



EUR corporate bonds: Primary market Q3 2023

Calmer interest rate environment provides tailwind



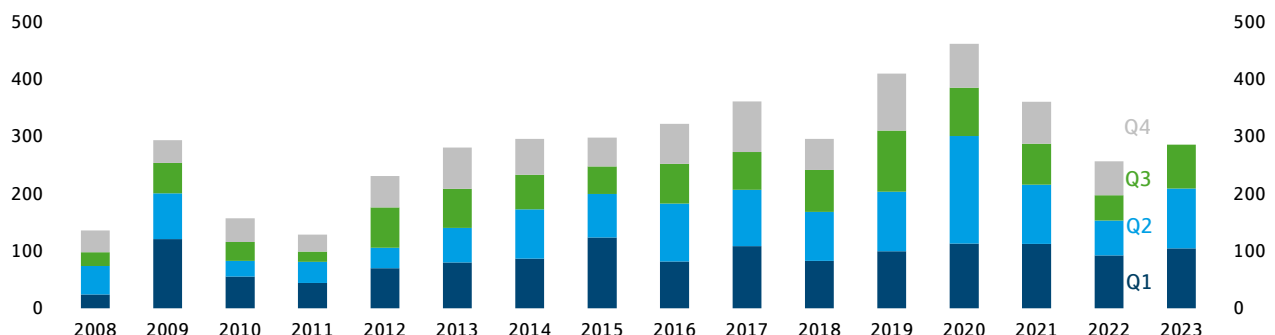
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In the third quarter, issuance volumes on the primary market for EUR corporate bonds exceeded the corresponding prior-year results in every month. On average, the increase was around EUR 10 billion. August was particularly strong. Since January, the segment has achieved a placement volume of EUR 286 billion, or just under 500 individual bonds issued. This roughly corresponds to the market performance in the first nine months of 2021. Above all, the reduced volatility of refinancing costs and the fact that they have been moving sideways in a narrow corridor for some time should have improved companies' planning ability. At the same time, however, the much higher level of interest rates also ensures that investor demand remains dynamic. We therefore confirm our forecast for 2023

as a whole of an issuance volume of around EUR 350 bn and, given the unchanged investment needs of corporates, expect the momentum to continue in 2024.

Total annual volume in 2022 already exceeded

Euro corporate bonds*: Issuance volume in EUR (billions)



*issues with a minimum volume of EUR 50 million, bonds placed until 28.09.2023

Sources: Bloomberg, bondradar, Helaba Research & Advisory

Smaller benchmark bonds gain market share - ESG market share rebounds in Q3

Individual bonds with a benchmark volume of less than EUR 1 billion were even slightly more popular in Q3 than in previous quarters. Their share rose to 68% of the market volume. The average issue size of individual bond tranches since January, calculated at just under EUR 574 million, was slightly lower than in the first half of the year (EUR 585 million). The largest overall placements in the third quarter were by the French company Kering (EUR 3.8bn in 4 tranches), Sartorius (EUR 3.0bn in 4 tranches) and Engie (EUR 3.0bn in 4 tranches). The volume share of sustainable bonds recovered significantly compared with the second quarter. Green and sustainability-linked transactions accounted for almost 28 % of the market in the period July to September. Green bonds continued to dominate the market.

Utilities in the top spot - German companies still strongest issuer group by country

The Utilities sector raised the most in the third quarter, at just under EUR 14 bn, retaking the top spot for the year from the Industrial Goods & Services sector. However, the latter continued to issue the most individual bonds (94). The lower participation of non-European issuers in the months July to September - US companies issued only just under 7 % of the volume in this period - ensured that core European issuers were able to increase their market share to 68 % since the beginning of the year. In the first nine months, German issuers accounted for the largest volume by country at 20 %.

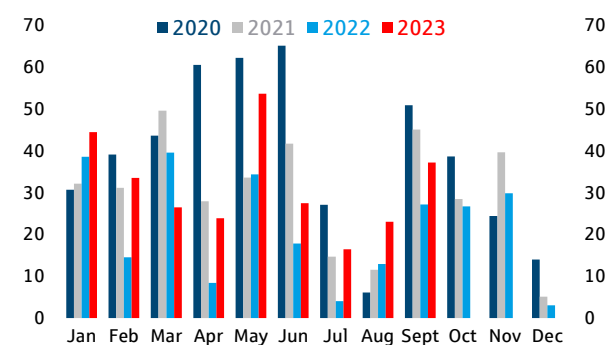
Share of subordinated debt unchanged - continued strong activity in 'A'-rated bonds and short maturities

For subordinated bonds, the market share in the third quarter was 4 %, the same level as in the first half of the year. Investment grade continued to dominate, accounting for almost 83 % of the market. Issuers from the 'A' rating classes continued to participate strongly in market activity, taking up 33 % of the issuance volume in the months January to September. Short maturities of up to 3 years maintained their market share at a high level, accounting for 10 % of issuance. The use of hybrids increased slightly again in the third quarter.

Chartbook: Euro-denominated corporate bond issues

Unusually high volumes in August

Euro corporate bonds: Issuance volume in EUR (billions)*

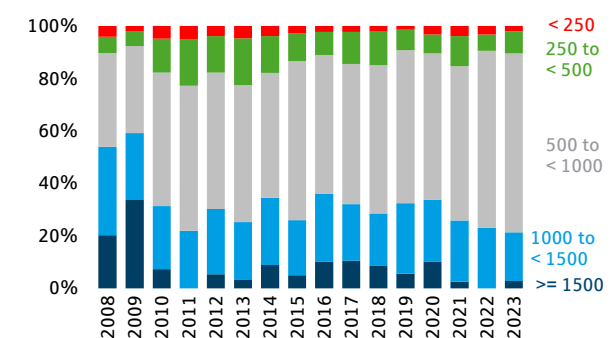


* bonds placed until 28.09.2023

Sources: Bloomberg, bondradar, Helaba Research & Advisory

Smaller benchmark bonds dominate

Euro corporate bonds: Placements by issue size in EUR (millions)*

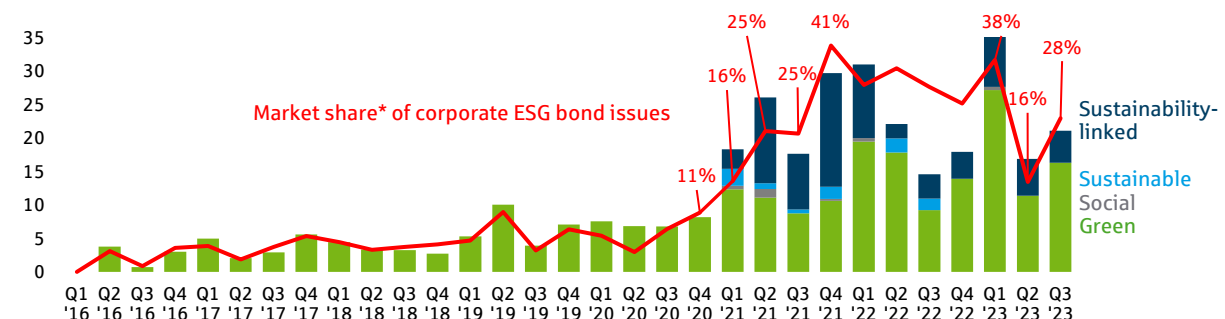


* bonds placed until 28.09.2023

Sources: Bloomberg, bondradar, Helaba Research & Advisory

Share of bonds with sustainability component rebounds from previous quarter

Euro corporate ESG bond placements in EUR (billions)**

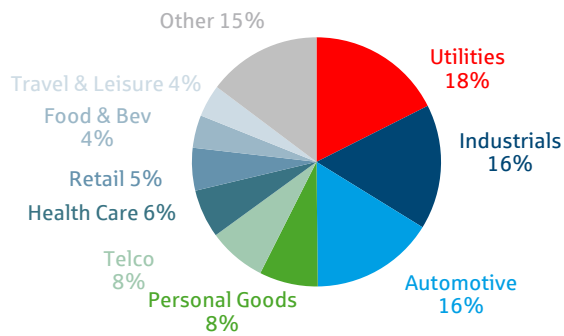


*includes sustainable, social and sustainability-linked bonds since Q1 2021. **bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Utilities issue largest volume, ...

Euro corporate bonds: issuance volume by sector, 9M 2023*

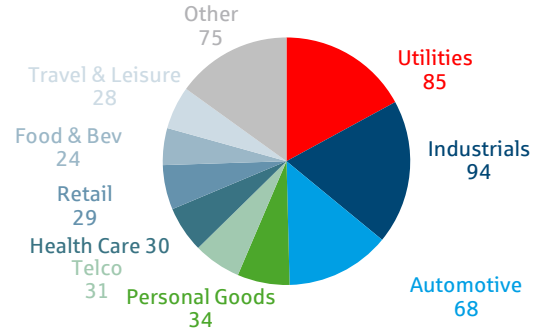


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

... industrial companies the highest number

Euro corporate bonds: number of issues by sector, 9M 2023*

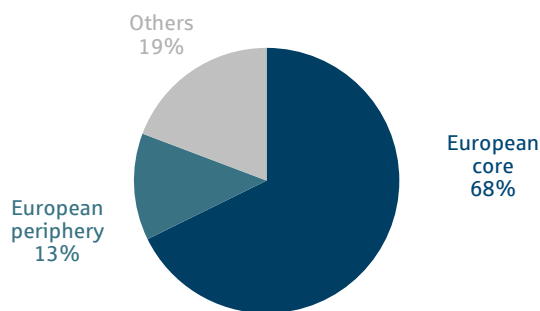


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Two thirds of volume from core European issuers

Euro corporate bonds: Issuance volume by region, 9M 2023*

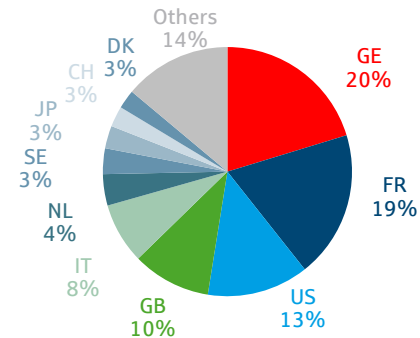


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

German companies largest group of issuers

Euro corporate bonds: Issuance volume by country of origin, 9M 2023*

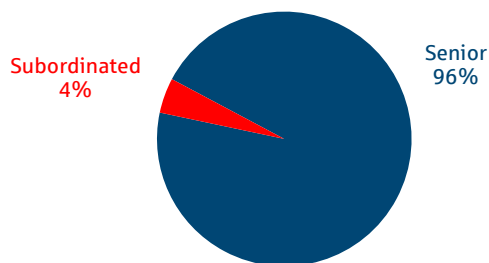


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Subordinated securities remain at four percent

Euro corporate bonds: Issuance volume by ranking, 9M 2023*

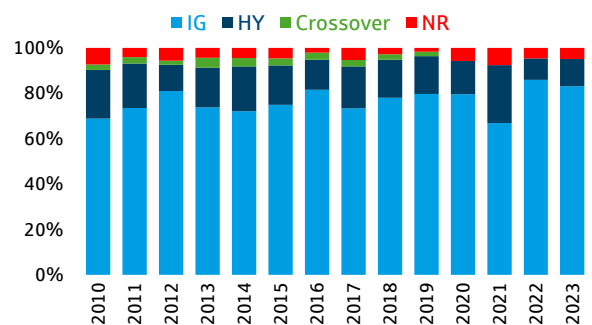


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Investment grade bonds remain high in demand

Euro corporate bonds: Issuance volume by credit quality group*

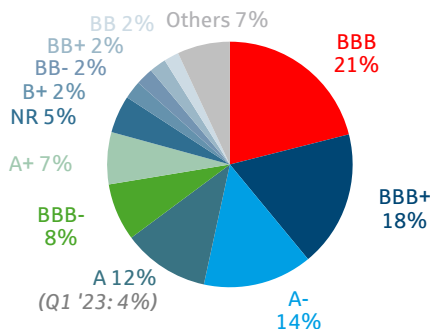


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

'A' rating classes still strongly represented

Euro corporate bonds: Issuance volume by rating class, 9M 2023*

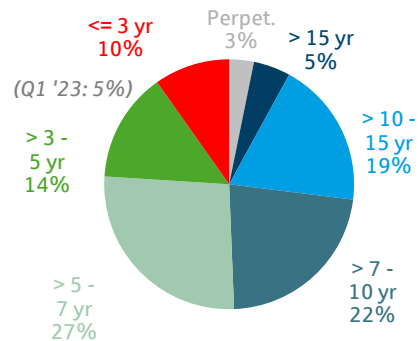


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Market share of short maturities remains high

Euro corporate bonds*: Issuance volume by maturity, 9M 2023*

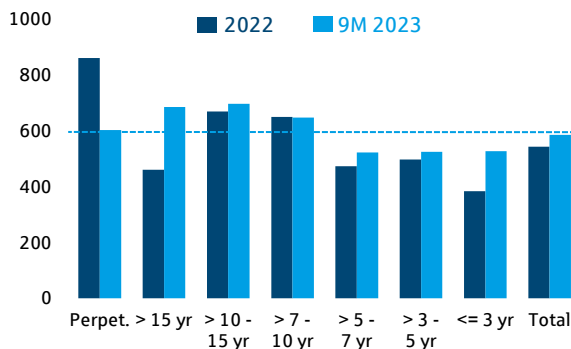


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Average bond size remains larger than in 2022

Euro corporate bonds: Average issuance size by maturity in EURm*

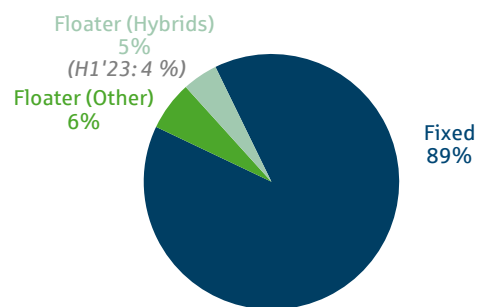


* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory

Hybrid bond usage picks up slightly in Q3

Euro corporate bonds: Issuance volume by fixed vs. floating, 9M 2023*



* bonds placed until 28.09.2023

Sources: Bloomberg, Helaba Research & Advisory



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