

5 March 2024

Credit Strategy

Supply for February (US\$bn)

	Corporates	Financials
February	137.3	47.9

Source: ING, Dealogic

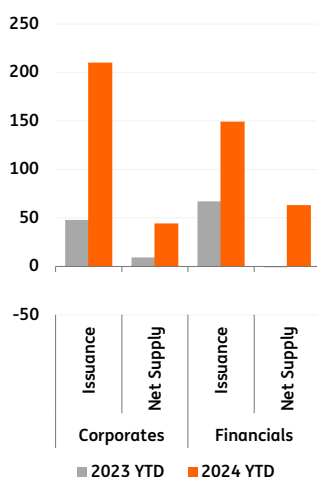
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2018	653	86
2019	701	125
2020	1169	104
2021	725	123
2022	558	80
2023	647	181
2024	-	210

Financials	FY	YTD
2018	436	112
2019	364	75
2020	525	91
2021	574	101
2022	535	129
2023	445	91
2024	-	149

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING

US Dollar Credit Supply

Substantial corporate supply in February



Skyrocketing corporates supply in February pioneered by Healthcare

- We saw exceptional supply in February, after January's record levels, as Corporates issued US\$137bn, up from the US\$129bn seen in the same month of last year and setting a new high since 2020. As redemptions amounted to around US\$44bn, net supply for the month totalled US\$93bn, higher than the US\$82bn seen in February 2023. YTD net supply is now at US\$137bn.
- Overall, most sectors came with more supply than in January, with Autos and Real Estate being the exceptions as they matched issuance seen in January. The outperformance was led by Healthcare with US\$51bn issued in February, almost 40% higher than in February 2023. Consumers and TMT have seen issuance triple with respect to last month, but slightly lower than February 2023.
- Corporate Reverse Yankee supply surprised to the upside with a notable €15bn in February. This comes when the cross currency basis swap offers little to no cost saving advantage due to USD spreads trading very tight relative to EUR spreads.
- With US\$5.5bn ESG bonds issued this month only, the US\$6.7bn YTD ESG supply is lower only when compared to 2022 levels. On the other hand, Financials ESG supply is scarce so far this year, and at zero in February.

Calmer February on the back of greater supply in January

- Supply slowed in February, although the US\$48bn issued established a new high for the month since 2020. Accounting for US\$19bn in redemptions, net supply ended in positive territory, totalling US\$28bn, and unlike the negative levels of last year.
- Bank supply amounted to US\$14.5bn, of which US\$6.7bn Preferred and US\$7.8bn Bail-In instruments. Issuance was evenly spread across the 0-9yr buckets and also in the 9-12yr and 17yr+ buckets.

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

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

	2020	2021	2022	2023	2023 Feb	2024 Jan	2024 Feb	2023 YTD	2024 YTD	% diff
Auto	40	29	29	40	0	5	5	5	13	180%
Consumer	192	75	57	91	18	5	15	24	17	-29%
Healthcare	129	96	72	114	35	3	51	37	51	38%
Industrial & Chemicals	208	81	85	93	14	11	15	25	23	-9%
Real Estate	55	54	26	28	3	2	2	6	9	40%
TMT	268	219	140	97	28	7	23	34	35	1%
Utility	131	113	99	130	21	14	16	37	39	6%
Oil & Gas	92	27	21	35	10	1	3	11	8	-21%
Others	53	30	29	19	-	1	8	1	14	1803%

Source: ING, Dealogic

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

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

	2020	2021	2022	2023	2023 Feb	2024 Jan	2024 Feb	2023 YTD	2024 YTD	% diff
Bank	263	283	344	290	3	54	14	57	83	45%
of which NPS	50	107	58	62	3	17	8	19	23	21%
of which Pref	214	176	286	228	0	38	7	38	60	58%
Bank Capital	70	93	53	45	8	4	12	12	18	50%
Finance	83	112	68	56	5	3	9	8	22	177%
Insurance	69	63	48	38	3	6	11	10	19	85%
Other	39	20	22	15	2	1	2	3	7	140%

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
2020	51.7	52.3	191.1	213.1	171.6	113.9	40.3	110.5	93.3	56.1	60.7	14.5	1169.3
2021	32.0	76.1	132.5	33.0	83.4	58.3	35.3	59.6	75.1	32.5	61.9	45.7	725.5
2022	32.6	45.8	125.7	44.9	44.1	33.0	25.0	51.7	42.9	41.1	65.0	6.0	558.0
2023	47.9	129.0	68.1	30.7	124.3	33.6	29.5	36.4	46.5	27.3	62.6	11.5	647.4
2024	73.1	137.3	-	-	-	-	-	-	-	-	-	-	210.4
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	11.6	20.1	140.4	182.8	122.5	74.3	12.3	81.7	59.0	12.0	7.7	-7.4	717.0
2021	2.9	24.5	75.6	-5.4	37.8	7.6	17.5	28.0	24.0	2.2	10.6	19.3	244.7
2022	1.3	5.7	69.3	19.1	-9.4	-17.6	-3.6	2.9	2.4	8.6	18.6	-22.8	74.5
2023	9.0	82.3	1.0	-20.9	66.4	-20.5	1.5	2.2	-8.9	3.6	21.1	-15.6	121.1
Redemptions	28.7	44.5	63.1	38.1	43.1	42.9	26.8	40.7	38.2	31.6	44.9	25.0	467.8
2024	44.4	92.8	-	-	-	-	-	-	-	-	-	-	137.2

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
2020	62.2	29.1	69.5	60.3	72.6	49.0	18.0	34.4	33.4	33.6	33.9	28.5	524.5
2021	67.7	26.3	57.5	66.1	53.9	52.1	39.8	34.2	41.6	70.1	43.8	20.7	573.8
2022	84.9	33.7	77.3	50.3	47.2	25.0	52.6	61.7	17.8	43.8	33.8	6.5	534.6
2023	67.0	21.7	25.9	29.5	27.3	44.5	45.9	32.2	52.6	53.9	34.1	10.4	445.1
2024	101.6	47.9	-	-	-	-	-	-	-	-	-	-	149.5
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	5.4	14.1	43.2	45.5	56.1	19.0	-5.6	6.5	6.0	4.0	18.7	6.2	219.2
2021	19.2	0.3	23.2	23.8	11.7	32.6	8.2	10.6	28.1	48.4	24.7	10.4	241.1
2022	39.3	9.3	58.7	27.6	18.4	7.8	30.3	45.3	-11.8	31.2	14.8	-6.3	264.7
2023	-0.9	-6.2	2.4	10.5	-3.6	22.1	21.1	6.0	29.5	30.8	10.4	-8.9	113.1
Redemptions	38.5	19.4	32.9	34.6	43.2	33.1	20.5	22.0	26.3	33.8	17.3	14.9	336.6
2024	63.1	28.5	-	-	-	-	-	-	-	-	-	-	91.6

Redemptions shown for 2023 only

Source: ING, Dealogic

Fig 5 Corporate supply and redemptions by month, 2024 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Autos	8.1	4.8											12.9
Consumer	2.5	14.7											17.2
Healthcare	0.0	51.3											51.3
Industrial	8.0	15.1											23.1
Real Estate	7.3	1.8											9.1
TMT	12.1	22.6											34.7
Utility	23.3	16.2											39.5
Oil & Gas	5.1	3.3											8.4
Others	6.8	7.5											14.3
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Auto	2.3	1.0	5.0	4.9	0.0	2.2	0.0	3.1	1.3	1.3	4.1	1.5	26.5
Consumer	4.9	6.0	5.6	2.9	5.4	4.6	4.5	11.0	7.2	3.7	6.1	3.1	65.0
Healthcare	0.1	2.4	7.9	2.2	9.7	5.9	4.1	1.6	3.6	6.6	9.3	4.1	57.4
Industrial	7.0	6.6	7.8	1.3	7.0	7.0	4.4	2.8	5.7	5.4	5.4	4.2	64.6
Real Estate	3.6	3.6	2.5	2.8	1.5	2.9	1.0	2.4	3.0	1.4	2.1	1.6	28.4
TMT	6.8	13.2	22.1	10.6	13.4	8.0	6.3	11.0	6.8	7.0	8.6	2.3	115.8
Utility	1.5	6.3	7.0	8.2	2.8	8.2	3.5	4.2	6.3	3.0	2.4	3.6	57.0
Oil & Gas	2.2	3.5	4.9	2.3	1.0	2.7	2.7	4.1	1.9	0.8	5.3	1.7	32.9
Others	0.3	2.0	0.4	3.1	2.4	1.4	0.4	0.5	2.4	2.4	1.7	3.1	20.1

Source: ING, Dealogic

Fig 6 Financial supply and redemptions by month, 2024 (US\$bn)

Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	68.8	14.5											83.2
of which NPS	15.6	7.8											23.3
of which Pref	53.2	6.7											59.9
Bank Capital	6.5	11.7											18.2
Finance	12.7	9.0											21.7
Insurance	8.2	10.8											18.9
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	23.2	12.1	21.9	20.9	25.5	20.1	13.6	10.2	12.9	20.5	7.5	9.8	198.3
of which NPS	2.8	1.0	12.5	6.0	15.0	10.8	7.3	3.6	2.8	2.5	1.0	2.5	67.6
of which Pref	20.5	11.1	9.4	14.9	10.5	9.4	6.4	6.7	10.2	18.0	6.5	7.3	130.7
Bank Capital	9.8	4.1	6.3	3.0	7.4	6.6	2.7	5.3	10.9	5.3	2.0	4.7	67.9
Finance	6.4	5.6	7.4	6.8	11.3	6.0	4.1	6.5	5.7	10.7	5.6	2.9	78.9
Insurance	4.0	2.3	2.5	6.1	4.4	5.2	0.5	1.7	3.5	1.6	3.4	1.9	37.1

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
2013	100.3	558.9	256.4	302.5	2013	75.5	330.5	199.9	130.6
2014	90.4	547.0	254.3	292.7	2014	84.7	413.3	240.2	173.2
2015	97.1	708.7	257.5	451.1	2015	82.2	422.6	244.2	178.4
2016	157.8	697.8	293.8	404.0	2016	62.6	387.2	234.3	152.8
2017	131.6	742.8	355.6	387.3	2017	102.7	424.2	262.6	161.6
2018	85.8	652.9	384.4	268.4	2018	112.4	435.8	280.8	155.0
2019	125.4	700.6	429.8	270.8	2019	75.5	363.8	263.3	100.5
2020	104.1	1169.3	452.3	717.0	2020	91.2	524.5	305.3	219.2
2021	123.4	725.5	480.8	244.7	2021	101.0	573.8	332.7	241.1
2022	80.4	558.0	483.6	74.5	2022	129.4	534.6	269.9	264.7
2023	180.8	647.4	526.2	121.1	2023	90.5	445.1	332.0	113.1
2024	210.4	210.4	467.8	-257.4	2024	149.5	149.5	336.6	-187.1
2025			549.6		2025			395.0	
2026			500.7		2026			419.2	

Source: ING, Dealogic

Fig 8 Subordinated supply, 2023 and 2024 (US\$bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	0.0	6.4	1.3	0.0	0.0	0.0	1.7	3.0	1.0	0.0	9.0	0.0	22.4
T2	3.0	2.0	0.0	0.0	3.2	4.5	2.5	0.0	0.0	0.0	2.8	0.0	18.0
Bank Capital	3.0	8.4	1.3	0.0	3.2	4.5	4.2	3.0	1.0	0.0	11.8	0.0	40.3
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AT1	1.5	5.3											1.5
T2	5.0	3.0											5.0
Bank Capital	6.5	8.3											6.5

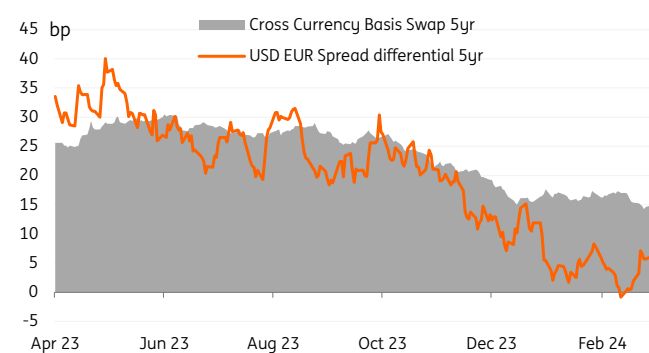
Source: ING, Dealogic

Fig 9 Reverse Yankee supply, 2023 and 2024 (\$bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	5.5	5.5	2.8	1.8	12.2	3.8	0.0	0.8	0.5	0.0	7.2	0.6	40.6
Financial	1.5	2.0	1.7	0.0	0.5	2.7	0.1	0.9	0.0	0.2	2.7	0.5	12.7
Total	7.0	7.5	4.5	1.8	12.7	6.4	0.1	1.7	0.5	0.2	9.9	1.1	53.2
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Corporate	1.4	15.4											16.7
Financial	0.7	0.5											1.2
Total	2.0	15.9											17.9

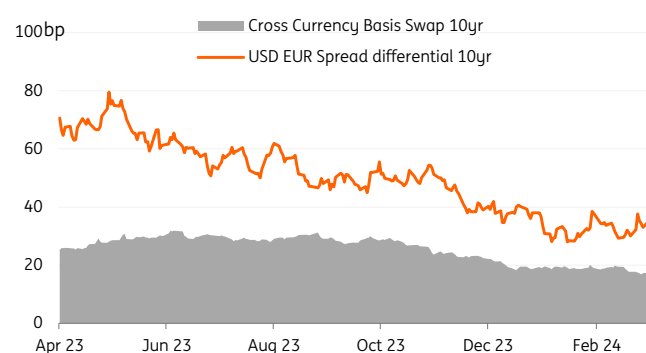
Source: ING, Dealogic

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 (\$)
2013	464.6	114.7	33.0	2013	254.1	78.1	15.4
2014	467.0	108.9	42.7	2014	290.6	124.6	32.5
2015	608.7	109.5	61.8	2015	303.1	127.1	28.8
2016	589.4	114.1	66.3	2016	273.6	114.4	45.6
2017	653.6	103.0	65.4	2017	311.7	112.6	35.8
2018	525.7	130.1	31.1	2018	303.9	133.0	17.7
2019	610.5	95.1	99.1	2019	269.2	95.8	28.5
2020	1031.3	153.1	68.4	2020	401.6	124.9	24.2
2021	628.1	101.7	59.0	2021	410.1	167.1	40.6
2022	483.6	85.5	33.2	2022	389.2	147.5	28.6
2023	560.5	101.6	40.6	2023	297.8	149.2	12.7
2024	188.2	27.6	16.7	2024	99.5	56.0	1.2

Source: ING

Fig 13 ESG supply per month 2024 (US\$bn)

Corporate	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.2	5.5											6.7
Social	0.0	0.0											0.0
Sustainable	0.0	0.0											0.0
ESG	1.2	5.5											6.7
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	0.6	0.0											0.6
Social	0.0	0.0											0.0
Sustainable	0.0	0.0											0.0
ESG	0.6	0.0											0.6

Source: ING, Dealogic

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

Corporate	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	18.5	30.5	24.4	12.5	6.7	0.3	2.0	4.6	2.6	6.7
Social	1.5	0.6	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Sustainable	7.5	9.6	4.9	1.3	0.0	0.5	0.8	3.1	0.0	0.0
ESG	27.5	40.7	29.4	13.8	6.7	0.8	2.8	7.8	2.6	6.7
Financial	2020	2021	2022	2023	2024	2020 YTD	2021 YTD	2022 YTD	2023 YTD	2024 YTD
Green	7.1	9.7	4.7	5.9	0.6	0.0	1.0	1.0	1.3	0.6
Social	6.6	5.3	2.5	0.0	0.0	0.0	2.6	2.5	0.0	0.0
Sustainable	2.6	7.3	8.5	0.1	0.0	0.2	0.8	0.1	0.0	0.0
ESG	16.2	22.3	15.8	6.0	0.6	0.2	4.4	3.6	1.3	0.6

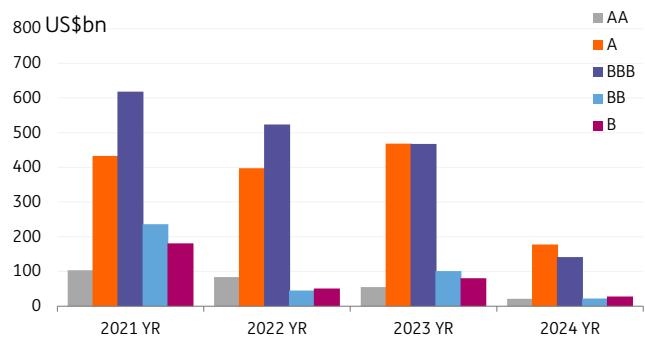
Source: ING, Dealogic

Fig 15 Investment grade issuance by maturity, 2023 and 2024 (US\$bn)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023
Corp 0-3yr	9.5	18.5	12.4	3.5	12.5	2.0	4.1	4.8	6.0	1.4	13.6	0.0	88.2
Corp 3-6yr	10.2	19.7	12.1	8.3	28.1	7.4	9.9	10.0	11.9	5.9	14.7	5.8	143.9
Corp 6-9yr	2.3	10.6	3.3	3.8	6.8	1.6	1.7	2.6	2.5	3.0	6.6	0.4	45.2
Corp 9-12yr	16.9	43.3	20.1	11.6	37.0	13.7	8.8	12.3	18.5	11.0	19.7	4.4	217.1
Corp 12-17yr	0.7	2.2	0.5	0.8	0.4	1.7	0.6	0.1	0.1	0.3	0.2	0.5	8.2
Corp 17yrs+	8.3	34.8	19.6	2.8	39.7	7.2	4.4	6.6	7.4	5.7	7.8	0.5	144.8
Fin 0-3yr	9.6	3.8	3.9	4.1	4.3	6.5	8.3	17.1	8.4	5.7	3.6	7.0	82.4
Fin 3-6yr	20.5	2.9	3.1	5.7	4.9	8.1	14.1	4.1	17.1	11.4	6.4	1.6	100.0
Fin 6-9yr	17.0	2.3	4.1	3.9	1.8	9.5	8.6	1.5	9.2	18.0	4.8	0.1	80.9
Fin 9-12yr	15.8	6.5	7.9	15.3	13.4	14.2	12.8	3.5	12.4	17.9	7.7	1.7	129.2
Fin 12-17yr	2.0	0.0	0.4	0.2	0.0	1.0	0.2	0.0	0.0	0.2	0.1	0.0	4.3
Fin 17yrs+	2.0	6.3	6.5	0.3	2.9	5.1	1.9	6.0	5.4	0.6	11.4	0.0	48.3
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024
Corp 0-3yr	10.3	18.7											29.0
Corp 3-6yr	17.0	25.9											42.9
Corp 6-9yr	3.3	15.8											19.1
Corp 9-12yr	26.5	40.3											66.8
Corp 12-17yr	1.0	0.4											1.4
Corp 17yrs+	15.1	36.2											51.2
Fin 0-3yr	11.9	7.3											19.2
Fin 3-6yr	24.8	7.1											32.0
Fin 6-9yr	23.3	7.8											31.1
Fin 9-12yr	34.2	13.4											47.6
Fin 12-17yr	1.7	1.8											3.5
Fin 17yrs+	5.7	10.5											16.2

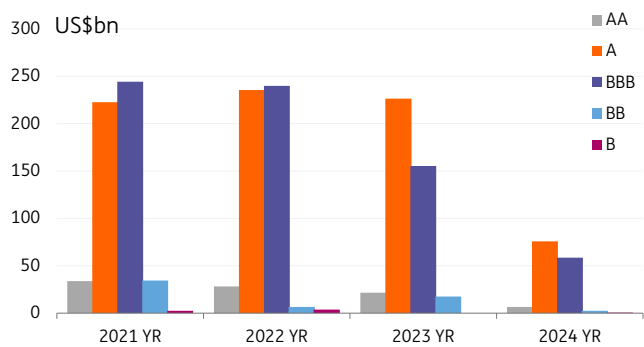
Source: ING, Dealogic

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



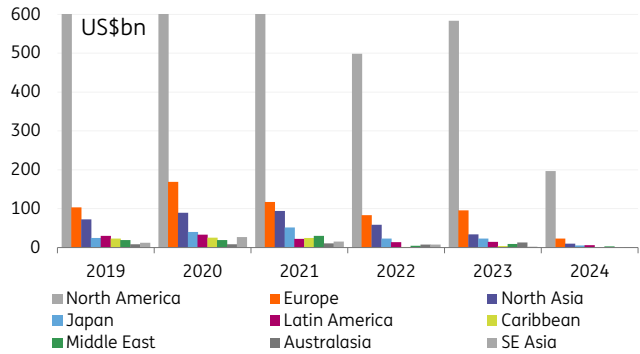
Source: ING, Dealogic

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



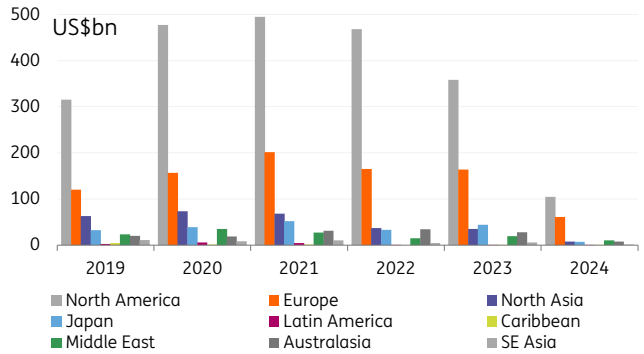
Source: ING, Dealogic

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



Source: ING, Dealogic

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



Source: ING, Dealogic

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("**ING**") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies). The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <https://www.ing.com>.