

3 May 2023
Credit Strategy

US Dollar Credit Supply

Very low YTD supply for financials

Supply for April (US\$bn)

	Corporates	Financials
April	26.8	27.8

Source: ING, Dealogic

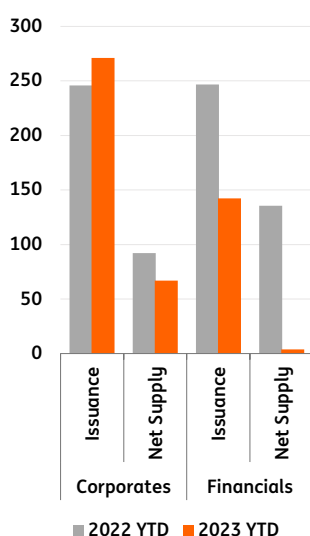
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2017	743	255
2018	653	215
2019	701	233
2020	1164	509
2021	722	273
2022	555	251
2023	273	273

Financials	FY	YTD
2017	425	181
2018	436	188
2019	365	151
2020	525	222
2021	576	218
2022	534	247
2023	142	142

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING



Low supply in April but we expect a pick up in May

- Rather low corporate supply in April, amounting to US\$27bn, down compared to US\$45bn in April last year. However, we do expect an increase in supply in May, as is the norm. With US\$52bn in redemptions in April, corporate net supply was negative at -US\$25bn. However, on a year-to-date basis, supply is sitting at US\$273bn which is still higher than the 2022 YTD level of US\$251bn and in line with the 2021 YTD level of US\$273.
- Corporate reverse yankee supply was low in April at just US\$1.8bn. The equation has changed for reverse yankee supply, as USD spreads have underperformed EUR spreads over the past two months. Swapping conditions are more attractive for US issuers with the wider USD EUR spread differential. However, the cross-currency basis swap has widened slightly at the same time. There are still some attractive funding opportunities for reverse yankee issuers, but further USD underperformance would open this opportunity further. As it stands, corporate reverse yankee supply is sitting at €16bn on a YTD basis.
- Consumers continue to see substantial supply compared to previous months and years, with US\$12bn issued in April. This is twice the amount than March this year and April in the previous year. Already in the first four months of 2023, Consumers have seen US\$42bn in issuance, compared to US\$57bn in all of 2022. On a YTD basis, issuance in 2023 is up 84% compared to the same period last year. However, Real Estate supply was just US\$1bn in April. Real estate YTD supply now totals US\$10bn down -41% compared to the same period in the previous year. With elevated rates and significantly wider real estate spreads, we don't expect much supply from the sector this year.

Financial supply running significantly behind previous years

- Financials supply is significantly lower YTD compared to previous years. With April supply only at US\$28bn, total supply YTD is amounting to US\$142bn, down -42.4% compared to last year. The low supply in April, compared to March this year and April previous year has been on the back of market turmoil and uncertainty, but we expect supply will increase in May.

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

	2019	2020	2021	2022	2022 Apr	2022 Mar	2023 Apr	2022 YTD	2023 YTD	% diff
Auto	36	41	30	29	3	5	2	15	12	-20%
Consumer	96	192	75	57	6	6	12	23	42	84%
Healthcare	108	129	96	72	2	21	1	35	54	57%
Industrial & Chemicals	81	205	79	85	5	15	5	31	37	21%
Real Estate	58	55	55	26	6	5	1	17	10	-41%
TMT	127	265	217	137	18	42	5	65	45	-31%
Utility	104	132	113	99	2	16	1	35	57	64%
Oil & Gas	56	92	27	21	-	2	-	10	13	28%
Others	34	53	30	29	4	14	0	21	3	-85%

Source: ING, Dealogic

Note: USD supply numbers include just IG corporates from America and Europe.

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

	2019	2020	2021	2022	2022 Apr	2022 Mar	2023 Apr	2022 YTD	2023 YTD	% diff
Bank	194	264	282	344	36	38	22	152	92	-40%
of which NPS	68	50	107	58	-	4	-	14	27	94%
of which Pref	126	214	175	286	36	34	22	138	65	-53%
Bank Capital	50	70	93	53	5	6	-	23	13	-42%
Finance	50	83	116	68	6	14	3	34	13	-62%
Insurance	47	69	63	48	1	13	1	25	18	-30%
Other	24	39	20	21	2	7	1	11	6	-44%

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
2019	52.1	72.2	73.6	31.3	76.1	53.9	43.4	71.2	96.3	39.0	75.8	16.4	701.3
2020	50.5	52.3	191.1	213.1	170.5	113.9	39.3	110.5	92.6	56.1	60.7	12.9	1163.6
2021	32.0	76.1	132.5	32.2	83.4	58.3	33.4	59.6	75.1	31.8	61.9	45.7	722.1
2022	29.4	45.8	125.7	44.8	44.1	33.0	25.0	51.7	42.9	41.1	65.0	6.0	554.6
2023	47.4	129.0	67.9	26.8									271.1
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	13.7	16.8	13.7	3.6	29.3	16.7	24.4	41.9	62.5	0.6	51.7	-3.5	271.5
2020	10.4	20.1	140.4	183.5	121.3	74.3	13.6	81.6	58.3	12.0	7.7	-8.9	714.3
2021	2.9	24.5	75.6	-6.1	37.8	7.6	15.6	28.0	24.0	1.5	11.3	19.3	242.1
2022	-1.9	5.7	69.3	18.9	-9.4	-17.6	-3.6	3.6	2.4	9.1	18.6	-22.8	72.4
Redemptions	38.9	46.7	67.1	51.6	57.9	54.1	28.0	34.1	55.3	23.7	41.5	27.1	526.1
2023	8.5	82.3	0.8	-24.8									66.8

Redemptions shown for 2023 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
2019	53.0	22.9	42.8	30.1	33.8	24.8	27.2	18.0	43.7	37.7	22.4	8.4	364.6
2020	62.2	29.4	69.5	60.3	72.6	49.0	18.0	34.4	33.4	33.6	33.9	28.5	524.9
2021	67.7	26.3	57.5	66.7	55.0	52.1	40.4	34.4	41.6	70.1	43.8	20.7	576.3
2022	85.5	33.7	77.3	50.3	47.2	24.3	52.6	61.7	17.8	43.4	33.8	6.5	534.2
2023	66.7	22.1	25.7	27.8									142.3
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	16.8	5.5	21.1	0.5	1.0	9.2	10.2	-7.2	19.1	19.1	11.6	-5.5	101.5
2020	5.3	14.5	43.2	45.5	56.1	18.8	-5.6	6.5	6.0	4.0	18.7	6.2	219.2
2021	19.2	0.3	22.4	24.4	12.9	32.5	8.8	10.7	28.0	48.4	24.6	10.4	242.5
2022	39.9	9.3	58.6	27.6	18.4	6.9	30.3	45.3	-11.8	30.9	14.8	-6.2	264.0
Redemptions	67.9	28.0	23.6	19.0	31.0	22.6	24.8	26.8	23.3	23.2	23.8	19.3	333.3
2023	-1.2	-5.9	2.1	8.8									3.8

Redemptions shown for 2023 only

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2023 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	4.6	0.0	4.8	2.3									11.7
Consumer	5.0	18.3	6.7	12.3									42.3
Healthcare	2.6	34.7	16.3	0.8									54.3
Industrial	11.1	14.4	7.2	4.5									37.1
Real Estate	2.2	3.0	3.3	1.4									9.8
TMT	6.8	27.6	6.0	4.7									44.9
Utility	14.4	21.1	18.6	0.7									54.8
Oil & Gas	0.0	10.1	3.1	0.0									13.2
Others	0.8	0.0	2.0	0.3									3.0

Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Auto	3.3	3.6	3.0	3.0	4.3	2.1	1.8	3.0	0.8	1.5	3.3	2.2	31.9
Consumer	3.4	10.0	13.0	13.8	10.9	8.1	1.7	4.4	6.1	5.0	5.3	4.2	85.8
Healthcare	2.7	3.7	7.3	3.8	6.2	5.4	4.8	4.9	7.6	3.8	7.1	7.5	64.8
Industrial	8.2	6.4	8.4	8.7	11.1	5.5	6.0	5.9	4.2	2.2	6.9	2.1	75.6
Real Estate	2.5	2.2	1.1	2.3	1.4	4.4	0.6	2.3	2.4	1.3	2.0	1.6	24.0
TMT	7.5	13.7	9.3	9.3	12.2	15.8	3.8	5.0	20.5	2.9	2.4	3.9	106.2
Utility	2.6	5.1	18.5	4.6	6.1	6.1	6.7	4.1	7.1	4.3	8.5	2.5	76.2
Oil & Gas	5.1	0.0	4.2	5.5	5.8	4.0	1.3	3.3	4.1	1.2	4.1	2.6	41.2
Others	3.7	2.0	2.3	0.8	0.1	2.5	1.4	1.1	2.5	1.5	2.1	0.4	20.3

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2023 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	54.2	5.0	10.3	22.5									92.0
of which NPS	16.7	2.6	8.0	-									27.2
of which Pref	37.5	2.5	2.3	22.5									64.8
Bank Capital	3.8	8.4	1.3	-									13.4
Finance	2.3	3.4	4.6	2.6									12.8
Insurance	5.7	3.1	7.6	1.4									17.7

Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	50.0	17.0	15.4	12.8	18.5	12.0	16.1	17.0	9.0	15.0	11.9	9.5	204.3
of which NPS	23.2	10.4	4.0	13.0	8.0	3.5	7.8	8.0	6.2	2.8	3.8	4.5	95.0
of which Pref	26.8	6.6	11.4	-0.2	10.5	8.5	8.4	9.0	2.9	12.3	8.1	5.0	109.3
Bank Capital	5.9	3.0	6.1	3.0	15.1	5.4	3.9	4.5	6.5	3.6	5.3	8.2	70.3
Finance	11.5	6.6	6.3	3.1	3.6	4.4	7.5	6.0	7.4	4.6	4.4	2.7	68.1
Insurance	4.1	2.3	1.7	2.2	2.6	5.6	0.5	1.4	3.9	2.1	4.0	3.6	33.9

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
2012	180.5	600.1	250.0	350.1	2012	110.7	266.3	410.0	-143.7
2013	204.6	556.8	256.3	300.5	2013	127.3	330.4	200.0	130.4
2014	178.4	549.2	254.3	294.9	2014	171.6	413.9	240.2	173.8
2015	226.8	708.7	257.5	451.2	2015	176.2	423.2	244.2	178.9
2016	240.2	697.0	294.1	402.9	2016	155.6	386.9	234.3	152.5
2017	254.9	742.7	354.8	387.8	2017	180.5	425.2	262.7	162.5
2018	215.3	652.9	384.9	267.9	2018	187.9	436.3	280.9	155.4
2019	233.4	701.3	429.8	271.5	2019	150.7	364.6	263.1	101.5
2020	508.8	1163.6	449.4	714.3	2020	221.6	524.9	305.7	219.2
2021	272.9	722.1	480.1	242.1	2021	218.2	576.3	333.9	242.5
2022	250.7	554.6	482.3	72.4	2022	246.9	534.2	270.1	264.0
2023	273.2	273.2	526.1		2023	142.3	142.3	333.3	
2024			468.7		2024			337.6	
2025			534.0		2025			373.1	

Source: ING, Dealogic

Fig 8 Subordinated supply, 2022 and 2023 (US\$bn)

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	3.5	0.0	0.0	3.0	0.0	2.7	1.3	6.9	0.1	0.0	2.5	0.0	19.9
T2	2.9	0.2	2.2	2.0	0.2	2.2	1.0	0.2	3.7	2.0	1.1	0.0	17.7
Bank Capital	6.4	0.2	2.2	5.0	0.2	4.9	2.3	7.0	3.8	2.0	3.6	0.0	37.6
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	0.0	6.4	1.3	0.0									7.6
T2	3.0	2.0	0.0	0.0									5.0
Bank Capital	3.0	8.4	1.3	0.0									12.6

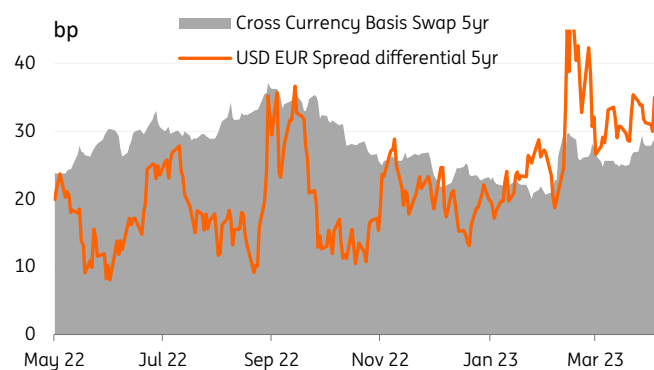
Source: ING, Dealogic

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	1.8									15.6
Financial	1.5	0.0	1.1	0.0									2.6
Total	7.0	5.5	3.9	1.8									18.1

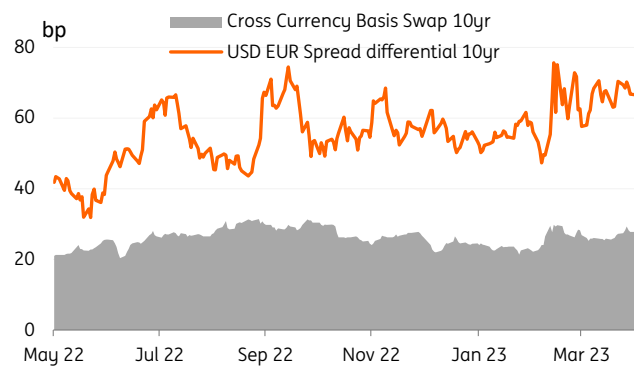
Source: ING, Dealogic

Fig 10 XCCY 5yr



Source: ING, Dealogic

Fig 11 XCCY 10yr



Source: ING, Dealogic

Fig 12 US, Yankee and Reverse Yankee supply (US\$bn)

Corporates	Domestic	Yankee	Rev Yankee (€)	Financials	Domestic	Yankee	Rev Yankee (€)
2012	480.1	140.5	16.8	2012	206.9	59.4	7.6
2013	463.6	112.3	32.2	2013	254.2	77.9	14.4
2014	469.2	110.3	42.7	2014	291.2	126.1	32.4
2015	610.1	108.6	61.8	2015	303.6	128.0	28.7
2016	588.6	113.9	66.2	2016	273.2	114.9	45.5
2017	654.5	101.9	65.4	2017	312.6	113.5	35.8
2018	525.7	129.5	31.1	2018	304.4	133.0	17.7
2019	611.2	95.1	98.9	2019	270.0	95.8	28.3
2020	1029.4	148.1	68.3	2020	402.0	124.9	24.2
2021	626.6	98.1	58.9	2021	412.6	168.1	40.5
2022	483.6	82.1	32.9	2022	388.7	147.5	28.6
2023	246.7	38.0	15.6	2023	93.3	51.0	2.6

Source: ING

Fig 13 ESG supply per month 2023 (US\$bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.0	2.6	1.5	0.4									4.5
Social	0.0	0.0	0.0	0.0									0.0
Sustainable	0.0	0.0	0.8	0.5									1.3
ESG	0.0	2.6	2.3	0.9									5.7
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.3	0.0	0.0	0.0									1.3
Social	0.0	0.0	0.0	0.0									0.0
Sustainable	0.0	0.0	0.0	0.0									0.0
ESG	1.3	0.0	0.0	0.0									1.3

Source: ING, Dealogic

Fig 14 ESG supply per year and YTD (US\$bn)

Corporate	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	14.4	18.5	30.5	24.4	4.5	5.1	4.4	4.9	9.4	4.5
Social	0.0	1.5	0.6	0.2	0.0	0.0	0.0	0.0	0.1	0.0
Sustainable	1.0	7.5	9.6	4.9	1.3	1.0	1.8	1.1	4.9	1.3
ESG	15.4	27.5	40.7	29.4	5.7	6.1	6.2	6.0	14.4	5.7
Financial	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	5.0	7.1	9.7	4.7	1.3	1.5	0.5	1.8	1.1	1.3
Social	0.5	6.6	5.3	2.5	0.0	0.5	0.8	2.6	2.5	0.0
Sustainable	0.1	2.6	7.3	8.5	0.0	0.0	0.2	3.1	1.1	0.0
ESG	5.6	16.2	22.3	15.8	1.3	2.0	1.5	7.5	4.7	1.3

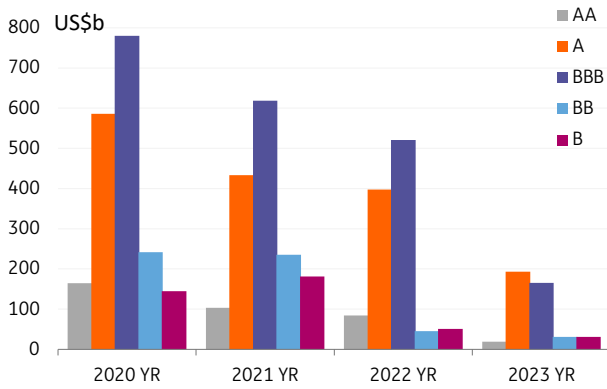
Source: ING, Dealogic

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	6.0	4.5	18.1	7.5	7.0	6.8	5.5	3.3	7.6	8.2	13.5	0.5	88.4
Corp 3-6yr	5.5	4.2	18.0	6.0	6.8	7.7	5.0	7.7	7.1	6.7	14.3	1.9	90.8
Corp 6-9yr	0.2	1.2	10.3	6.8	2.3	1.4	2.0	4.1	0.9	2.9	7.6	0.0	39.7
Corp 9-12yr	10.9	15.5	35.0	12.3	12.6	9.3	8.6	19.4	15.4	13.9	18.4	2.2	173.5
Corp 12-17yr	1.3	1.4	1.1	0.8	0.9	0.1	0.3	0.3	0.1	0.4	0.4	0.1	7.3
Corp 17yrs+	5.6	19.0	43.2	11.4	14.5	7.8	3.7	16.9	11.9	9.0	10.7	1.4	155.0
Fin 0-3yr	17.9	3.0	12.5	13.4	15.1	8.3	3.8	13.3	2.3	6.7	6.7	4.6	107.8
Fin 3-6yr	13.9	7.1	21.1	9.1	6.8	4.3	12.5	14.6	8.5	11.7	7.7	0.9	118.0
Fin 6-9yr	14.8	10.2	16.4	10.0	8.6	4.8	13.8	10.5	0.8	8.1	5.6	0.2	103.8
Fin 9-12yr	25.5	10.5	15.8	7.8	10.7	3.5	20.5	12.9	4.5	15.6	8.6	0.0	135.8
Fin 12-17yr	1.0	0.1	2.5	2.0	0.9	0.0	0.0	0.2	0.1	0.0	0.0	0.0	6.9
Fin 17yrs+	12.4	2.8	9.1	8.0	5.1	3.5	2.1	10.2	1.5	1.3	5.2	0.7	62.0
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	9.5	18.5	12.4	3.3									43.7
Corp 3-6yr	9.6	19.7	12.1	7.6									49.0
Corp 6-9yr	2.3	10.6	3.2	2.7									18.9
Corp 9-12yr	16.9	43.3	20.0	10.5									90.6
Corp 12-17yr	0.7	2.2	0.5	0.0									3.4
Corp 17yrs+	8.3	34.8	19.6	2.8									65.6
Fin 0-3yr	9.4	4.0	3.8	3.8									21.0
Fin 3-6yr	20.5	3.0	3.1	5.3									31.9
Fin 6-9yr	17.0	2.3	4.1	3.5									26.9
Fin 9-12yr	15.8	6.5	7.9	14.8									44.9
Fin 12-17yr	2.0	0.0	0.4	0.0									2.5
Fin 17yrs+	2.0	6.3	6.5	0.4									15.2

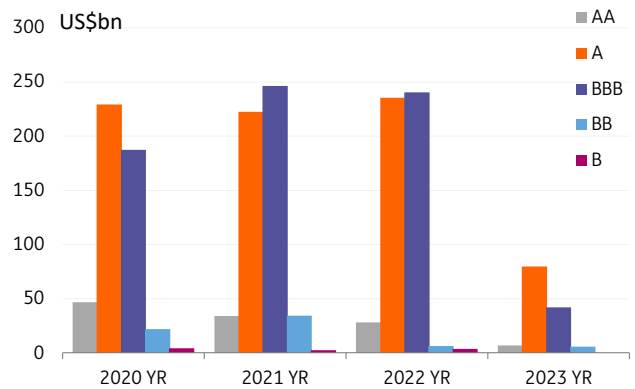
Source: ING, Dealogic

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



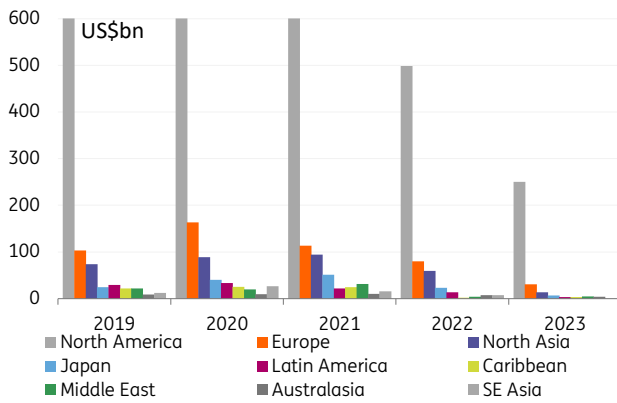
Source: ING, Dealogic

Fig 17 Financial supply per S&P rating (US\$bn)



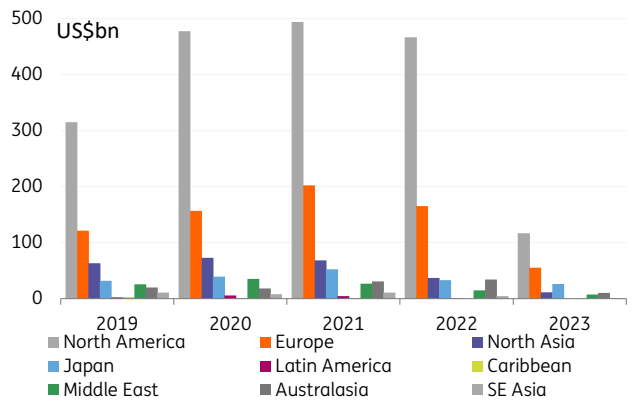
Source: ING, Dealogic

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



Source: ING, Dealogic

Fig 19 Financial supply per country (US\$bn)



Source: ING, Dealogic

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