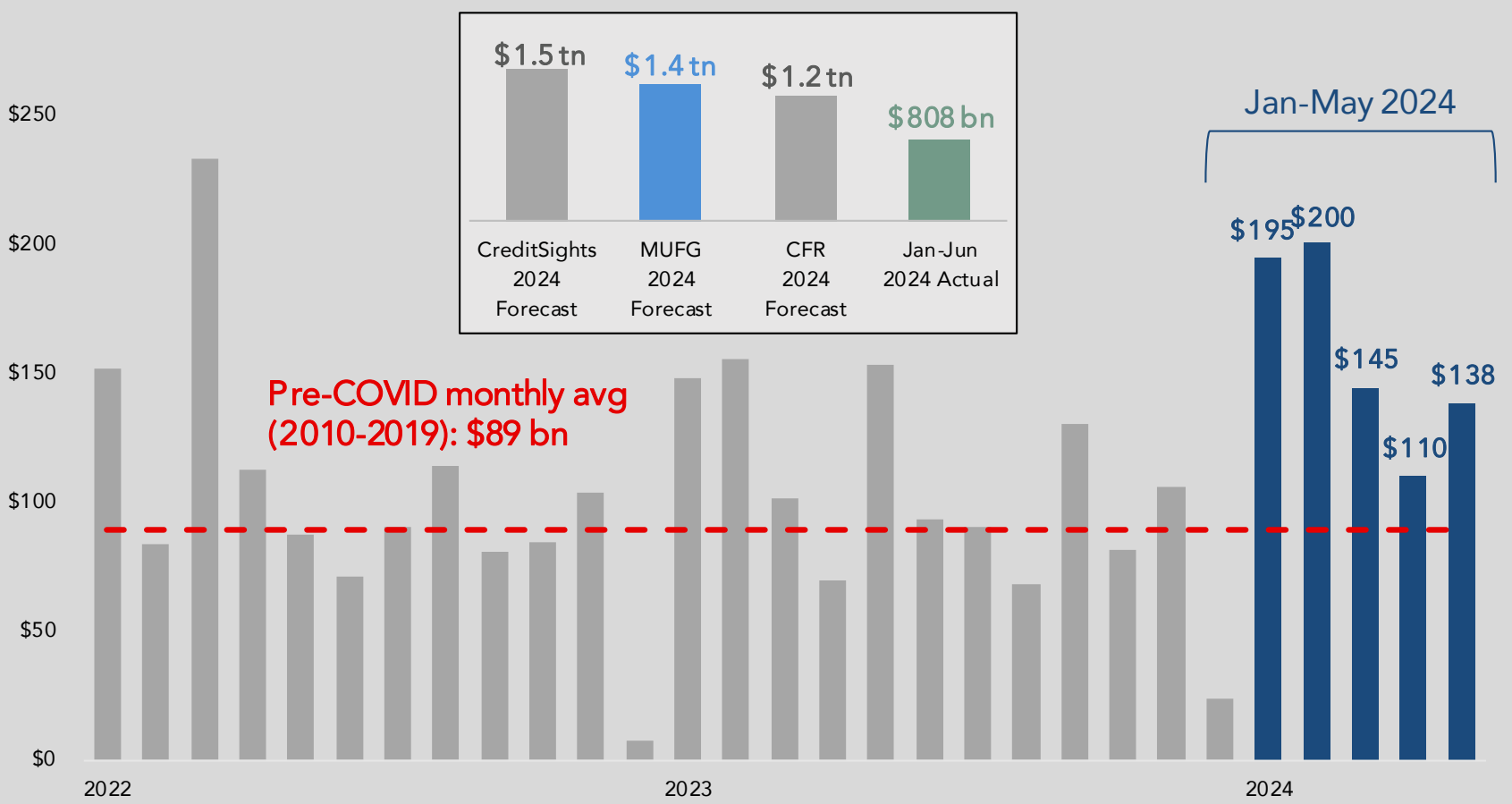


Chart of the Day



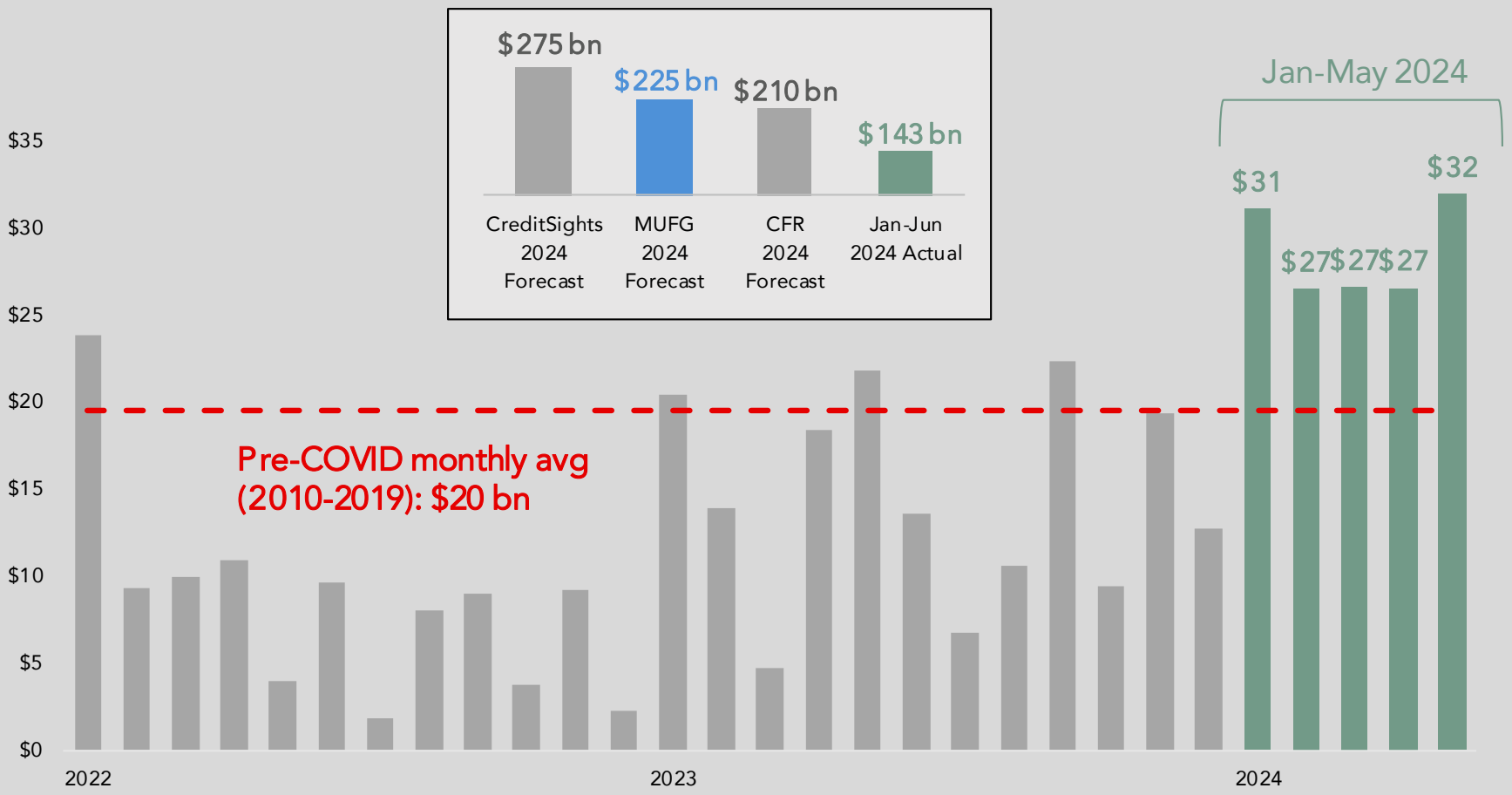
Just five months into the year, USD IG issuance has exceeded the halfway point of both consensus and MUFG full year forecasts. With rates and yields tighter over the last 6 months, increased supply has chased demand with 2024 monthly IG issuance well above the pace of both the 2022-23 tightening cycle and pre-COVID averages.

Monthly USD IG issuance, bn



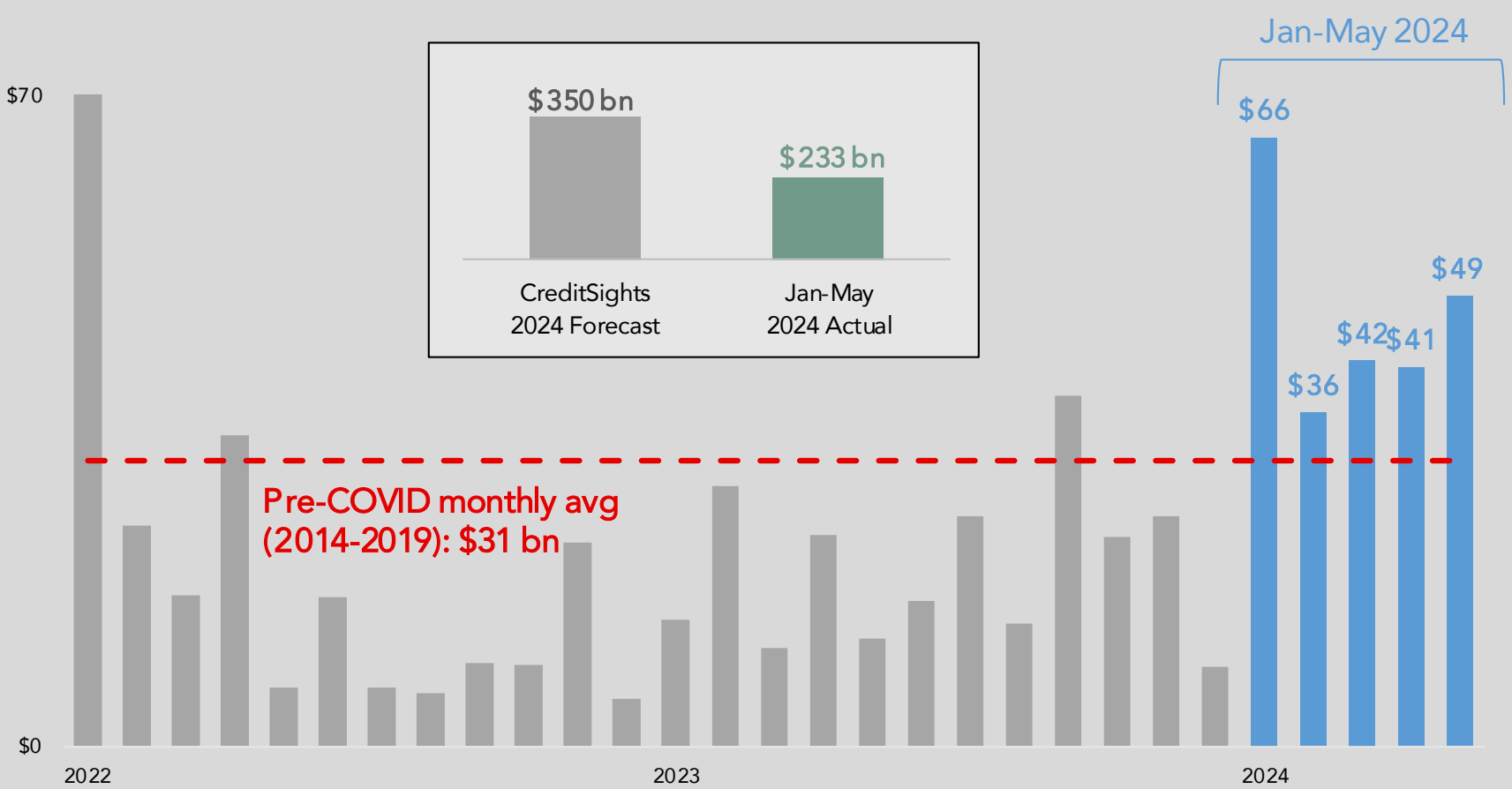
At the start of the year, MUFG forecasted USD HY issuance to increase 30% year-over-year. Just five months into the year, HY issuance has already comfortably surpassed the midway point of MUFG and consensus forecasts. 2024 monthly HY issuance has rebounded well above pre and post COVID norms, with May issuance reaching the highest level since the tightening cycle began.

Monthly USD HY issuance, bn



Leveraged loan issuance (excluding extensions and repricings) has outpaced its pre-COVID average in every month of 2024 driving year-to-date new issuance to \$236 bn, just over \$100 bn short of CreditSights' full-year forecast of \$350 bn. In addition to robust net new issuance, opportunistic refinancing activity has also driven total issuance volume higher this year, accounting for roughly 67% of year-to-date activity (and 80% of May activity). In May, low single-B issuers represented 44% of total volume, highlighting the market's risk-on tone, though CCC issuers have largely remained on the sidelines.

Monthly USD leveraged loan issuance, bn (excluding extensions and repricings)



Source: (1-2) CFR. Data as of June 4, 2024. CFR forecast is consensus average. May high-end forecast uses wide end of ranges. CreditSights. CS forecast is gross supply. Data as of June 4, 2024. (3) Pitchbook. Data through May 31, 2024. Leveraged loan issuance repricings, refinancings, extensions, and non-refinancing issuance. Extensions and repricings reflect deals done via an amendment process.

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"Macro stability isn't everything, but without it, you have nothing."