



EUR corporate bonds: Primary market 2023

Capital requirements supersede risk aversion

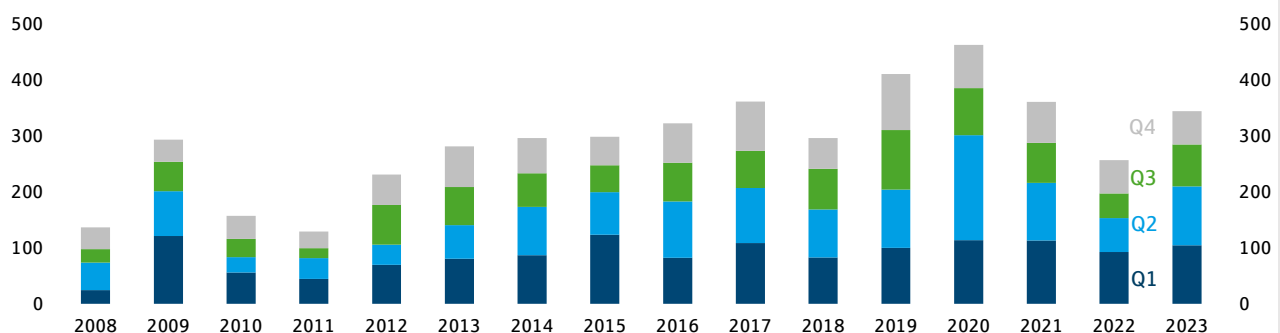


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With a total placement volume of EUR 343bn and 607 individual bonds, significantly more bonds were issued in 2023 than in the previous year (EUR 256bn). Not least because of the more stable development of financing costs, significantly more companies came to the market, especially in the second and third quarters. In the fourth quarter, the escalation of the conflict in the Middle East slowed the momentum. However, this effect was limited to October. Given the unchanged investment needs of companies, we maintain our view that the dynamic market development will continue in 2024.

Total annual volume 2023 significantly above previous year

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



*issues with a minimum volume of EUR 50 million

Sources: Bloomberg, bondradar, Helaba Research & Advisory

Smaller benchmark bonds gain market share again - Green continues to dominate ESG bonds

The market share of individual bonds with a smaller benchmark volume of less than EUR 1 billion continued to grow in the fourth quarter. They now account for 70 % of the total 2023 market volume. Overall, individual tranches were only slightly larger than in 2022, with an average annual placement volume of EUR 566m. In Q4, the largest overall transactions were also lower than in previous quarters: Carrier Global issued EUR 2.35bn in 3 tranches, followed by Saint-Gobain with EUR 2.0bn in 2 tranches and Sandoz with EUR 2.0bn in 3 tranches. Bonds with a sustainability component accounted for 24 % of total issuance in the fourth quarter, down slightly from 28 % in Q3. Green bonds continued to account for the majority of ESG transactions.

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

The utilities sector maintained its leading position in terms of placement volume, accounting for around 18 % of the total for the year. In contrast, the Industrials sector issued the most individual bonds (119). The regional distribution of issuers remained almost unchanged from the first nine months: Core European issuers maintained their market share of 68 % since the beginning of the year. Non-European issuers accounted for 19 %, significantly

more than in the same period last year (14 %). French companies were by far the most active in the fourth quarter. From January to December they accounted for 21 % of issuance.

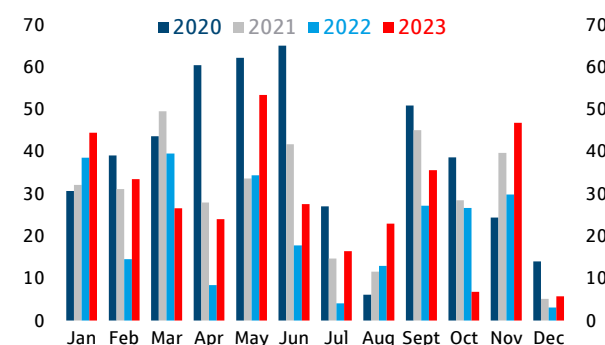
Little demand for subordinated securities - short maturities remain in vogue

Demand for subordinated bonds remained relatively low, with a market share of 4 %. For the year as a whole, investment-grade issuers accounted for just under 83 % of issuance. A-rated issuers were less active in the market in the months from October to December. Their share has fallen to 30% since the beginning of the year (9M: 33 %). The trend towards short maturities of up to 3 years continued in the fourth quarter (unchanged at 10 % of issuance). At 4 %, hybrid bonds in 2023 were of minor market significance.

Chartbook: Euro-denominated corporate bond issues

November compensates for weak October

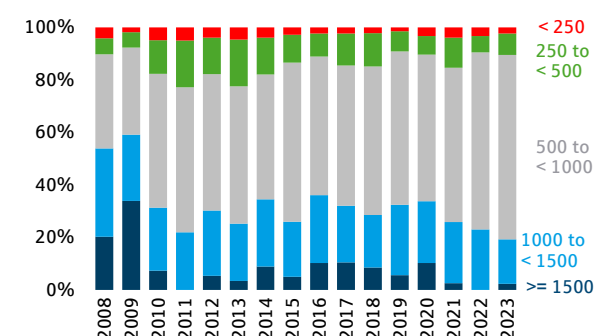
Euro corporate bonds: Issuance volume in EUR (billions)



Sources: Bloomberg, bondradar, Helaba Research & Advisory

Smaller benchmark bonds continue to dominate

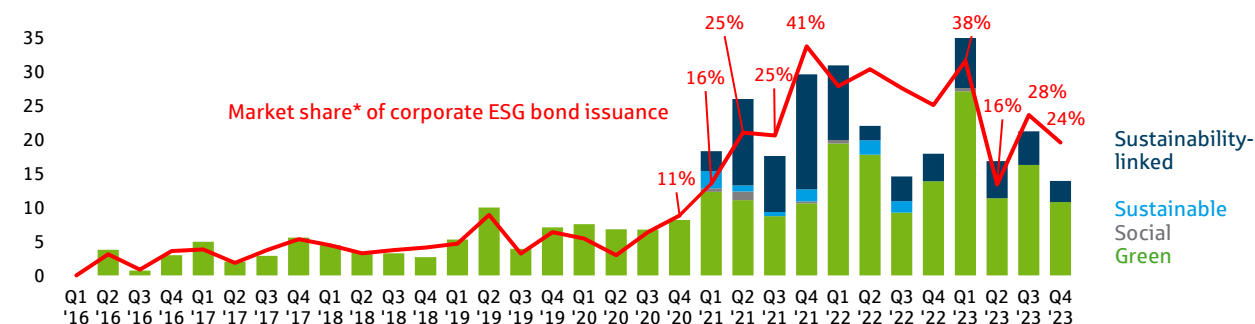
Euro corporate bonds: Placements by issue size in EUR (millions)



Sources: Bloomberg, bondradar, Helaba Research & Advisory

Share of bonds with sustainability component slightly below Q3

Euro corporate ESG bond placements in EUR (billions)

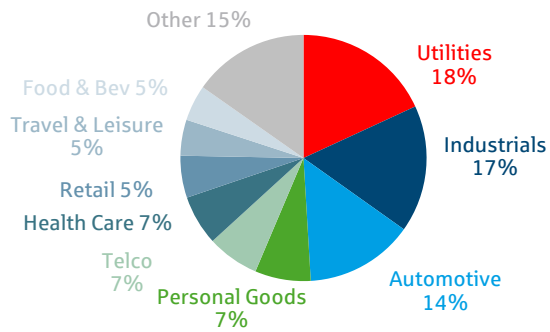


*includes sustainable, social and sustainability-linked bonds since Q1 2021.

Sources: Bloomberg, Helaba Research & Advisory

Utilities issue largest volume, ...

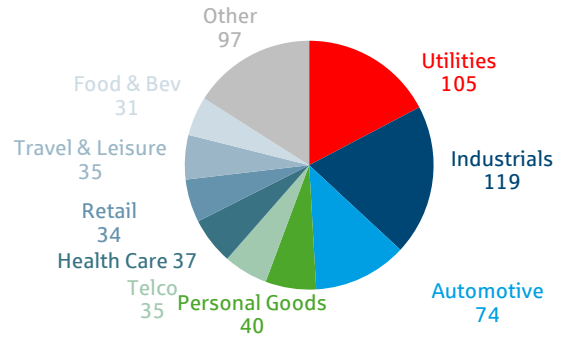
Euro corporate bonds: issuance volume by sector, 2023



Sources: Bloomberg, Helaba Research & Advisory

... industrial companies the highest number

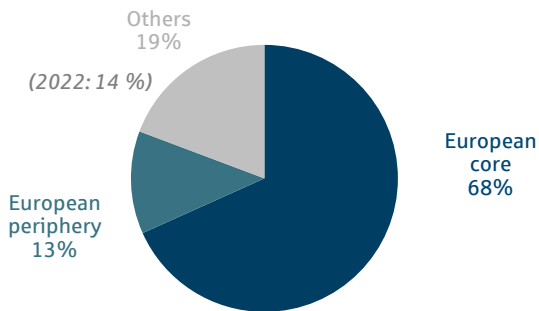
Euro corporate bonds: number of issues by sector, 2023



Sources: Bloomberg, Helaba Research & Advisory

Non-European players strongly represented

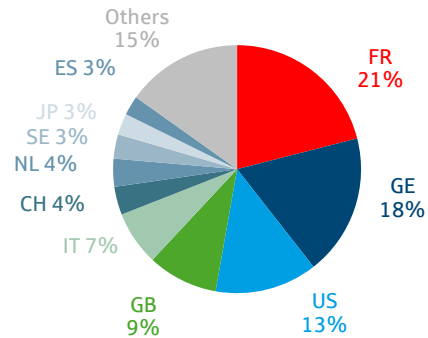
Euro corporate bonds: Issuance volume by region, 2023



Sources: Bloomberg, Helaba Research & Advisory

French bonds in the top spot

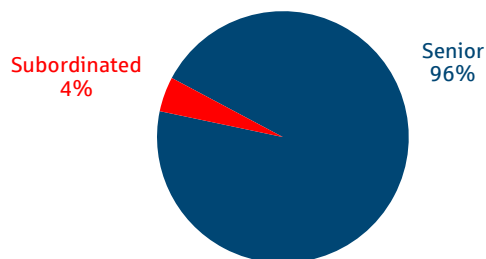
Euro corporate bonds: Issuance volume by country of origin, 2023



Sources: Bloomberg, Helaba Research & Advisory

Subordinated securities remain at four percent

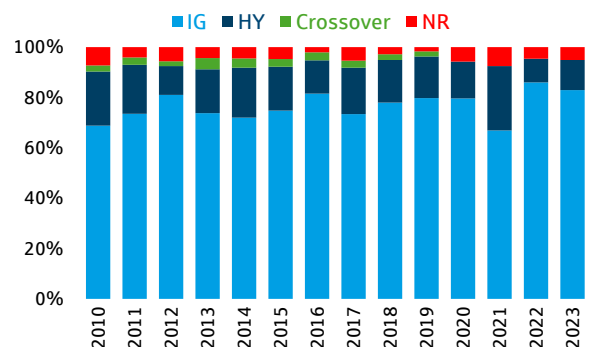
Euro corporate bonds: Issuance volume by ranking, 2023



Sources: Bloomberg, Helaba Research & Advisory

Investment grade share remains high

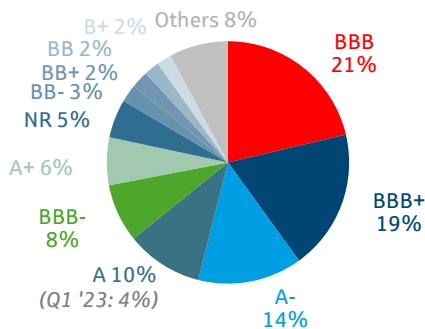
Euro corporate bonds: Issuance volume by credit quality group



Sources: Bloomberg, Helaba Research & Advisory

'BBB' classes issue almost every second euro

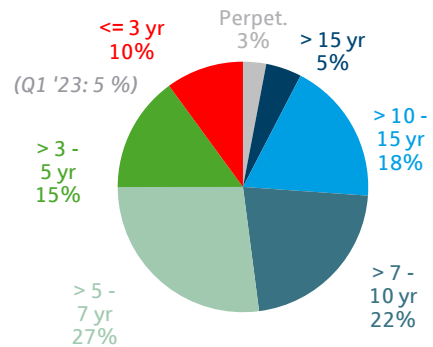
Euro corporate bonds: Issuance volume by rating class, 2023



Sources: Bloomberg, Helaba Research & Advisory

Market share of short maturities remains high

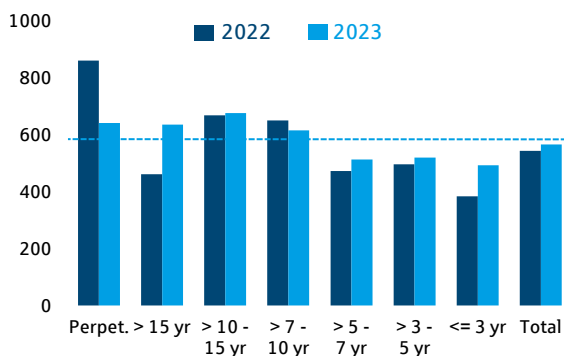
Euro corporate bonds: Issuance volume by maturity, 2023



Sources: Bloomberg, Helaba Research & Advisory

Average bond size slightly larger than in 2022

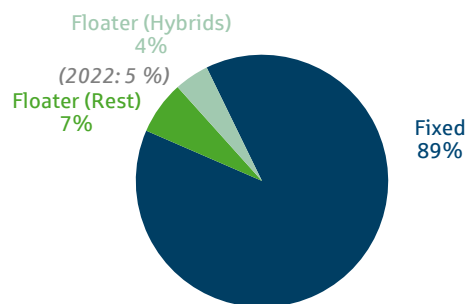
Euro corporate bonds: Average issuance size by maturity in EURm



Sources: Bloomberg, Helaba Research & Advisory

Hybrid bonds of secondary importance

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



Sources: Bloomberg, Helaba Research & Advisory



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