

5 March 2021

Credit Strategy

# US Dollar Credit Supply

USD supply running ahead of last year

## Supply (US\$bn)

	Corporates	Financials
February	73.1	23.6

Source: ING, Dealogic

## Supply FY and YTD (US\$bn)

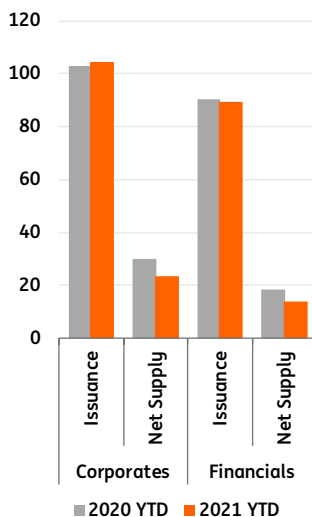
Corporates	FY	YTD
2015	709.9	132.4
2016	696.7	168.7
2017	744.8	133.9
2018	655.1	85.7
2019	704.4	135.4
2020	1166.5	119.4
2021	139.8	139.8

Financials	FY	YTD
2015	422.7	90.0
2016	387.6	66.0
2017	429.9	107.4
2018	449.4	111.3
2019	363.2	79.7
2020	519.9	95.3
2021	103.5	103.5

Source: ING, Dealogic

## Supply and Net Supply YTD



Source: ING, Dealogic



### Corporate supply running ahead of last year after substantial February

- USD corporate supply has totalled US\$140bn on a year-to-date basis, up significantly on US\$119bn over the same period last year. In fact, supply is now running ahead of all previous years on a YTD basis, with the exception of the US\$169bn in 2016. This comes after a substantial US\$73bn supplied in February. This is a notable increase relative to February 2020 but it is more in line with February 2019.
- TMT supply amounted to a considerable US\$31bn in February, leading to a total of US\$52bn YTD. This is a large increase on the US\$14bn supplied by this time last year. Utilities have supplied US\$20bn so far this year. This is a decrease on the US\$33bn issued in the same period of 2020. However, relative to 2019 and previous years, there has only been a marginal decrease from US\$22bn.
- Reverse Yankee supply has been supply slow out of the gates, but we expect a late sprinter. For the first two months of the year, we saw just €7bn in supply, relative to €20bn in 2020 and €13bn in 2019. However, already in the opening days of March we have seen an increase of another €7bn. There does tend to be a seasonality effect for Reverse Yankee supply with more coming post earnings black out. We expect Reverse Yankee supply to pick up throughout the rest of the year, forecasting around €80bn for 2021.

### USD financial supply YTD is running ahead of last two years

- Supply in February amounted to just US\$24bn, which represents a drop of 65% month-on-month, although this is very much in line with previous years. On a YTD basis, supply is sitting at US\$103bn. This is ahead of both 2020 and 2019. Redemptions in February totalled US\$27bn, resulting in a negative net supply figure of -US\$3bn, although on a YTD basis, net supply remains positive at US\$14bn.
- Bank capital bonds were the favourite in February, with US\$9bn supplied. This has led to YTD supply for bank capital reaching US\$25bn, up on the US\$19bn from last year and up considerably from the US\$8-9bn of previous years. Indeed, this low yield environment has enticed banks to take advantage of the favourable conditions. AT1 is the main driver of the increase in bank capital supply over the past two years.
- Looking at bank senior debt, supply in February amounted to just US\$8bn. However, after a big January and another big start to March, YTD supply is sitting at US\$51bn, just shy of the US\$56bn supplied in the same period of 2020. Bank senior Preferred contributed a significant US\$38bn YTD, down from the US\$49bn last year. Bank bail-in supply, on the other hand, is up relative to last year, with US\$13bn thus far compared to US\$7bn last year.

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

	2017	2018	2019	2020	2020 Feb	2021 Jan	2021 Feb	2020 YTD	2021 YTD	% diff
Auto	38	43	35	40	0	3	3	4	6	39%
Consumer	105	145	98	192	4	2	8	9	14	53%
Healthcare	72	86	108	128	11	2	2	17	10	-43%
Industrial & Chemicals	87	100	85	205	16	6	13	29	22	-22%
Real Estate	43	22	59	55	6	3	4	9	10	19%
TMT	238	92	128	265	6	10	31	14	52	275%
Utility	132	128	162	227	9	4	11	33	20	-39%
Others	30	39	29	54	1	1	1	5	5	6%

Source: ING, Dealogic

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

	2017	2018	2019	2020	2020 Feb	2021 Jan	2021 Feb	2020 YTD	2021 YTD	% diff
Bank Senior	283	262	192	263	20	37	8	56	51	-10%
of which Bail-in	203	161	68	50	0	11	2	7	13	82%
of which Pref	80	101	124	213	20	27	5	49	38	-23%
Bank Capital	37	40	50	70	6	13	9	19	25	28%
Finance	51	41	44	78	3	7	5	9	15	63%
Insurance	32	37	46	69	0	7	0	7	9	25%
Other	27	69	31	40	0	1	2	4	3	-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	31.4	73.1											104.4
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	2.3	21.4											23.7

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	33.8	33.8	23.6	27.2	17.7	44.8	37.4	20.4	7.4	363.2
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	65.5	23.6											89.1
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	-3.1	0.9	38.1	5.6	-19.7	168.0
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	4.4	1.0	8.1	10.2	-7.5	20.3	18.3	9.6	-6.1	100.2
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	31.5	23.8	13.6	21.7	19.1	10.3	335.6
2021	17.1	-3.0											14.1

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											5.9
Consumer	1.8	8.0											9.8
Healthcare	2.1	1.8											3.9
Industrial	5.9	13.2											19.1
Real Estate	3.4	4.1											7.5
TMT	10.0	31.1											41.1
Utility	4.3	10.7											15.0
Others	1.0	1.2											2.2
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	3.2	8.5	14.8	6.9	6.7	5.8	106.8
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	0.7	2.2	1.6	2.5	1.9	2.2	20.3

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	34.9	5.4											40.2
of which NPS	10.8	2.4											13.2
of which Pref	24.0	3.0											27.0
Bank Capital	15.6	10.9											26.4
Finance	7.2	5.3											12.5
Insurance	7.2	0.3											7.5
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	2.9	3.9	4.2	4.7	6.1	2.7	60.4
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	52.6	365.8	289.0	76.8	2010	72.2	285.8	175.7	110.0
2011	71.5	435.6	294.1	141.5	2011	92.1	258.0	260.5	-2.5
2012	87.5	603.7	409.7	194.0	2012	66.0	264.4	250.0	14.4
2013	104.2	559.8	202.0	357.8	2013	77.9	333.8	256.3	77.6
2014	103.7	549.9	242.4	307.5	2014	89.2	413.5	255.4	158.1
2015	132.4	709.9	247.1	462.9	2015	90.0	422.7	258.4	164.2
2016	168.7	696.7	232.8	464.0	2016	66.0	387.6	295.7	91.9
2017	133.9	744.8	261.9	482.9	2017	107.4	429.9	356.0	73.9
2018	85.7	655.1	283.2	371.9	2018	111.3	449.4	386.3	63.1
2019	135.4	704.4	263.1	441.3	2019	79.7	363.2	429.6	-66.4
2020	119.4	1166.5	310.4	856.2	2020	95.3	519.9	451.8	68.1
<b>2021</b>	<b>139.8</b>	<b>139.8</b>	<b>335.6</b>		<b>2021</b>	<b>103.5</b>	<b>103.5</b>	<b>481.0</b>	
2022			265.2		2022			482.2	
2023			314.7		2023			488.1	

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
<b>Bank Capital</b>	<b>11.6</b>	<b>5.6</b>	<b>0.0</b>	<b>0.3</b>	<b>8.5</b>	<b>7.9</b>	<b>2.1</b>	<b>6.3</b>	<b>2.7</b>	<b>3.7</b>	<b>3.0</b>	<b>3.0</b>	<b>54.7</b>
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	8.2	6.2											14.3
T2	4.7	1.0											5.7
<b>Bank Capital</b>	<b>12.8</b>	<b>7.2</b>											<b>20.0</b>

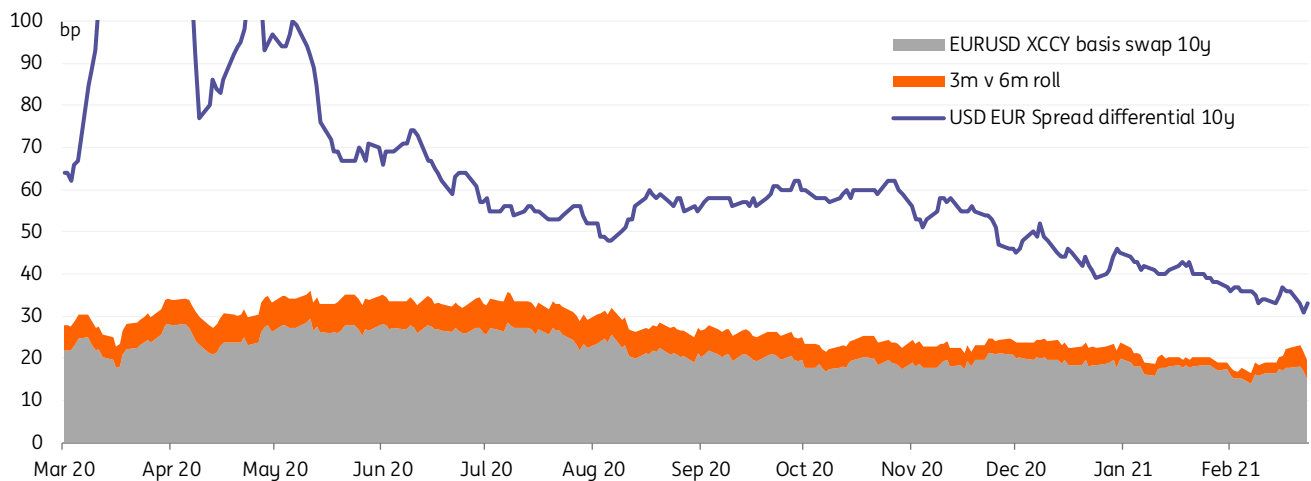
Source: ING, Dealogic

**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
<b>Total</b>	<b>8.9</b>	<b>18.1</b>	<b>12.8</b>	<b>10.7</b>	<b>7.8</b>	<b>14.5</b>	<b>0.1</b>	<b>0.0</b>	<b>13.6</b>	<b>3.5</b>	<b>0.3</b>	<b>0.8</b>	<b>90.9</b>
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	1.5	5.2											6.7
Financial	2.4	2.1											4.5
<b>Total</b>	<b>3.9</b>	<b>7.3</b>											<b>11.2</b>

Source: ING, Dealogic

**Fig 10 Cross currency basis swap & 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	72.1	9.0	2010	170.1	118.5	18.1
2011	355.4	93.4	6.4	2011	169.2	89.3	5.7
2012	482.6	141.5	15.5	2012	206.5	57.9	6.4
2013	465.5	113.4	32.5	2013	257.5	77.9	14.4
2014	465.8	114.3	42.9	2014	289.9	127.0	33.8
2015	609.5	110.4	61.9	2015	300.9	130.3	28.7
2016	586.2	116.1	65.1	2016	272.5	116.4	44.7
2017	651.8	107.1	63.1	2017	314.4	116.8	34.0
2018	518.2	139.2	30.9	2018	306.2	144.4	17.0
2019	612.7	97.0	99.3	2019	266.1	98.7	28.8
2020	1061.3	117.8	67.4	2020	396.0	125.8	23.5
<b>2021 YTD</b>	<b>121.2</b>	<b>18.7</b>	<b>13.9</b>	<b>2021 YTD</b>	<b>68.0</b>	<b>35.5</b>	<b>4.5</b>

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											2.0
Social	0.0	0.0											0.0
Sustainable	0.0	0.0											0.0
<b>ESG</b>	<b>0.9</b>	<b>1.2</b>											<b>2.0</b>
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.0	1.0											1.0
Social	0.3	1.3											1.6
Sustainable	0.0	0.8											0.8
<b>ESG</b>	<b>0.3</b>	<b>3.1</b>											<b>3.4</b>

Source: ING, Dealogic

**Fig 13 ESG supply per year & 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	2.9	0.9	1.2	4.0	0.3	2.9
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	0.0	0.0	0.0	0.0	0.5	0.0
<b>ESG</b>	<b>3.6</b>	<b>6.3</b>	<b>15.3</b>	<b>28.2</b>	<b>2.9</b>	<b>0.9</b>	<b>1.2</b>	<b>4.0</b>	<b>0.8</b>	<b>2.9</b>
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	1.0	0.9	0.7	1.5	0.0	1.0
Social	0.0	0.1	0.5	6.6	1.6	0.0	0.0	0.5	0.0	1.6
Sustainable	1.0	0.1	0.1	2.6	1.4	0.0	0.0	0.0	0.2	1.4
<b>ESG</b>	<b>2.7</b>	<b>4.3</b>	<b>7.6</b>	<b>16.2</b>	<b>4.0</b>	<b>0.9</b>	<b>0.7</b>	<b>2.0</b>	<b>0.2</b>	<b>4.0</b>

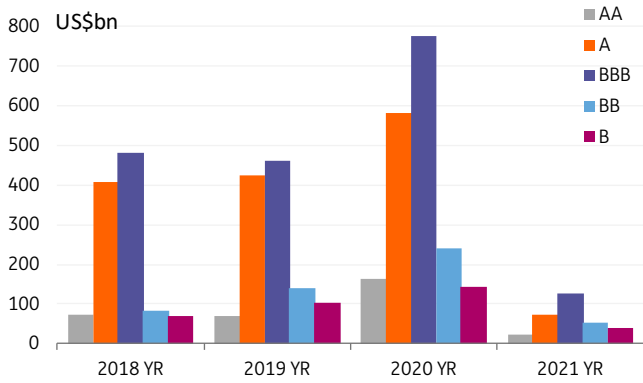
Source: ING, Dealogic

**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											14.5
Corp 3-6yr	4.7	16.3											21.0
Corp 6-9yr	2.7	5.7											8.4
Corp 9-12yr	10.6	16.2											26.8
Corp 12-17yr	1.8	0.7											2.5
Corp 17yrs+	9.3	21.9											31.2
Fin 0-3yr	13.6	3.7											17.3
Fin 3-6yr	10.4	5.1											15.5
Fin 6-9yr	13.3	2.3											15.6
Fin 9-12yr	12.3	4.5											16.8
Fin 12-17yr	0.0	0.0											0.0
Fin 17yrs+	15.9	8.1											24.0

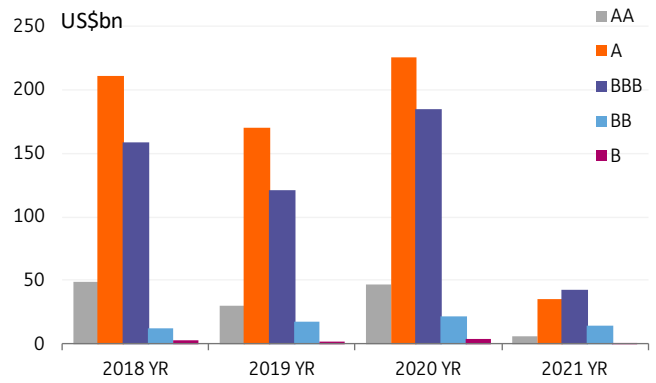
Source: ING, Dealogic

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



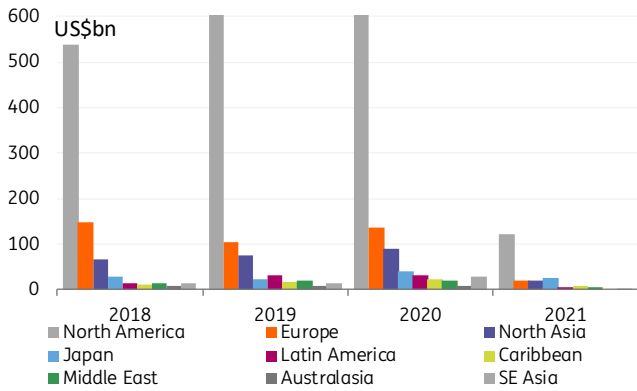
Source: ING, Dealogic

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



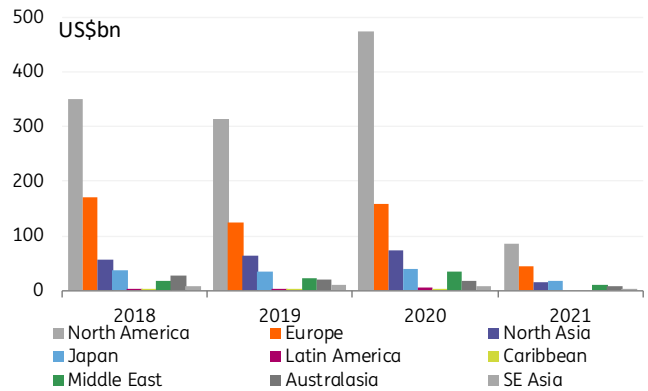
Source: ING, Dealogic

**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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