Helaba

Focus on: Credit
10 July 2025

EUR corporate bonds: Primary market Q2 2025

May and June: A frenzy of issuance activity

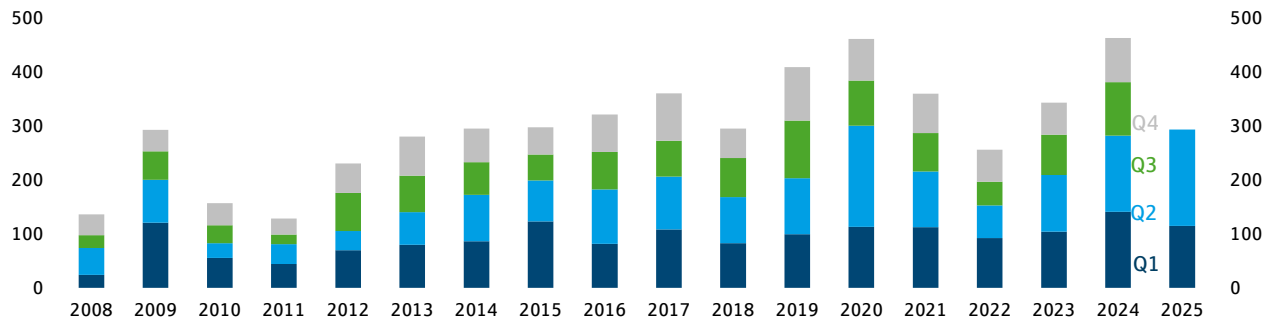


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With issuance activity having practically ground to a halt in the first three weeks of April following a significant rise in market volatility, the last two months have seen many companies take advantage of improving sentiment to realise placement plans, some of which had been postponed, on a vast scale. As a result, the primary market for euro-denominated corporate bonds hit record volumes in excess of EUR 70 bn in both May and June. As a consequence, total issuance for the first six months of the year has already reached around EUR 293 bn in 504 individual bond placements. This frenzy of activity even spilled over into the first days of July, which saw new bond issuance of EUR 17 bn up to now. We currently believe the chances that the market will sustain its rapid growth in the months ahead are high – a view underpinned, among other things, by a recent further decline in risk premia as well as a continued normalisation of the euro swap rate curve.

H1 issuance volume only marginally below previous record

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



*issues with a minimum volume of EUR 50 million
Sources: Bloomberg, bondradar, Helaba Research & Advisory

Small benchmarks dominate activity while ESG-related issues languish at a low level

Individual bonds in the EUR 500 to EUR 1 bn bracket remained the most popular format with a market share of just under 70%. In contrast, issues with a face value of over EUR 1.5 bn were a rare sight. The largest overall deals were placed by Alphabet (EUR 6.75 bn in 5 tranches), Novo Nordisk (EUR 6 bn in 4 tranches), Robert Bosch (EUR 4 bn in 5 tranches) and Siemens (EUR 4 bn in 5 tranches). The was no change in the market share of bonds with an ESG component, which held steady at a low 16%; of these, the only instruments of greater significance on the market were green use-of-proceeds bonds.

Industrials place highest volumes and most bonds – strong showing by non-European issuers

The second quarter was once again dominated by industrial companies, which retained their pole position in terms of both the number and volume of issues. Since January, this segment has accounted for 16% of total placement volume (in 96 individual bonds), followed by utilities (14% in 75 transactions) and the automotive sector (12 % in 53 transactions). From April to June, there was a further rise in the market share of non-European corporate issuers. This group meanwhile accounts for almost 27% of total issuance in the first half of the year. The majority of this is attributable to companies from the United States, which placed bonds with a total volume of EUR 61 bn, representing 21% of total issuance. French and German corporates accounted for 19% and 15% of market activity, respectively.

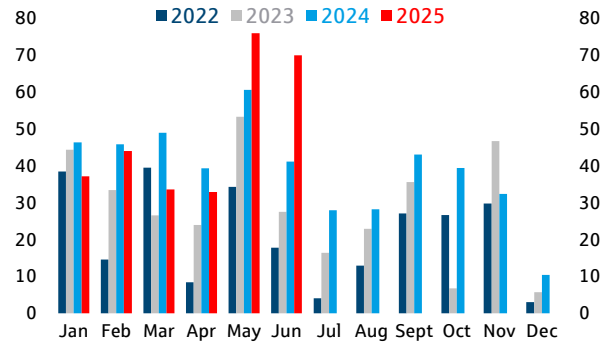
Sub-IG bonds with high market share – floaters capture rising slice of issuance

With 6% of total issuance volume in the first six months of the year, the proportion of subordinated bonds reached a similar level to that of 2024 as a whole. In contrast, a considerably larger number of sub-investment grade notes were issued in the second quarter. While this segment of the market only made up 15% of issuance in Q1, it accounted for as many as one in five placements in the first half of 2025. "BBB" rating categories comprised less than 40% of the market from January to June. In general, however, there was a significant diversification in terms of credit quality. The market share of short-dated maturities of 3 to 5 years rose to 14%, compared to 11% in the previous year. Demand for floating-rate notes remained high: Their proportion increased to 9% of total issuance in H1 2025.

Chartbook: Euro-denominated corporate bond issuance

May and June see marked rise in volumes

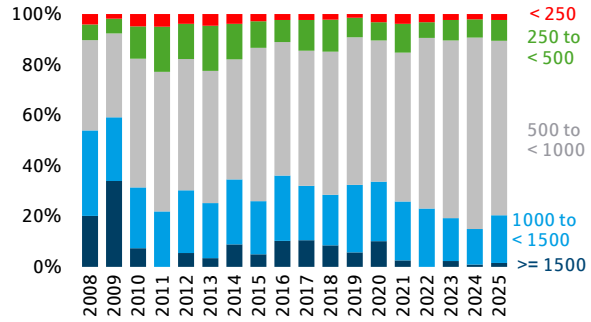
EUR corporate bonds: Issuance volume in EUR (billions)*



Sources: Bloomberg, bondradar, Helaba Research & Advisory

Popularity of larger benchmarks ticks up

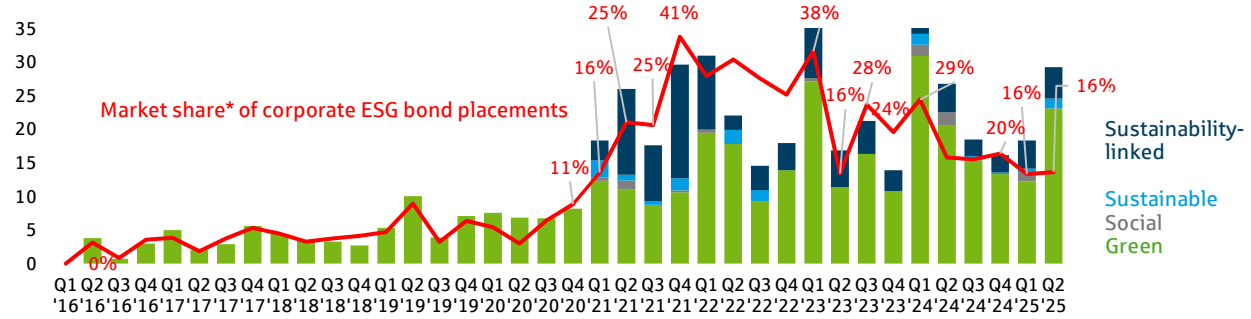
EUR corporate bonds: Placements by issue size in EUR (millions)*



Sources: Bloomberg, bondradar, Helaba Research & Advisory

Share of bonds with sustainability component languishes at low level

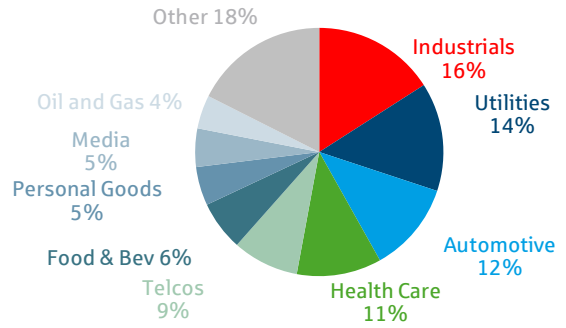
Corporate ESG bond placements in EUR (billions)*



*includes sustainable, social and sustainability-linked bonds from Q1 2021.
Sources: Bloomberg, Helaba Research & Advisory

Industrials place biggest volume ...

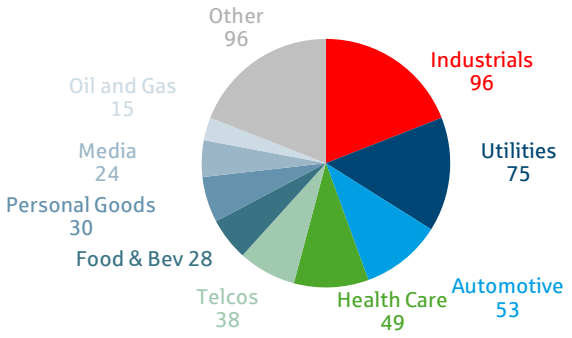
EUR corporate bonds: Issuance volume by sector, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

... and greatest number of individual bonds

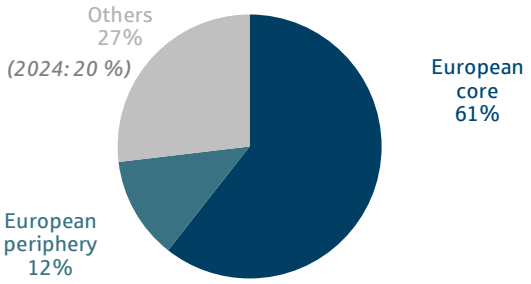
EUR corporate bonds: Number of issues by sector, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

Significant market share of non-Europeans

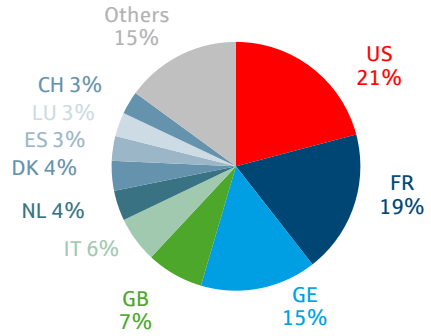
EUR corporate bonds: Issuance volume by region, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

US-based issuers place largest volume

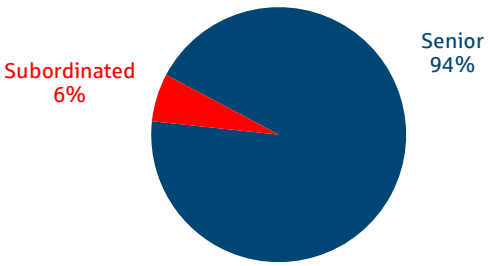
EUR corporate bonds: Issuance volume by country of origin, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

Subordinated issues: Typical market share

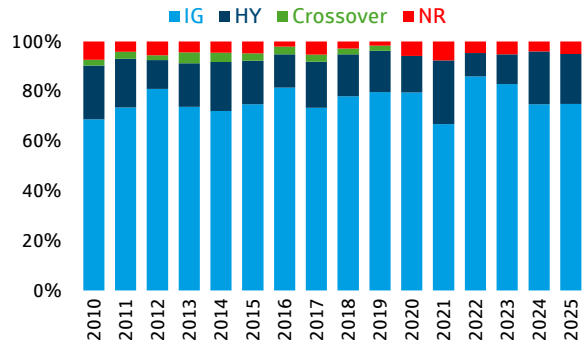
EUR corporate bonds: Issuance volume by ranking, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

Sub-IG issues almost back to 2024 levels

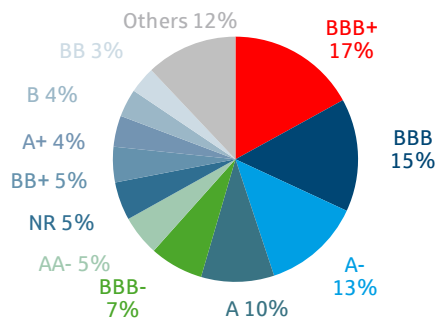
EUR corporate bonds: Issuance volume by credit quality group



Sources: Bloomberg, Helaba Research & Advisory

"B" rating categories with 9% of market volume

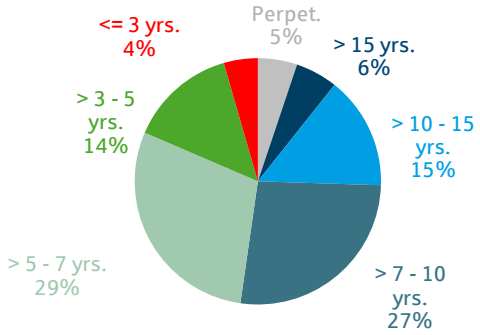
EUR corporate bonds: Issuance volume by rating category, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

Medium-term bonds up to 7 yrs. highly popular

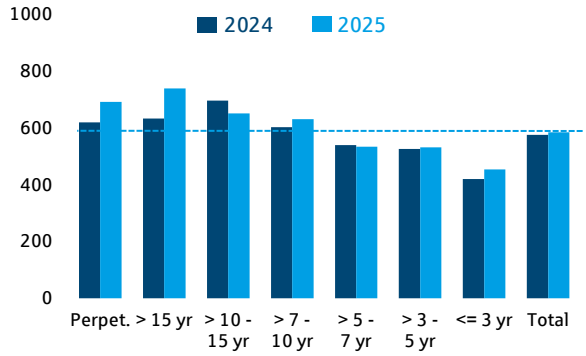
EUR corporate bonds: Issuance volume by maturity, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

Average bond sizes slightly higher than 2024

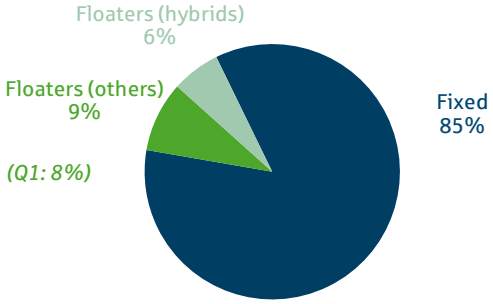
EUR corporate bonds: Average issuance size in EUR (millions)



Sources: Bloomberg, Helaba Research & Advisory

Floaters see higher market share

EUR corporate bonds: Issuance volume by fixed vs. floating, H1 2025



Sources: Bloomberg, Helaba Research & Advisory

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