

2 February 2023  
Credit Strategy

### Supply for January (€bn)

	Corporates	Financials
January	40.5	68.0

Source: ING, Dealogic

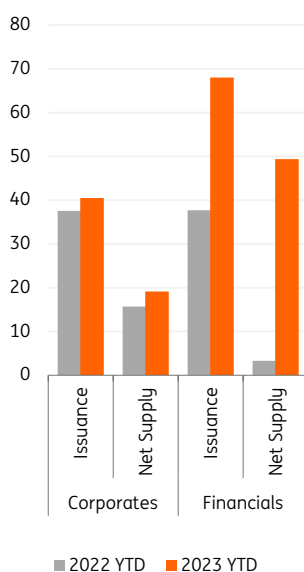
### Supply FY and YTD (€bn)

Corporates	FY	YTD
2017	324	30
2018	282	30
2019	392	34
2020	445	29
2021	345	38
2022	258	38
2023	41	41

Financials	FY	YTD
2017	227	36
2018	225	29
2019	268	29
2020	234	45
2021	267	29
2022	289	41
2023	68	68

Source: ING, Dealogic

### Supply and Net Supply YTD



# Euro Credit Supply

## Big start to the year with record-breaking supply



### Record-breaking corporate supply has started the year strong with €41bn

- A big start to the year for corporate supply, with a record-breaking €40.5bn issued in January. Supply is now sitting ahead of all previous YTD figures. The fall in rates and the squeezing credit spreads have opened up a decent funding opportunity these past few weeks. In addition, with the tapering of CSPP beginning in March, the attraction to front load some supply needs have also played its role in the heavy supply. Redemptions in January amounted to just €21bn, leaving €19bn on net supply. Despite the influx of supply, spreads saw no weakness from indigestion. In fact, new issues were absorbed well by the market, with decent demand, oversubscription and rather low new issue premiums.
- The Utility sector was the real driver of supply last month accounting for €17bn of the monthly supply. TMT and Industrials followed with both amounting to €8bn each. Supply was generally focused on the longer end, with €16bn issued with maturities longer than 12years. This is followed by €11bn in the 6-9yr bucket. Interestingly, corporate hybrid supply surprised to the larger side with €6bn issued in January, already penciling half of last year's total amount.

### Very substantial start for financial supply and covered bonds supply

- Record-breaking financial supply amounted to a very substantial €68bn in January. This is a very large start to the year, nearly doubling the norm in previous years. Net supply came in at €49bn after just €19bn redemptions. Supply was certainly well absorbed, as spreads continue to tighten over the past number of weeks, due to significant inflows. Bank senior supply totalled €50bn last month, while bank capital was pencilled in at €11bn. Financial supply, conversely to corporates, was concentrated around the shorter end to the belly of the curve, with €53bn issued with a maturity between 0-9yrs.
- Covered bonds have also seen significant supply levels amounting to €39bn, up on last year's €29bn. We expect EUR benchmark covered bond supply to stay high in 2023 at €170bn, but not exceed last year's €212bn. We think there are ample reasons for banks to front-load their covered bond supply to the start of the year, for instance the heaviest repayments under the TLTRO-III operations are still due in the first half of the year. French covered bonds will benefit most from redemption payments in February.

**Timothy Rahill**  
Credit Strategist  
timothy.rahill@ing.com

Fig 1 Euro corporate supply overview (€bn)

	2019	2020	2021	2022	2022 Jan	2022 Dec	2023 Jan	2022 YTD	2023 YTD	% diff
Auto	55	39	32	27	5	0	2	5	2	-54%
Consumer	37	67	38	27	0	1	0	0	0	
Healthcare	52	39	22	22	0	0	0	0	0	
Industrial & Chemicals	55	74	60	44	3	0	8	3	8	172%
Real Estate	32	39	61	24	13	0	1	13	1	-90%
TMT	75	68	39	33	3	0	8	3	8	144%
Utility	46	52	53	57	9	0	17	9	17	89%
Oil & Gas	14	47	13	3	2	0	2	2	2	14%
Others	27	19	27	21	3	0	1	3	1	-56%
<b>Corporate Hybrid</b>	<b>22</b>	<b>42</b>	<b>36</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>6</b>	<b>179%</b>

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2019	2020	2021	2022	2022 Jan	2022 Dec	2023 Jan	2022 YTD	2023 YTD	% diff
Bank Senior	174	139	146	203	28	4	50	30	50	66%
of which Bail-in	82	77	51	73	12	4	21	13	21	61%
of which Pref	92	62	95	129	16	0	29	17	29	70%
Bank Capital	31	39	39	27	3	0	11	3	11	261%
Financial Services	40	36	60	39	5	0	5	5	5	9%
Insurance	22	20	21	20	2	0	2	3	2	-17%
<b>Covered</b>	<b>142</b>	<b>95</b>	<b>99</b>	<b>212</b>	<b>29</b>	<b>1</b>	<b>39</b>	<b>29</b>	<b>39</b>	<b>34%</b>

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	1.0	257.8
<b>2023</b>	<b>40.5</b>												<b>40.5</b>
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
<b>2023</b>	<b>19.1</b>												<b>19.1</b>

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	27.6	25.7	21.9	26.0	19.0	33.7	14.5	14.5	27.0	25.2	27.9	5.2	268.2
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	37.7	22.3	32.4	22.0	30.5	20.0	6.1	25.0	26.8	17.2	45.1	3.9	289.1
<b>2023</b>	<b>68.0</b>												<b>68.0</b>
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	5.3	12.5	0.2	6.0	0.3	18.5	3.9	2.2	5.9	10.6	15.2	-1.0	79.6
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	17.5	8.9	0.1	20.0	9.8	-3.3	6.6	10.7	12.7	13.5	-6.2	97.3
2022	3.3	1.6	9.2	4.2	16.7	5.6	-4.9	15.1	2.4	0.4	32.6	-8.0	78.2
Redemptions	18.7	7.9	26.6	13.4	17.9	20.0	14.2	8.5	21.1	17.3	12.7	5.5	183.8
<b>2023</b>	<b>49.4</b>												<b>49.4</b>

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	2.4												2.4
Consumer	0.0												0.0
Healthcare	0.0												0.0
Industrial	8.2												8.2
Real Estate	1.3												1.3
TMT	8.2												8.2
Utility	17.3												17.3
Oil & Gas	2.0												2.0
Others	1.2												1.2
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	4.3	5.0	4.4	4.2	3.2	1.8	2.6	1.6	5.1	6.0	4.2	0.0	42.2
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	4.2	2.9	4.3	3.5	5.8	3.4	1.8	0.8	6.3	2.1	1.9	1.2	38.2
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	50.1												50.1
of which NPS	20.9												20.9
of which Pref	29.1												29.1
Bank Capital	10.7												10.7
Financial Services	4.9												4.9
Insurance	2.4												2.4
Covered	38.5												38.5
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	13.8	5.8	22.8	9.2	13.7	11.6	10.6	7.8	14.3	14.3	7.8	4.9	136.7
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	14.2	8.2	11.2	9.4	10.6	6.1	7.5	8.8	6.6	3.9	99.1
Bank Capital	1.1	2.5	1.7	3.1	0.0	2.9	3.5	0.0	7.3	1.9	1.1	0.5	25.4
Financial Services	3.6	1.4	2.9	2.8	2.9	2.8	1.2	0.7	3.5	0.6	3.9	0.1	26.3
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	22.2	222.1	111.7	110.4	2012	33.4	201.8	412.0	-210.2
2013	23.9	235.9	141.2	94.6	2013	39.4	205.6	342.3	-136.7
2014	25.4	267.7	165.7	102.1	2014	33.4	267.0	323.1	-56.1
2015	23.8	276.2	122.1	154.1	2015	47.8	257.4	320.7	-63.3
2016	8.3	307.2	144.5	162.7	2016	27.6	234.6	262.4	-27.9
2017	30.3	324.3	155.3	169.1	2017	36.3	226.9	270.5	-43.6
2018	29.9	282.1	158.5	123.6	2018	29.0	225.0	181.3	43.7
2019	34.3	392.4	171.8	220.6	2019	28.9	268.2	188.6	79.6
2020	28.7	444.6	204.1	240.5	2020	45.2	234.1	191.9	42.1
2021	38.3	344.7	214.4	130.3	2021	28.9	266.5	169.2	97.3
2022	38.3	257.8	223.2	34.6	2022	40.5	289.1	210.9	78.2
2023	40.5	40.5	245.9	2023	68.0	68.0	183.8		
2024			257.0	2024			177.2		
2025			257.8	2025			197.6		

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												4.4
T2	6.3												6.3
Bank Capital	10.7												10.7
Corp Hybrids	5.9												5.9

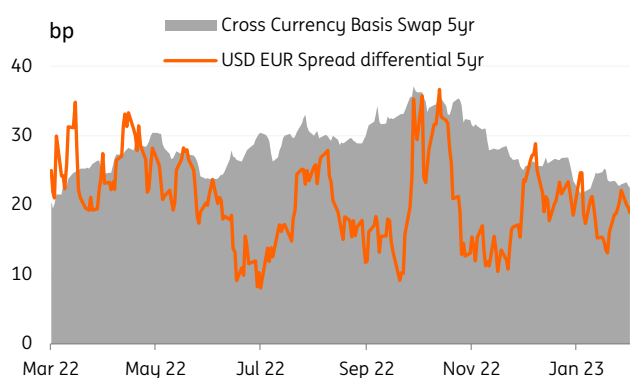
Source: ING, Dealogic

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	0.0	32.5
Financial	0.8	3.0	3.8	4.5	7.0	0.1	0.0	0.5	3.7	3.3	2.3	0.1	28.9
Total	3.1	5.6	10.1	5.0	9.3	2.6	1.5	1.7	7.9	6.9	7.5	0.1	61.4
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5												5.5
Financial	1.5												1.5
Total	7.0												7.0

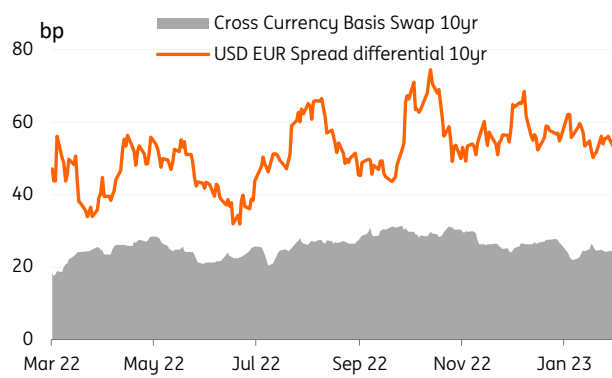
Source: ING, Dealogic

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	141.6	16.8	2012	156.2	59.4	7.6
2013	155.5	112.6	32.2	2013	145.4	77.8	14.4
2014	153.8	112.7	42.7	2014	174.8	126.1	32.4
2015	146.5	110.0	61.8	2015	145.7	128.0	28.7
2016	177.1	113.9	66.2	2016	133.9	114.9	45.5
2017	193.0	102.4	65.4	2017	131.3	113.5	35.8
2018	181.8	129.9	31.1	2018	126.8	133.0	17.7
2019	236.1	95.5	98.9	2019	175.2	95.8	28.3
2020	282.0	116.6	68.3	2020	152.3	124.9	24.2
2021	196.5	93.8	58.9	2021	140.2	168.1	40.5
2022	168.4	79.1	32.5	2022	172.0	147.5	28.9
2023	28.0	2.6	5.5	2023	47.6	28.3	1.5

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												12.2
Social	0.0												0.0
Sustainable	0.0												0.0
<b>ESG</b>	<b>12.2</b>												<b>12.2</b>
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	9.8												9.8
Social	1.3												1.3
Sustainable	2.0												2.0
<b>ESG</b>	<b>13.0</b>												<b>13.0</b>
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	2.8												2.8
Social	2.3												2.3
Sustainable	0.0												0.0
<b>ESG</b>	<b>5.1</b>												<b>5.1</b>

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	12.2	5.1	6.5	3.7	9.3	12.2
Social	0.0	1.3	3.7	3.1	0.0	0.0	0.0	0.0	0.7	0.0
Sustainable	0.9	2.6	6.1	4.4	0.0	0.0	0.5	0.0	0.5	0.0
<b>ESG</b>	<b>30.3</b>	<b>38.8</b>	<b>71.0</b>	<b>71.4</b>	<b>12.2</b>	<b>5.1</b>	<b>7.0</b>	<b>3.7</b>	<b>10.5</b>	<b>12.2</b>
Financial	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	21.8	17.9	42.5	49.5	9.8	2.0	0.8	0.5	5.7	9.8
Social	2.8	4.8	7.7	7.9	1.3	0.0	0.0	1.3	1.0	1.3
Sustainable	2.1	1.8	5.5	2.6	2.0	0.0	0.0	0.8	0.3	2.0
<b>ESG</b>	<b>26.7</b>	<b>24.6</b>	<b>55.6</b>	<b>60.0</b>	<b>13.0</b>	<b>2.0</b>	<b>0.8</b>	<b>2.5</b>	<b>7.0</b>	<b>13.0</b>
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	2.8	0.0	1.3	1.5	0.0	2.8
Social	2.0	2.5	4.8	3.1	2.3	0.0	1.0	0.5	0.0	2.3
Sustainable	0.0	0.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>ESG</b>	<b>6.5</b>	<b>8.2</b>	<b>16.3</b>	<b>19.6</b>	<b>5.1</b>	<b>0.0</b>	<b>2.3</b>	<b>2.0</b>	<b>0.0</b>	<b>5.1</b>

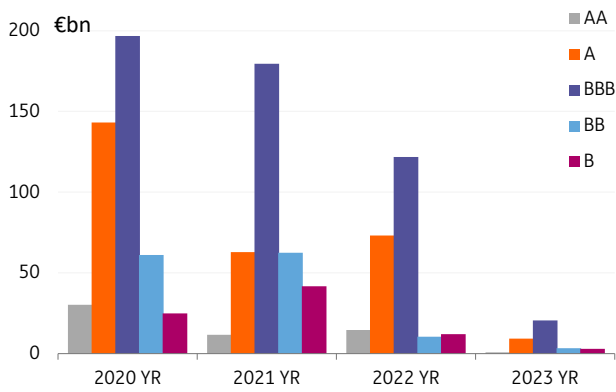
Source: ING, Dealogic - classified as ESG under Dealogic

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	0.7	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	12.5	0.1	94.4
Fin 6-9yr	13.8	6.9	6.9	3.3	6.6	1.0	0.1	12.0	5.4	4.9	9.8	3.2	73.9
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												1.6
Corp 3-6yr	8.4												8.4
Corp 6-9yr	10.5												10.5
Corp 9-12yr	4.1												4.1
Corp 12yrs+	16.1												16.1
Fin 0-3yr	17.8												17.8
Fin 3-6yr	17.7												17.7
Fin 6-9yr	17.9												17.9
Fin 9-12yr	8.3												8.3
Fin 12yrs+	6.4												6.4

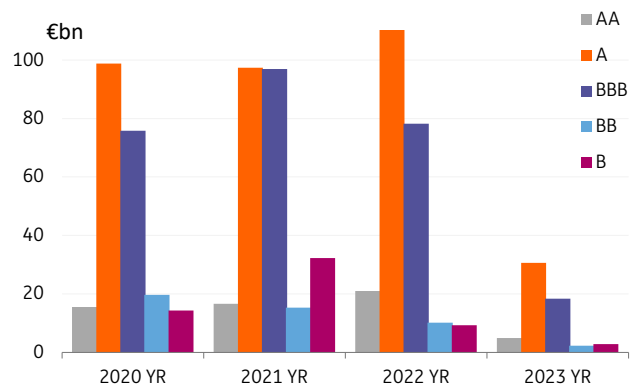
Source: ING, Dealogic

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



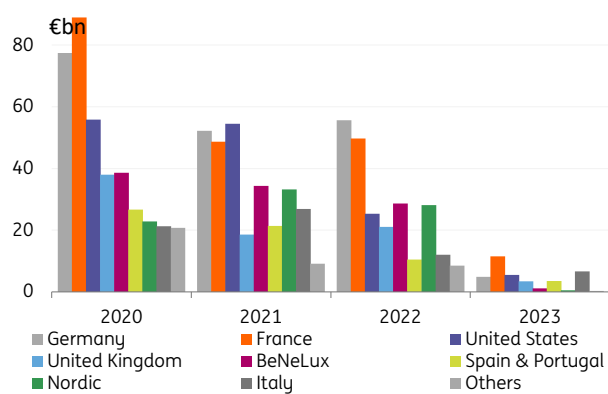
Source: ING, Dealogic

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



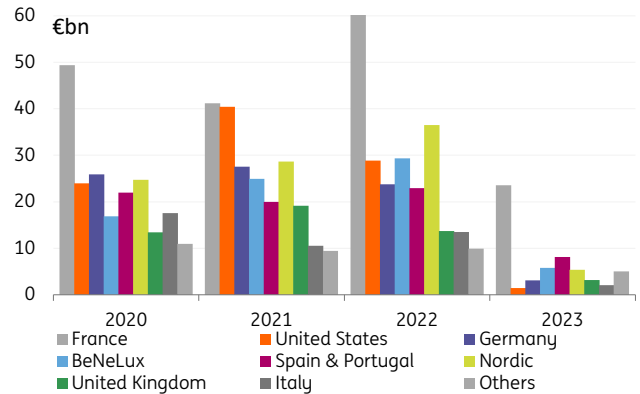
Source: ING, Dealogic

**Fig 18 Corporate supply per country (€bn)**



Source: ING, Dealogic

**Fig 19 Financial supply per country (€bn)**



Source: ING, Dealogic

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