

5 June 2023

Credit Strategy

Supply for May (US\$bn)

	Corporates	Financials
May	123.6	26.3

Source: ING, Dealogic

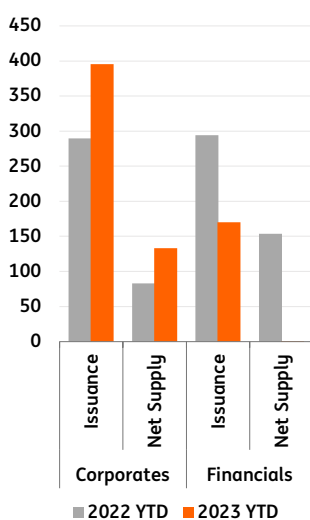
Supply FY and YTD (US\$bn)

Corporates	FY	YTD
2017	743	347
2018	653	288
2019	701	305
2020	1164	694
2021	722	361
2022	555	292
2023	395	395

Financials	FY	YTD
2017	425	232
2018	436	232
2019	365	183
2020	525	295
2021	576	274
2022	534	298
2023	170	170

Source: ING, Dealogic

Supply and Net Supply YTD



Source: Dealogic, ING

US Dollar Credit Supply

Large corporate supply vs low financials supply



Large supply in May pushed YTD total ahead of most previous years

- There was very substantial corporate supply in May totalling US\$124bn, in line with the large supply seen in February. On a YTD basis, supply is sitting at US\$394bn, running ahead of previous years, and second only to the record-breaking 2020 levels of US\$694bn by this time. Supply is now over US\$100bn ahead of last year's US\$292bn in the same period. We believe much of this year's supply has been front loaded as economic uncertainty persists, resulting in our expectation of a slowdown in supply in the second half of this year.
- After US\$58bn redemptions in May, corporate net supply amounted to US\$66bn. Supply in Healthcare was significant this May, with US\$40bn supplied. This is the highest month for the healthcare sector in the past year and a half. TMT supply was also large, at US\$29bn, although on a YTD basis TMT is still aligned with last year.
- Reverse Yankee supply is adding to the barrage. Reverse Yankee supply was also plentiful in May, with €12bn issued. The calculation was favourable for a cost saving advantage for US issuers to bring a EUR bond to the market, namely on the back of USD spread underperformance versus EUR. This differential is now narrowing, particularly in the 5yr. Deals included Booking, AT&T, Corning and American Tower. These deals were priced very much in line with the market, with new issue premium (NIP) higher due to some supply indigestion. Reverse Yankee deals tend to offer a more attractive NIP, particularly when the cost saving advantage is decent. This added to the barrage of EUR supply we saw, further adding supply indigestion pressure to EUR credit.

Financial supply very low on a YTD basis

- Contrary to corporates, financials supply was low in May with only US\$26bn in new issuances, due to the large uncertainties surrounding the banking environment currently matched with much higher funding costs. This is lower than the already small supply of US\$29bn in April this year, and significantly lower than the US\$47bn from May last year. YTD supply now sits at US\$170bn, down 43% compared to the same period last year. Pressure on the financial sector persists, resulting in low supply numbers.

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

	2019	2020	2021	2022	2022 May	2023 Apr	2023 May	2022 YTD	2023 YTD	% diff
Auto	36	41	30	29	3	3	2	18	13	-23%
Consumer	96	192	75	57	4	6	8	25	50	103%
Healthcare	108	129	96	72	7	2	40	41	94	126%
Industrial & Chemicals	81	205	79	85	6	5	11	38	48	26%
Real Estate	58	55	55	26	1	6	3	19	13	-29%
TMT	127	265	217	137	7	18	29	72	74	2%
Utility	104	132	113	99	13	2	22	45	76	71%
Oil & Gas	56	92	27	21	1	-	6	11	19	71%
Others	34	53	30	29	2	4	3	23	8	-67%

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 May	2023 Apr	2023 May	2022 YTD	2023 YTD	% diff
Bank	194	264	282	344	26	36	9	179	103	-43%
of which NPS	68	50	107	58	6	-	2	20	29	45%
of which Pref	126	214	175	286	20	36	7	159	74	-54%
Bank Capital	50	70	93	53	1	5	4	27	17	-36%
Finance	50	83	116	68	12	6	8	46	21	-55%
Insurance	47	69	63	48	3	1	4	30	21	-31%
Other	24	39	20	21	4	2	2	15	9	-45%

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	52.1	72.2	73.6	31.3	76.1	53.9	43.4	71.2	96.3	39.0	75.8	16.4	701.3
2020	50.5	52.3	191.1	213.1	170.5	113.9	39.3	110.5	92.6	56.1	60.7	12.9	1163.6
2021	32.0	76.1	132.5	32.2	83.4	58.3	33.4	59.6	75.1	31.8	61.9	45.7	722.1
2022	29.4	45.8	125.7	44.8	44.1	33.0	25.0	51.7	42.9	41.1	65.0	6.0	554.6
2023	47.4	129.0	67.9	27.4	123.6								395.3
Net Supply	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	13.7	16.8	13.7	3.6	29.3	16.7	24.4	41.9	62.5	0.6	51.7	-3.5	271.5
2020	10.4	20.1	140.4	183.5	121.3	74.3	13.6	81.6	58.3	12.0	7.7	-8.9	714.3
2021	2.9	24.5	75.6	-6.1	37.8	7.6	15.6	28.0	24.0	1.5	11.3	19.3	242.1
2022	-1.9	5.7	69.3	18.9	-9.4	-17.6	-3.6	3.6	2.4	9.1	18.6	-22.8	72.4
Redemptions	38.9	46.7	67.1	51.6	57.9	54.1	28.0	34.1	55.3	23.7	41.5	27.1	526.1
2023	8.5	82.3	0.8	-24.3	65.8								133.1

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	43.7	37.7	22.4	8.4	364.6
2020	62.2	29.4	69.5	60.3	72.6	49.0	18.0	34.4	33.4	33.6	33.9	28.5	524.9
2021	67.7	26.3	57.5	66.7	55.0	52.1	40.4	34.4	41.6	70.1	43.8	20.7	576.3
2022	85.5	33.7	77.3	50.3	47.2	24.3	52.6	61.7	17.8	43.4	33.8	6.5	534.2
2023	66.7	22.1	25.7	29.2	26.3								170.0
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	9.2	10.2	-7.2	19.1	19.1	11.6	-5.5	101.5
2020	5.3	14.5	43.2	45.5	56.1	18.8	-5.6	6.5	6.0	4.0	18.7	6.2	219.2
2021	19.2	0.3	22.4	24.4	12.9	32.5	8.8	10.7	28.0	48.4	24.6	10.4	242.5
2022	39.9	9.3	58.6	27.6	18.4	6.9	30.3	45.3	-11.8	30.9	14.8	-6.2	264.0
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	-1.2	-5.9	2.1	10.2	-4.7								0.5

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	0.0	4.8	2.3	1.8								13.5
Consumer	5.0	18.3	6.7	12.3	7.8								50.1
Healthcare	2.6	34.7	16.3	0.0	40.3								93.8
Industrial	11.1	14.4	7.2	4.5	10.7								47.8
Real Estate	2.2	3.0	3.3	1.4	3.4								13.2
TMT	6.8	27.6	6.0	4.7	28.9								73.8
Utility	14.4	21.1	18.6	0.7	21.6								76.4
Oil & Gas	0.0	10.1	3.1	0.0	6.2								19.4
Others	0.8	0.0	2.0	1.7	3.2								7.5
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	8.2	6.4	8.4	8.7	11.1	5.5	6.0	5.9	4.2	2.2	6.9	2.1	75.6
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	54.2	5.0	10.3	24.2	9.1								102.8
of which NPS	16.7	2.6	8.0	-	2.0								29.2
of which Pref	37.5	2.5	2.3	24.2	7.1								73.6
Bank Capital	3.8	8.4	1.3	-	3.5								16.9
Finance	2.3	3.4	4.6	2.6	7.8								20.6
Insurance	5.7	3.1	7.6	1.4	3.5								21.2
Redemptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Bank Senior	50.0	17.0	15.4	12.8	18.5	12.0	16.1	17.0	9.0	15.0	11.9	9.5	204.3
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	26.8	6.6	11.4	-0.2	10.5	8.5	8.4	9.0	2.9	12.3	8.1	5.0	109.3
Bank Capital	5.9	3.0	6.1	3.0	15.1	5.4	3.9	4.5	6.5	3.6	5.3	8.2	70.3
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	236.4	600.1	250.0	350.1	2012	122.6	266.3	410.0	-143.7
2013	256.3	556.8	256.3	300.5	2013	151.5	330.4	200.0	130.4
2014	226.8	549.2	254.3	294.9	2014	206.7	413.9	240.2	173.8
2015	339.0	708.7	257.5	451.2	2015	221.7	423.2	244.2	178.9
2016	357.3	697.0	294.1	402.9	2016	199.9	386.9	234.3	152.5
2017	347.4	742.7	354.8	387.8	2017	232.3	425.2	262.7	162.5
2018	287.7	652.9	384.9	267.9	2018	231.8	435.9	280.9	155.0
2019	305.3	701.3	429.8	271.5	2019	182.5	364.6	263.1	101.5
2020	693.9	1163.6	449.4	714.3	2020	295.0	524.9	305.7	219.2
2021	360.8	722.1	480.1	242.1	2021	273.9	576.3	333.9	242.5
2022	291.8	554.6	482.3	72.4	2022	298.2	534.2	270.1	264.0
2023	395.3	395.3	526.1		2023	170.0	170.0	333.3	
2024			468.7		2024			337.6	
2025			538.5		2025			373.6	

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	6.4	1.3	0.0	0.0								7.6
T2	3.0	2.0	0.0	0.0	3.2								8.2
Bank Capital	3.0	8.4	1.3	0.0	3.2								15.8

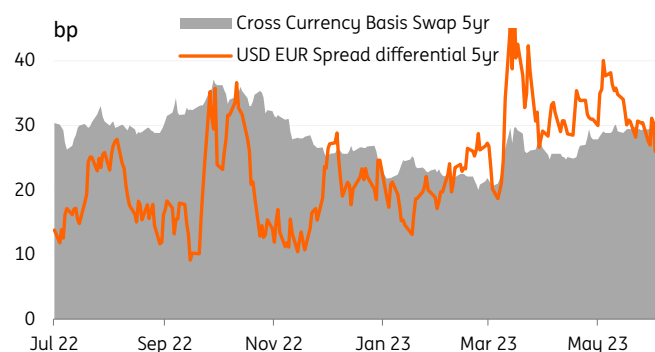
Source: ING, Dealogic

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	0.5	3.0	3.8	4.5	7.0	0.1	0.0	0.5	3.7	3.3	2.3	0.1	28.6
Total	2.8	5.6	10.1	5.0	9.3	2.6	1.5	1.7	7.9	6.9	7.5	0.1	61.1
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								27.7
Financial	1.5	0.0	1.1	0.0	0.8								3.4
Total	7.0	5.5	3.9	1.8	13.0								31.1

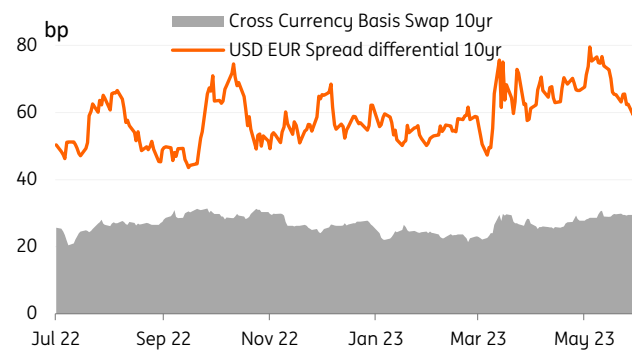
Source: ING, Dealogic

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	480.1	140.5	16.8	2012	206.9	59.4	7.6
2013	463.5	112.4	32.2	2013	254.2	77.9	14.4
2014	469.0	110.5	42.7	2014	291.2	126.1	32.4
2015	610.0	108.7	61.8	2015	303.6	128.0	28.7
2016	588.6	113.9	66.2	2016	273.2	114.9	45.5
2017	654.5	101.9	65.4	2017	312.6	113.5	35.8
2018	525.7	129.5	31.1	2018	304.1	133.0	17.7
2019	611.2	95.1	98.9	2019	270.0	95.8	28.3
2020	1029.4	148.0	68.3	2020	402.0	124.9	24.2
2021	626.6	98.1	58.9	2021	412.6	168.1	40.5
2022	483.6	82.1	32.9	2022	388.7	147.5	28.6
2023	359.2	48.5	27.7	2023	115.2	56.7	3.4

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	2.6	1.5	0.4	4.8								9.2
Social	0.0	0.0	0.0	0.0	0.0								0.0
Sustainable	0.0	0.0	0.8	0.5	0.0								1.3
ESG	0.0	2.6	2.3	0.9	4.8								10.5
Financial	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Green	1.3	0.0	0.0	0.0	1.2								2.5
Social	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
ESG	1.3	0.0	0.0	0.0	1.2								2.5

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	30.5	24.4	9.2	6.3	5.2	9.6	11.0	9.2
Social	0.0	1.5	0.6	0.2	0.0	0.0	0.0	0.0	0.1	0.0
Sustainable	1.0	7.5	9.6	4.9	1.3	1.0	1.8	2.1	4.9	1.3
ESG	15.4	27.5	40.7	29.4	10.5	7.3	6.9	11.6	16.0	10.5
Financial	2019	2020	2021	2022	2023	2019 YTD	2020 YTD	2021 YTD	2022 YTD	2023 YTD
Green	5.0	7.1	9.7	4.7	2.5	1.5	2.6	1.8	2.3	2.5
Social	0.5	6.6	5.3	2.5	0.0	0.5	1.8	2.6	2.5	0.0
Sustainable	0.1	2.6	7.3	8.5	0.0	0.0	0.2	4.2	1.1	0.0
ESG	5.6	16.2	22.3	15.8	2.5	2.0	4.6	8.5	5.9	2.5

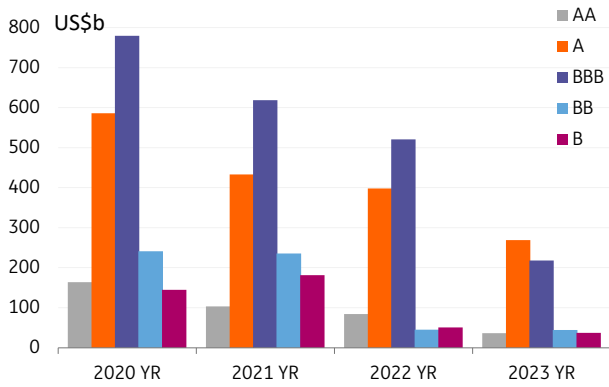
Source: ING, Dealogic

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	7.7	5.0	7.7	7.1	6.7	14.3	1.9	90.8
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	35.0	12.3	12.6	9.3	8.6	19.4	15.4	13.9	18.4	2.2	173.5
Corp 12-17yr	1.3	1.4	1.1	0.8	0.9	0.1	0.3	0.3	0.1	0.4	0.4	0.1	7.3
Corp 17yrs+	5.6	19.0	43.2	11.4	14.5	7.8	3.7	16.9	11.9	9.0	10.7	1.4	155.0
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	10.7	3.5	20.5	12.9	4.5	15.6	8.6	0.0	135.8
Fin 12-17yr	1.0	0.1	2.5	2.0	0.9	0.0	0.0	0.2	0.1	0.0	0.0	0.0	6.9
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	9.5	18.5	12.4	3.5	13.3								57.1
Corp 3-6yr	9.6	19.7	12.1	7.6	28.1								77.2
Corp 6-9yr	2.3	10.6	3.2	3.1	6.5								25.7
Corp 9-12yr	16.9	43.3	20.0	10.5	36.4								127.1
Corp 12-17yr	0.7	2.2	0.5	0.1	0.0								3.5
Corp 17yrs+	8.3	34.8	19.6	2.6	39.4								104.7
Fin 0-3yr	9.4	4.0	3.8	4.0	3.9								25.0
Fin 3-6yr	20.5	3.0	3.1	5.7	4.6								36.9
Fin 6-9yr	17.0	2.3	4.1	3.9	1.7								29.0
Fin 9-12yr	15.8	6.5	7.9	15.3	13.3								58.8
Fin 12-17yr	2.0	0.0	0.4	0.1	0.0								2.6
Fin 17yrs+	2.0	6.3	6.5	0.2	2.9								17.8

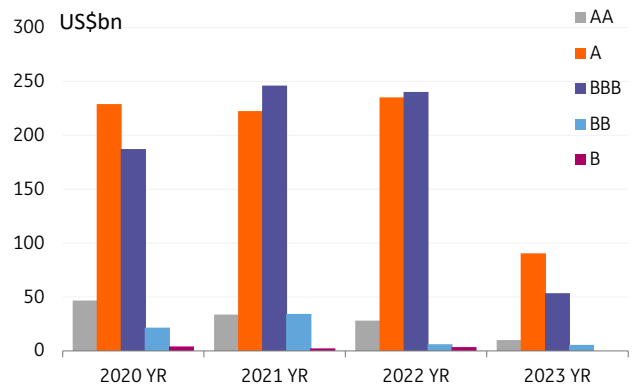
Source: ING, Dealogic

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



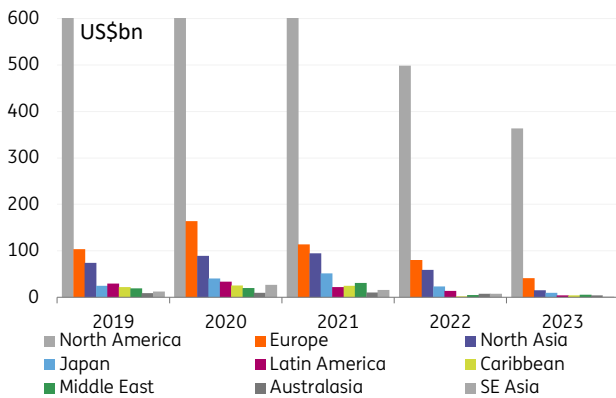
Source: ING, Dealogic

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



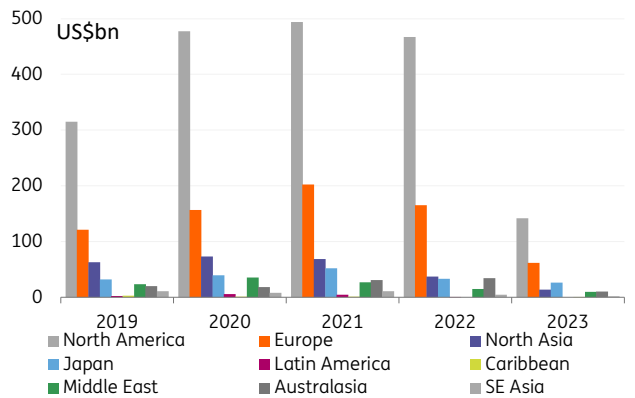
Source: ING, Dealogic

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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