

3 February 2022
Credit Strategy

US Dollar Credit Supply

Low corporate supply; high financial supply

Supply for January (US\$bn)

	Corporates	Financials
January	27.9	84.4

Source: ING, Dealogic

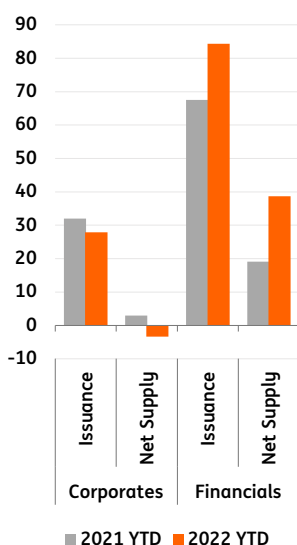
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2016	697	78
2017	745	90
2018	654	35
2019	704	53
2020	1166	50
2021	720	61
2022	28	28

Financials	FY	YTD
2016	387	32
2017	425	81
2018	435	86
2019	362	53
2020	523	62
2021	573	76
2022	94	94

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING



Corporate supply was rather low as issuers are navigating volatile spreads

- Corporate supply was rather low in January at just US\$28bn, down on the US\$32bn in 2021 and down from the US\$50bn seen in both 2019 and 2020. Redemptions were US\$31bn last month, meaning net supply was negative at -US\$3bn. Significant prefunding over the past couple of years, earnings black-outs, rising rates and volatile spreads have had an effect on supply levels. Therefore, issuers have been selective in coming to the market. This further confirms our expectation for a drop in corporate supply in 2022
- We are forecasting USD corporate supply to amount to just US\$650bn. Similarly, we forecast US corporate supply (in \$ and €) to be lower in 2022 at US\$630bn, down from the US\$685bn seen last year. The drop is based, similar to European issuance pressures, on the back of factors such as pandemic-related funding needs continuing to subside and high levels of cash on the balance sheet outweighing potential rises in capital expenditure or M&A related issuance.

Substantial financial supply as Banks look for prefunding ahead of rate hikes

- Financial supply amounted to a substantial US\$84bn in January, up on the average US\$60bn seen in previous years. Redemptions were indeed on the high side at US\$46bn, but net supply was significant nonetheless at US\$39bn. The supply is very much concentrated from Bank senior, namely Bank senior preferred, with US\$47bn. Issuers targeted the 9-12yr maturity bucket in January, with US\$25bn of supply.
- Supply in February has kicked off strong with US\$10bn in the first two days. YTD supply is now sitting at US\$94bn, the highest YTD amount over previous years. Banks are looking to do some pre-funding ahead of impending rate hikes and widening spreads.

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

	2018	2019	2020	2021	2021 Jan	2021 Dec	2022 Jan	2021 YTD	2022 YTD	% diff
Auto	43	36	41	30	3	6	4	3	4	33%
Consumer	153	97	193	76	2	5	5	7	5	-27%
Healthcare	86	108	128	97	2	15	0	2	0	-85%
Industrial & Chemicals	99	83	207	80	6	2	4	16	4	-74%
Real Estate	22	59	55	54	4	1	2	4	2	-53%
TMT	92	128	265	218	10	10	0	24	1	-97%
Utility	93	105	134	113	2	5	7	2	7	264%
Others	31	31	50	26	1	1	1	1	1	-5%

Source: ING, Dealogic

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

	2018	2019	2020	2021	2021 Jan	2021 Dec	2022 Jan	2021 YTD	2022 YTD	% diff
Bank Senior	262	192	263	283	37	12	52	41	46	10%
of which Bail-in	161	68	50	107	11	5	5	11	5	-55%
of which Pref	101	124	213	175	27	7	47	31	41	33%
Bank Capital	40	50	70	93	13	2	12	16	12	-27%
Finance	42	47	81	113	9	5	11	10	12	14%
Insurance	37	46	69	62	7	2	8	7	8	9%
Other	54	27	40	20	1	0	2	1	2	132%

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
2018	25.5	58.4	89.1	41.3	73.9	83.2	10.6	59.9	85.0	58.0	59.2	10.2	654.4
2019	53.0	72.2	73.6	32.0	75.3	54.4	43.4	71.1	97.1	38.9	76.1	16.4	703.5
2020	50.5	52.3	191.1	214.2	170.5	112.7	39.6	110.5	94.5	56.9	60.7	12.9	1166.3
2021	32.0	76.1	133.4	32.7	82.9	58.3	33.4	59.2	75.0	30.8	61.5	45.1	720.5
2022	27.9												27.9
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	-4.9	28.0	43.2	4.8	16.4	39.7	-11.2	35.6	64.2	42.7	20.6	-11.1	268.1
2019	14.6	16.8	13.7	4.9	28.5	16.8	24.7	41.8	63.3	0.2	52.0	-3.4	273.9
2020	9.9	20.1	140.4	184.6	120.8	72.5	13.2	81.6	60.2	12.7	7.7	-8.9	714.8
2021	2.9	24.5	76.6	-5.7	37.3	7.6	15.1	27.7	23.9	0.0	10.9	18.7	239.5
Redemptions	31.3	41.0	56.5	25.9	53.4	50.6	28.6	48.0	40.5	32.0	46.4	28.7	482.9
2022	-3.4												-3.4

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
2018	84.2	26.3	26.5	46.4	47.8	25.4	41.7	33.9	56.0	18.4	26.4	2.1	435.1
2019	53.0	22.8	41.5	30.2	33.8	24.8	27.2	17.9	43.6	37.9	22.4	7.4	362.2
2020	62.2	29.0	69.5	59.8	72.0	49.0	18.0	34.4	33.4	33.4	33.9	28.5	523.0
2021	67.6	25.6	57.2	66.7	55.4	52.1	40.4	34.0	41.5	69.2	42.7	20.2	572.5
2022	84.4												84.4
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	39.4	1.7	-0.2	6.8	10.8	10.3	29.0	12.1	44.5	8.0	4.1	-11.0	155.6
2019	16.9	5.8	19.6	0.7	1.0	9.3	10.2	-7.3	19.1	20.0	11.6	-6.5	100.5
2020	5.4	14.0	43.2	45.0	55.5	19.2	-5.6	6.5	6.0	3.8	18.7	6.2	217.9
2021	19.1	-0.5	22.6	25.2	13.2	32.5	8.8	10.3	28.0	47.4	23.5	9.9	240.1
Redemptions	45.7	24.4	18.4	21.8	28.7	17.4	22.3	16.3	28.8	12.3	19.1	3.7	259.0
2022	38.7												38.7

Redemptions shown for 2021

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2022 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	3.9												3.9
Consumer	5.4												5.4
Healthcare	0.3												0.3
Industrial	4.1												4.1
Real Estate	1.6												1.6
TMT	0.0												0.0
Utility	6.9												6.9
Others	1.2												1.2
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	5.7	5.4	1.6	2.6	2.0	2.4	1.3	3.1	2.2	0.6	2.3	0.0	28.8
Consumer	7.8	4.0	7.5	3.4	8.5	12.0	11.0	11.2	6.4	2.2	6.1	3.6	83.6
Healthcare	1.0	4.3	10.6	1.2	10.1	8.5	1.3	4.4	4.5	2.9	11.0	2.5	62.1
Industrial	3.8	4.7	10.0	4.2	4.4	10.0	1.6	9.8	8.1	9.3	7.0	4.0	76.9
Real Estate	2.6	0.6	1.9	1.7	0.2	1.6	1.9	2.3	1.1	3.5	1.4	1.7	20.5
TMT	7.9	11.1	11.5	1.2	17.5	5.5	6.9	4.6	8.1	8.1	10.8	5.1	98.1
Utility	1.6	5.5	4.3	5.8	4.9	7.3	1.5	3.2	6.0	2.4	3.4	1.5	47.4
Others	0.2	2.2	1.8	1.4	2.1	2.0	1.5	1.1	1.9	0.1	0.5	2.2	16.9

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2022 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	51.5												51.5
of which NPS	4.8												4.8
of which Pref	46.7												46.7
Bank Capital	11.6												11.6
Finance	11.4												11.4
Insurance	7.8												7.8
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	38.0	18.5	11.7	17.2	21.3	9.3	13.1	10.1	18.3	9.9	14.4	5.5	187.3
of which NPS	15.2	3.3	2.5	11.3	8.0	3.4	5.8	1.0	2.8	6.7	1.6	0.0	61.3
of which Pref	22.8	15.2	9.2	5.9	13.3	5.9	7.3	9.1	15.6	3.2	12.8	5.5	126.0
Bank Capital	22.2	2.4	5.5	4.7	2.0	6.2	4.3	2.0	4.2	0.8	3.0	1.1	58.4
Finance	4.8	5.3	4.0	2.1	5.8	4.0	4.9	4.3	7.3	1.2	3.3	5.2	52.3
Insurance	3.0	1.0	0.7	2.3	1.2	4.3	3.6	0.2	2.4	0.5	1.5	0.9	21.7

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
2011	34.8	435.6	291.9	143.7	2011	70.0	253.3	260.5	-7.2
2012	44.2	604.0	409.4	194.6	2012	38.5	264.4	250.0	14.4
2013	50.5	558.0	199.3	358.6	2013	54.3	328.6	256.3	72.3
2014	39.5	549.9	239.9	309.9	2014	55.0	412.6	255.8	156.8
2015	40.1	709.4	243.9	465.6	2015	53.5	423.6	258.4	165.2
2016	78.2	696.6	231.2	465.4	2016	31.7	386.7	295.5	91.2
2017	90.1	744.9	260.3	484.6	2017	80.9	424.7	356.3	68.4
2018	34.6	654.4	279.5	374.9	2018	86.2	435.1	386.3	48.8
2019	53.4	703.5	261.8	441.8	2019	53.0	362.2	429.6	-67.4
2020	50.5	1166.3	305.1	861.2	2020	62.2	523.0	451.5	71.6
2021	61.3	720.5	332.4	388.1	2021	75.6	572.5	481.0	91.5
2022	28.5	28.5	267.0		2022	93.9	93.9	482.9	
2023			331.1		2023			526.8	
2024			316.3		2024			442.3	

Source: ING, Dealogic

Fig 8 Subordinated supply, 2021 and 2022 (US\$bn)

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	8.6	6.2	4.3	2.6	7.6	0.9	6.1	4.0	4.4	7.5	1.6	0.0	53.7
T2	4.7	1.0	1.2	1.2	1.9	0.9	1.8	0.8	3.0	3.1	1.1	1.3	21.7
Bank Capital	13.2	7.2	5.4	3.8	9.5	1.8	7.9	4.8	7.4	10.6	2.7	1.3	75.5
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	3.5												3.5
T2	2.9												2.9
Bank Capital	6.3												6.3

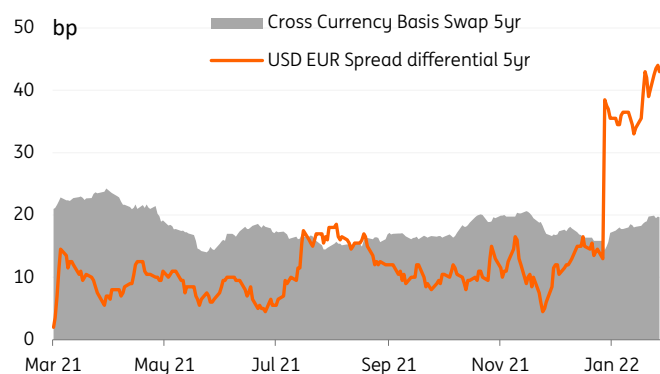
Source: ING, Dealogic

Fig 9 Reverse Yankee supply, 2021 and 2022 (€bn)

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	2.1	5.2	11.7	2.8	4.5	0.1	0.5	3.7	13.9	9.7	5.4	0.0	59.4
Financial	3.4	3.6	3.8	5.3	4.6	0.9	0.6	0.4	6.0	6.8	3.8	0.0	39.1
Total	5.5	8.8	15.5	8.1	9.1	1.0	1.1	4.1	19.9	16.5	9.2	0.0	98.5
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	2.1												2.1
Financial	0.8												0.8
Total	2.9												2.9

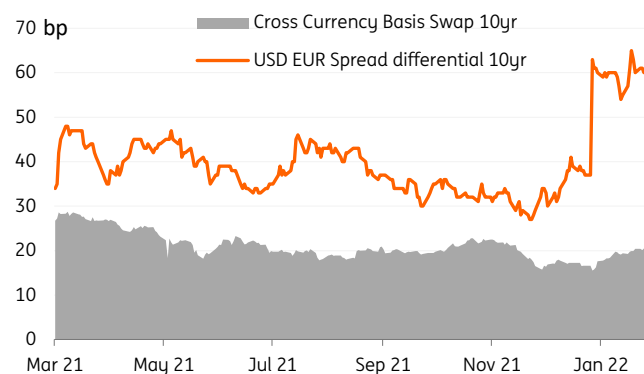
Source: ING, Dealogic

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 (€)
2011	355.7	92.0	6.4	2011	164.5	89.3	5.7
2012	482.6	140.6	16.6	2012	206.5	57.9	7.5
2013	464.5	112.7	32.5	2013	252.7	77.5	14.4
2014	466.0	114.1	42.9	2014	290.6	125.4	32.3
2015	609.0	109.3	62.1	2015	304.1	128.0	28.7
2016	587.7	114.5	65.9	2016	273.1	115.0	46.1
2017	656.7	102.4	65.2	2017	312.2	113.9	35.8
2018	525.1	131.6	31.6	2018	303.2	133.0	20.4
2019	611.8	97.1	99.3	2019	267.6	96.2	28.3
2020	1062.3	116.6	68.3	2020	400.1	124.9	24.3
2021	628.8	93.9	59.4	2021	408.8	168.1	39.1
2022 YTD	23.2	5.9	2.1	2022 YTD	64.9	29.0	3.1

Source: ING

Fig 13 ESG supply per month 2022 (US\$bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.2												1.2
Social	0.0												0.0
Sustainable	1.2												1.2
ESG	2.4												2.4

Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.0												0.0
Social	0.0												0.0
Sustainable	0.0												0.0
ESG	0.0												0.0

Source: ING, Dealogic

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

Corporate	2018	2019	2020	2021	2022	2018 YTD	2019 YTD	2020 YTD	2021 YTD	2022 YTD
Green	6.3	14.3	18.4	29.5	1.2	1.2	1.5	0.1	0.9	1.2
Social	0.0	0.0	1.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Sustainable	0.0	1.0	7.5	9.8	1.2	0.0	0.0	0.0	0.0	1.2
ESG	6.3	15.3	27.4	39.9	2.4	1.2	1.5	0.1	0.9	2.4

Financial	2018	2019	2020	2021	2022	2018 YTD	2019 YTD	2020 YTD	2021 YTD	2022 YTD
Green	4.2	7.0	7.1	9.0	0.0	0.7	1.5	0.0	0.0	0.0
Social	0.1	0.5	6.6	6.5	0.0	0.0	0.5	0.0	0.3	0.0
Sustainable	0.1	0.1	2.6	4.7	0.0	0.0	0.0	0.2	0.0	0.0
ESG	4.3	7.6	16.2	20.2	0.0	0.7	2.0	0.2	0.3	0.0

Source: ING, Dealogic

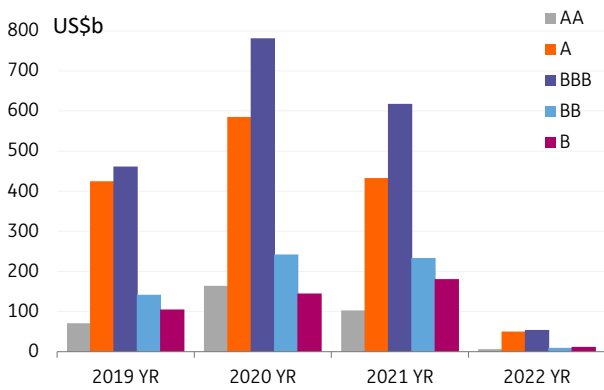
Fig 15 Investment grade issuance by maturity, 2021 and 2022 (US\$bn)

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021
Corp 0-3yr	2.3	12.3	30.1	3.8	14.5	6.3	4.5	6.7	10.9	8.0	7.6	5.2	111.9
Corp 3-6yr	4.7	16.5	18.3	5.1	12.8	4.1	5.4	5.2	7.5	2.2	5.5	5.3	92.7
Corp 6-9yr	2.7	5.8	11.8	3.7	6.5	6.6	5.2	4.5	8.7	2.9	4.5	7.8	70.7
Corp 9-12yr	10.7	16.3	35.4	11.0	22.9	15.9	7.6	21.4	21.2	8.7	19.7	11.7	202.3
Corp 12-17yr	2.1	1.0	1.3	1.6	0.4	2.1	0.8	0.4	2.3	1.4	1.5	0.1	14.9
Corp 17yrs+	9.5	24.4	36.6	7.6	25.9	23.4	10.0	21.0	24.4	7.5	22.7	15.1	228.0
Fin 0-3yr	15.0	3.7	11.9	8.0	11.0	8.3	0.6	8.5	6.4	12.0	7.3	5.9	98.5
Fin 3-6yr	10.9	5.2	9.6	8.9	17.1	9.3	5.2	6.4	8.9	10.6	6.7	6.3	105.2
Fin 6-9yr	13.3	2.4	12.0	12.7	4.1	17.6	5.8	7.2	10.1	12.0	7.7	2.5	107.3
Fin 9-12yr	12.3	4.5	8.9	20.3	12.3	5.6	15.1	3.0	1.8	19.0	11.7	1.8	116.4
Fin 12-17yr	0.0	0.2	0.2	0.0	0.0	1.4	0.2	0.7	5.4	3.0	1.1	1.6	14.0
Fin 17yrs+	16.1	9.5	14.6	16.8	10.9	9.8	13.4	8.1	8.9	12.6	8.1	2.2	131.1

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Corp 0-3yr	6.0												6.0
Corp 3-6yr	4.9												4.9
Corp 6-9yr	0.2												0.2
Corp 9-12yr	10.3												10.3
Corp 12-17yr	1.3												1.3
Corp 17yrs+	5.2												5.2
Fin 0-3yr	17.4												17.4
Fin 3-6yr	13.8												13.8
Fin 6-9yr	15.1												15.1
Fin 9-12yr	25.0												25.0
Fin 12-17yr	0.8												0.8
Fin 17yrs+	12.2												12.2

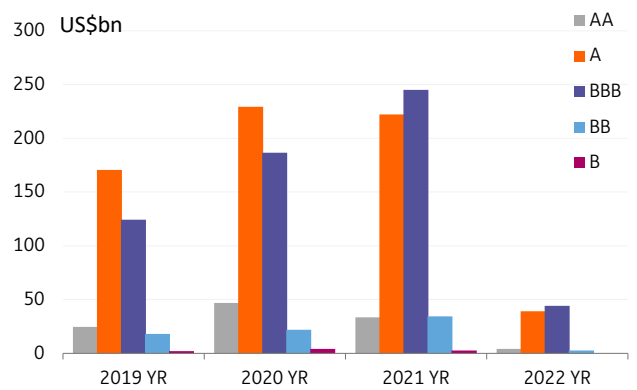
Source: ING, Dealogic

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



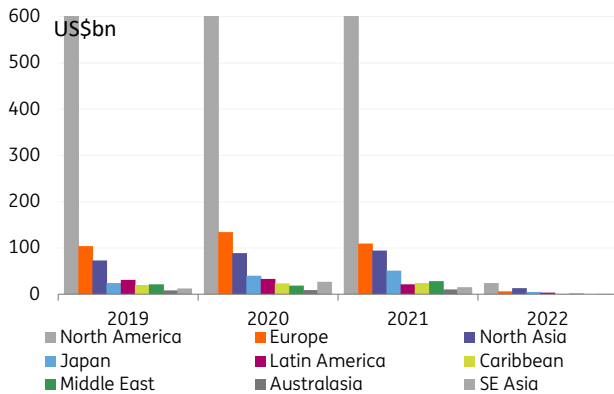
Source: ING, Dealogic

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



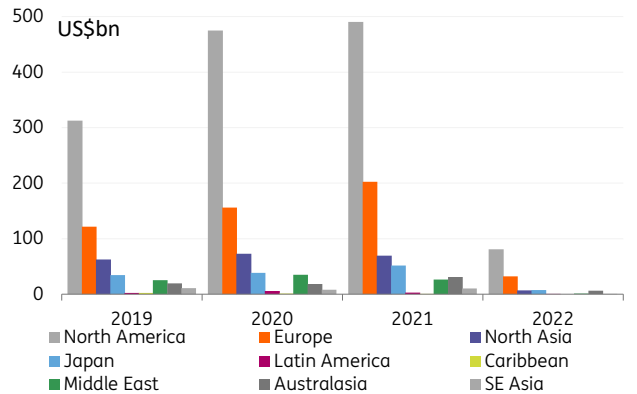
Source: ING, Dealogic

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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