

5 April 2023

Credit Strategy

Supply for March (€bn)

	Corporates	Financials
March	24.0	17.5

Source: ING, Dealogic

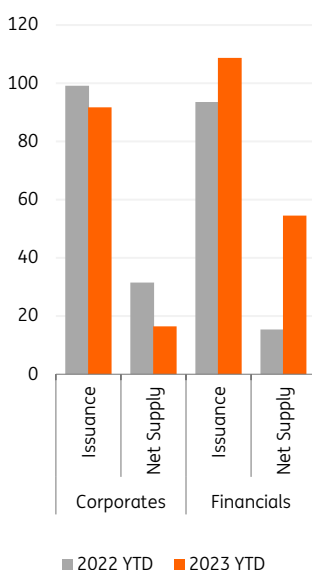
Supply FY and YTD (€bn)

Corporates	FY	YTD
2017	324	101
2018	282	81
2019	392	109
2020	445	137
2021	345	110
2022	258	99
2023	92	92

Financials	FY	YTD
2017	229	84
2018	226	83
2019	270	86
2020	234	80
2021	267	89
2022	290	94
2023	109	109

Source: ING, Dealogic

Supply and Net Supply YTD



Euro Credit Supply

Market turmoil dampened supply in March



Corporates met with strong demand, but market turbulence slowed supply

- Market turmoil kept primary markets closed for much of March, resulting in corporate supply reaching just €24bn, significantly below the average of previous years. Year-to-date supply is behind previous years, now at €92bn compared to €99bn in 2022, and €110bn-€137bn in the three previous years. Net supply was negative in March - at -€7bn, and after redemptions totalled €31bn. However, in saying all that, with more stability in rates and spreads after the initial turmoil, issuers came knocking on the primary market door. The newly issued bonds were met with strong demand, with books well oversubscribed, decent tightening down from IPT and rather low new issue premia.
- Real Estate supply is down 90% this year compared to the same period in 2022. The sector remains under pressure. Issuance of longer dated corporate bonds is down since the beginning of the year, with new supply targeting the short end.
- The equation may be changing for reverse yankee supply, with more attractive swapping conditions for US issuers resulting from USD credit underperformance versus EUR credit. The USD EUR spread differential has moved wider in the past few weeks. The cross-currency basis swap widened slightly in the initial turmoil, but has since narrowed. There now appear to be some attractive funding opportunities for reverse yankee issuers.

Financial primary markets shut due to the market turmoil and bank uncertainty

- Financials 2023 YTD supply remains ahead of previous years, despite low issuance in March. YTD supply now sits at €109bn, up from €94bn last year and €80-89bn in previous years. Supply in March was low at just €18bn, with the current market turmoil and uncertainty in the credit markets leaving primary markets closed for much of the month. Net supply was negative in March at -€9bn, and after redemptions totalled €27bn.
- There was a steady decline of AT1 and T2 issuance from January to March this year, with only €1bn issued during the last month. The decision of the Swiss authorities to wipe out the AT1 bonds of Credit Suisse has resulted in large uncertainty in the bank capital space and has left the AT1 market in limbo. Read more on this in our [Market turmoil leaves credit in limbo](#) report, and as explained in our [Listen: Constructive on credit](#) podcast.

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Fig 1 Euro corporate supply overview (€bn)

	2019	2020	2021	2022	2022 Mar	2023 Feb	2023 Mar	2022 YTD	2023 YTD	% diff
Auto	55	39	32	27	5	1	7	14	11	-17%
Consumer	37	67	38	27	7	7	5	8	12	43%
Healthcare	52	39	22	22	8	4	-	8	4	-56%
Industrial & Chemicals	55	74	60	44	10	4	5	15	16	6%
Real Estate	32	39	61	24	5	1	-	18	2	-90%
TMT	75	68	39	33	3	7	4	11	19	71%
Utility	46	52	53	57	6	5	1	16	23	45%
Oil & Gas	14	47	13	3	-	-	1	2	3	71%
Others	27	19	27	21	3	0	1	7	2	-73%
Corporate Hybrid	22	42	36	12	4	-	1	7	7	-9%

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2019	2020	2021	2022	2022 Feb	2023 Jan	2023 Feb	2022 YTD	2023 YTD	% diff
Bank Senior	174	139	146	202	19	17	14	64	82	28%
of which Bail-in	82	77	51	73	4	9	2	23	32	40%
of which Pref	92	62	95	128	15	8	11	41	49	21%
Bank Capital	31	39	39	27	6	4	1	9	14	51%
Financial Services	42	36	60	40	6	3	2	16	10	-39%
Insurance	22	20	21	20	2	-	1	5	4	-28%
Covered	142	95	99	212	36	28	18	82	85	4%

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	40.5	27.2	24.0										91.7
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	19.1	3.8	-6.5										16.4

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	23.4	17.5										108.7
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	14.5	-9.0										54.5

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	7.0										11.4
Consumer	0.0	6.7	5.5										12.1
Healthcare	0.0	3.7	0.0										3.7
Industrial	7.6	3.5	4.7										15.8
Real Estate	1.3	0.6	0.0										1.9
TMT	8.2	6.6	4.3										19.0
Utility	17.3	4.8	1.0										23.1
Oil & Gas	2.0	0.0	1.0										3.0
Others	1.2	0.0	0.6										1.8
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	16.8	13.7										81.5
of which NPS	21.2	9.1	2.3										32.5
of which Pref	29.9	7.7	11.4										49.0
Bank Capital	9.4	3.8	1.0										14.2
Financial Services	4.9	2.8	1.8										9.5
Insurance	2.4	0.0	1.1										3.5
Covered	38.5	27.9	18.1										84.5
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	64.7	222.1	111.7	110.4	2012	78.9	201.8	412.0	-210.2
2013	68.2	235.9	141.2	94.6	2013	67.8	205.6	342.3	-136.7
2014	81.1	267.7	165.7	102.1	2014	97.1	267.5	323.1	-55.5
2015	107.5	276.2	122.1	154.1	2015	104.3	257.4	320.7	-63.3
2016	82.4	307.2	144.5	162.7	2016	88.4	235.0	262.4	-27.4
2017	100.9	324.3	155.3	169.1	2017	84.4	229.2	270.5	-41.3
2018	81.3	282.1	158.5	123.6	2018	83.1	226.3	181.3	45.0
2019	109.0	392.4	171.8	220.6	2019	86.0	270.2	188.6	81.6
2020	137.4	444.6	204.1	240.5	2020	80.2	234.1	191.9	42.1
2021	110.4	344.7	214.4	130.3	2021	89.4	266.5	170.5	96.0
2022	99.2	257.9	223.2	34.6	2022	93.6	289.9	211.5	78.4
2023	91.7	91.7	245.9	2023	108.7	108.7	186.8		
2024			257.5	2024			178.6		
2025			261.1	2025			203.8		

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										6.2
T2	5.1	2.7	0.2										8.0
Bank Capital	9.4	3.8	1.0										14.2
Corp Hybrids	5.9	0.0	0.7										6.5

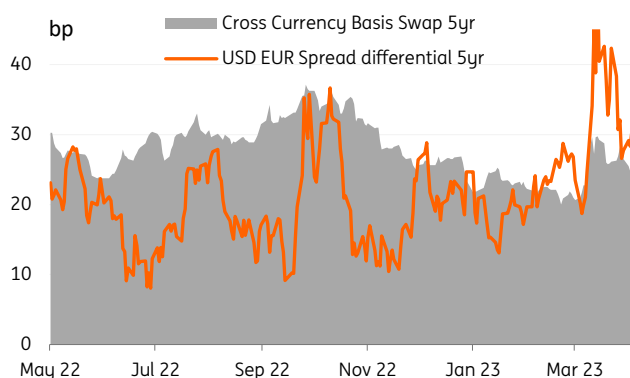
Source: ING, Dealogic

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	0.0	32.5
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	0.1	61.1
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5	5.5	2.8										13.8
Financial	1.5	0.0	1.1										2.6
Total	7.0	5.5	3.9										16.3

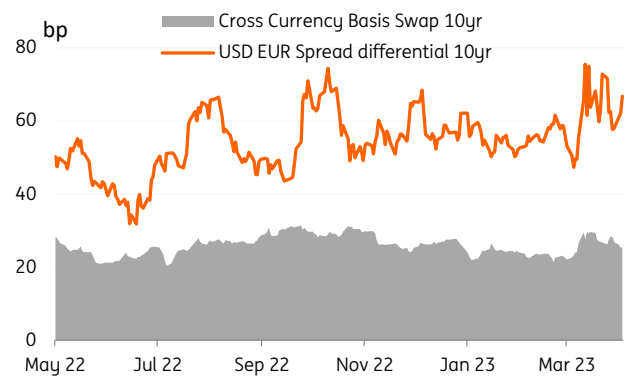
Source: ING, Dealogic

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	112.3	32.2	2013	145.5	77.9	14.4
2014	154.4	112.4	42.7	2014	174.8	126.1	32.4
2015	146.5	109.7	61.8	2015	145.7	128.0	28.7
2016	177.2	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	236.1	95.1	98.9	2019	176.7	95.8	28.3
2020	282.0	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	168.4	82.1	32.5	2022	173.8	147.5	28.6
2023	51.7	33.5	13.8	2023	69.7	49.9	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										27.7
Social	0.0	0.0	0.0										0.0
Sustainable	0.0	0.0	0.0										0.0
ESG	12.2	6.1	9.4										27.7
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	9.8	4.6	1.6										15.9
Social	1.3	0.0	0.5										1.8
Sustainable	2.0	0.0	0.0										2.0
ESG	13.0	4.6	2.1										19.6
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	2.8	1.5	1.0										5.3
Social	2.3	0.0	0.5										2.8
Sustainable	0.0	0.0	0.0										0.0
ESG	5.1	1.5	1.5										8.1

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	27.7	6.9	12.5	17.0	19.7	27.7
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	0.0	1.1	1.5	0.5	0.0
ESG	30.3	38.8	71.0	71.3	27.7	6.9	13.6	18.6	22.5	27.7
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	15.9	5.0	2.6	10.4	11.1	15.9
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	24.6	55.6	60.5	19.6	5.0	3.6	16.0	13.4	19.6
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	3.3	5.3
Social	2.0	2.5	4.8	3.1	2.8	1.0	1.0	1.0	0.6	2.8
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	8.1	1.0	2.3	3.5	3.9	8.1

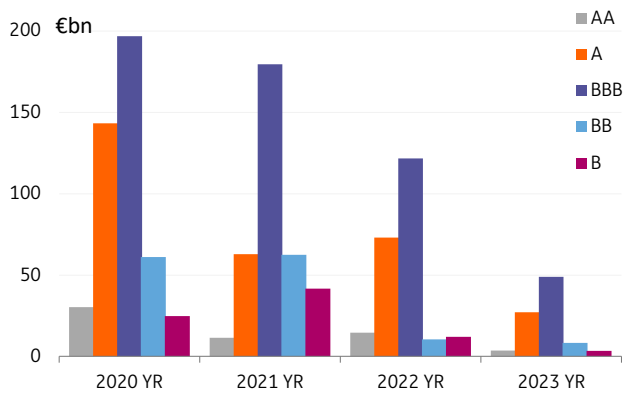
Source: ING, Dealogic - classified as ESG under Dealogic

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	4.4										9.2
Corp 3-6yr	8.4	2.0	4.7										15.1
Corp 6-9yr	10.5	11.6	10.0										32.1
Corp 9-12yr	4.1	2.5	2.5										9.1
Corp 12yrs+	16.1	7.9	2.4										26.4
Fin 0-3yr	18.5	4.6	3.3										26.4
Fin 3-6yr	17.9	7.9	7.8										33.5
Fin 6-9yr	17.9	5.9	3.0										26.8
Fin 9-12yr	7.1	3.7	2.5										13.3
Fin 12yrs+	6.4	1.3	1.0										8.7

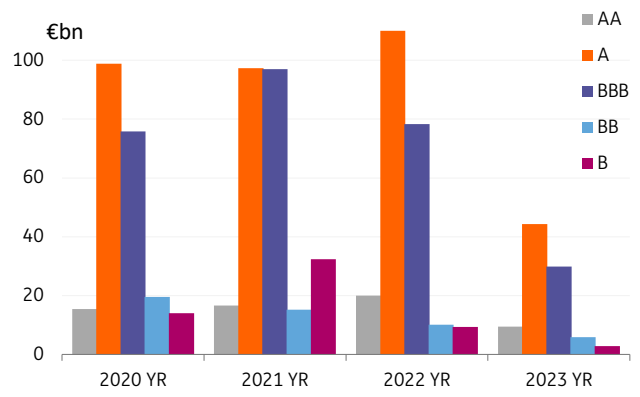
Source: ING, Dealogic

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



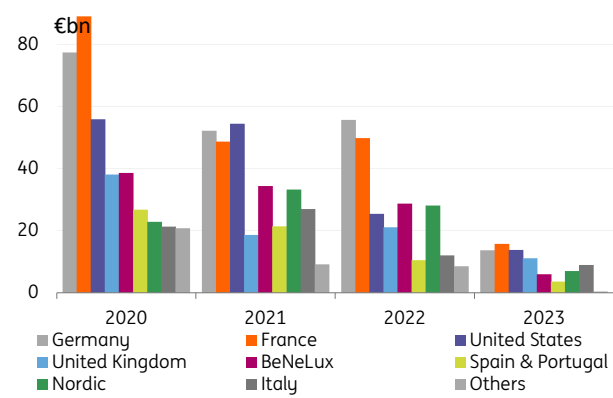
Source: ING, Dealogic

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



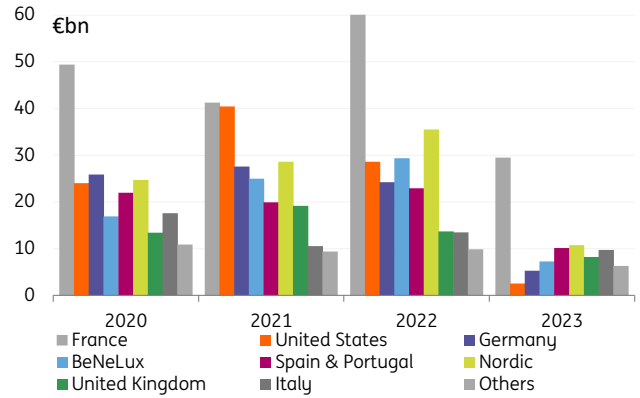
Source: ING, Dealogic

Fig 18 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 19 Financial supply per country (€bn)



Source: ING, Dealogic

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