

5 May 2021
Credit Strategy

US Dollar Credit Supply

Large financial supply in April

Supply for April (US\$bn)

	Corporates	Financials
April	30.1	65.8

Source: ING, Dealogic

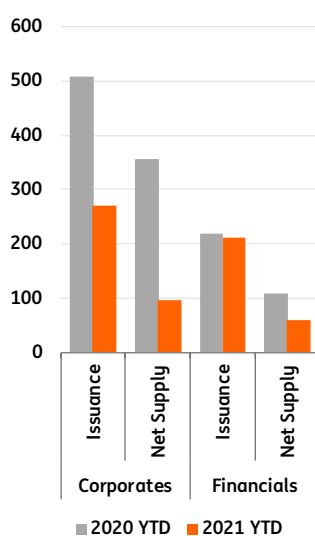
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2015	710	232
2016	697	248
2017	745	269
2018	655	223
2019	704	236
2020	1167	530
2021	281	281

Financials	FY	YTD
2015	423	177
2016	388	158
2017	430	188
2018	449	187
2019	364	154
2020	520	222
2021	212	212

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING



Negative net corporate supply in April

- Corporate supply amounted to US\$30bn in April. This is in line with previous years as April normally is a slow month for supply, but not compared to last year's record-breaking US\$215bn. On a YTD basis, supply is sitting at US\$281bn, running ahead of previous years, with the exception of last year. As it stands, all previous year's YTD figures are around 35% of their total year end supply. At current levels, supply this year is at 35% of our forecasted US\$800bn for the year end.
- Redemptions totalled US\$38bn in April, leaving a negative net supply of US\$8bn. The next two months are set to see a substantial number of redemptions totalling US\$46bn in May and US\$51bn in June. Therefore, we may expect to see a pick-up in supply for the coming two months.
- The consumer sector was most active in April with US\$10bn in supply. TMT and Utilities were relatively low at just US\$3bn each, however they still have pencilled in the largest supply on a YTD basis with a considerable US\$108bn from TMT and US\$51bn from Utilities.
- Over April, Reverse Yankee supply amounted to €2.8bn. On a YTD basis, Reverse Yankee supply is sitting at €13.5bn, down versus €18bn last year YTD. Nonetheless, we still expect substantial Reverse Yankee supply. We expect this to be driven by USD underperformance later this year, resulting in a wider USD EUR spread differential, particularly in the 5yr area. When combined with the tight Cross currency basis swap and 3m vs 6m roll offers an attractive cost saving for US corporates issuing in Euro.

Substantial financial supply in April leaves YTD figure ahead of previous years

- Financial supply totalled US\$66bn in April, the largest month of supply this year. This is significantly larger than previous years, even last year's US\$60bn. This has pushed YTD supply up to US\$212bn, to mark in the second largest YTD figure after US\$222bn supplied by this time last year. Redemptions amounted to US\$43bn in April, resulting in net supply totalling US\$23bn.
- Bank senior supply amounted to US\$51bn in April, of which US\$30bn was issued as Bail-in debt while US\$21bn was issued as preferred debt. On a YTD basis Bank senior Bail-in is pencilled in at US\$50bn, up considerably on US\$17bn supplied last year YTD. Similarly, Bank capital supply is up on last year's US\$23bn pencilling in US\$34bn, of which US\$21bn was supplied as AT1.

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Fig 1 USD corporate supply overview (US\$bn)

	2017	2018	2019	2020	2020 Apr	2021 Mar	2021 Apr	2020 YTD	2021 YTD	% diff
Auto	38	43	35	40	5	2	2	13	10	-22%
Consumer	105	145	98	192	47	6	10	117	27	-77%
Healthcare	72	86	108	128	8	16	2	37	21	-42%
Industrial & Chemicals	87	100	85	205	55	8	4	111	34	-69%
Real Estate	43	22	59	55	1	6	2	13	19	40%
TMT	238	92	128	265	52	61	3	120	108	-10%
Utility	132	128	162	227	36	29	3	97	51	-47%
Others	30	39	29	54	9	5	4	22	11	-48%

Source: ING, Dealogic

Fig 2 USD financial supply overview (US\$bn)

	2017	2018	2019	2020	2020 Apr	2021 Mar	2021 Apr	2020 YTD	2021 YTD	% diff
Bank Senior	283	262	192	263	38	24	51	141	130	-8%
of which Bail-in	203	161	68	50	3	6	30	17	50	198%
of which Pref	80	101	124	213	35	18	21	124	80	-36%
Bank Capital	37	40	50	70	3	8	4	23	34	49%
Finance	51	41	45	78	8	16	2	27	31	16%
Insurance	32	37	46	69	7	5	7	22	19	-10%
Other	27	69	31	40	3	2	2	10	7	-33%

Source: ING, Dealogic

Fig 3 USD corporate supply and net supply by month (US\$bn)

Issuance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	79.1	47.8	83.8	25.9	101.3	53.1	43.1	86.4	66.5	58.3	81.0	18.6	744.8
2018	25.5	58.4	89.1	41.8	73.9	83.2	10.6	59.9	85.3	58.0	59.2	10.2	655.1
2019	53.0	72.2	73.6	32.0	75.3	54.4	43.4	71.1	97.1	38.9	77.0	16.4	704.4
2020	50.5	52.3	191.1	214.8	170.5	112.7	39.5	110.5	94.2	56.9	60.7	12.9	1166.5
2021	31.8	76.0	133.2	30.1									271.2
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	53.9	23.6	46.5	12.7	67.2	12.8	28.1	61.4	31.8	22.7	45.4	-17.3	388.7
2018	-4.9	28.0	43.2	5.3	16.4	39.7	-11.2	35.6	64.4	42.7	20.6	-11.1	268.8
2019	14.6	16.8	13.7	4.9	28.5	16.8	24.7	41.8	63.3	0.2	52.9	-3.4	274.8
2020	9.9	20.1	140.4	185.2	120.5	72.5	13.1	81.6	59.9	12.7	7.7	-8.9	714.8
Redemptions	29.1	51.6	56.8	38.3	45.6	50.7	18.3	31.5	51.1	30.8	50.6	26.4	481.0
2021	2.7	24.3	76.4	-8.2									95.3

Redemptions shown for 2021 only

Source: ING, Dealogic

Fig 4 USD financial supply and net supply by month (US\$bn)

Issuance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	79.8	23.5	36.9	38.8	49.1	23.0	49.9	16.5	30.5	54.4	20.0	7.5	429.9
2018	83.3	26.3	26.5	46.4	47.8	40.9	41.7	33.9	56.0	18.4	26.4	1.9	449.4
2019	53.0	22.8	41.5	34.2	33.8	23.6	27.2	17.7	44.8	37.4	20.4	7.4	363.6
2020	61.5	29.0	69.0	59.8	71.9	49.2	18.0	34.8	33.2	32.3	33.2	28.0	519.9
2021	65.7	25.0	55.5	65.8									212.0
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	48.7	-2.7	5.8	25.5	27.7	-2.0	43.1	-3.0	0.9	38.1	5.6	-19.7	168.1
2018	38.5	0.5	-0.2	5.5	10.8	25.3	29.0	12.1	44.5	8.3	4.1	-12.2	166.2
2019	16.9	5.3	19.6	4.7	1.0	8.1	10.2	-7.5	20.3	18.0	9.6	-6.1	100.3
2020	4.8	13.8	42.7	45.8	55.3	17.3	-7.1	7.0	5.8	0.9	18.7	4.3	209.5
Redemptions	48.5	26.6	34.6	42.5	42.2	21.3	31.6	23.7	13.6	21.7	19.1	10.3	335.7
2021	17.2	-1.5	20.9	23.3									59.9

Redemptions shown for 2021

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2021 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	2.9	3.0	2.0	2.3									10.2
Consumer	1.8	8.6	5.9	10.3									26.6
Healthcare	2.1	1.8	16.1	1.5									21.4
Industrial	5.9	13.2	8.1	4.2									31.4
Real Estate	3.5	4.1	6.1	2.5									16.2
TMT	10.0	31.1	61.5	2.5									105.1
Utility	4.4	13.0	28.7	3.0									49.1
Others	1.3	1.2	4.9	4.0									11.3
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	3.7	4.0	5.2	6.9	2.6	0.0	3.3	1.9	3.3	2.7	5.9	0.5	39.7
Consumer	1.5	15.2	8.6	7.1	6.7	11.3	2.4	2.9	5.7	7.7	7.0	3.2	79.4
Healthcare	2.1	2.4	6.9	1.6	6.0	8.5	0.5	4.8	5.0	1.5	12.7	4.4	56.3
Industrial	8.0	3.8	10.4	9.6	9.2	3.7	2.7	5.1	8.4	5.3	8.8	2.8	77.7
Real Estate	2.2	2.8	2.2	0.6	2.4	2.0	1.6	0.4	0.9	0.3	0.5	1.7	17.8
TMT	4.2	15.0	7.9	9.2	9.9	14.7	3.0	8.5	14.8	6.9	6.7	5.8	106.7
Utility	5.0	7.0	15.4	2.3	6.5	9.0	4.0	5.7	11.4	4.0	7.1	5.8	83.0
Others	2.4	1.4	0.4	1.1	2.3	1.6	0.8	2.2	1.6	2.5	1.9	2.2	20.4

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2021 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	37.4	8.0	24.5	51.1									121.0
of which NPS	10.8	2.4	6.2	30.5									49.9
of which Pref	26.6	5.6	18.3	20.6									71.1
Bank Capital	13.0	8.3	8.2	4.1									33.6
Finance	7.2	6.7	15.7	1.6									31.2
Insurance	7.2	0.3	5.1	6.9									19.4
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	37.0	17.2	24.1	36.1	28.5	10.9	28.9	18.3	6.8	14.6	11.7	4.9	238.9
of which NPS	6.7	3.5	5.8	0.0	9.3	1.5	4.5	3.9	2.0	2.8	0.0	4.3	44.1
of which Pref	30.3	13.7	18.3	36.1	19.2	9.4	24.4	14.5	4.8	11.8	11.7	0.6	194.9
Bank Capital	6.8	3.5	5.5	1.7	2.8	3.6	1.2	4.7	2.6	0.0	1.0	3.6	36.9
Finance	5.7	5.8	5.0	4.1	10.4	4.8	3.1	3.9	4.2	4.7	6.1	2.7	60.5
Insurance	3.2	1.8	4.4	2.6	2.3	4.5	0.6	1.8	2.7	2.5	0.7	0.7	27.7

Source: ING, Dealogic

Fig 7 USD supply, redemptions and net supply by year (US\$bn)

Corporates	YTD	FY	Reds	Net	Financials	YTD	FY	Reds	Net
2010	110.8	365.8	289.1	76.8	2010	120.8	285.6	175.7	109.8
2011	160.9	435.6	293.9	141.7	2011	149.8	258.0	260.5	-2.5
2012	183.0	603.7	409.9	193.8	2012	112.2	264.4	250.0	14.4
2013	207.0	559.8	202.0	357.8	2013	132.5	333.9	256.3	77.6
2014	177.7	549.9	242.4	307.5	2014	172.9	413.7	255.8	157.9
2015	232.2	709.9	247.1	462.9	2015	177.1	422.7	258.4	164.2
2016	248.2	696.7	232.8	464.0	2016	158.3	387.6	295.7	91.9
2017	268.8	744.8	261.8	483.0	2017	187.5	429.9	356.0	73.9
2018	223.3	655.1	283.2	371.9	2018	186.8	449.4	386.3	63.1
2019	235.6	704.4	263.3	441.1	2019	153.6	363.6	429.6	-66.0
2020	530.0	1166.5	310.4	856.2	2020	222.2	519.9	451.8	68.1
2021	280.6	280.6	335.7	2021	212.1	212.1	481.0		
2022			265.2	2022			482.2		
2023			315.7	2023			501.5		

Source: ING, Dealogic

Fig 8 Subordinated supply, 2020 and 2021 (US\$bn)

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	10.3	5.3	0.0	0.1	4.3	4.9	2.0	3.5	0.9	2.9	0.2	3.0	37.2
T2	1.3	0.4	0.0	0.3	4.2	3.0	0.0	2.8	1.9	0.9	2.9	0.0	17.5
Bank Capital	11.6	5.6	0.0	0.3	8.5	7.9	2.1	6.3	2.7	3.7	3.0	3.0	54.7
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	8.2	6.2	4.3	2.6									21.2
T2	4.7	1.0	1.1	0.8									7.5
Bank Capital	12.8	7.2	5.4	3.4									28.7

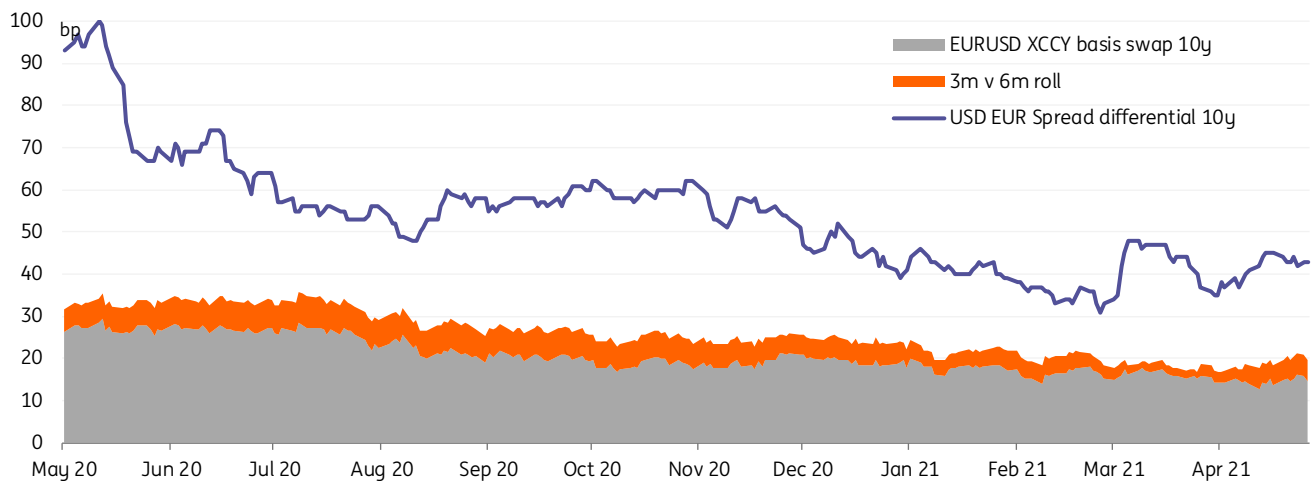
Source: ING, Dealogic

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	11.7	2.8									21.2
Financial	2.4	2.1	3.8	5.3									13.5
Total	3.9	7.3	15.5	8.1									34.7

Source: ING, Dealogic

Fig 10 Cross currency basis swap and USD EUR spread differential



Source: ING, ICE, Refinitiv

Fig 11 US, Yankee and Reverse Yankee supply (US\$bn)

Corporates	Domestic	Yankee	Rev Yankee (€)	Financials	Domestic	Yankee	Rev Yankee (€)
2010	306.5	70.9	9.0	2010	169.9	118.5	18.1
2011	355.4	92.3	6.4	2011	169.2	89.3	5.7
2012	482.6	140.3	16.6	2012	206.5	57.9	7.5
2013	465.6	113.4	32.5	2013	257.6	77.9	14.4
2014	465.8	114.3	42.9	2014	289.9	127.2	33.8
2015	609.5	109.3	61.9	2015	300.9	130.3	28.7
2016	586.2	116.1	65.6	2016	272.5	116.4	45.2
2017	651.9	107.0	63.6	2017	314.4	116.8	34.5
2018	518.2	139.2	31.4	2018	306.2	144.4	17.6
2019	613.1	96.7	99.3	2019	266.5	98.7	28.8
2020	1061.3	117.8	67.4	2020	396.0	125.8	23.5
2021 YTD	251.3	30.7	21.2	2021 YTD	159.1	53.0	13.5

Source: ING

Fig 12 ESG supply per month 2021 (US\$bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.9	1.2	2.7	0.0									4.7
Social	0.0	0.0	0.0	0.0									0.0
Sustainable	0.0	0.8	0.0	0.3									1.1
ESG	0.9	1.9	2.7	0.3									5.8

Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.0	1.0	0.8	0.0									1.8
Social	0.3	2.3	0.0	0.0									2.6
Sustainable	0.0	0.8	1.5	0.0									2.3
ESG	0.3	4.1	2.3	0.0									6.7

Source: ING, Dealogic

Fig 13 ESG supply per year and YTD (US\$bn)

Corporate	2017	2018	2019	2020	2021	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD
Green	3.6	6.3	14.3	19.3	6.8	1.4	1.7	5.1	4.4	6.8
Social	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Sustainable	0.0	0.0	1.0	7.5	1.1	0.0	0.0	1.0	1.8	1.1
ESG	3.6	6.3	15.3	28.2	7.9	1.4	1.7	6.1	6.2	7.9

Financial	2017	2018	2019	2020	2021	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD
Green	1.7	4.2	7.0	7.1	1.8	1.4	0.7	1.5	0.5	1.8
Social	0.0	0.1	0.5	6.6	2.6	0.0	0.0	0.5	0.8	2.6
Sustainable	1.0	0.1	0.1	2.6	2.3	0.0	0.0	0.0	0.2	2.3
ESG	2.7	4.3	7.6	16.2	6.7	1.4	0.7	2.0	1.5	6.7

Source: ING, Dealogic

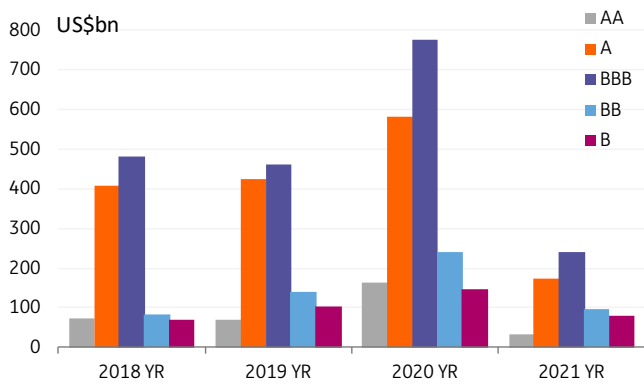
Fig 14 Investment grade issuance by maturity, 2020 and 2021 (US\$bn)

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Corp 0-3yr	3.8	0.5	2.0	23.1	12.2	9.3	2.5	8.5	11.4	2.1	9.3	0.3	85.0
Corp 3-6yr	8.3	6.5	36.2	46.0	31.5	16.0	4.9	14.4	13.0	8.0	13.4	3.5	201.5
Corp 6-9yr	2.9	6.3	15.7	17.0	9.7	16.0	6.6	8.1	16.8	8.6	6.1	1.8	115.5
Corp 9-12yr	14.1	16.3	66.6	67.3	62.3	38.1	9.3	39.9	26.7	18.6	13.6	2.4	375.3
Corp 12-17yr	0.7	0.5	0.3	2.1	3.5	1.2	4.6	3.0	1.8	0.6	2.4	0.5	21.0
Corp 17yrs+	20.7	22.2	70.3	59.3	51.3	32.1	11.6	36.6	24.6	19.0	16.0	4.5	368.3
Fin 0-3yr	19.2	3.8	3.5	6.2	6.6	7.1	2.1	3.2	3.4	2.3	6.5	3.6	67.3
Fin 3-6yr	8.4	2.9	9.5	8.5	17.6	8.9	3.0	5.8	9.3	7.8	4.9	6.1	92.7
Fin 6-9yr	4.9	6.1	3.6	15.6	10.6	10.6	2.4	2.0	8.1	2.9	7.3	7.3	81.4
Fin 9-12yr	17.3	10.6	32.3	13.0	23.6	10.4	4.4	7.5	6.3	7.8	5.0	2.2	140.4
Fin 12-17yr	0.1	0.2	0.0	0.0	0.2	2.2	0.5	4.0	1.5	0.2	4.0	0.0	12.9
Fin 17yrs+	11.7	5.4	20.1	16.6	13.4	9.9	5.6	12.4	4.6	11.2	5.5	8.8	125.3

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	2.3	12.3	30.1	3.8									48.4
Corp 3-6yr	4.7	16.3	18.3	5.1									44.4
Corp 6-9yr	2.7	5.8	11.8	3.6									23.8
Corp 9-12yr	10.7	16.3	35.3	10.7									73.0
Corp 12-17yr	1.9	1.0	1.3	0.6									4.7
Corp 17yrs+	9.5	24.4	36.6	6.5									76.9
Fin 0-3yr	13.6	3.7	11.6	7.5									36.4
Fin 3-6yr	10.4	5.2	9.6	8.6									33.8
Fin 6-9yr	13.3	2.3	11.5	12.6									39.7
Fin 9-12yr	12.3	4.5	8.3	20.3									45.3
Fin 12-17yr	0.0	0.0	0.0	0.0									0.1
Fin 17yrs+	16.1	9.3	14.6	16.8									56.8

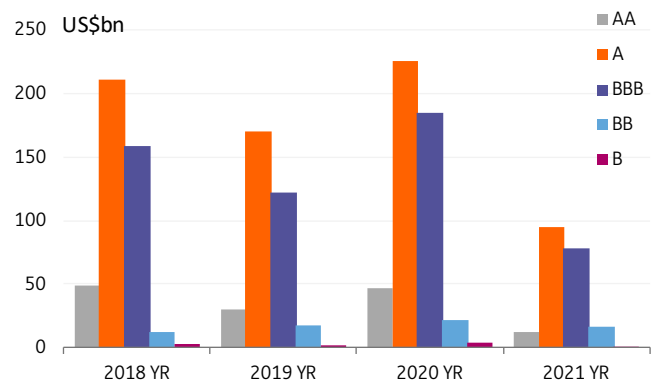
Source: ING, Dealogic

Fig 15 Corporate supply per S&P rating (US\$bn)



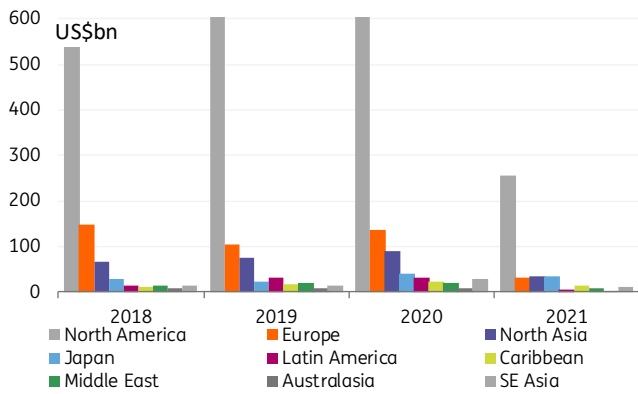
Source: ING, Dealogic

Fig 16 Financial supply per S&P rating (US\$bn)



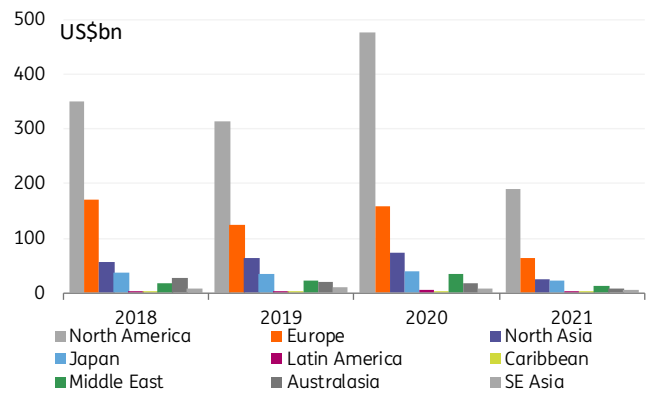
Source: ING, Dealogic

Fig 17 Corporate supply per country (US\$bn)



Source: ING, Dealogic

Fig 18 Financial supply per country (US\$bn)



Source: ING, Dealogic

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