	3	10	2	-	1	2	1	-50%
Others	19	26	19	16	1	-	1	1	1	-3%
Corporate Hybrid	42	36	12	15	6	-	1	6	1	-79%

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2020	2021	2022	2023	2023 Jan	2023 Dec	2024 Jan	2023 YTD	2024 YTD	% diff
Bank Senior	139	148	203	231	53	1	35	53	35	-33%
of which Bail-in	77	51	73	97	23	1	13	23	13	-43%
of which Pref	62	98	130	134	30	0	22	30	22	-26%
Bank Capital	39	39	27	32	9	-	12	10	12	18%
Financial Services	36	57	40	40	5	0	5	5	7	40%
Insurance	20	21	20	12	2	1	5	2	5	104%
Covered	95	99	212	194	41	-	42	41	43	5%

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	35.3	-	-	-	-	-	-	-	-	-	-	-	35.3
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	5.7	-	-	-	-	-	-	-	-	-	-	-	5.7

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	29.5	23.1	5.0	12.2	36.8	23.3	28.7	3.1	266.2
2022	38.9	22.4	32.4	22.1	30.6	20.0	6.1	25.1	27.5	17.2	44.1	4.0	290.2
2023	69.6	25.6	15.6	25.0	37.4	32.3	9.6	18.4	35.9	16.2	27.2	2.4	315.1
2024	52.9	-	-	-	-	-	-	-	-	-	-	-	52.9
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	19.7	9.8	-3.3	6.6	10.7	12.7	13.5	-6.2	95.7
2022	4.4	1.7	9.6	4.3	16.8	5.6	-4.9	15.1	3.0	0.3	31.7	-8.0	79.6
2023	50.9	16.7	-11.0	11.6	19.5	12.3	-4.6	9.9	14.7	-1.1	12.5	-3.1	128.2
Redemptions	17.0	14.2	13.1	19.3	27.5	25.1	14.4	4.5	17.2	8.5	10.9	7.1	178.8
2024	36.0	-	-	-	-	-	-	-	-	-	-	-	36.0

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	12.1												12.1
Consumer	2.3												2.3
Healthcare	0.0												0.0
Industrial	2.7												2.7
Real Estate	1.0												1.0
TMT	4.3												4.3
Utility	11.0												11.0
Oil & Gas	1.0												1.0
Others	1.2												1.2
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	3.5	3.9	0.6	37.4
Healthcare	1.2	0.5	0.9	0.9	5.0	1.5	1.7	0.0	1.0	1.6	3.0	1.9	19.0
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	2.3	4.5	0.0	0.8	2.8	0.6	3.2	18.1

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	35.4												35.4
of which NPS	13.3												13.3
of which Pref	22.1												22.1
Bank Capital	11.6												11.6
Financial Services	5.3												5.3
Insurance	4.9												4.9
Covered	42.5												42.5
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	15.0	12.3	10.8	17.2	25.4	21.3	12.1	3.4	12.6	6.1	7.2	4.7	148.0
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	9.3	12.4	14.2	13.2	9.2	2.3	7.1	1.3	5.8	3.5	95.7
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	1.4	1.1	1.5	3.4	2.3	0.9	2.3	2.4	3.0	1.5	22.4
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	24	236	141	95	2013	39	206	341	-135
2014	25	267	165	102	2014	33	266	322	-56
2015	23	275	122	154	2015	48	257	320	-63
2016	8	307	144	163	2016	28	234	262	-28
2017	31	324	155	170	2017	37	229	270	-41
2018	31	282	159	124	2018	29	226	181	45
2019	34	392	172	220	2019	30	270	188	81
2020	29	445	204	241	2020	45	234	192	42
2021	42	343	214	128	2021	30	266	171	96
2022	41	256	223	33	2022	44	290	211	80
2023	41	307	246	61	2023	70	315	187	128
2024	36	36	258		2024	54	54	179	
2025			277		2025			231	
2026			284		2026			255	

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												3.0
T2	8.6												8.6
Bank Capital	11.6												11.6
Corp Hybrids	1.2												1.2

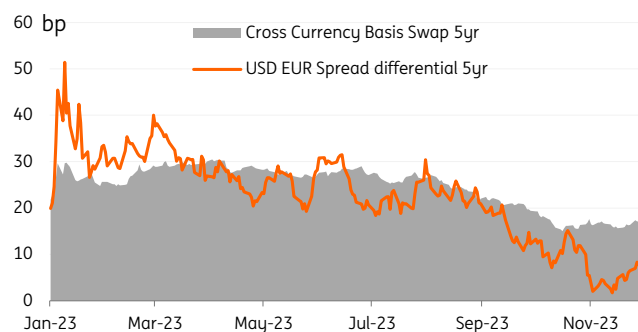
Source: ING, Dealogic

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	0.9												0.9
Financial	0.7												0.7
Total	1.5												1.5

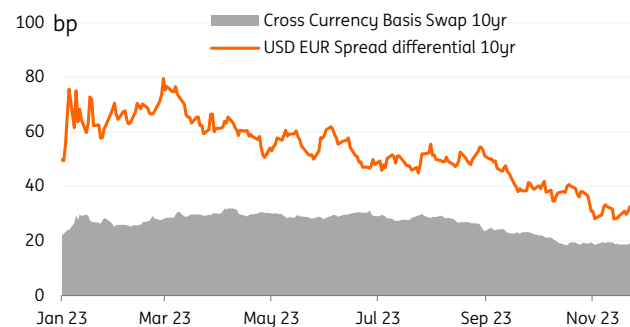
Source: ING, Dealogic

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	98.9	2019	176.5	95.8	28.3
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	217.1	149.2	12.7
2024	26.6	13.6	0.9	2024	41.4	29.2	0.7

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	12.7												12.7
Social	0.0												0.0
Sustainable	0.8												0.8
ESG	13.5												13.5
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	4.2												4.2
Social	2.2												2.2
Sustainable	0.0												0.0
ESG	6.4												6.4
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	6.5												6.5
Social	0.5												0.5
Sustainable	0.0												0.0
ESG	7.0												7.0

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	12.7	6.5	5.7	10.3	12.3	12.7
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	0.8	0.5	0.0	0.5	0.0	0.8
ESG	38.8	71.0	71.3	68.7	13.5	7.0	5.7	11.5	12.3	13.5
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	5.7	0.8	1.5	6.7	9.8	5.7
Social	4.8	7.7	8.4	8.8	2.2	0.0	1.3	1.0	1.3	2.2
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	7.9	0.8	3.5	8.0	13.0	7.9
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	6.5	1.3	1.5	0.0	2.8	6.5
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	7.0	2.3	2.0	0.0	5.1	7.0

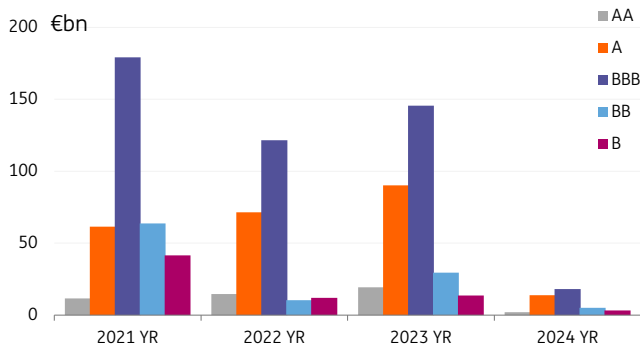
Source: ING, Dealogic - classified as ESG under Dealogic

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	2022
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												4.7
Corp 3-6yr	9.5												9.5
Corp 6-9yr	8.8												8.8
Corp 9-12yr	7.2												7.2
Corp 12yrs+	5.3												5.3
Fin 0-3yr	10.5												10.5
Fin 3-6yr	10.3												10.3
Fin 6-9yr	10.7												10.7
Fin 9-12yr	16.1												16.1
Fin 12yrs+	5.4												5.4

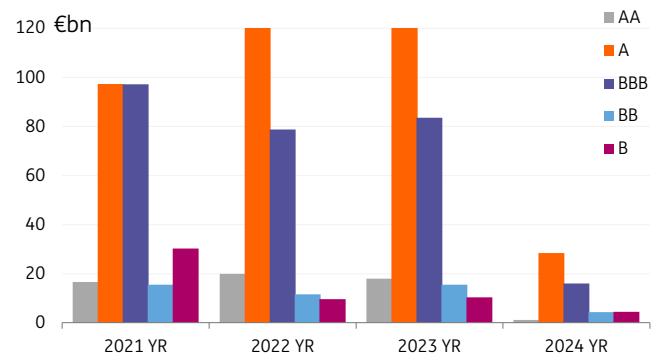
Source: ING, Dealogic

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



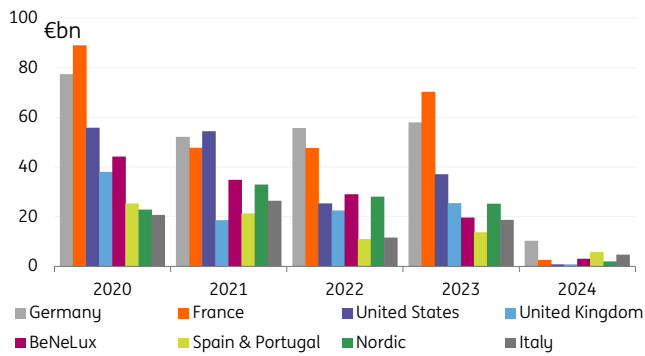
Source: ING, Dealogic

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



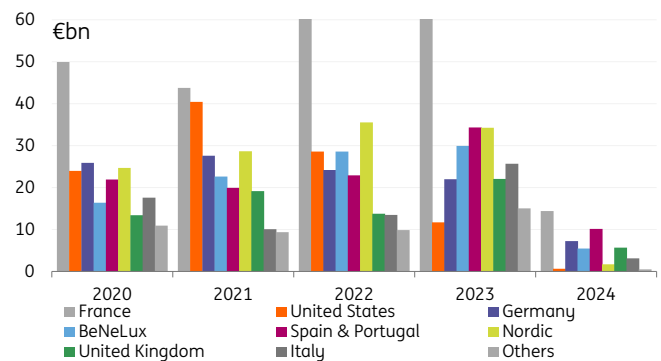
Source: ING, Dealogic

Fig 18 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 19 Financial supply per country (€bn)



Source: ING, Dealogic

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