

2 May 2024

Credit Strategy

Supply for April (€bn)

	Corporates	Financials
April	33	26

Source: ING, Dealogic

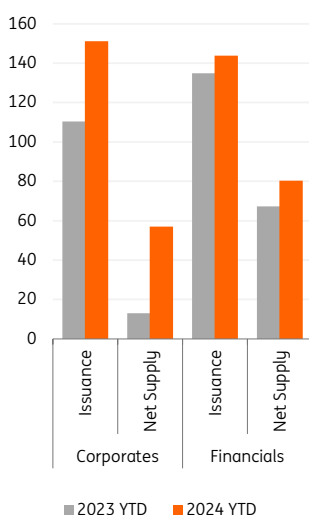
Supply FY and YTD (€bn)

Corporates	FY	YTD
2018	282	107
2019	391	121
2020	444	182
2021	334	127
2022	252	108
2023	301	112
2024	-	151

Financials	FY	YTD
2018	226	105
2019	270	105
2020	234	105
2021	265	104
2022	289	114
2023	311	138
2024	-	144

Source: ING, Dealogic

Supply and Net Supply YTD



Source: ING, Dealogic

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Euro Credit Supply

Strong corporate supply but financials slow



Corporate supply remains strong in April

- Corporate supply in April again exceeded the norm with €33bn of issuance. Thus, YTD continues to run ahead of most previous years, totalling €151bn thus far this year. This is, however, lower than the record-breaking, Covid-19 induced supply seen in 2020. The market remains a very conducive environment for supply and deals are mostly still seeing strong books and generally low NIPs. However, in recent weeks, it has been more of a mixed bag, with some deals seeing slightly lower subscription levels and needing to offer more NIPs.
- Corporate Hybrid supply now sits at €8bn on a YTD basis, matching that of the last two years. While interest rates still remain high, hybrid spreads have tightening significantly over the past months resulting in a rather tight spread over senior, thus the all-in cost of debt has come down.
- Reverse Yankee supply amounted to €5bn in April, now sitting at €22.5bn on a YTD basis. Generally Reverse Yankee supply has been slow as there is little cost-saving advantage due to USD spreads sitting rather tight and thus the USD EUR spread differential is low.

Slight drop in bank bonds supply in April compared to March levels

- The covered bond primary market remained relatively quiet in April with €14bn EUR benchmark covered instruments supplied, back to the level recorded in February this year. This represents a drop of €2bn compared to March levels. The YTD total is reaching nearly €90bn, €16bn behind what we saw in 2023 YTD.
- In the bank senior segment, April supply is laying a little over €15bn, comprised of nearly €10bn in senior bail-in bonds and €5.5bn in senior preferred instruments. The decline compared to March levels is less important than for covered bonds as it's an overall drop of only €2bn, spread equally between preferred and non-preferred bonds.
- Despite the relatively quiet month of April for bank bonds supply, we maintain our estimates for the full year with €175bn issued in covered bonds, €125bn for senior preferred instruments and €110bn in bail-in bonds.

Fig 1 Euro corporate supply overview (€bn)

	2020	2021	2022	2023	2023 Apr	2024 Mar	2024 Apr	2023 YTD	2024 YTD	% diff
Auto	38	32	26	50	4	7	4	16	25	57
Consumer	66	39	25	50	3	7	8	17	23	35
Healthcare	40	23	25	18	0	-	3	4	6	74
Industrial & Chemicals	74	52	42	53	5	4	4	20	23	17
Real Estate	39	61	24	8	0	0	3	2	6	202
TMT	68	39	33	43	2	4	3	21	28	32
Utility	52	53	57	54	2	1	6	26	29	11
Oil & Gas	47	13	2	9	1	1	-	4	1	-72
Others	19	23	17	16	0	1	2	2	9	351
Corporate Hybrid	42	36	12	15	1	1	1	8	8	4

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2020	2021	2022	2023	2023 Apr	2024 Mar	2024 Apr	2023 YTD	2024 YTD	% diff
Bank Senior	138	143	200	227	20	17	15	104	86	-17
of which Bail-in	77	51	73	97	5	10	10	41	47	14
of which Pref	61	92	126	130	15	7	5	63	38	-39
Bank Capital	39	39	27	32	-	1	3	14	23	64
Financial Services	37	61	42	39	2	2	2	13	20	54
Insurance	20	21	20	12	3	1	2	6	9	50
Covered	95	99	212	194	19	18	14	110	90	-18

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	49.1	68.3	62.2	62.9	21.7	6.4	49.6	28.7	21.2	9.7	443.9
2021	35.4	27.1	45.1	19.8	34.3	37.8	10.1	18.1	43.4	26.5	32.2	4.6	334.2
2022	37.5	14.2	45.7	10.2	31.6	16.4	2.7	14.8	24.5	23.2	30.3	1.0	252.1
2023	39.7	27.7	25.0	18.0	48.0	26.0	11.6	22.3	31.1	7.8	39.6	4.2	301.0
2024	36.1	41.3	40.6	33.1									151.1
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	7.4	27.4	18.8	52.5	41.1	52.6	4.9	-1.8	29.3	13.4	-4.2	-0.6	240.6
2021	13.3	11.1	14.1	3.6	16.7	19.3	-2.3	8.4	23.5	8.8	13.0	-9.5	119.9
2022	15.6	-3.0	17.2	-7.7	13.0	-8.9	-11.9	7.8	-2.8	13.3	8.4	-11.6	29.3
2023	18.3	4.3	-5.4	-4.1	26.6	5.1	-3.9	15.1	-5.6	-10.6	18.0	-1.6	56.1
Redemptions	29.1	17.0	23.3	24.7	28.0	19.3	25.8	1.4	29.7	23.9	18.8	16.3	257.2
2024	7.0	24.3	17.3	8.4									57.1

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	68.6	25.6	15.6	25.0	36.4	31.3	9.6	18.4	35.9	15.0	27.2	2.4	310.9
2024	57.0	26.3	34.1	26.4									143.8
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	-8.8	41.9
2021	7.1	16.5	8.9	0.1	18.4	9.8	-3.3	6.6	10.7	12.7	13.5	-6.2	94.7
2022	4.4	1.7	7.6	4.3	16.8	5.6	-4.9	15.1	3.0	0.3	31.7	-8.0	77.6
2023	49.9	16.7	-11.0	11.6	18.5	11.3	-4.6	9.9	14.7	-2.4	12.5	-3.1	124.0
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	40.1	12.1	21.0	7.2									80.3

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	6.2	4.3									25.3
Consumer	2.3	4.2	8.2	8.2									22.9
Healthcare	0.0	2.8	0.5	3.0									6.3
Industrial	2.7	7.2	9.3	4.0									23.2
Real Estate	1.1	1.5	0.9	2.9									6.4
TMT	4.3	12.5	8.0	3.0									27.8
Utility	11.0	7.5	5.2	5.5									29.1
Oil & Gas	1.0	0.0	0.0	0.0									1.0
Others	1.3	3.4	2.3	2.2									9.1
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	4.3	4.8	7.5	1.2	2.5	0.0	5.0	4.5	3.9	1.2	39.9
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	3.3	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	0.8	1.9	0.4	1.3	2.8	0.0	1.1	3.6	2.4	1.1	20.4
TMT	5.7	3.1	7.9	1.2	2.7	2.2	2.3	0.1	7.8	2.4	1.1	2.5	38.9
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	2.7	1.3	1.0	2.5	1.8	1.9	1.0	0.0	1.8	1.9	0.0	0.1	15.9
Others	0.0	1.7	0.0	1.2	1.0	1.4	4.0	0.0	0.8	1.8	0.6	2.6	15.0

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	34.5	18.7	17.4	15.3									86.0
of which NPS	13.2	13.9	10.5	9.7									47.5
of which Pref	21.2	4.8	6.8	5.5									38.5
Bank Capital	11.7	2.9	5.2	3.1									22.9
Financial Services	7.9	5.7	4.2	2.5									20.4
Insurance	4.9	0.0	1.9	1.8									8.6
Covered	42.9	15.5	19.7	14.9									93
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	85	235	141	94	2013	84	206	341	(135)
2014	92	267	165	101	2014	111	266	322	(56)
2015	136	275	121	153	2015	120	259	321	(62)
2016	116	306	143	162	2016	120	234	262	(28)
2017	107	324	154	170	2017	99	229	270	(41)
2018	107	282	159	123	2018	105	226	182	44
2019	121	391	171	220	2019	105	270	188	81
2020	182	444	203	241	2020	105	234	192	42
2021	127	334	214	120	2021	104	265	170	95
2022	108	252	223	29	2022	114	289	211	78
2023	112	301	245	56	2023	138	311	187	124
2024	151	151	257		2024	144	144	178	
2025			276		2025			230	
2026			289		2026			266	

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	0.5	0.6									5.2
T2	8.6	1.8	4.7	2.5									17.6
Bank Capital	11.6	2.9	5.2	3.1									22.8
Corp Hybrids	1.3	0.9	4.8	1.3									8.3

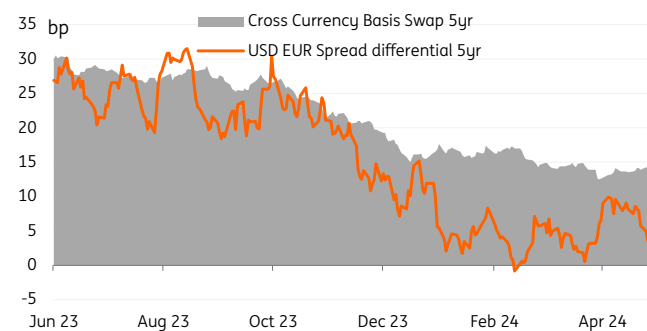
Source: ING, Dealogic

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	0.8	5.1									22.5
Financial	0.7	0.5	9.0	1.3									11.4
Total	2.0	15.9	9.7	6.3									33.9

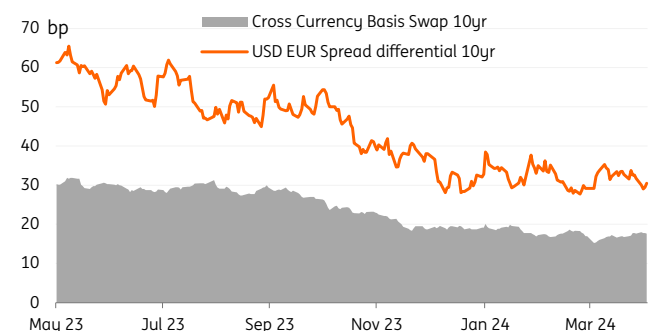
Source: ING, Dealogic

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	154.9	114.5	33.0	2013	145.2	78.1	15.4
2014	153.8	108.6	42.3	2014	174.3	124.6	32.6
2015	145.2	109.4	61.8	2015	145.7	127.1	28.8
2016	175.6	114.1	66.2	2016	133.8	114.4	45.6
2017	192.8	103.0	65.4	2017	133.0	112.6	35.8
2018	182.5	130.0	31.1	2018	127.8	133.0	17.7
2019	235.6	95.2	98.5	2019	176.5	95.8	28.5
2020	285.0	153.0	68.4	2020	152.3	124.9	24.2
2021	188.0	101.7	59.0	2021	139.9	167.1	40.6
2022	162.6	85.5	33.2	2022	174.0	147.5	28.6
2023	190.9	101.6	40.6	2023	212.9	149.2	12.7
2024	93.1	73.0	22.5	2024	92.8	85.0	11.4

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	13.3	5.2	12.4	5.0									35.9
Social	0.0	0.0	0.0	0.9									0.9
Sustainable	0.8	1.2	0.0	0.0									1.9
ESG	14.1	6.3	12.4	5.8									38.6
Financial	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	4.3	5.6	4.8	3.0									17.6
Social	1.7	0.5	0.0	0.0									2.2
Sustainable	0.0	0.0	0.0	0.0									0.0
ESG	6.0	6.1	4.8	3.0									19.8
Covered	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	6.5	0.6	0.4	0.8									8.3
Social	0.5	0.0	1.5	0.5									2.5
Sustainable	0.0	0.0	0.0	0.0									0.0
ESG	7.0	0.6	1.9	1.3									10.8

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	54.6	61.7	64.1	35.9	13.3	18.0	20.1	26.9	35.9
Social	1.3	3.5	3.1	0.0	0.9	0.0	0.0	2.4	0.0	0.9
Sustainable	2.6	6.1	4.3	0.6	1.9	1.1	2.1	1.1	0.0	1.9
ESG	38.8	64.2	69.1	64.8	38.6	14.4	20.1	23.6	26.9	38.6
Financial	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	18.2	42.5	49.5	50.4	17.6	2.6	12.0	13.6	18.6	17.6
Social	4.8	7.7	8.4	7.5	2.2	1.0	2.8	2.0	1.8	2.2
Sustainable	1.8	5.5	2.5	3.9	0.0	0.0	2.9	0.3	2.0	0.0
ESG	24.9	55.6	60.4	61.8	19.8	3.6	17.6	15.9	22.4	19.8
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	8.3	1.3	2.5	4.3	5.3	8.3
Social	2.5	4.8	3.1	7.4	2.5	2.0	1.8	1.1	3.4	2.5
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	10.8	3.3	4.3	5.4	8.7	10.8

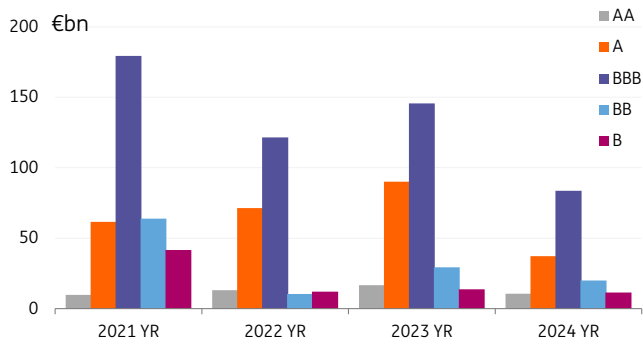
Source: ING, Dealogic - classified as ESG under Dealogic

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	10.0	2.2	8.4	0.6	65.4
Corp 6-9yr	10.5	11.9	10.1	5.5	13.2	8.9	3.3	4.8	7.9	3.8	13.8	1.4	95.1
Corp 9-12yr	4.2	2.8	2.8	2.9	10.9	6.2	2.0	5.2	4.3	0.2	7.4	0.0	48.7
Corp 12yrs+	15.1	7.8	1.4	1.2	6.0	1.9	1.7	5.5	4.8	1.0	4.2	0.1	50.6
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	8.2	9.9	2.5	3.7	8.2	2.4	7.7	0.6	84.5
Fin 6-9yr	18.5	5.9	3.0	7.4	7.8	6.8	3.1	6.0	10.2	6.8	7.9	0.5	83.8
Fin 9-12yr	7.1	3.7	2.8	0.8	9.2	6.7	0.5	3.0	4.8	0.7	5.8	0.0	44.9
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	2.8	2.1									11.1
Corp 3-6yr	10.1	7.9	5.2	6.0									29.1
Corp 6-9yr	8.8	14.3	13.4	12.4									48.9
Corp 9-12yr	7.2	4.7	5.2	7.6									24.6
Corp 12yrs+	5.4	13.0	14.0	5.0									37.3
Fin 0-3yr	10.8	7.0	6.4	9.4									33.7
Fin 3-6yr	10.6	5.1	5.7	4.9									26.3
Fin 6-9yr	10.7	3.5	6.7	4.6									25.5
Fin 9-12yr	17.3	7.7	13.3	4.6									42.9
Fin 12yrs+	7.7	2.9	2.0	2.9									15.5

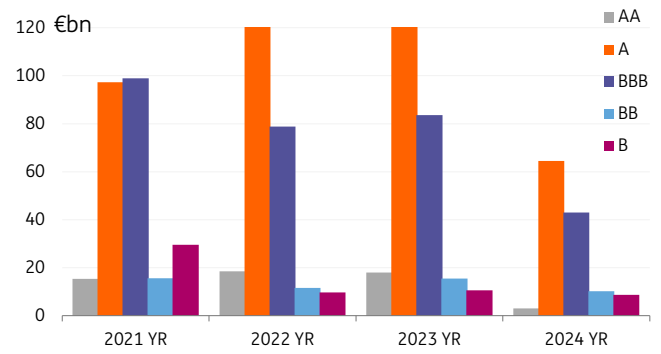
Source: ING, Dealogic

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



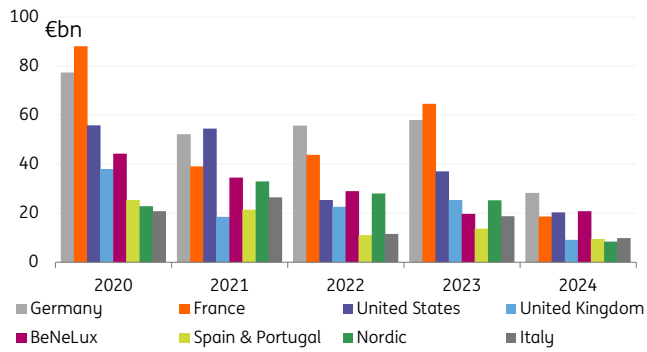
Source: ING, Dealogic

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



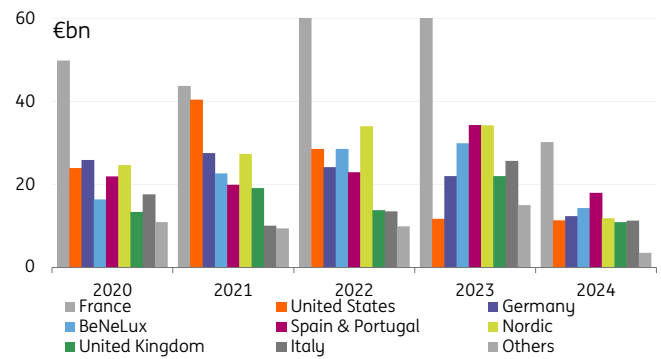
Source: ING, Dealogic

Fig 18 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 19 Financial supply per country (€bn)



Source: ING, Dealogic

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