

29 July 2021  
Credit Strategy

# US Dollar Credit Supply

Slow corporate supply but high financial supply

## Supply for July (US\$bn)

	Corporates	Financials
July	16.4	36.4

Source: ING, Dealogic

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

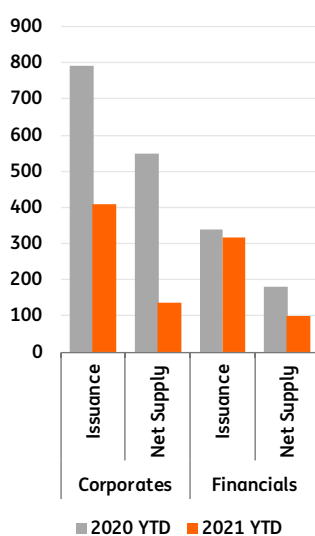
Corporates	FY	YTD
2015	710	471
2016	697	444
2017	745	428
2018	655	380
2019	704	400
2020	1167	828
2021	430	430

Financials	FY	YTD
2015	423	278
2016	388	245
2017	424	301
2018	434	294
2019	358	231
2020	520	354
2021	356	356

Source: ING, Dealogic

## Supply and Net Supply YTD



Source: Dealogic, ING



### Slow corporate supply in July, expect more in August

- Corporate supply was very slow in July, amounting to just US\$16.4bn. This is considerably low when compared to July in previous years, averaging around US\$40bn. In fact, this is the lowest month of supply in the past two years, except for December last year. Redemptions were also very low in July, pencilling in just US\$18.3bn. However, this still results in negative net supply of -US\$2.1bn. Redemptions are higher in August, expected to be US\$31.5bn, which may come alongside an increase in supply. In any case, supply is running ahead of 2019, currently sitting at US\$430bn, although this is still half of what had been supplied by this time last year.
- TMT and Utilities were again the sectors with the most supply, pencilling in US\$6bn and US\$4bn respectively. On a YTD basis, TMT supply is sitting at a substantial US\$164bn. Utilities supply on a YTD basis has accumulated to US\$84bn. Both sectors are indeed seeing lower supply compared to last year but are still substantial amounts relative to previous years.
- Corporate Reverse Yankee supply was also zero in July. On a YTD basis, Reverse Yankee supply is sitting at €26bn. USD spreads have widened out notably. This is mainly due to the comparative lack of direct support from the Fed relative to the ECB's corporate bond purchases under CSPP and PEPP. Furthermore, the tapering talk is coming to the forefront in the US. Widening was rather notable in HY, driven by the Energy sector. The USD EUR spread differential widens in both the 5yr and 10yr areas of the curve. This opens up more cost-saving advantages for US corporates to issue in Euro. If this continues post summer, we will likely see an increase in Reverse Yankee supply.

### Financial supply sees US\$36.4bn in July, up on last year

- In contrast to corporate supply, financial supply was not low in July. Supply totalled US\$36.4bn in July. This is still lower than the US\$40bn+ seen in 2017 and 2018, but it is however more than seen in 2019 and 2020. In addition, redemptions were also on the high side in July at US\$31.6bn, as net supply remains positive at US\$4.8bn. Financial supply on a YTD basis is pencilled in at US\$356bn, very much in line with last year's US\$354bn YTD. This is significantly ahead of previous years.
- Bank debt was the main driver for financial supply, with bank senior preferred most significant at US\$15bn, followed by bank senior bail-in pencilling in US\$8bn and US\$7bn supplied for bank capital.

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

	2017	2018	2019	2020	2020 Jul	2021 Jun	2021 Jul	2020 YTD	2021 YTD	% diff
Auto	38	43	35	40	0	2	1	27	14	-50%
Consumer	105	145	98	192	4	0	1	146	32	-78%
Healthcare	72	86	108	128	1	5	2	73	45	-38%
Industrial & Chemicals	87	100	85	205	7	5	1	150	47	-69%
Real Estate	43	22	59	55	6	4	0	30	28	-7%
TMT	238	92	128	265	16	19	6	205	164	-20%
Utility	132	128	162	227	4	20	4	157	84	-47%
Others	30	39	29	54	2	1	2	38	16	-58%

Source: ING, Dealogic

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

	2017	2018	2019	2020	2020 Jul	2021 Jun	2021 Jul	2020 YTD	2021 YTD	% diff
Bank Senior	283	262	192	263	9	28	22	201	186	-7%
of which Bail-in	203	161	68	50	0	10	8	35	86	147%
of which Pref	80	101	124	213	9	18	15	166	100	-40%
Bank Capital	37	40	50	70	2	4	7	41	56	36%
Finance	51	41	45	78	5	7	2	40	46	15%
Insurance	32	37	46	69	1	8	1	45	35	-23%
Other	21	53	26	40	1	5	2	26	16	-37%

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	85.0	58.0	59.2	10.2	654.9
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	39.6	110.5	94.2	56.9	60.7	12.9	1166.6
<b>2021</b>	<b>31.8</b>	<b>76.1</b>	<b>133.3</b>	<b>31.9</b>	<b>82.9</b>	<b>57.5</b>	<b>16.4</b>						<b>429.7</b>
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	31.5	22.7	45.4	-17.3	388.4
2018	-4.9	28.0	43.2	5.3	16.4	39.7	-11.2	35.6	64.2	42.7	20.6	-11.1	268.6
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	13.2	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
<b>2021</b>	<b>2.7</b>	<b>24.5</b>	<b>76.5</b>	<b>-6.4</b>	<b>37.3</b>	<b>6.8</b>	<b>-2.1</b>						<b>139.2</b>

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	48.4	20.0	7.5	423.9
2018	83.3	26.3	26.5	46.4	47.8	24.9	41.7	33.9	56.0	18.4	26.4	2.1	433.7
2019	53.0	22.8	41.5	30.2	33.8	23.6	27.2	17.7	43.3	37.4	20.4	7.4	358.1
2020	61.5	29.0	69.0	59.8	71.9	49.2	18.0	34.8	33.4	32.3	33.2	28.0	520.2
<b>2021</b>	<b>65.9</b>	<b>25.3</b>	<b>56.7</b>	<b>66.1</b>	<b>52.5</b>	<b>52.8</b>	<b>36.4</b>						<b>355.6</b>
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	48.7	-2.7	5.8	27.0	27.7	-2.0	43.1	-3.0	0.6	32.1	5.6	-19.7	163.3
2018	38.5	1.7	-0.2	6.8	10.8	9.8	29.0	12.1	44.5	8.3	4.1	-11.0	154.4
2019	16.9	5.8	19.6	0.7	1.0	8.1	10.2	-7.5	18.8	19.5	9.6	-6.1	96.8
2020	4.8	13.8	42.7	45.8	55.3	19.4	-5.6	7.0	6.0	2.7	18.7	5.6	216.3
Redemptions	48.5	26.6	34.6	41.5	42.2	19.1	31.6	23.7	13.6	21.7	19.1	10.3	332.4
<b>2021</b>	<b>17.4</b>	<b>-1.2</b>	<b>22.1</b>	<b>24.6</b>	<b>10.3</b>	<b>33.7</b>	<b>4.8</b>						<b>111.6</b>

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	0.3	2.3	0.9						13.6
Consumer	1.8	8.6	5.9	11.1	4.1	0.0	1.0						32.4
Healthcare	2.1	1.8	16.1	1.5	16.8	5.3	1.8						45.4
Industrial	5.9	13.2	8.1	4.3	9.7	5.4	0.6						47.1
Real Estate	3.5	4.3	6.1	2.9	6.5	4.2	0.4						27.9
TMT	10.0	31.1	61.5	2.6	33.7	18.8	6.0						163.7
Utility	4.4	13.0	28.8	3.1	10.2	20.4	4.0						83.9
Others	1.3	1.2	4.9	4.2	1.7	1.1	1.6						15.9
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	37.6	8.0	24.7	51.2	27.2	28.2	22.4						199.4
of which NPS	10.8	2.4	6.2	31.0	18.5	9.8	7.8						86.4
of which Pref	26.8	5.6	18.6	20.2	8.7	18.5	14.7						113.0
Bank Capital	13.0	8.3	8.3	4.1	11.0	4.5	6.8						56.0
Finance	7.2	6.7	15.7	1.8	6.1	6.9	1.9						46.3
Insurance	7.2	0.3	5.9	6.9	5.5	7.9	1.1						34.7
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	180.5	366.1	285.5	80.6	2010	167.4	275.9	175.7	100.1
2011	248.3	435.6	291.9	143.7	2011	205.7	253.3	260.5	-7.2
2012	316.0	604.0	409.4	194.6	2012	155.8	264.7	250.0	14.7
2013	323.2	559.8	199.3	360.5	2013	192.5	327.1	256.3	70.9
2014	304.3	549.9	239.9	310.0	2014	264.2	411.2	255.8	155.4
2015	470.7	709.9	243.6	466.4	2015	277.5	422.7	258.4	164.2
2016	444.5	696.7	230.8	466.0	2016	244.5	387.6	295.7	91.9
2017	428.0	744.8	260.6	484.2	2017	301.0	423.9	356.3	67.6
2018	379.8	654.9	279.2	375.7	2018	294.0	433.7	386.3	47.4
2019	400.5	704.4	261.3	443.1	2019	230.8	358.1	429.6	-71.5
2020	828.2	1166.6	303.9	862.7	2020	353.8	520.2	451.8	68.4
<b>2021</b>	<b>430.0</b>	<b>430.0</b>	<b>332.4</b>		<b>2021</b>	<b>355.6</b>	<b>355.6</b>	<b>481.0</b>	
2022			264.7		2022			483.0	
2023			315.2		2023			510.7	

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	4.3	2.6	7.6	0.9	4.3						34.0
T2	4.7	1.0	1.2	0.8	1.9	0.9	1.8						12.1
<b>Bank Capital</b>	<b>12.8</b>	<b>7.2</b>	<b>5.4</b>	<b>3.4</b>	<b>9.5</b>	<b>1.8</b>	<b>6.1</b>						<b>46.1</b>

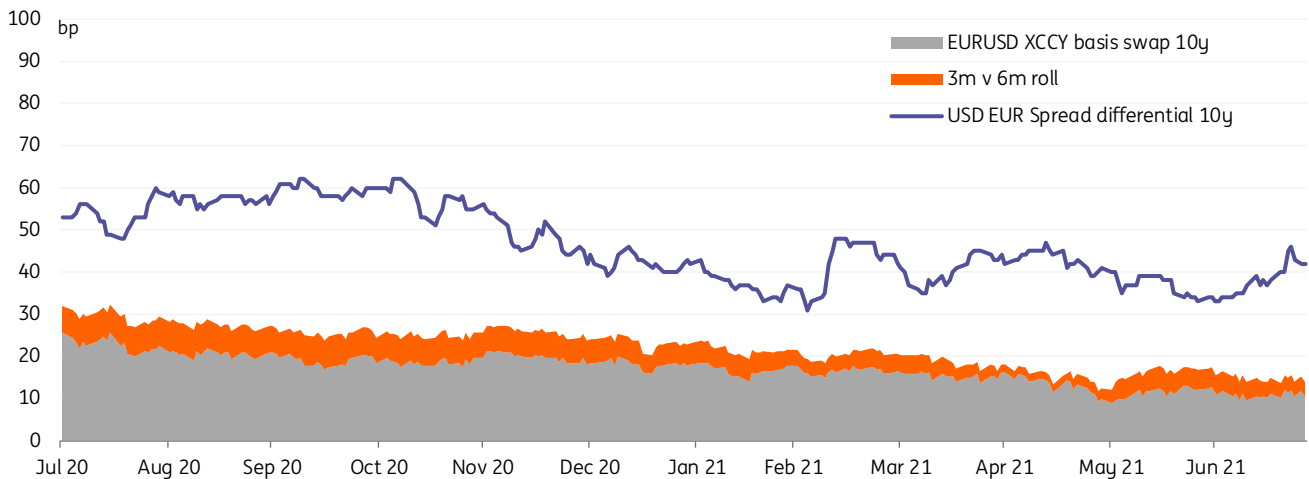
Source: ING, Dealogic

**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	11.7	2.8	4.5	0.1	0.0						25.8
Financial	2.4	3.6	3.8	5.3	4.6	0.6	0.6						20.8
<b>Total</b>	<b>3.9</b>	<b>8.8</b>	<b>15.5</b>	<b>8.1</b>	<b>9.1</b>	<b>0.6</b>	<b>0.6</b>						<b>46.5</b>

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	306.8	70.9	9.0	2010	160.2	118.5	18.1
2011	354.7	93.0	6.4	2011	164.5	89.3	5.7
2012	482.6	140.6	16.6	2012	206.8	57.9	7.5
2013	465.2	113.8	32.5	2013	250.9	77.9	14.4
2014	466.0	114.1	42.9	2014	288.4	126.2	32.3
2015	609.1	109.7	62.1	2015	301.6	129.6	28.7
2016	586.2	116.1	65.9	2016	272.5	116.4	45.2
2017	651.5	107.4	63.8	2017	309.2	116.0	34.5
2018	517.6	139.6	31.6	2018	291.6	143.2	17.6
2019	612.7	97.1	99.3	2019	261.6	98.1	28.9
2020	1061.1	118.1	68.3	2020	396.3	125.8	23.0
<b>2021 YTD</b>	<b>375.5</b>	<b>55.8</b>	<b>25.8</b>	<b>2021 YTD</b>	<b>264.5</b>	<b>88.5</b>	<b>20.8</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	2.7	0.2	4.6	5.1	1.0						15.6
Social	0.0	0.0	0.0	0.0	0.0	0.0	0.6						0.6
Sustainable	0.0	0.8	0.0	0.3	1.0	2.9	0.0						5.0
<b>ESG</b>	<b>0.9</b>	<b>1.9</b>	<b>2.7</b>	<b>0.5</b>	<b>5.6</b>	<b>8.0</b>	<b>1.6</b>						<b>21.1</b>

Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.0	1.0	0.8	0.0	0.0	2.3	1.0						5.1
Social	0.3	2.3	0.0	0.0	0.0	0.0	0.0						2.6
Sustainable	0.0	0.8	1.5	0.8	1.0	0.0	0.0						4.1
<b>ESG</b>	<b>0.3</b>	<b>4.1</b>	<b>2.3</b>	<b>0.8</b>	<b>1.0</b>	<b>2.3</b>	<b>1.0</b>						<b>11.7</b>

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	15.6	2.4	2.9	7.6	8.0	15.6
Social	0.0	0.0	0.0	1.5	0.6	0.0	0.0	0.0	1.0	0.6
Sustainable	0.0	0.0	1.0	7.5	5.0	0.0	0.0	1.0	1.8	5.0
<b>ESG</b>	<b>3.6</b>	<b>6.3</b>	<b>15.3</b>	<b>28.3</b>	<b>21.1</b>	<b>2.4</b>	<b>2.9</b>	<b>8.6</b>	<b>10.8</b>	<b>21.1</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	5.1	1.5	3.0	1.5	4.4	5.1
Social	0.0	0.1	0.5	6.6	2.6	0.0	0.0	0.5	3.1	2.6
Sustainable	1.0	0.1	0.1	2.6	4.1	0.0	0.0	0.1	0.2	4.1
<b>ESG</b>	<b>2.7</b>	<b>4.3</b>	<b>7.6</b>	<b>16.2</b>	<b>11.7</b>	<b>1.5</b>	<b>3.0</b>	<b>2.1</b>	<b>7.6</b>	<b>11.7</b>

Source: ING, Dealogic

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

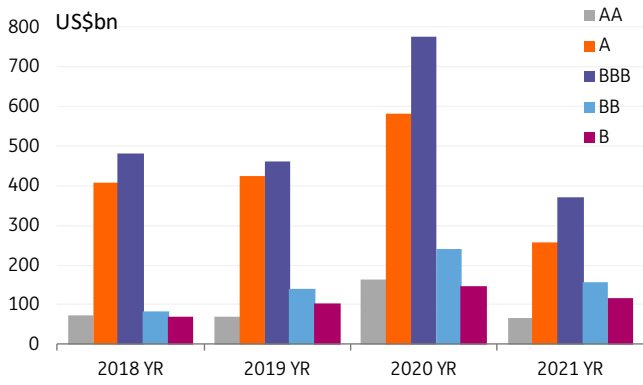
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Corp 0-3yr	3.8	0.5	2.0	23.1	12.2	9.3	2.5	8.5	11.4	2.1	9.3	0.3	85.0
Corp 3-6yr	8.3	6.5	36.2	46.0	31.5	16.0	4.9	14.4	13.0	8.0	13.4	3.5	201.5
Corp 6-9yr	2.9	6.3	15.7	17.0	9.7	16.0	6.6	8.1	16.8	8.6	6.1	1.8	115.5
Corp 9-12yr	14.1	16.3	66.6	67.3	62.3	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	30.1	3.8	14.5	6.3	2.3						71.4
Corp 3-6yr	4.7	16.5	18.3	5.1	12.8	3.7	2.8						63.9
Corp 6-9yr	2.7	5.8	11.8	3.8	6.5	6.6	2.2						39.2
Corp 9-12yr	10.7	16.3	35.4	10.9	22.9	15.5	5.0						116.6
Corp 12-17yr	1.9	1.0	1.3	1.1	0.4	2.1	0.5						8.2
Corp 17yrs+	9.5	24.4	36.6	7.3	25.9	23.3	3.5						130.4
Fin 0-3yr	13.8	3.7	11.9	7.5	8.9	8.0	0.0						53.8
Fin 3-6yr	10.4	5.2	9.6	8.8	16.8	10.4	5.2						66.4
Fin 6-9yr	13.3	2.4	11.5	12.7	4.1	17.6	5.0						66.6
Fin 9-12yr	12.3	4.5	8.9	20.3	12.3	5.5	12.8						76.5
Fin 12-17yr	0.0	0.2	0.2	0.0	0.0	1.4	0.0						1.9
Fin 17yrs+	16.1	9.3	14.6	16.8	10.4	9.8	10.8						87.8

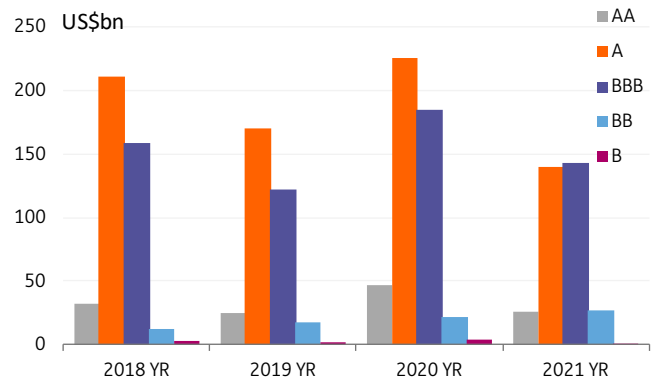
Source: ING, Dealogic

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



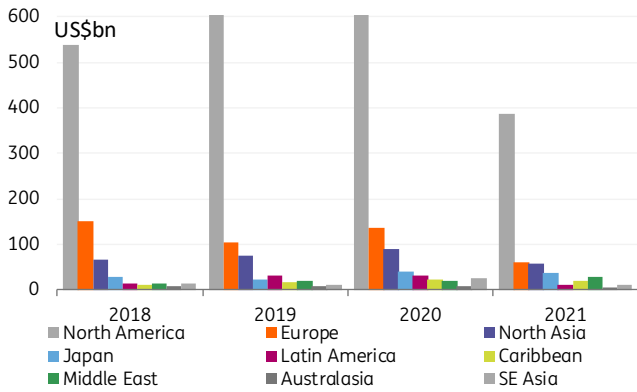
Source: ING, Dealogic

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



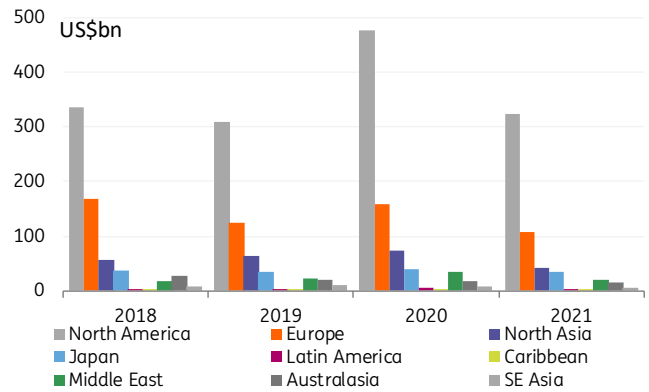
Source: ING, Dealogic

**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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