



## EUR corporate bonds: Primary market Q1 2023

### Return to crisis mode only temporary

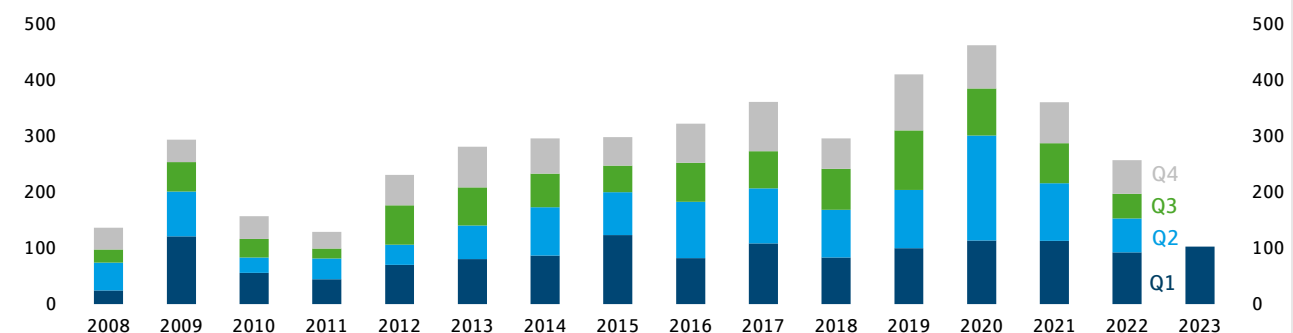


Ulrich Kirschner, CFA  
Senior Analyst  
Phone +49 69/91 32-28 39

Having got off to a flying start in the first two months of the year, issuance on the primary market for euro-denominated corporate bonds literally collapsed by mid March, with the recent turbulence in the banking sector likely to have been a significant factor. However, in the last week of the quarter, there was a noticeable recovery as the market bounced back. In total, the placement volume in the first quarter of this year, at EUR 102 billion, was EUR 10 billion higher than that of Q1 2022. Continued funding requirements from companies for investment in digitisation, more sustainable business processes and a greater diversification of their supply chains, in particular, should contribute to a further recovery in market activity. For this reason, we still expect to see a considerably higher issuance volume in 2023 than the previous year's level of EUR 250 billion.

### Q1 volume exceeds previous year's level

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



\*issues with a minimum volume of EUR 50 million

Sources: Bloomberg, bondradar, Helaba Research & Advisory

### Dominance of smaller benchmark issues similar to 2022 - ESG market share close to all-time high

Strong demand for bonds with a benchmark volume of less than EUR 1 billion continued into the first quarter of the year as well, accounting for more than two-thirds of total market volume. It was also the first time in four quarters that tranches with a size of more than EUR 1.5 billion (ENI EUR 2 billion) were issued. The average issuance size of single bonds, at around EUR 600 million, was substantially higher than it was in 2022 as a whole. The largest aggregate placements were issued by IBM (EUR 4.25 billion in four tranches) and Engie (EUR 2.75 billion in three tranches), respectively. With a market share of nearly 40 %, sustainable funding instruments almost reached their hitherto record level of Q1 2021. As before, green bonds accounted for the majority of ESG-linked issues.

### Utilities still in pole position - French companies the largest issuer group by country

It would appear that demand for greater liquidity remains particularly high among utilities in 2023 as well. Indeed, these companies were responsible for a quarter of total issuance volume in the first three months of the year. This sector also accounted for the largest number of transactions (37), followed some distance behind by industrials

with a market share of 15 % spread across 35 placements. At 21 % of total issuance volume, activity by non-European issuers was once again noticeably higher (FY 2022: 14 %). French issuers generated the highest placement volume by country with EUR 18 billion and a share of 18 %.

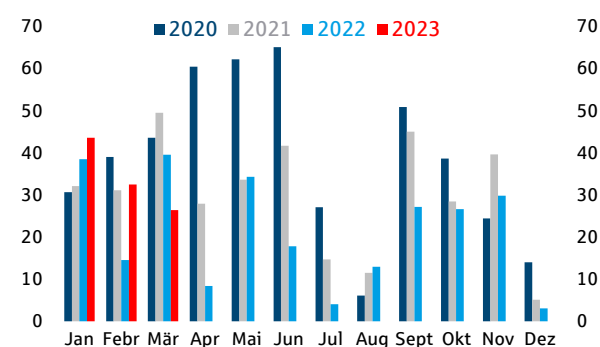
### Demand for subordinated issues slightly higher - greatest activity in maturity band of 5 to 7 years

With a market share of 7 % (2022: 5 %), subordinated bonds were somewhat more in demand. Activity among investment grade companies, which accounted for more than 80 % of total issuance, remained high. Half of total placement volume was associated with 'BBB'-rated companies. Demand for long maturities and perpetuals was significantly higher than in 2022, although the largest group of bonds had a maturity of between 5 and 7 years. The share of floating-rate notes (excl. hybrids) amounted to 5 %.

## Chartbook: Euro-denominated corporate bond issues

### Activity collapse in March remains temporary

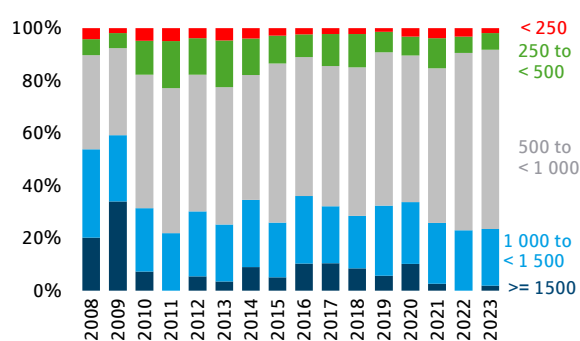
Euro corporate bonds: Issuance volume in EUR (billions)



Sources: Bloomberg, bondradar, Helaba Research & Advisory

### Small benchmark notes very popular

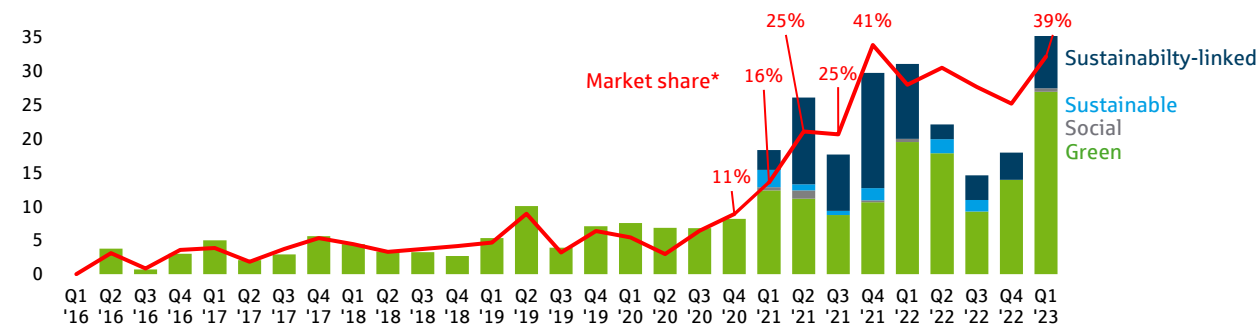
Euro corporate bonds: Placements by issue size in EUR (millions)



Sources: Bloomberg, bondradar, Helaba Research & Advisory

### Share of bonds with sustainability element close to record level

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

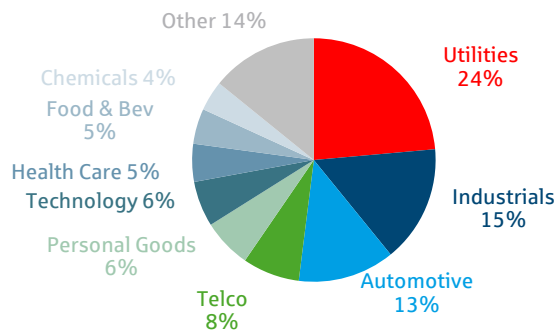


\*includes sustainable, social and sustainability-linked bonds from Q1 2021.

Sources: Bloomberg, Helaba Research & Advisory

### Utilities sizably ahead in terms of volume ...

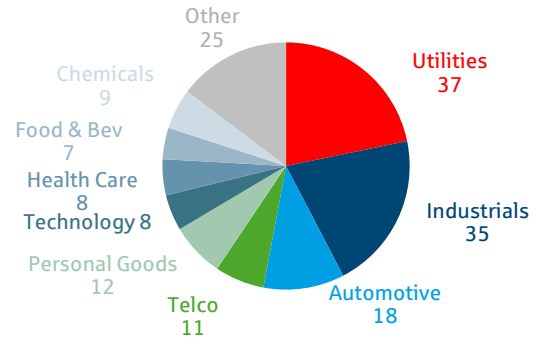
Euro corporate bonds: Issuance volume by sector, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### ... and number of issues

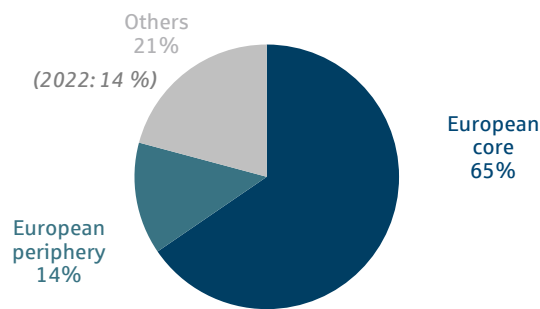
Euro corporate bonds: Number of issues by sector, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### Uptick in activity among non-European issuers

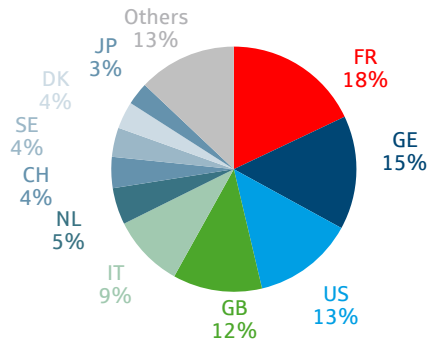
Euro corporate bonds: Issuance volume by region, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### French firms account for largest market share

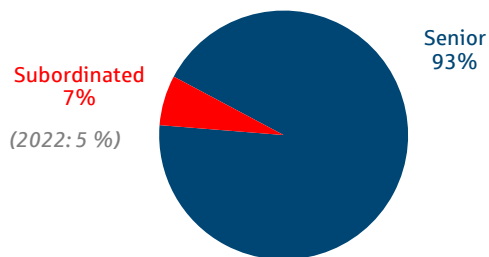
Euro corporate bonds: Issuance volume by country of origin, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### Slightly higher demand for subordinated notes

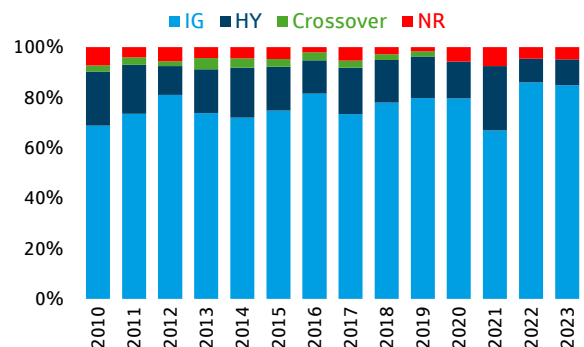
Euro corporate bonds: Issuance volume by ranking, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### Demand for IG issuers remains very high

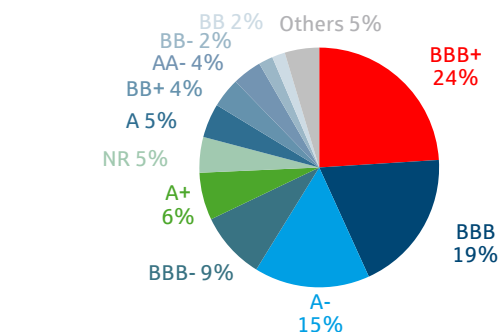
Euro corporate bonds: Issuance volume by credit quality group, Q1 '23



Sources: Bloomberg, Helaba Research & Advisory

### “BBB” rating classes make up half of total market

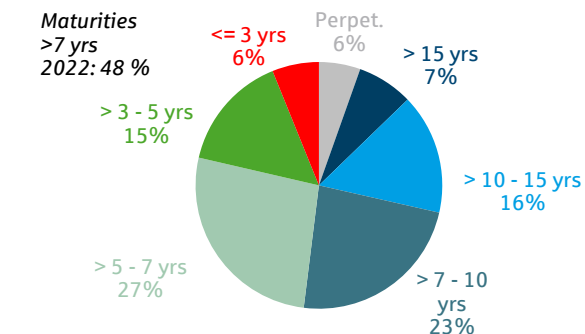
Euro corporate bonds: Issuance volume by rating class, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### Maturities of 5 to 7 years most popular

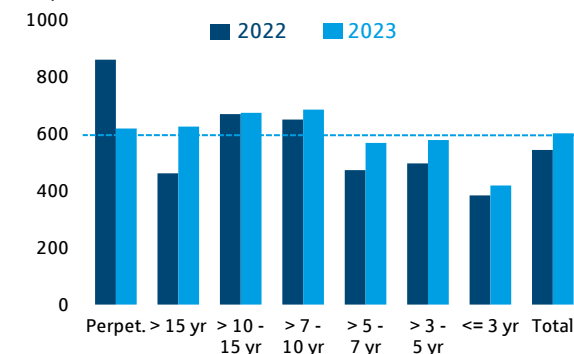
Euro corporate bonds: Issuance volume by maturity, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

### Average size of bonds larger than in 2022

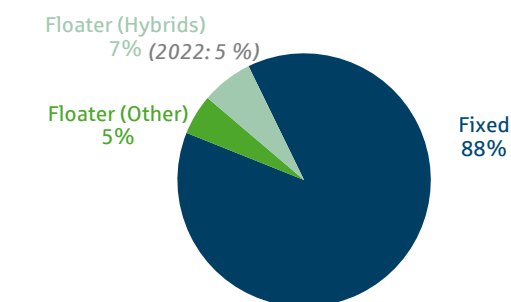
Euro corporate bonds: Average issuance size by maturity in EUR (millions)



Sources: Bloomberg, Helaba Research & Advisory

### Slightly higher demand for hybrids

Euro corporate bonds: Issuance volume by fixed vs. floating, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory



Sign up for our newsletter here:  
<https://news.helaba.de/research/>

### Publisher and editor

Helaba Research & Advisory  
 Editor:  
 Stefan Rausch  
 Publisher:  
 Dr. Gertrud R. Traud  
 Chief Economist/  
 Head of Research & Advisory  
 Neue Mainzer Str. 52-58  
 60311 Frankfurt am Main  
 Phone +49 69 / 91 32 - 2024  
 Internet: [www.helaba.com](http://www.helaba.com)

### Disclaimer

This publication was very carefully researched and prepared. However, it contains analyses and forecasts regarding current and future market conditions that are for informational purposes only. The data are based on sources that we consider reliable, though we cannot assume any responsibility for the sources being accurate, complete, and up to date. All statements in this publication are for informational purposes. They must not be taken as an offer or recommendation for investment decisions.