

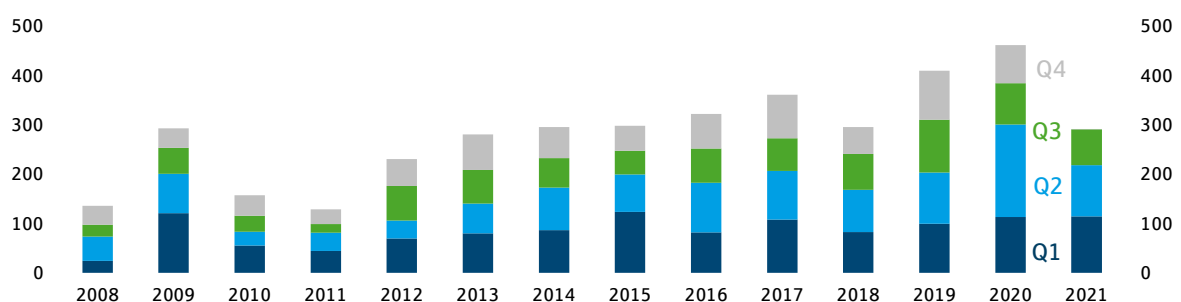


Primary Market Update EUR Corporate Bonds: Green still in vogue

- Around EUR 72 billion in euro-denominated corporate bonds was issued in the third quarter of 2021, less than in the same period last year. Total issuance since the beginning of the year has now reached EUR 291 billion, bringing the corporate bond market within striking distance of its performance in the three quarters of 2019 (EUR 310 billion). Consequently, we adhere to our forecast of a continued normalisation in issuance activity and of a corporate bond placement volume in the order of EUR 400 billion by the end of the year.
- The average issue size in the first nine months, at EUR 531 million, increased slightly compared to H1. However, deals remained considerably smaller than in the previous year. By the end of Q3, the share of transactions with a volume of at least EUR 1.5 billion was still very low. Sustainable bond issues set a new record in the months of July to September and, overall, nearly a quarter of total issuance consisted of green, sustainable or sustainability-linked notes.
- Utilities led the field once again with the highest volume (17.1 %), followed by industrials (16.3 %) and the automotive sector (10.1 %). In terms of the number of transactions, industrial companies dominated the market with more than 100 deals. Firms from the European periphery, whose market share has reached almost 20 % over the year to date, retained their comparatively strong presence. German issuers were edged out by companies from the US, which raised the most funds in the first three quarters of the year and accounted for 16.8 % of total issuance.
- The popularity of subordinated hybrids remained intact. Their share of total placement volume, at just under 10 %, was higher in the first nine months of 2021 than in any other year. A quarter of all debt was issued in the scope of sub-investment grade transactions. Nevertheless, with a market share of 47 %, 'BBB' rating classes maintained their leading position. Almost two thirds of market volume was placed with a maturity of more than 7 years. Increasing fears of rising interest rates were likely to have been one major factor in prompting companies to place more long-dated notes. Excluding hybrid bonds, floaters made up 5 % of total market volume - a similar level to that in our previous quarterly update.

Market activity continues to normalise

Issuance volume of euro-denominated corporate bonds* (in EUR billions)



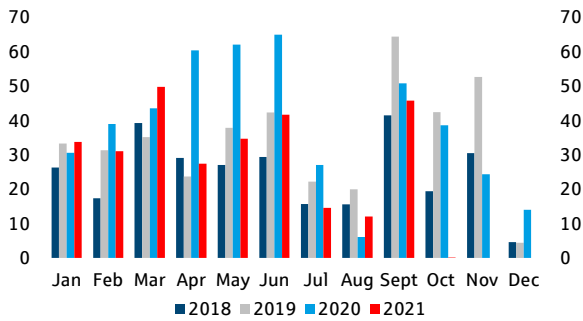
*includes issues up to 30 September 2021.

Sources: Bloomberg, bondradar, Helaba Research & Advisory

*issues with a minimum volume of EUR 50 million

Volume in September below previous years' levels

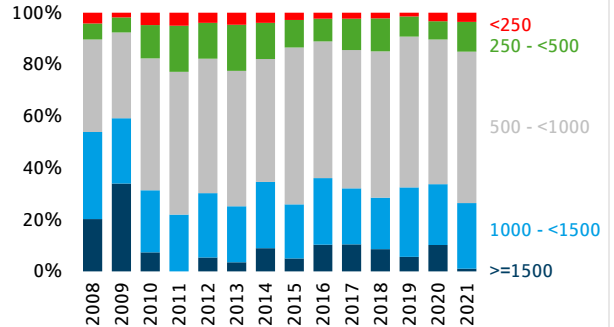
Issuance activity by month* (volume in EUR billions)



*includes issues up to 30 September 2021.
Sources: Bloomberg, bondradar, Helaba Research & Advisory

Little demand for large deals

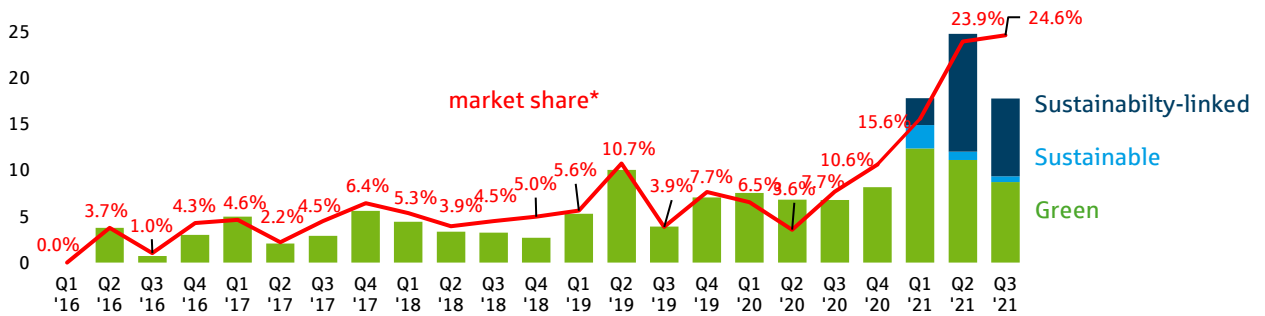
Issuance activity by volume* (in EUR millions)



*includes issues up to 30 September 2021.
Sources: Bloomberg, bondradar, Helaba Research & Advisory

Relentless onward march of sustainable bonds continues

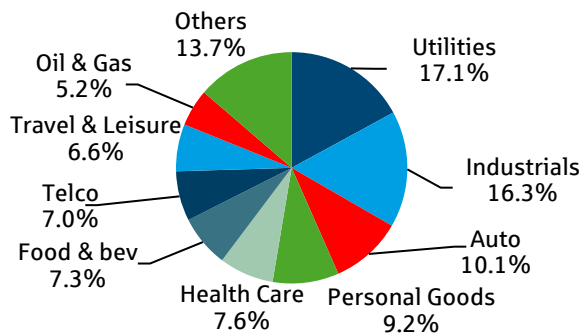
Corporate ESG bond placements** (in EUR billions or market share in %)



*includes sustainable bonds and sustainability-linked bonds from Q1 2021; **includes issues up to 30 September 2021.
Sources: Bloomberg, bondradar, Helaba Research & Advisory

Utilities issue largest volume

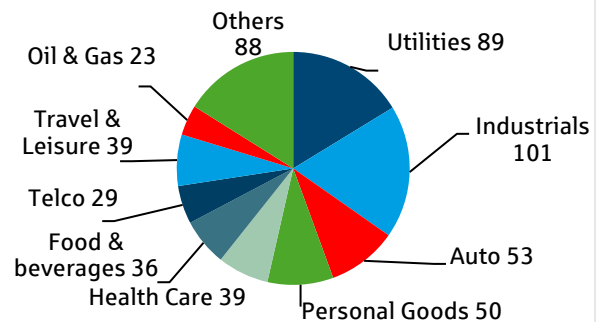
Issuance activity by sector in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Third of all bonds from industrials and utilities

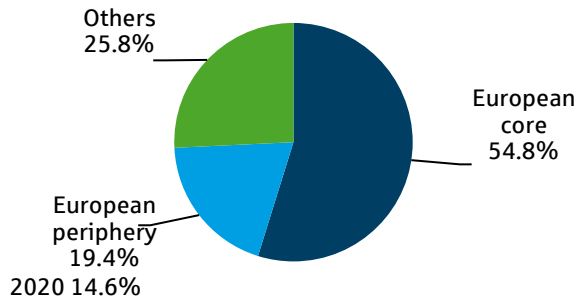
Issuance activity by sector in 9M 2021* (distribution by number of issues)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

European periphery maintains large market share

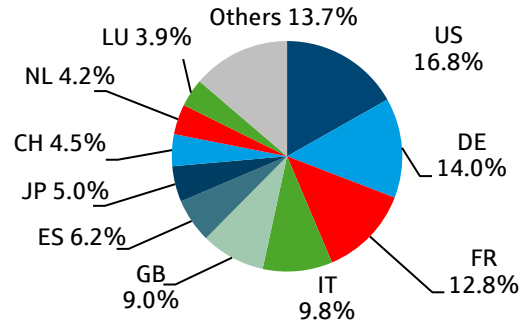
Issuance activity by region in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

US companies place largest volume

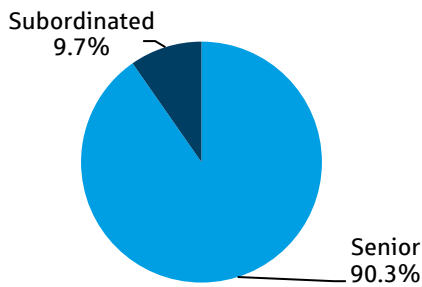
Issuance activity by country of origin in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Subordinated notes still popular

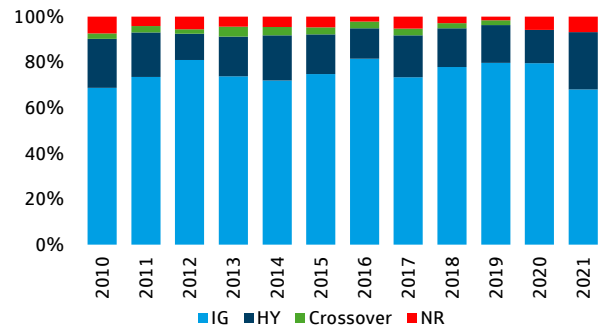
Ranking of new issues in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Sub-IG transactions achieve 25 % market share

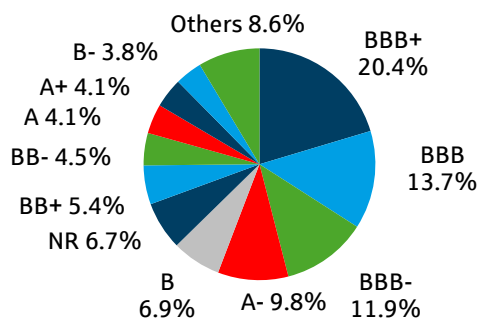
Issuance* by credit quality group (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, bondradar, Helaba Research & Advisory

BBB rating classes retain dominance

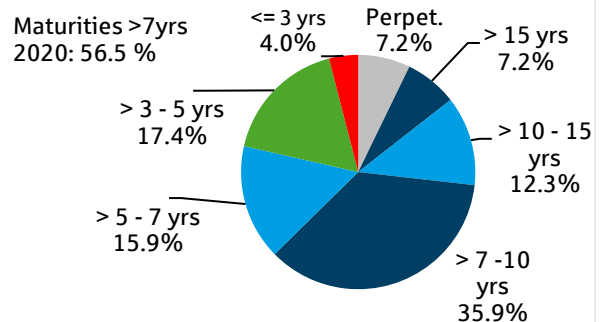
Issuance by rating class in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Market share of long-dated bonds at record level

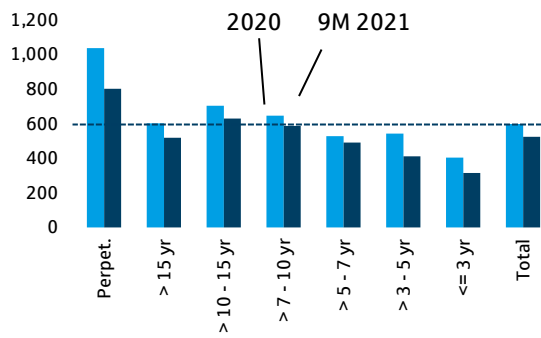
Issuance by maturity in 9M 2021* (distribution by volume)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Average bond smaller than in 2020

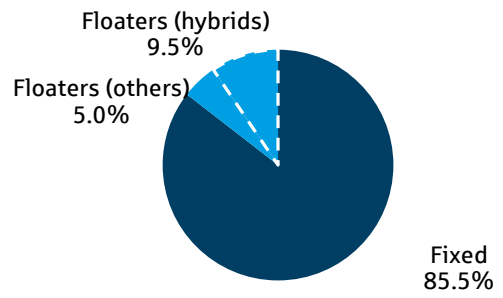
Average issue size by maturity* (in EUR millions)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory

Demand remains weak for floaters

Fixed-coupon and floating-rate issues in 9M 2021* (volumes in %)



*includes issues up to 30 September 2021.
Sources: Bloomberg, Helaba Research & Advisory



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