

Key take-aways:

Europe

- EUR16.6bn of euro IG/split-rated paper priced in August, with 89% (EUR14.75bn) concentrated in the final four trading days, falling short of August 2024's record EUR28.15bn and 2023's EUR21.5bn.
- FIG sector bucked seasonal trends with continuous activity throughout August, issuing EUR24.8bn across 32 new lines—nearly double July's EUR12.475bn. Despite strong demand, most deals (27 of 32) are now trading wider than reoffer spreads.
- Covered bond issuance rebounded to EUR12.5bn from July's EUR2.75bn, while SSA issuance reached EUR21.35bn with EUR8.1bn carrying ESG labels. High yield volumes hit a four-year August high, though historically August is typically a zero-volume month.

APAC

- Regional USD bond supply totaled just USD17.348bn in August, dropping 44% from July's USD31.042bn, marking the second lowest monthly volume in 2025, though exceeding August figures from both 2023 and 2024.
- IG issuances comprised 82% (USD14.26bn) of total supply, attracting an impressive 5.42x average cover ratio despite lower oversubscription rates than July, with issuers generally pricing inside fair value (average -2.8bps NIC).
- Singapore led with USD5bn (29% of total supply) across just 5 tranches, followed by China and related territories (USD4.248bn across 16 tranches), and Japan (USD3.2bn across 5 tranches), while Indian high-yield issuers returned to the USD market for the first time since Q1 2025.

United States

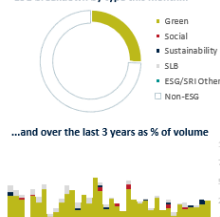
- August high grade issuance reached USD125.9bn (USD99.5bn ex-SSA), exceeding high-end estimates of USD120bn, with domestic issuance at USD85.2bn and Yankee issuance at USD13.95bn—just 13.5% of the ex-SSA total.
- Domestic FIG was the most prolific sector with USD35.85bn in issuance, while notable corporate deals included Eli Lilly's seven-tranche USD6.75bn offering and Chevron's USD5.5bn transaction.
- Market analysts anticipate September issuance to average USD168bn in ex-SSA volume, with estimates ranging from USD150bn to USD180bn, compared to the 2015-2024 September average of USD137.577bn.
- The US HY primary market produced 25 deals (29 tranches) totaling USD23.98bn, with all activity concentrated in the first half of August before the late summer shutdown. All HY ratings sectors gained over 1% (average +1.218%), with CCCs performing best at +1.510% and spreads narrowing across all ratings.

EUROPE

Corporates (ex-HY): The European IG corporate bond market saw little in the way of August bond activity, until the final week that is. EUR16.6bn of euro IG/split-rated paper priced for the month, with EUR14.75bn of that pricing across the last four trading days of August. That fell well short of last year's EUR28.15bn which marked the biggest August ever for corporate bond sales, whilst 2023 also saw more at EUR21.5bn. Conditions remained strong for issuance but there were signs of investors putting up a bit of resistance to tight pricing levels, with noticeable drops in book sizes and a slight rise in NICs noted – something to watch in the busy month of September



ESG breakdown by type this month...



...all that leaving YTD issuance well ahead of the prior year, through the EUR275bn mark and beyond where we finished the end of the year in both 2022 and 2023

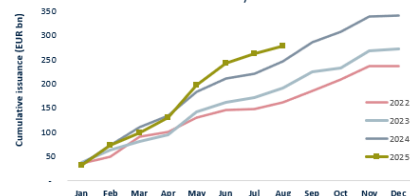


FIG (ex-covered): Normally during the month of August, the primary market sees a few deals in the early part of the month, and activity increases after the UK bank holiday, during the final week. This year the non-covered FIG sector completely bucked that trend, remaining open for the entire duration of the month. In total EUR 24.8bn was issued across 32 new lines, nearly doubling July's haul of EUR12.475bn. The explanation for this lies with the last two weeks in July, being second quarter earnings season, and many banks and insurers were effectively locked out of the market. Issuers were able to tighten their deals by an average 28.96 bps, and the average cover ratio was 3.53x. The catalyst for August's

behaviour was tested on August 5th with UBS AG launching a dual senior Holdco deal in 6NC5 & 11NC10 format, this attracted an order book of over EUR12.5bn for the EUR2bn deal size. The following day Deutsche Bank AG offered a short 3NC2 SNP that priced through fair value but still attracted a book of EUR3.4bn and thus the die was cast. Buoyed by this type of unexpected seasonal demand other issuers also hit the market with the second week in August seeing four banks issue Tier 2 paper as investors kept subscribing. Despite this latent strong underlying demand, the main themes of the month were undoubtedly book attrition and poor performance in the secondary market of many of the deals. In the third week four deals lost 30% of their initial orders and one 25%, as subscribers began pushing back against very aggressive final pricing. In terms of performance only 5 deals from 32 are quoted tighter than reoffer, and three deals are more than 10bps outside of reoffer spread. The worst case is Erste Group Bank's Tier trade which is a whopping 17bps wider. In terms of single deal highlights the UBS AG deal referred to above is still trading tighter. Nippon Life Insurance Company offered only its second ever EUR Tier 2 transaction via EUR500m no grow 30NC10 format which garnered EUR4.2bn of orders, the deal initially opened 3bps better but gradually lost value and currently sits 4bps wider. BPCE SA brought a debut European Defence Bond which offered a 10bp concession and went well. Finally Legal and General Group brought a 30NC10 EUR Tier 2 deal, its first in the single currency since 2005, that was 5.14x covered and tightened after launch.

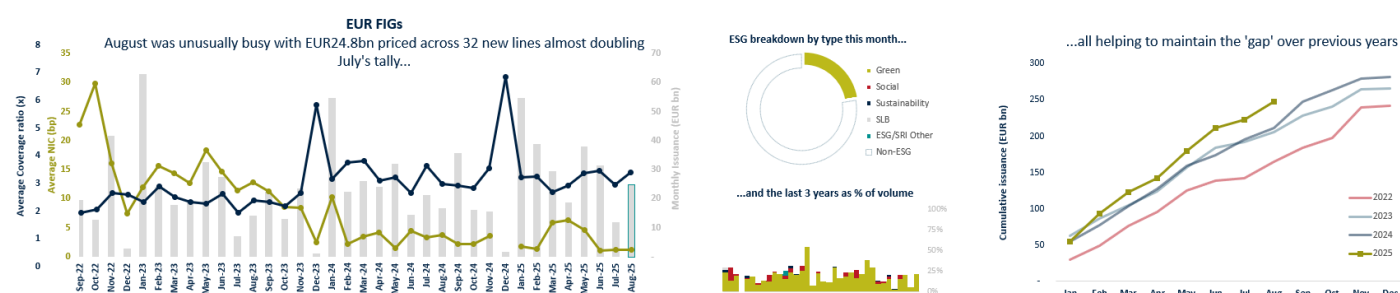
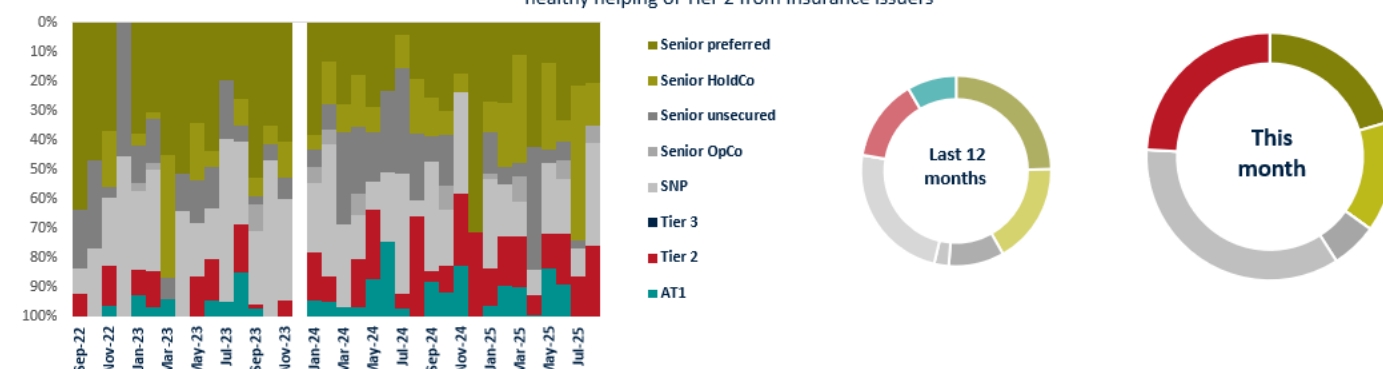
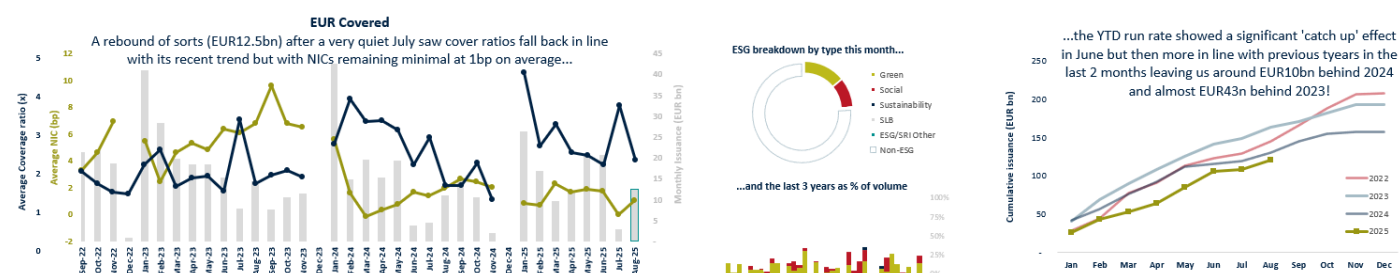


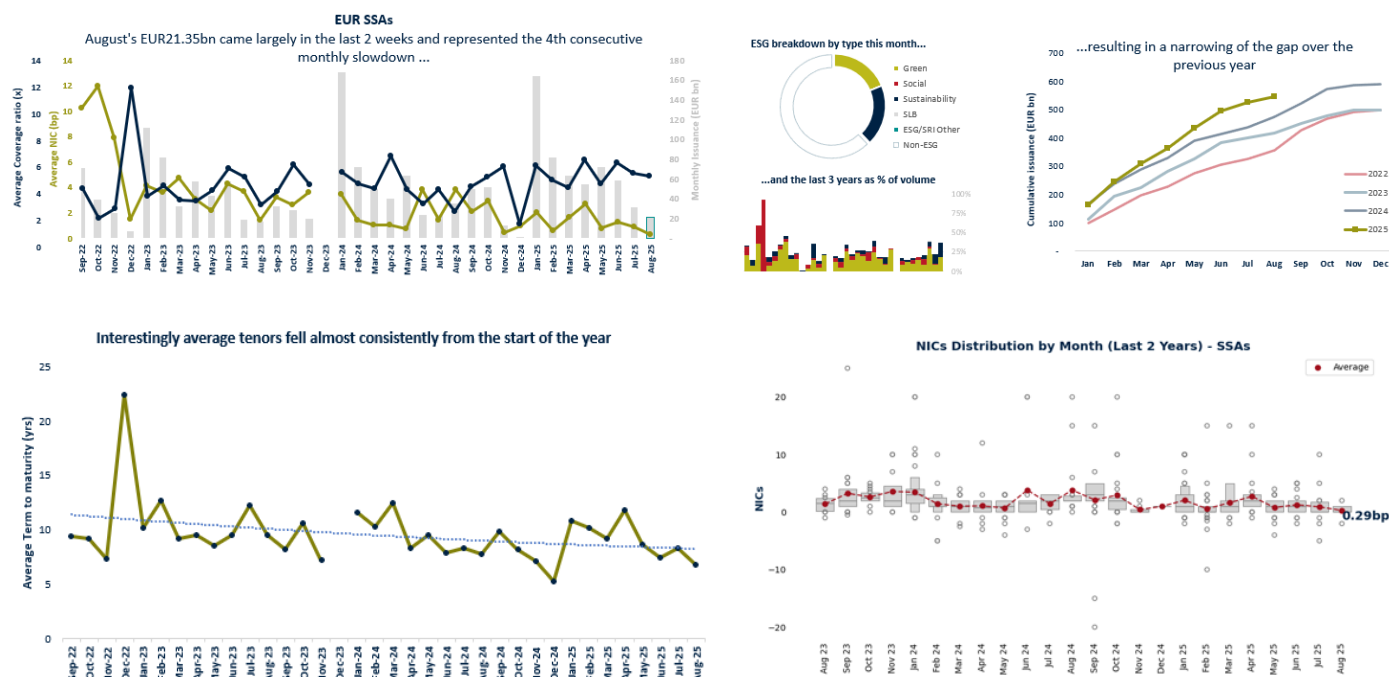
FIG breakdown by seniority - Sales in August were skewed sharply to the senior end of the capital structure with a healthy helping of Tier 2 from Insurance issuers



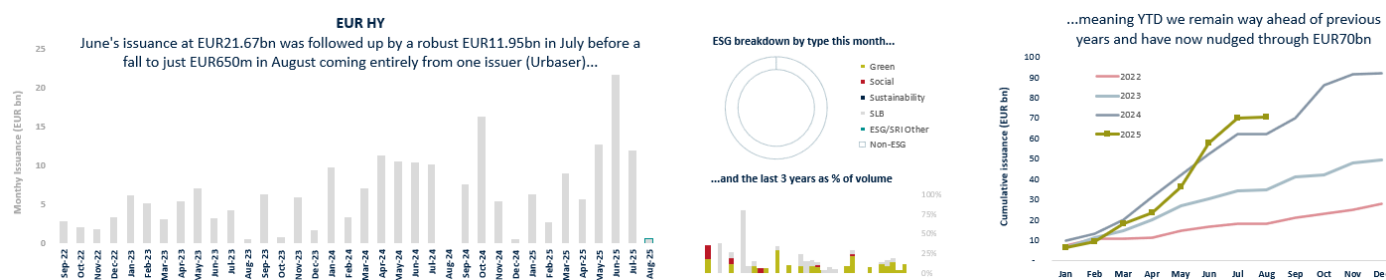
Covered: Issuance in the covered sector rebounded from just EUR2.75bn in July to a more respectable EUR12.5bn this month. That may be nearly EUR3bn lower than the YTD monthly average but compares more favourably with the EUR13.55bn 3-year average for August. In terms of large volume deals a dual-tranche (5yr and 10yr) from ING Bank NV stood out with a total size of EUR2.5bn printed with the 5yr accounting for the rump of that figure (EUR1.75bn). Cover ratios were much weaker than in July, which in hindsight now represents a clear outlier at 3.75x, and returned to the longer-term trend at 2.35x. Meanwhile, the average NIC stood at just 1bp.



SSA: August's EUR21.35bn was, predictably, confined almost entirely to the latter half of the month. Land Schleswig Holstein pushed through a EUR750m 10yr LSA on the 13th August but it was following KfW's move on 19th Aug (EUR3bn 7yr green) that all the action took place. Rewinding a little, the last deal in July came on the 17th of that month – from Land Brandenburg via a EUR500m 6yr LSA – and so the summer hiatus, although ending relatively early in August, did last for almost 4 weeks. Notably, EUR8.1bn of the total supply came with an ESG label with the sustainability format increasing its importance to the sector on that front. Coverage ratios were particularly high with a lack of supply helping there but with an interesting mix of issuers at the top of the list – CAF (10x), CPPIB (9.17x) and DBJP (8.5x). Also worthy of a mention were the two French issuers (SNCF and Bpifrance) that made moves as French headlines were on the rise. Despite widening spreads of OATs versus Bunds the pair saw robust demand albeit for small deal sizes (EUR500m) that resulted in 7.4x and 6.4x cover ratios for their 7yr green and May 2035 tap transactions respectively. At 0.29bp the average NIC was at a multi-year low although that is to be caveated by the relatively low deal numbers that was seen (or not) over the summer holiday period.



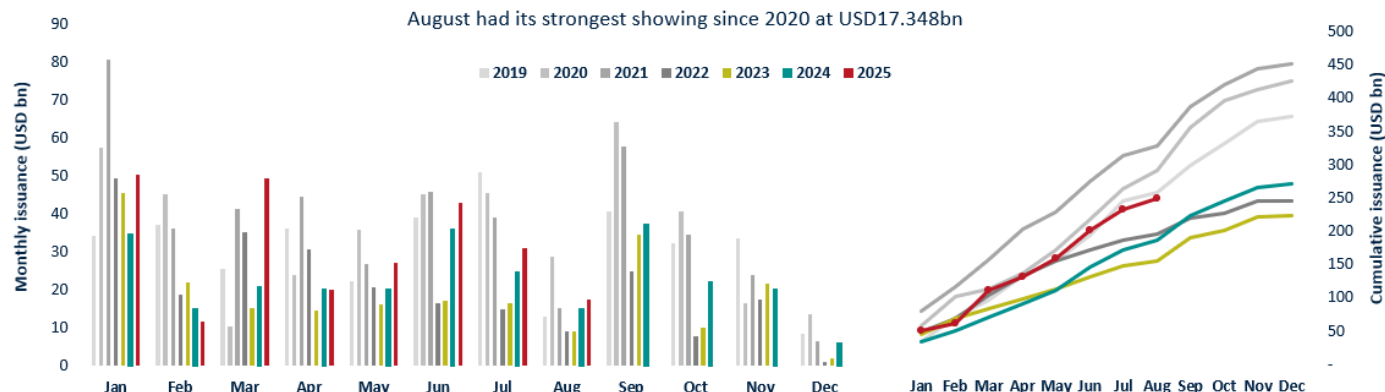
High yield: After a record-breaking July haul for HY-rated corporate issuance, August volumes hit a four-year high. However, with four of the five previous Augusts being zero volume months, it's a little less impressive than it sounds. In the customary slow summer month (the highest August volume this century has only been a fraction over EUR1.5bn), Urbaser was the only HY-rated issuer to tap the market during the month as it sold a EUR625m 7NC3 Senior PIK toggle note, the second publicly sold EUR HY PIK note of the year.



APAC

The APAC USD primary bond market was subdued in August, with regional supply totalling just USD17.348bn (incl. Japan), marking a 44% drop from July's USD31.042 and the second lowest monthly volume year-to-date, ahead of only February when the extended Lunar New Year holiday curtailed supply. The lull was broadly in line with seasonal expectations, with supply skewed towards the second half of the month. The first two weeks saw just 10 tranches totalling USD4.924bn, while issuance accelerated in the latter two weeks with 20 tranches worth USD12.424bn printed. This uptick pushed August 2025's issuance volume well past the modest USD8.989bn and USD15.16bn recorded in the same month in 2023 and 2024.

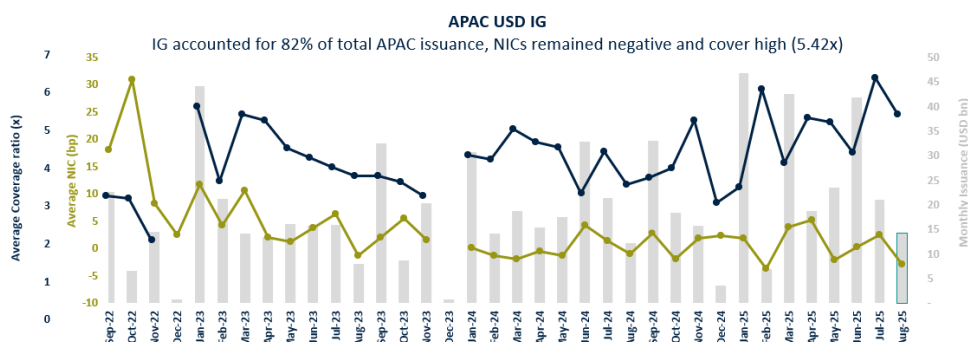
USD APAC issuance since 2018
August had its strongest showing since 2020 at USD17.348bn



Investment grade (IG) issuances regained prominence in August, accounting for nearly 82% (USD14.26bn) of total supply versus ca. 68% in July. The scarcity of deals meant a higher concentration of investor demand, resulting in an impressive average 5.42x cover ratio across these IG deals.

While lower than July's average oversubscription rate of 6.38x, deal scarcity likely encouraged some generosity from investors. APAC Investment Grade (IG) issuers generally

priced inside fair value, paying an average of -2.8bps per tranche in new issue concessions (NICs), as per IGM data. NICs ranged from +3bps to -10bps, with the tightest seen in Fukoku Mutual Life Insurance's USD700m single-tranche line, which saw a 50bps tightening from IPTs to yield 5.75% at reoffer, indicating a NIC of -10 versus our calculated fair value.

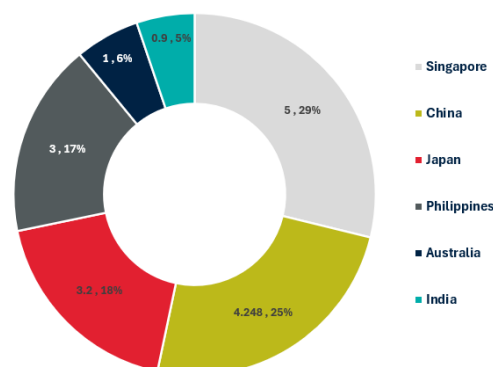


From a geographical perspective, USD supply came from six countries: Japan, China (and related territories), Australia, India, Singapore and Philippines. Singaporean issuers topped the volume chart in August, contributing USD5bn (29% of total supply) despite only issuing 5 tranches.

Key prints from the country included massive single-tranche lines from local banks Oversea-Chinese Banking Corp Ltd (OCBC Bank) and DBS Bank as well as a dual-tranche line from sovereign wealth fund subsidiary Temasek Financial (I) Limited, printing USD1bn, USD2bn and USD1.5bn respectively, all of which were IG deals.

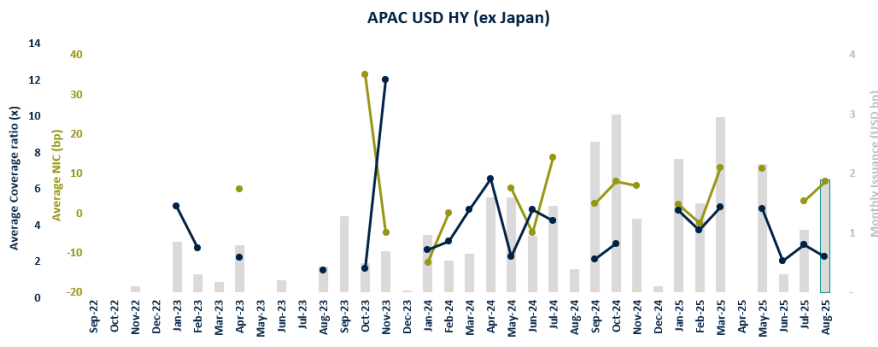
China and related territories came in second place with USD4.248bn issued across 16 tranches this month, accounting for more than half of the total tranches. However, a notable portion of issuance came from Chinese LGFVs, accounting for USD1.988bn, with the remaining USD2.26bn contributed by four corporate and financial issuers - Swire Pacific Limited (USD500m), CMB International Capital Corporation (USD600m), Wynn Macau (USD1bn) and China Aircraft Leasing Group (USD160m). Japan ranked third with USD3.2bn raised across 5 tranches. Corporate issuers accounted for nearly half of that volume, with Mitsui & Co Ltd, JERA Co., Inc, and Hokkaido Electric Power Co. issuing USD500m

APAC (USD All) August 2025 Issuance by USD bn / %
Singapore led the way with USD5bn with deals from OCBC, DBS Bank and Temasek contributing, China followed close behind



each. Other issuers included government-owned bank Development Bank of Japan and the aforementioned Fukoku Mutual Life Insurance, with USD1bn and USD700m printed respectively.

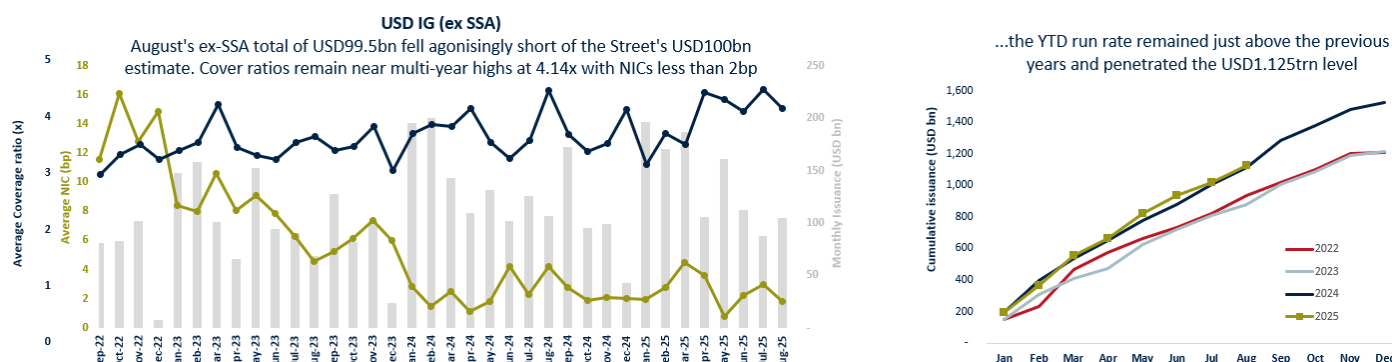
Lastly, on the high yield side, supply rose to USD1.9bn from July's USD1.05bn, thanks to three issuers from India and China (and related territories). Indian high-yield issuers returned to the USD primary market for the first time since Q1 2025, with Muthoot Finance (USD600m) and Sammaan Capital Limited (USD300m) leading the comeback. Meanwhile, the balance of USD1bn came from Macau hotelier Wynn Macau Ltd, which successfully returned after nearly five years of absence from the USD primary market.



United States

USD issuance

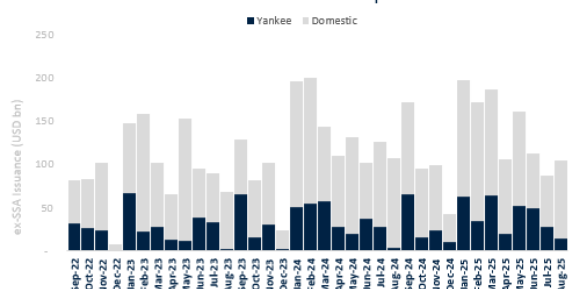
August high grade issuance was USD125.9bn, with ex-SSA totals at USD99.5bn. This tally surpassed the overall high-end estimate of USD120bn and was in line with the ex-SSA estimate of USD100bn. August's tally had USD13.95bn in ex-SSA Yankee issuance – a stark contrast to July, as this total was less than half of the ex-SSA Yankee total from the first month of summer. This USD13.95bn was a mere 13.5% of the ex-SSA total.



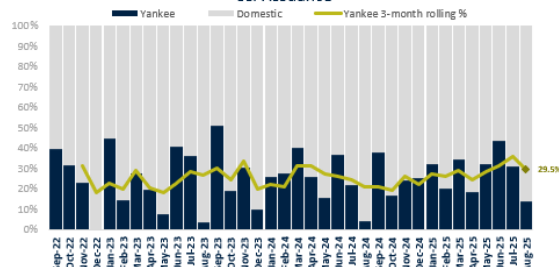
Barclays PLC and NXP BV were standouts in this category as both came to market with three-part tranches; Barclays' deal was sized at USD3.25bn while NXP's was sized at USD1.5bn. Most ex-SSA Yankee deals were based in Europe, with Macquarie Bank from Australia and BOC Aviation Limited and OCBC as Singapore's representatives. There was a notable absence of Japanese credits, in contrast to July, when NTT Finance Corp. made its mark with a multi-tranche trade.

Domestic issuance came in at USD85.2bn, with credits such as BMW US Capital LLC, Chevron USA Inc., Eli Lilly, EMD Finance LLC, CVS Health, MPLX LP, Oneok, and Daimler Truck Finance North America LLC all making their marks with large, multi-tranche bonds.

Yankee issuance almost halved from the previous month...



...with the effect even more pronounced as a % of total ex-SSA issuance





The most prolific issuance sector in August was domestic FIG, with USD35.85bln coming to market via US-based banks and financial institutions. Yankee FIGs also played a notable role last month, with USD18bln in issuance. Chevron’s trade totaled USD5.5bln, while Eli Lilly came to market with a seven-tranche, USD6.75bln deal.

According to our issuance survey, the Street is calling for an average of USD168bln in ex-SSA issuance in September, with low estimates at USD150bln and high estimates at USD180bln. September has averaged USD137.577bln in ex-SSA issuance between 2015 and 2024, with a high of USD180.26bln in 2024 and a low of USD81.25bln in 2022.

In the US HY primary market August produced 25 deals (across 29 tranches) for USD23.98bln in total volume. All the new issue action took place in the first half of the month before the late summer shut down went into effect. All the HY ratings sectors were higher by over one percent in the Index (Average performance +1.218%), with the CCC rated sector as the best performer at 1.510%. Spreads were narrower in all ratings sectors, with the average narrower by -2bps at +284, and CCCs narrowing the most (-49bps) at +798.

