

2 February 2023
Credit Strategy

US Dollar Credit Supply

Low net supply to kick-start the year

Supply for January (US\$bn)

	Corporates	Financials
January	42.9	66.3

Source: ING, Dealogic

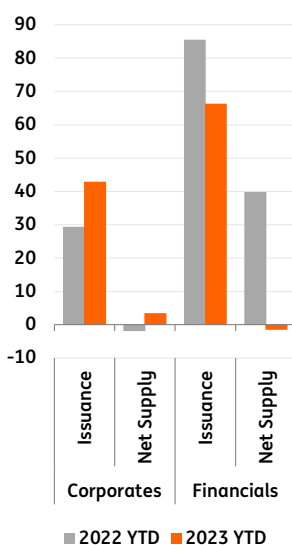
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2017	744	79
2018	654	35
2019	704	53
2020	1165	50
2021	722	52
2022	555	30
2023	43	43

Financials	FY	YTD
2017	424	79
2018	435	87
2019	364	53
2020	523	62
2021	575	71
2022	534	95
2023	66	66

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING



Corporate supply kick starts the year at US\$43bn

- Corporate supply totalled US\$43bn in January, up from 2021 and 2022, but still lower than the figures seen in 2019 and 2020. Redemptions in January were US\$39bn, resulting in a very small net supply of just US\$3.5bn. Utilities issued the most in January, accounting for US\$13bn, followed by industrials issuing US\$9bn. The 6-9yr maturity bucket saw US\$15bn supply last month, meanwhile US\$19bn was issued shorter in the 0-6yr bucket.
- Corporate Reverse Yankee supply totalled €5.5bn in January, noting a small pick-up on most previous months. We forecast Reverse Yankee supply to be lower than the normal % of US corporate and EUR corporate supply and hit €40bn in 2023. This will still be up on last year's c.€32.5bn. There is indeed some cost saving advantage for US corporates in the longer end of the curve at this particular time. Additionally, we expect USD spreads may remain more stable compared to the volatility we expect to see in EUR spreads. Thus, certain swapping opportunities may arise. However, on the other hand, times of uncertainty and instability in markets often leads to safe-haven issuance. Many US corporates will be tempted to issue domestically in USD due to the headwinds facing the market this year. Although we do see value in certain Reverse Yankee deals as often there is an attractive new issue premium attached.

Financial supply totals US\$66bn in January

- Financials supply amounted to US\$66bn in January, down slightly on last year. Redemptions were substantial last month at US\$68bn, resulting in a negative net supply of -US\$1.6bn for the month of January.
- Bank senior supply totalled US\$54bn during the month, matching that of last year. Meanwhile, Bank capital supply was rather low at just US\$4bn, compared to US\$12bn seen in January last year. Financial supply was very much concentrated between the 3-12yr maturity bucket. With US\$20bn issued in the 3-6yr bucket, US\$17bn issued in the 6-9yr bucket and US\$16bn issued in the 9-12yr bucket.

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

	2019	2020	2021	2022	2022 Jan	2022 Dec	2023 Jan	2022 YTD	2023 YTD	% diff
Auto	36	41	30	29	4	0	5	4	5	19%
Consumer	96	192	75	57	5	-	4	5	4	-21%
Healthcare	108	129	96	72	0	0	3	0	3	767%
Industrial & Chemicals	83	206	79	86	5	-	9	5	9	85%
Real Estate	58	55	55	26	2	0	2	2	2	10%
TMT	127	265	218	137	0	0	6	1	6	900%
Utility	105	133	113	99	7	5	13	7	13	89%
Oil & Gas	56	92	27	21	5	0	0	5	0	-100%
Others	33	51	29	29	2	-	1	2	1	-52%

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 Jan	2022 Dec	2023 Jan	2022 YTD	2023 YTD	% diff
Bank	194	263	282	343	52	4	54	62	54	-13%
of which NPS	68	50	107	58	5	0	13	5	13	134%
of which Pref	126	213	175	285	47	4	41	56	41	-27%
Bank Capital	50	70	93	53	12	-	4	12	4	-68%
Finance	47	81	114	67	11	1	2	12	1	-88%
Insurance	47	69	63	48	8	1	6	8	6	-28%
Other	27	40	20	22	2	0	2	2	2	-21%

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	53.0	72.2	73.6	32.0	76.1	53.9	43.4	71.2	97.1	39.0	75.8	16.4	703.7
2020	50.5	52.3	191.1	213.6	170.5	113.9	39.3	110.5	92.6	56.9	60.7	12.9	1164.9
2021	32.0	76.1	132.5	33.0	82.9	58.3	33.4	59.6	75.1	31.8	61.6	45.7	722.0
2022	29.4	45.8	125.7	44.8	43.6	33.8	25.0	51.7	42.9	41.1	65.4	6.0	555.3
2023	42.9												42.9
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	14.6	16.8	13.7	4.6	29.3	16.2	24.4	41.9	63.3	0.6	51.7	-3.4	273.7
2020	9.9	20.1	140.4	184.0	121.3	74.3	12.9	81.6	58.3	12.7	7.7	-8.9	714.4
2021	2.9	24.5	75.7	-6.0	37.3	7.6	15.1	28.0	24.0	1.5	11.0	19.3	240.9
2022	-1.9	4.8	69.2	18.9	-9.9	-16.9	-3.6	3.6	2.4	9.1	19.0	-22.7	72.2
Redemptions	39.4	46.7	67.7	51.6	57.9	54.1	28.0	34.6	55.3	23.7	41.5	27.1	527.7
2023	3.5												3.5

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	43.6	37.7	22.4	8.4	364.4
2020	62.2	28.7	69.5	59.8	72.0	49.0	18.0	34.4	33.4	33.4	33.9	28.5	522.7
2021	67.7	25.6	57.2	66.7	55.0	52.1	40.4	34.4	41.6	70.1	43.5	20.7	574.9
2022	85.5	33.7	77.3	50.3	46.7	24.3	52.6	61.7	17.8	43.4	33.8	6.5	533.7
2023	66.3												66.3
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	9.3	10.2	-7.1	19.1	19.1	11.6	-5.5	101.6
2020	5.3	13.7	43.2	45.0	55.5	18.8	-5.6	6.5	6.0	3.8	18.7	6.2	217.1
2021	19.2	-0.5	22.6	24.5	12.9	32.5	8.8	10.7	28.0	48.4	24.2	10.4	241.7
2022	39.9	9.3	58.6	27.6	17.9	6.9	30.3	45.3	-11.8	30.9	14.8	-6.2	263.6
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	-1.6												-1.6

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												4.6
Consumer	4.3												4.3
Healthcare	2.6												2.6
Industrial	9.2												9.2
Real Estate	2.0												2.0
TMT	6.3												6.3
Utility	13.4												13.4
Oil & Gas	0.0												
Others	0.8												0.8

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	8.7	6.4	9.0	8.7	11.1	5.5	6.0	6.4	4.2	2.2	6.9	2.1	77.2
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	53.8												
of which NPS	12.6												
of which Pref	41.2												
Bank Capital	3.8												
Finance	1.5												
Insurance	5.7												

Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	53.7	19.2	15.9	13.8	27.0	12.9	16.9	19.5	12.2	16.5	15.6	13.3	236.6
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	30.6	8.8	11.9	0.8	19.0	9.4	9.1	11.5	6.0	13.8	11.8	8.8	141.6
Bank Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	43.3	604.2	250.0	354.2	2012	36.3	266.1	410.0	-143.9
2013	50.5	557.7	256.3	301.4	2013	54.2	330.3	199.9	130.3
2014	39.8	549.8	255.4	294.5	2014	55.0	413.7	240.1	173.5
2015	33.6	710.9	258.4	452.5	2015	50.5	423.5	244.2	179.4
2016	78.2	697.2	295.1	402.1	2016	31.6	386.7	234.2	152.4
2017	79.1	744.4	355.7	388.7	2017	79.4	424.3	262.6	161.7
2018	34.7	654.4	385.9	268.5	2018	86.5	435.5	280.7	154.8
2019	53.4	703.7	429.9	273.7	2019	53.0	364.4	262.8	101.6
2020	50.5	1164.9	450.5	714.4	2020	62.2	522.7	305.7	217.1
2021	51.5	722.0	481.1	240.9	2021	71.0	574.9	333.3	241.7
2022	30.0	555.3	483.1	72.2	2022	95.1	533.7	270.1	263.6
2023	42.9	42.9	527.7		2023	66.3	66.3	333.3	
2024			469.0		2024			337.4	
2025			531.1		2025			369.8	

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												0.0
T2	4.0												4.0
Bank Capital	4.0												4.0

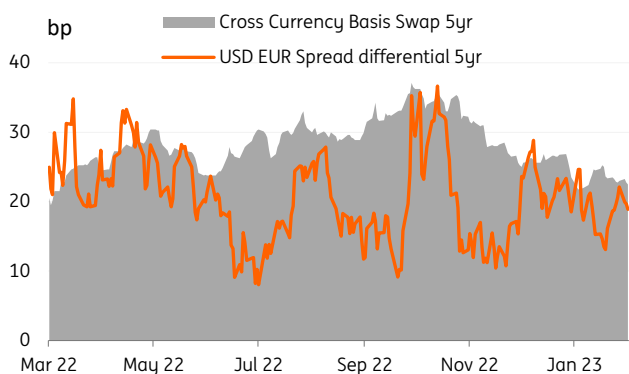
Source: ING, Dealogic

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	0.8	3.0	3.8	4.5	7.0	0.1	0.0	0.5	3.7	3.3	2.3	0.1	28.9
Total	3.1	5.6	10.1	5.0	9.3	2.6	1.5	1.7	7.9	6.9	7.5	0.1	61.4
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5												5.5
Financial	1.5												1.5
Total	7.0												7.0

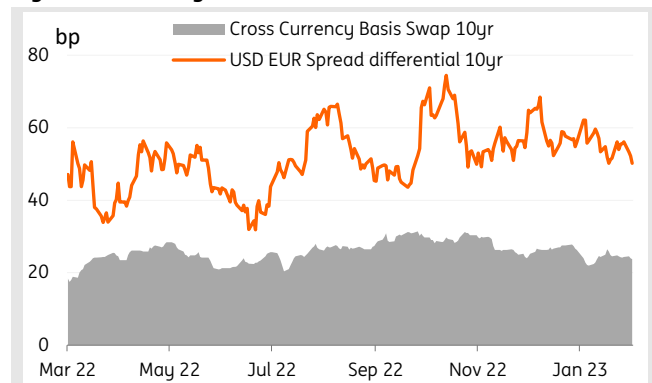
Source: ING, Dealogic

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	483.0	141.6	16.8	2012	206.7	59.4	7.6
2013	464.2	112.6	32.2	2013	254.1	77.8	14.4
2014	467.3	112.7	42.7	2014	291.0	126.1	32.4
2015	610.8	110.0	61.8	2015	304.0	128.0	28.7
2016	588.7	113.9	66.2	2016	273.0	114.9	45.5
2017	655.7	102.4	65.4	2017	311.8	113.5	35.8
2018	526.8	129.9	31.1	2018	303.6	133.0	17.7
2019	613.2	95.5	98.9	2019	269.8	95.8	28.3
2020	1062.2	116.6	68.3	2020	399.8	124.9	24.2
2021	630.8	93.8	58.9	2021	411.2	168.1	40.5
2022	487.2	79.1	32.5	2022	388.2	147.5	28.9
2023	40.4	2.6	5.5	2023	38.0	28.3	1.5

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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sustainable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sustainable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESG	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	30.2	24.3	0.0	1.5	0.1	0.9	1.2	0.0
Social	0.0	1.5	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Sustainable	1.0	7.5	9.6	4.9	0.0	0.0	0.0	0.0	1.2	0.0
ESG	15.4	27.5	40.3	29.2	0.0	1.5	0.1	0.9	2.4	0.0
Financial	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	5.0	7.1	9.4	4.7	1.3	1.5	0.0	0.0	0.7	1.3
Social	0.5	6.6	5.3	2.5	0.0	0.5	0.0	0.3	2.5	0.0
Sustainable	0.1	2.6	7.3	8.5	0.0	0.0	0.2	0.0	0.0	0.0
ESG	5.6	16.2	21.9	15.8	1.3	2.0	0.2	0.3	3.2	1.3

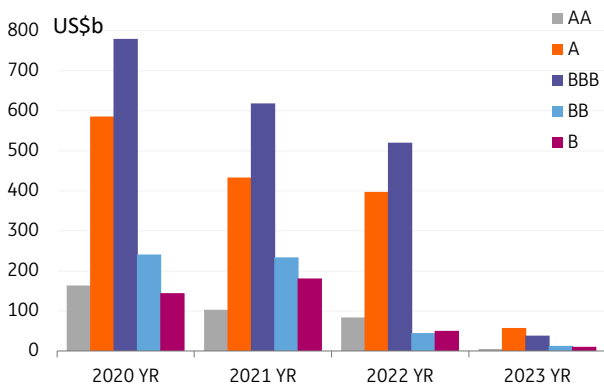
Source: ING, Dealogic

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	8.4	5.0	7.7	7.1	6.7	14.8	1.9	92.0
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	34.9	12.3	12.4	9.3	8.6	19.4	15.4	13.9	18.4	2.2	173.2
Corp 12-17yr	1.3	1.4	1.1	0.8	0.7	0.1	0.3	0.3	0.1	0.4	0.4	0.1	7.0
Corp 17yrs+	5.6	19.0	43.2	11.4	14.5	7.8	3.7	16.9	11.9	9.0	10.6	1.4	154.9
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	10.5	3.5	20.5	12.9	4.5	15.6	8.6	0.0	135.6
Fin 12-17yr	1.0	0.1	2.5	2.0	0.7	0.0	0.0	0.2	0.1	0.0	0.0	0.0	6.6
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	9.0												9.0
Corp 3-6yr	9.8												9.8
Corp 6-9yr	1.8												1.8
Corp 9-12yr	15.3												15.3
Corp 12-17yr	0.1												0.1
Corp 17yrs+	6.8												6.8
Fin 0-3yr	9.2												9.2
Fin 3-6yr	20.3												20.3
Fin 6-9yr	17.0												17.0
Fin 9-12yr	15.8												15.8
Fin 12-17yr	2.0												2.0
Fin 17yrs+	2.0												2.0

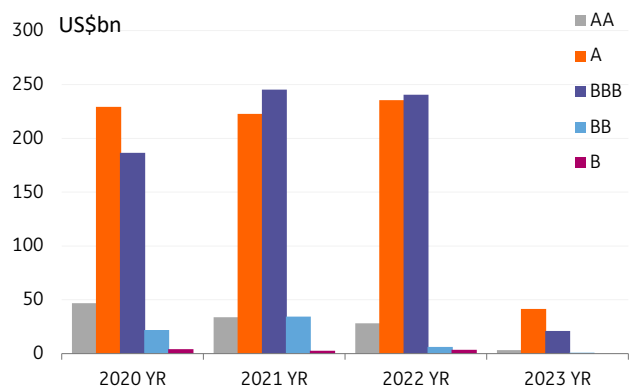
Source: ING, Dealogic

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



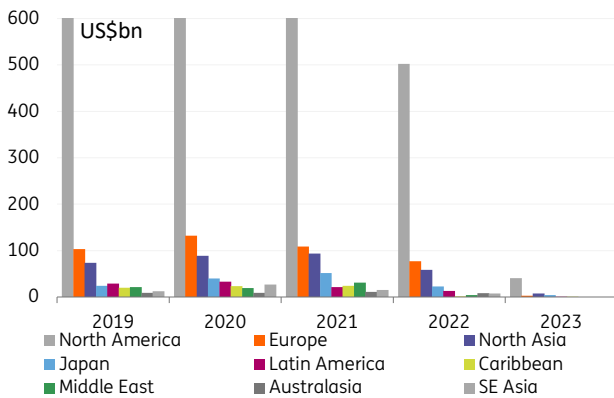
Source: ING, Dealogic

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



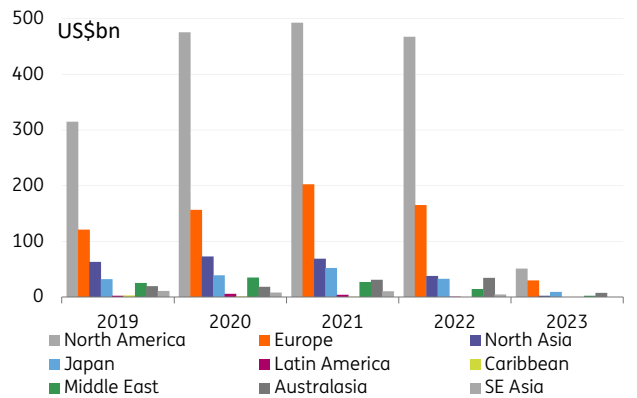
Source: ING, Dealogic

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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