

1 April 2021

Credit Strategy

Supply for March (€bn)

	Corporates	Financials
March	44.5	28.4

Source: ING, Dealogic

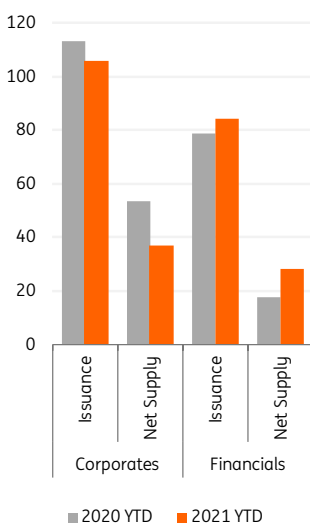
Supply FY and YTD (€bn)

Corporates	FY	YTD
2015	276	107
2016	308	82
2017	324	99
2018	282	80
2019	393	103
2020	442	113
2021	106	106

Financials	FY	YTD
2015	257	104
2016	233	88
2017	225	81
2018	225	82
2019	269	78
2020	233	79
2021	84	84

Source: ING, Dealogic

Supply and Net Supply YTD



Source: ING, Dealogic

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Euro Credit Supply

Substantial supply in March



Considerable corporate supply in March results in over €100bn supplied in 3Q

- Corporate supply pencilled in a substantial €45bn in March, just marginally lower than the record breaking March last year which amounted to €49bn, as corporates rushed to secure funding at the start of the crisis. Redemptions in March amounted to €31bn, marking the highest month for redemptions this year. Nonetheless, net supply still amounted to €14bn. Redemptions for April will amount to just €16bn. Due to a lack of large refinancing needed and an already heavy March, we expect supply to be more subtle in April.
- As expected, just over €100bn was supplied in the first quarter of the year. We expect close to another €100bn for the second quarter and drop down to closer to the €75bn mark for Quarter three and four. This of course totals our end of year forecast of €350bn in supply, a little under €100bn less than the record breaking 2020, and also shy of the previous record breaking €390bn in 2019.
- TMT and Utilities accounted for most of the supply in March, both sectors pencilling in €9bn each. Similarly on a YTD basis, TMT and Utility account for the largest supply with €18bn and €24bn, respectively, as well as €19bn from Real Estate. Corporate hybrids supply is up YoY, to a substantial €15bn, relative to just €6bn last year. We forecast corporate hybrid supply to reach at least €50bn by the year end. Many corporates will issue hybrids for rating defence.
- Corporate Reverse Yankee supply totalled €11bn in March, now sitting at €18bn YTD. This is indeed low compared to the €28bn and €27bn of 2020 and 2019 YTD figures, respectively. However, this is largely due to the low amount of Reverse Yankee supply in the first two months of the year. We expect Reverse Yankee supply to increase in the coming months and total at least €80bn by the end of 2021.

2021 YTD financial supply is running ahead of 2020 YTD

- Financial supply (excluding covered bonds) amounted to €29bn in March, which is up on March 2020 (€14bn) and similar to February 2021 (€30bn). Supply totals €84bn YTD, ahead of 2020 YTD supply of €79bn. Covered bonds supplied €7bn, compared to €10bn in March 2020 and €2bn in February. Nonetheless, we note that 30% of last month's covered bond supply was issued in a green bond format.
- French and German financial companies are still leading the supply. We have already noted that the trend of issuing within the 6-year maturity and longer bucket was decreasing since January. In March, the share was 71%, versus 78% in February.
- Redemptions amounted to €22bn in March, leading to net supply of €7bn, as compared to €12bn last month. €16bn will be repaid next month. As a result, we expect financial supply to be a tad lower in April.

Fig 1 Euro corporate supply overview (€bn)

	2017	2018	2019	2020	2020 Mar	2021 Feb	2021 Mar	2020 YTD	2021 YTD	% diff
Auto	57	53	55	39	4	2	6	11	12	8%
Consumer	41	25	37	67	16	1	6	30	8	-75%
Healthcare	21	36	52	39	5	1	3	7	7	-2%
Industrial & Chemicals	55	36	56	73	11	4	6	21	15	-32%
Real Estate	26	28	32	40	1	5	5	10	19	88%
TMT	49	42	74	67	5	8	9	24	18	-24%
Utility	58	44	59	99	6	8	9	18	24	33%
Others	17	18	28	17	1	0	1	2	4	100%
Corporate Hybrid	13	19	22	42	-	4	4	6	15	167%

Source: ING, Dealogic

Fig 2 Euro financial supply overview (€bn)

	2017	2018	2019	2020	2020 Mar	2021 Feb	2021 Mar	2020 YTD	2021 YTD	% diff
Bank Senior	144	165	174	138	12	20	16	55	50	-9%
of which Bail-in	65	60	82	77	8	13	4	37	24	-35%
of which Pref	79	105	92	62	5	7	12	18	26	43%
Bank Capital	38	21	31	40	-	1	5	12	10	-11%
Finance	31	27	42	34	1	8	5	8	19	136%
Insurance	12	12	22	21	1	1	3	4	5	21%
Covered	129	150	151	101	10	2	7	53	23	-56%

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
2017	30.2	26.6	42.6	7.5	45.5	44.5	17.2	9.9	31.3	18.8	42.2	8.0	324.2
2018	26.6	17.4	36.2	22.3	31.6	26.0	13.8	17.7	36.4	18.1	30.4	5.4	281.9
2019	34.3	30.9	36.5	17.2	36.9	42.9	22.1	22.9	58.2	39.8	42.4	8.5	392.7
2020	28.7	35.4	49.1	66.3	62.6	62.9	21.8	6.4	49.6	28.7	21.7	8.7	441.8
2021	33.2	28.4	44.5										106.0
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	13.5	10.9	25.2	-4.5	30.5	25.5	10.6	5.6	18.2	3.7	30.2	-0.5	168.9
2018	14.0	-3.4	21.4	9.0	17.6	11.7	2.1	11.1	28.1	2.4	12.7	-2.5	221.1
2019	16.4	18.3	14.1	3.7	26.0	29.1	4.3	18.9	38.8	30.3	22.6	-1.5	221.0
2020	7.4	27.2	18.8	49.6	41.1	52.6	5.0	-1.8	29.3	13.4	-3.7	-1.6	237.1
Redemptions	22.2	16.0	30.9	16.2	17.6	18.4	12.4	9.7	19.8	17.7	19.4	14.1	214.4
2021	11.0	12.4	13.6										36.9

Redemptions shown for 2021 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
2017	35.7	17.1	27.9	17.6	29.9	13.0	7.1	12.1	26.3	13.9	21.0	3.9	225.4
2018	27.4	20.7	33.7	22.0	12.5	11.5	25.4	20.5	24.6	6.4	19.3	1.2	225.0
2019	27.6	25.7	21.9	26.0	19.2	33.7	14.5	14.7	27.0	25.2	28.4	5.3	269.3
2020	45.4	18.7	14.8	24.4	24.8	27.9	13.2	8.7	13.2	16.6	22.5	3.1	233.1
2021	25.3	30.7	28.4										84.4
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	-9.3	-8.0	-5.3	0.6	4.5	-6.0	-12.6	-0.8	-0.1	-9.4	7.5	-4.7	-43.6
2018	-0.5	0.8	7.5	5.6	-4.1	-3.7	15.0	16.1	13.0	-5.0	7.0	-7.4	44.3
2019	5.3	12.5	0.2	6.0	0.5	19.0	3.9	2.4	5.9	10.6	15.7	-0.9	81.2
2020	21.2	-0.9	-2.5	9.7	14.5	6.7	-3.5	-3.1	-3.5	11.3	0.2	-8.3	41.9
Redemptions	21.3	14.9	19.7	15.0	9.8	13.0	8.3	5.6	26.1	10.6	15.2	9.3	168.8
2021	4.0	15.7	8.7										28.4

Covered Bonds excluded from aggregate throughout

Redemptions shown for 2021

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2021 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	4.5	1.7	6.1										12.2
Consumer	0.8	1.2	5.6										7.6
Healthcare	4.0	0.7	2.7										7.3
Industrial	4.8	4.1	5.7										14.6
Real Estate	8.7	4.9	5.0										18.6
TMT	0.8	7.9	9.2										17.9
Utility	7.4	7.5	8.9										23.8
Others	2.3	0.5	1.4										4.1
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	3.7	2.7	4.0	3.0	2.4	2.3	3.0	3.0	4.4	1.4	2.4	2.1	34.2
Consumer	2.5	3.7	3.0	2.6	1.6	1.0	1.2	1.2	3.6	3.1	3.9	0.1	27.5
Healthcare	1.1	0.0	5.3	0.8	0.6	3.4	0.1	0.6	2.5	1.0	2.1	0.2	17.5
Industrial	1.5	3.2	4.1	3.8	4.0	5.6	1.6	0.1	1.9	3.6	1.9	3.4	34.7
Real Estate	0.1	1.8	1.3	1.0	2.2	0.8	0.9	0.0	0.5	0.9	1.4	0.9	11.8
TMT	5.6	1.3	6.6	1.1	4.8	1.2	2.6	1.3	5.6	1.9	3.4	5.1	40.3
Utility	6.4	3.1	5.9	2.9	1.3	1.7	2.9	3.5	1.3	4.1	2.9	0.9	36.8
Others	1.2	0.4	0.9	1.1	0.8	2.6	0.1	0.1	0.0	1.9	1.4	1.4	11.6

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2021 (€bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	13.8	19.9	16.3										50.0
of which NPS	7.0	12.6	4.1										23.7
of which Pref	6.8	7.4	12.2										26.4
Bank Capital	4.0	1.3	5.0										10.3
Finance	6.0	8.2	4.6										18.7
Insurance	1.5	1.0	2.6										5.1
Covered	13.5	2.2	7.4										23.2
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	17.8	13.1	16.9	9.0	6.0	8.4	6.9	5.0	22.9	8.3	11.5	6.7	132.6
of which NPS	2.0	1.5	1.5	0.0	1.0	0.8	0.5	0.0	0.6	1.8	1.8	2.1	13.5
of which Pref	15.9	11.6	15.4	9.0	5.0	7.7	6.4	5.0	22.3	6.5	9.7	4.6	119.2
Bank Capital	1.3	3.5	1.8	4.1	6.6	3.5	1.0	0.0	4.5	1.3	0.3	0.6	28.4
Finance	3.5	1.0	2.6	2.7	2.2	2.4	1.4	0.2	1.9	1.5	2.9	1.9	23.9
Insurance	0.0	0.9	0.3	0.1	0.1	1.6	0.0	0.4	1.3	0.0	0.8	0.7	6.1
Covered	26.2	13.8	14.7	22.6	10.1	7.3	6.2	4.8	10.6	13.2	11.9	1.1	142.6

Source: ING, Dealogic

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

Corporates	YTD	FY	Reds	Net	Financials	YTD	FY	Reds	Net
2010	52.2	131.6	93.6	38.0	2010	128.3	319.3	351.3	-32.0
2011	30.9	109.2	107.5	1.7	2011	97.4	204.5	387.1	-182.6
2012	63.4	222.1	111.0	111.1	2012	78.5	200.3	412.0	-211.6
2013	65.4	235.7	141.2	94.4	2013	67.4	204.5	341.0	-136.5
2014	79.0	267.7	165.7	102.1	2014	93.8	267.5	322.3	-54.9
2015	107.2	276.3	122.5	153.9	2015	104	257	320.0	-62.5
2016	82.4	308.0	144.5	163.5	2016	88	233	261.7	-28.9
2017	99.4	324.2	155.3	168.9	2017	81	225	269.0	-43.6
2018	80.2	281.9	157.8	124.1	2018	82	225	180.8	44.3
2019	103.5	392.7	171.8	221.0	2019	78	269	188.1	81.2
2020	113.3	441.8	204.7	237.1	2020	79	233	191.2	41.9
2021	106.0	106.0	214.4	2021	84	84	168.8		
2022			223.2	2022			211.1		
2023			234.2	2023			174.9		

Source: ING, Dealogic

Fig 8 Subordinated supply, 2020 and 2021 (€bn)

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	2.8	2.8	0.0	0.0	0.7	2.9	2.9	1.8	0.7	2.1	1.0	0.0	17.6
T2	4.8	1.0	0.0	0.0	4.3	2.5	0.5	0.5	2.7	1.5	1.8	0.4	19.9
Bank Capital	7.6	3.8	0.0	0.0	4.9	5.4	3.4	2.3	3.4	3.6	2.8	0.4	37.4
Corp Hybrids	2.2	3.5	0.0	0.0	0.8	10.4	1.0	4.8	5.5	10.2	2.6	1.2	42.2
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	0.8	0.0	0.5										1.3
T2	1.8	0.8	4.5										7.0
Bank Capital	2.5	0.8	5.0										8.3
Corp Hybrids	6.9	4.2	4.2										15.2

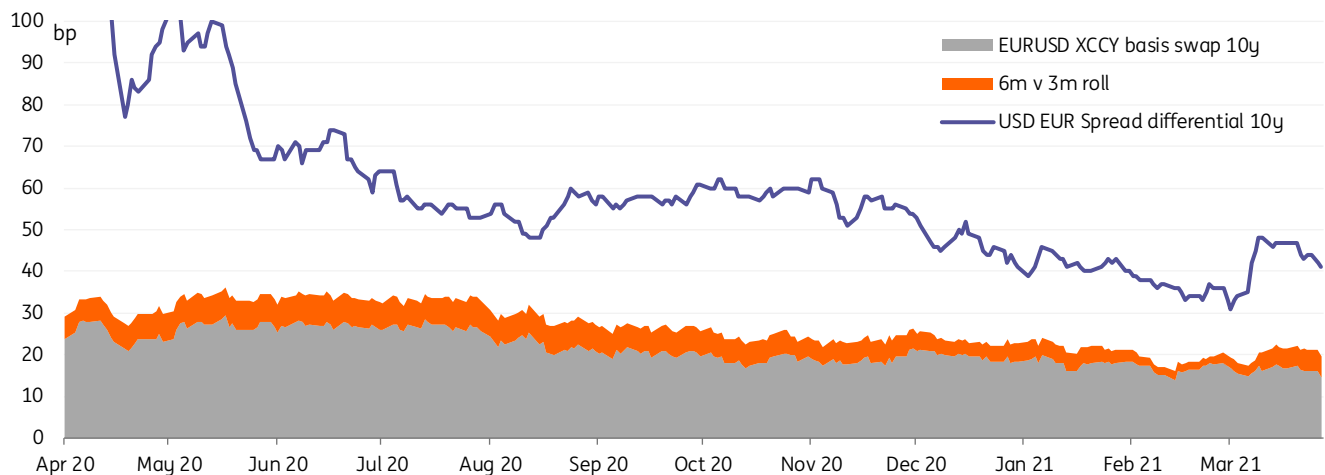
Source: ING, Dealogic

Fig 9 Reverse Yankee supply, 2020 and 2021 (€bn)

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	4.9	15.0	6.8	5.9	7.8	9.8	0.1	0.0	13.6	3.3	0.0	0.4	67.4
Financial	4.0	3.2	6.0	4.8	0.0	4.7	0.0	0.0	0.0	0.1	0.3	0.4	23.5
Total	8.9	18.1	12.8	10.7	7.8	14.5	0.1	0.0	13.6	3.5	0.3	0.8	90.9
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	1.5	5.2	11.2										17.9
Financial	2.4	2.1	3.8										8.2
Total	3.9	7.3	15.0										26.1

Source: ING, Dealogic

Fig 10 Cross currency basis swap and USD EUR spread differential



Source: ING, ICE, Refinitiv

Fig 11 European, Yankee and Reverse Yankee supply (€bn)

Corporates	European	Yankee (US\$)	Rev Yankee	Financials	European	Yankee (US\$)	Rev Yankee
2010	101.2	70.9	9.0	2010	238.7	118.5	18.1
2011	85.6	92.3	6.4	2011	165.6	89.3	5.7
2012	158.8	140.3	15.5	2012	155.9	57.9	6.4
2013	154.6	113.4	32.5	2013	144.9	77.9	14.4
2014	159.4	114.3	42.9	2014	173.5	127.2	33.8
2015	149.5	109.3	61.9	2015	145.7	130.3	28.7
2016	182.2	116.1	65.1	2016	132.2	116.4	44.7
2017	193.9	107.1	63.1	2017	131.2	116.8	34.0
2018	181.3	139.2	30.9	2018	126.9	144.4	17.0
2019	238.1	97.0	99.3	2019	176.2	98.7	28.8
2020	284.2	117.8	67.4	2020	150.9	125.8	23.5
2021 YTD	61.9	24.5	17.9	2021 YTD	48.5	50.8	8.2

Source: ING

Fig 12 ESG supply per month 2021 (€bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	3.6	5.4	7.9										16.9
Social	0.0	0.0	0.2										0.2
Sustainable	0.0	1.0	0.5										1.5
ESG	3.6	6.4	8.5										18.5
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.5	4.8	4.9										10.2
Social	1.3	1.0	0.5										2.8
Sustainable	0.8	0.0	2.1										2.9
ESG	2.5	5.8	7.5										15.8
Covered	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.5	0.0	1.0										2.5
Social	0.5	0.0	0.5										1.0
Sustainable	0.0	0.0	0.0										0.0
ESG	2.0	0.0	1.5										3.5

Source: ING, Dealogic

Fig 13 ESG supply per year and YTD (€bn)

Corporate	2017	2018	2019	2020	2021	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD
Green	17.9	12.2	29.4	34.9	16.9	4.9	3.7	6.4	12.5	16.9
Social	0.0	0.3	2.5	1.3	0.2	0.0	0.3	0.0	0.0	0.2
Sustainable	0.0	0.0	0.9	2.6	1.5	0.0	0.0	0.0	1.1	1.5
ESG	17.9	12.5	32.8	38.8	18.5	4.9	4.0	6.4	13.6	18.5
Financial	2017	2018	2019	2020	2021	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD
Green	8.4	12.9	21.8	17.9	10.2	1.0	0.6	4.5	2.1	10.2
Social	0.0	1.3	2.8	4.8	2.8	0.0	0.0	0.0	1.0	2.8
Sustainable	0.1	0.8	2.1	1.8	2.9	0.0	0.8	0.1	0.0	2.9
ESG	8.5	14.9	26.7	24.6	15.8	1.0	1.3	4.5	3.1	15.8
Covered	2017	2018	2019	2020	2021	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD
Green	1.0	4.5	4.5	5.1	2.5	0.0	1.0	0.0	1.3	2.5
Social	0.3	1.0	2.0	2.5	1.0	0.0	0.0	1.0	1.0	1.0
Sustainable	0.0	0.5	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
ESG	1.3	6.0	6.5	8.2	3.5	0.0	1.0	1.0	2.3	3.5

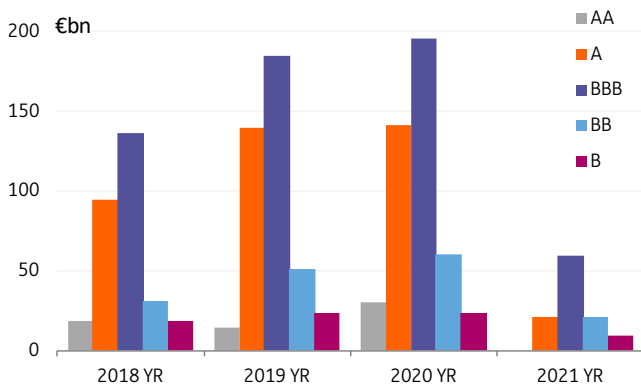
Source: ING, Dealogic

Fig 14 Investment grade issuance by maturity, 2020 and 2021 (US\$bn)

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Corp 0-3yr	1.8	4.4	1.7	2.3	6.3	4.6	0.4	0.7	4.0	0.8	1.8	0.4	29.2
Corp 3-6yr	5.5	3.0	11.9	20.4	9.3	9.3	4.1	0.3	8.3	2.0	2.3	2.1	78.6
Corp 6-9yr	11.5	12.1	16.5	19.6	23.8	13.9	9.3	0.7	15.2	7.9	7.0	1.6	139.0
Corp 9-12yr	5.3	4.0	9.0	12.9	10.2	11.8	2.5	0.0	8.2	2.6	4.7	1.3	72.4
Corp 12yrs+	4.7	11.8	10.0	11.1	13.0	23.3	5.5	4.8	13.8	15.3	5.9	3.4	122.5
Fin 0-3yr	2.9	3.6	0.6	2.2	2.9	2.3	0.6	0.2	0.9	1.2	0.9	0.2	18.4
Fin 3-6yr	8.3	2.7	6.0	11.2	9.6	6.6	1.3	1.0	2.3	2.6	4.1	0.1	55.8
Fin 6-9yr	20.6	6.6	6.0	7.3	4.4	6.1	5.2	4.1	4.6	4.7	6.8	2.0	78.3
Fin 9-12yr	7.4	2.6	1.9	3.8	5.4	4.6	2.8	0.5	3.0	3.8	6.4	0.8	42.9
Fin 12yrs+	6.2	3.2	0.2	0.0	2.6	8.3	3.4	2.9	2.4	4.3	4.3	0.0	37.6
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	3.1	1.4	1.1										5.6
Corp 3-6yr	3.9	2.9	7.6										14.4
Corp 6-9yr	8.8	9.2	13.3										31.2
Corp 9-12yr	6.9	6.0	8.3										21.3
Corp 12yrs+	10.5	8.8	14.3										33.6
Fin 0-3yr	0.6	0.8	0.4										1.8
Fin 3-6yr	3.3	5.9	8.0										17.1
Fin 6-9yr	8.0	12.0	5.7										25.7
Fin 9-12yr	8.8	9.9	8.3										27.1
Fin 12yrs+	4.6	2.0	6.1										12.7

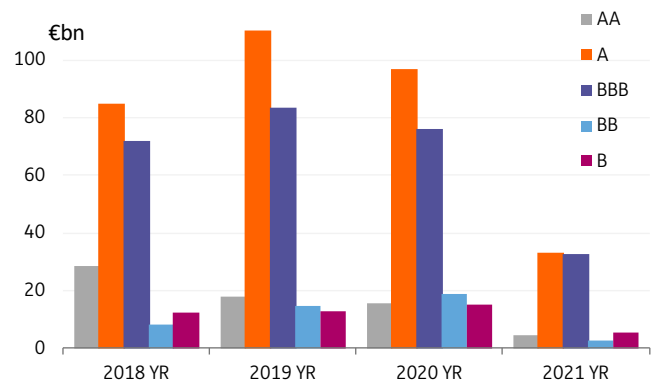
Source: ING, Dealogic

Fig 15 Corporate supply per S&P rating (€bn)



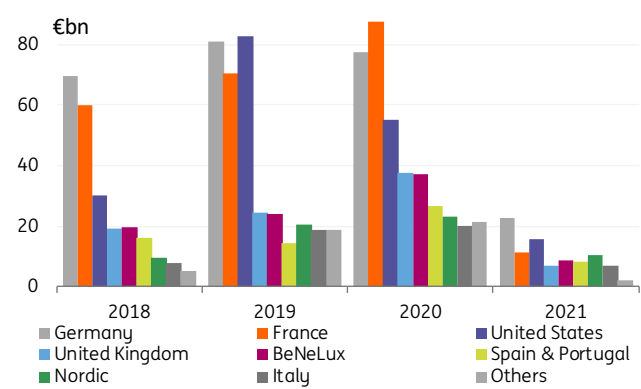
Source: ING, Dealogic

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



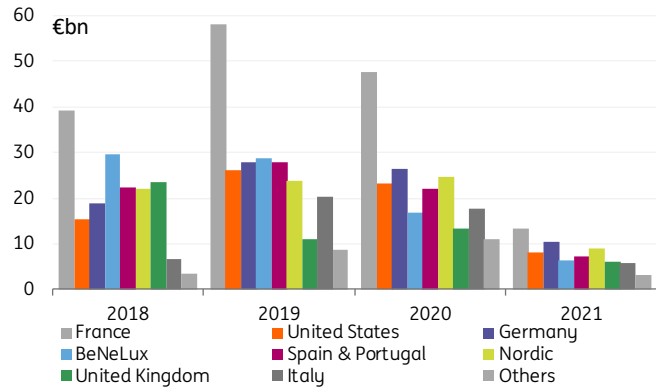
Source: ING, Dealogic

Fig 17 Corporate supply per country (€bn)



Source: ING, Dealogic

Fig 18 Financial supply per country (€bn)



Source: ING, Dealogic

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