Scope Insights

21 January 2021

Benign issuing conditions have remained broadly intact into 2021 but the primary bond market has felt jumpy at times over the past two weeks or so. Investor take-up has been OK though on given days, the fortunes of individual issuers have waxed and waned.

- **New bond supply over-subscribed but order books volatile**
- **ESG supply accounts for over 11% of total issuance**

January is always busy for new issues as borrowers look to get in on the action early to kick off their funding programmes. Even more so if they can achieve solid execution with no new-issue premiums or at negative concessions. While this has certainly been the case for some issuers, it has by no means been the case for all.

Not to give the impression that borrowers have unduly struggled to get over the line; they haven't. Most supply has ended up oversubscribed and issuers have broadly hit targets in terms of pricing, achieving negative yields or setting record or close to record lows on spreads.

But oversubscription levels have been far from rampant in many cases and the market has felt a little torpid at times. Big order books have scaled back significantly in some cases as pricing has tightened during marketing, highlighting price sensitivity and caution. Some issues, meanwhile, have traded down in the grey market.

The tidal wave of fiscal and monetary support that has relentlessly driven asset prices since the pandemic also drove global debt issuance to an all-time volume record of US$10.2 trillion in 2020, according to Refinitiv. New-issue volumes this year haven't matched those pre-pandemic days but they're not far off.

Given where we are with lockdowns, new Covid-19 variants and prolonged economic stresses, monetary support for markets won't be disappearing fast. The indications are that capital markets will continue to offer issuers keen pricing.

More than 260 borrowers tapped the market between 4 and 18 January; roughly 60% from EMEA, a quarter from the Americas and 15% from Asia (Heavily oversubscribed USD issuance from more than two-dozen mainly high-yield Chinese real estate developers, including a lot of green issuance, a highlight of Asian activity).

Political events, whether that's the storming of the Capitol Building in Washington, the collapse of Italy's governing coalition or even less the resignation of the Dutch government, haven't exactly had the power to undermine financial markets in the face of the wall of money out there to counteract disorderly effects. But macro events have certainly marred the feelgood factor and have had the power to affect individual borrowers' fortunes on given days.

Italy's Banco BPM printing its EUR 400m AT1 at initial price thoughts, for example, was put down to Italian political developments even though the deal was oversubscribed. Under normal circumstances one would have expected the trade to price through the wide end of guidance.

In a scenario where participants have become accustomed to a market driven by technicals, the fate of primary bond market activity year-to-date has shown that fundamental event-risk can at least dampen spirits.

There were concerns expressed in the last few months of 2020 that delays to the economic rebound that lies at the centre of this year's playbook could weigh on the market. The near certainty of extended official support is likely to keep proceedings positive for now. House prices in Europe, a bellwether of sentiment, have regained their upwardly sloping trajectory but a lot is riding on the underlying economics. Markets will be sensitive to the data.

FIG: not all slam dunk

Investors in the FIG sector have clearly had an eye in recent sessions on how much performance they can realistically expect from tightly priced senior supply, especially senior preferreds. Resting on an assumption that this segment may not have much space to run, buyers have been careful not to overbid only to hit a capital appreciation brick wall.

The fact that book-building slowed appreciably when a series of European senior unsecured trades emerged at once earlier in the month, and that overall demand was a little anaemic was a bit of an eye-opener. Especially since issuers were either national champions and/or well-regarded frequent issuers.

European banks have found good execution in the Yankee market. BNP Paribas (senior non-preferred), BPCE (senior preferred and non-preferred), Credit Agricole and Deutsche Bank (both Tier 2) and Rabobank (senior unsecured) were all in action from the Euro Area, as were Nationwide Building Society (senior) and Standard Chartered (senior unsecured and AT1) from the UK; and Zurich Insurance (subordinated) and EFG International (AT1) from Switzerland.

Covered bonds, always a feature of FIG supply in January, are much less visible this year. This is not surprising as Euro Area banks have access to cheaper funding from the ECB. The 14 issuers offering USD 14bn-equivalent of covered bonds out to 18 January compares unfavourably to double the number of issuers that sold over USD 30bn of new paper in the same period of 2020. But on the plus side, that at least offered those that did tap the market a bit of space. Many priced through their curves as a result.

Subordinated paper stands a better chance of gaining a following (as ever was the case in such a yield environment). AT1s from Abanca, EFG and Standard Chartered ticked the boxes. As did Tier 2s from Sabadell, Credit Agricole, Deutsche Bank and NAB. Turkey's Yapi ve Kredi Bankasi found a good window and pulled in orders of USD 3.2bn for its USD 500m 10NC5, tightening pricing 62.5bp from 8.5% initial price thoughts to the 7.875% print.

The European corporate hybrid market also saw decent supply: Abertis Infraestructuras (EUR 600m at a 2.875% yield); Aroundtown

(EUR 600m at 2%); CPI Property (EUR 400m PNC7.5 at 4%); Total (two EUR 1.5bn tranches at 1.625% and 2.125%); and Wintershall Dea (EUR 650m PNC5.5 at 2.50%; EUR 850m PNC8 at 3%) were all out with issues.

ESG issuance no longer episodic

The fact that 11%-plus of total primary debt flows so far in January have been green, social, sustainable, sustainability-linked or transition bonds tells its own story. Labelled ESG issuance continues to be driven on a volume basis by supranationals and government agencies. CADES, EIB, IDB, IFC, KDB, NWB, Rentenbank and the World Bank have been in action this month, invariably in size.

Two issues in the public-finance realm worth calling out: Chile priced a EUR 400m tap of its July 2031 sovereign green bond at MS+60bp and sold a new EUR 1.25bn 30-year social bond at MS+125bp. And Banque Ouest Africaine de Développement, the development finance institution for eight West African countries, priced its EUR 750m 12-year sustainability bond to what was reported to have been a rapturous reception.

These days, there is so much labelled ESG issuance that this segment has ceased being one framed by episodic flow. Flow is constant. The focus is shifting from issuers to investors as the challenge of ensuring the issuance that comes to market meets ESG targets over the lifetime of the bonds becomes more pressing.

Primary Market Talk sees issuance by private sector corporates, particularly from less than green industry sectors, as critical to the credentials of the labelled ESG market. The rise of general corporate-purpose sustainability-linked bonds is particularly noteworthy as the focus is not on discrete asset pools but on the environmental footprints of the whole company.

So far in January, telecoms companies Level 3 and Telecom Italia; Brazilian logistics company Simpar, Brazilian pulp and paper company Klabin; and Norwegian sea transportation and bulk chemicals storage company Odfjell have issued in SLB format. UK supermarket group Tesco and US ship-container owner Seaspan Corp were marketing trades as Primary Market Talk went to press. Korean chipmaker SK Hynix, meanwhile, issued a green bond.

A fair proportion of FIG debt issuance has also had an ESG element as banks push ahead with greening their balance sheets. Bank of China’s transition bond (a USD 500m three-year tranche and a CNH 1.8bn two-year Dim Sum) garnered a lot of attention. The bank said the bonds were issued in accordance with the recently published *Climate Transition Finance Handbook.* Elsewhere, 10 banks issued with ESG labels.

BOND ISSUANCE SUMMARY: 4 to 19 January

EUROPEAN FIG

Aareal Bank priced a no-grow EUR 500m seven-year mortgage covered bond on 6 January at MS+1bp for a negative yield of -0.402%. Books closed above EUR 1bn. Guidance was MS+4bp area.

Abanca Corporación Bancaria priced a EUR 375m quarterly pay temporary write-down PNC5.5 AT1 on 7 January at 6.136% yield, equivalent to MS+657bp. Final books were EUR 1.8bn, having been above EUR 2.1bn in marketing. IPTs were mid to high 6s.

Banco BPM priced a EUR 400m PNC5 AT1 on 12 January with a 6.50% coupon (yield of 6.606%), equivalent to MS+702.6bp. Books closed above EUR 560m. Final pricing was at the same level as initial price thoughts and at the wide end of 6.375%-6.50% WPIR guidance.

Banco de Sabadell priced a no-grow EUR 500m 10.25NC5.25 Tier 2 bond on 8 January at MS+295bp, the tight end of MS+300bp +/-5bp guidance. IPTs were MS+330bp area. Books closed above EUR 1.8bn.

Banque Federative du Credit Mutuel priced a GBP 400m short seven-year senior preferred note on 18 January at G+80bp. Demand was GBP 520m at reoffer. IPTs were G+90bp area.

On 11 Jan, BFCM sold a EUR 1bn long seven-year senior non-preferred at MS+62bp. IPTs MS+80bp-85bp area; guidance MS+65bp area. Demand was EUR 1.65bn.

Berlin Hyp priced a no-grow EUR 500m 10-year mortgage covered bond on 18 January at MS flat for a negative yield of -0.217%. Books closed above EUR 1.1bn. Guidance was MS+3bp area.

BNP Paribas priced a USD 1.25bn 20-year Tier 2 on 19 January at T+118bp for a yield of 2.824%; the tight end of T+120bp +/-2bp guidance. IPTs T+145bp area.

On 12 January, BNPP priced a EUR 1bn 9NC8 senior non-preferred on 12 January at MS+83bp, the tight end of MS+85bp +/-2bp guidance. Books were above EUR 1.6bn at guidance. IPTs were MS+100bp area.

On 6 January, the bank was in the market with a USD 2.25bn 6NC5 senior non-preferred offering at T+90bp. IPTs were T+120bp. On the same day, the bank also priced a GBP 1bn 10-year senior non-preferred note at G+105bp to demand of more than GBP 1.9bn. IPTs were G+120bp-125bp area.

BPCE priced a USD 3bn trade on 12 January split into a USD 1.75bn five-year senior preferred tranche that priced at T+60bp (IPTs T+85bp area); and a USD 1.25bn 11NC10 fixed-to-floating senior non-preferred SOFR-linked tranche that priced at T+115bp (IPTs T+145bp area).

On 8 January, BPCE priced a dual-tranche EUR 2bn senior preferred offering. Tranche A was a EUR 750m six-year that priced at MS+48bp, the tight end of MS+50bp +/-2bp WPIR guidance. IPTs were MS+60bp-65bp. Tranche B was a EUR 1.25bn 10-year that priced at MS+60bp, the tight end of MS+62bp+/-2bp WPIR guidance. IPTS were MS+75bp area. Books closed over EUR 1.1bn and EUR 1.6bn respectively at the reoffer spread.

BPCE SFH priced a dual-tranche mortgage covered bond on 18 January. Tranche A was a EUR 1bn eight-year that priced at MS+2bp for a negative yield of -0.297%. Pricing was at the tight end of MS+3bp +/-1WPIR revised guidance. Initial guidance was MS+5bp area. Tranche B was a EUR 1bn 15-year that priced at MS+5bp, the tight end of MS+6bp +/-1bp WPIR revised guidance. Initial guidance was MS+9bp area. Final books were EUR 1.93bn and EUR1.85bn at reoffer.

CAFFIL priced a EUR 1.5bn long 10-year public sector covered bond on 12 January at MS+3bp (negative yield of -0.188%). Pricing was at the tight end of MS+4bp +/-1bp WPIR revised guidance. Initial guidance was MS+7bp area. Books closed at EUR 3.25bn.

Credit Bank of Moscow priced a EUR 600m five-year senior unsecured loan participation note on 13 January at the guidance yield of 3.10%, equivalent to MS+255.1bp. IPTs were 3.50% area.

Credit Agricole priced a USD 1.5bn 6NC5 senior non-preferred note on 19 January at T+80bp. Guidance had been T+80bp and IPTs, T+105bp area. On 5 January, Credit Ag priced a USD 1.5bn 20-year Tier 2 on 5 January at T+110bp. IPTs were T+140bp area.

Credit Suisse priced a EUR 3bn dual-tranche offering of holdco notes on 11 January. The deal was split into a EUR 1.5bn 5NC4 senior unsecured FRN that priced with a coupon of 3mE+100bp at 101.292 for a spread of 3mE+68bp (tight end of 3mE+70bp +/-2bp WPIR; IPTs 3mE+85bp-90bp). And a EUR 1.5bn 12-year fixed-rate tranche that priced at MS+83bp (tight end of MS+85bp +/-2bp WPIR; IPTs MS+110bp area). Demand was above EUR 2.3bn and EUR 3.9bn respectively at reoffer.

Deutsche Bank priced a USD 1.25bn 11-year Tier 2 callable from 14 Oct 2030, on 11 January, at T+260bp, equivalent to a yield of 3.729%. Pricing was at the tight end of T+265bp +/-5bp guidance. IPTs were T+300bp.

Deutsche Pfandbriefbank priced a USD 750m three-year mortgage covered bond on 13 January at MS+23bp. Books closed above USD 1.25bn. Guidance was MS+26bp area.

DnB Boligkreditt extended its curve with a EUR 1.5bn 10-year green covered bond 15 January at MS+6bp. Guidance was MS+10bp area. Orders of over EUR 3.2bn were good at reoffer.

EFG International priced its USD 400m PNC7 AT1 on 18 January at a yield of 5.506% (5.5% coupon) to demand of more than USD 3.25bn. IPTs were 6%.

Erste Group Bank priced a EUR 500m 10-year senior preferred on 18 January 2021 at MS+55bp to demand of around EUR 900m. Pricing was the tight end of MS+55bp-60bp WPIR guidance. IPTs MS+75bp-80bp.

ING Groep priced a EUR 1.5bn 9NC8 senior unsecured on 5 January at MS+70bp, drawing demand of EUR 2.1bn from 127 accounts. IPTs MS+90bp area.

Jyske Realkredit priced a EUR 500m long six-year mortgage covered bond on 14 January at MS+6p, the tight end of MS+7bp +/-1bp revised guidance to demand of EUR 1.7bn at reoffer. Initial guidance was MS+10bp area.

KBC Group priced a EUR 750m 8NC7 senior unsecured note on 8 January at MS+60bp. Final books were EUR 1.2bn. IPTs were MS+80bp area.

Komercni Banka priced its debut covered bond on 13 January, an EUR 500m five-year backed by prime residential mortgages. The deal priced at MS+12bp, the tight end of MS+14bp +/-2bp WPIR revised guidance, for a negative yield of 0.315% to demand of EUR 1.5bn. Initial guidance was MS+18bp area.

Landesbank Baden-Württemberg (LBBW), priced a EUR 750m 10-year senior non-preferred social bond on 11 January at MS+63bp, drawing demand above EUR 1.15bn. Pricing was at the tight end of MS+65bp +/-2bp WPIR guidance. IPTs were MS+80bp-85bp.

Landesbank Berlin priced a no-grow EUR 250m 10-year mortgage covered bond on 18 January at MS+1bp for a negative yield of -0.215%. Pricing was in the middle of MS+1bp +/-1bp WPIR price guidance

Mediobanca Banca di Credito Finanziario priced a EUR 750m 10-year mortgage covered bond on 15 January at MS+13bp, the tight end of MS+14bp +/-1bp WPIR revised guidance, for a negative yield of -0.077%. Initial guidance was MS+17bp area. Final books were over EUR 1.35bn.

Münchener Hypothekenbank priced a no-grow EUR 500m short 19-year mortgage covered bond on 15 January at MS+1bp. Guidance was MS+4bp area. Final books at reoffer were over EUR 875m.

Nationwide Building Society priced a USD 1.25bn offering of three-year senior unsecured notes on 14 January at T+37bp, the tight end of T+40bp +/-3bp guidance. IPTs were T+60bp area.

Oberbank AG priced a EUR 250m eight-year senior non-preferred note on 19 January at MS+98bp, the tight end of MS+100bp +/-2bp WPIR guidance. Books closed at EUR 470m. IPTs were MS+115bp-120bp.

PSA Banque priced a no-grow EUR 500m four-year senior unsecured offering on 12 January at MS+47bp (reoffer zero coupon, and 99.948 reoffer for a 0.013% yield). The final book was EUR 1.6bn. IPTs were MS+85bp area, tightened to MS+55bp area guidance.

Rabobank priced a senior unsecured offering. Tranche A: USD 750m three-year fixed-rate that priced at T+23bp, the tight end of T+25bp +/-2bp guidance. IPTs were T+40bp area. Tranche B: USD 750m three-year FRN that priced at SOFR+30bp, wide of +25bp +/-2bp guidance. IPTs were SOFR+40bp.

Societe Generale: GBP 375m short seven-year senior non-preferred on 12 January at G+120bp guidance to demand of GBP 500m. IPTs: G+130bp-135bp.

On 6 January, SG priced a EUR 1bn long 8NC7 senior non-preferred offering at MS+95bp, the tight end of MS+95bp-100bp WPIR guidance. Demand was EUR 2.4bn. IPTs were MS+115bp-120bp.

Sovcombank priced a USD 300m four-year social loan participation note on 19 January at a yield of 3.40%, equivalent to T+319.9bp. Final books were over USD 700m. Pricing came at the tight end of 3.40%-3.50% final guidance. Initial guidance was 3.625% area and IPTs were 3.75%-3.875%.

Sparebanken Sør Boligkreditt priced a no-grow EUR 500m seven-year covered on 19 Jan at MS+7bp to EUR 1.15bn in orders. Guidance: MS+11bp area.

Standard Chartered sold a dual-tranche senior unsecured bond on 7 January. Tranche A was a USD 1.5bn 4NC3 that priced at T+78bp. IPTs were T+100bp. Tranche B was a USD 1.5bn 6NC5 that priced at T+100bp; IPTs were T+125bp-130bp.

On 5 January, StanChart priced a USD 1.25bn PNC10 AT1 at a 4.75% yield. Books closed above USD 8.4bn. IPTs were 5.50% area, revised to 5.125% area.

Swedbank priced a EUR 750m seven-year senior non-preferred note on 5 January at MS+63bp, the tight end of MS+65bp +/-2bp WPIR guidance; IPTs were MS+80bp. Final books were over EUR 1.1bn.

Turkiye Sinai Kalkinma Bankasi priced a USD 350m five-year sustainable bond on 7 January at a 6% yield. Books closed above USD 2bn. Yield guidance was 6.25%-6.375%; IPTs were 6.50%-6.625%.

UniCredit sold a dual-tranche senior preferred note on 15 January. Tranche A was a EUR 1bn five-year that priced at MS+77bp against guidance of MS+80bp area and IPTs of MS+95bp area. Tranche B was a EUR 1bn 10-year that pried at MS+105bp against guidance of MS+110bp area and IPTs of MS+125bp area. Combined books closed above EUR 3bn.

UniCredit Bank AG priced a no-grow EUR 500m 15-year mortgage covered bond on 13 January at MS+3bp, drawing demand of EUR 2.5bn. Guidance was MS+7bp area.

Yapi ve Kredi Bankasi priced a USD 500m 10NC5 Tier 2 on 14 January at a yield of 7.875%, drawing demand of more than USD 3.2bn, enabling leads to tighten from 8.5% area IPTs and 8.125% guidance.

Zurich Insurance priced a USD 1.75bn 30.25NC10.25 step-up subordinated bond on 12 January at a yield of 3%. Final books were USD 3.6bn, having been at USD 4.75bn in marketing. IPTs were 3.375% area.

NON-EUROPEAN FIG

Agricultural Bank of China priced a dual-tranche offering on 11 January. Tranche A was a USD 650m three-year that priced at T+68bp final guidance to demand of more than USD 1.3bn from 41 accounts. Initial guidance was T+110bp area. Tranche B was a USD300m five-year senior unsecured green bond that priced at T+80bp final guidance to demand of USD 900m from 45 accounts. Initial guidance was T+120bp area. Aggregate demand had been above USD 3.5bn during marketing.

Asahi Mutual Life Insurance Co: USD 380m PNC10 subordinated note on 20 January at a yield of 4.10%. Books reached above USD 6.25bn from 320 accounts. IPTs were 4.60% area.

Banco BTG Pactual: USD 500m senior unsecured green bond on 6 January at a yield of 2.875%, the tight end of 3% +/-12.5bp guidance. IPTS were low 3s.

Bank of China: USD 500m 3-year senior unsecured and 2-year CNH 1.8bn Dim Sum transition bond on 8 January. Dollar bond at T+72bp final guidance final book above USD 1.76bn. Initial guidance T+110bp area. Dim Sum at 2.8% final guidance yield to demand of CNH 9.8bn. Initial guidance: 3.30% area.

Bank of Montreal: USD 1bn 6NC5 senior unsecured on 19 January at T+50bp guidance. IPTs T+65bp area.

Crédito Real: USD 500m 7NC4 senior unsecured on 11 January at 8% yield, tight end of low to mid-8 IPTs.

Emirates NBD Bank: USD 750m 5-year senior unsecured on 6 Jan at MS+115bp, final guidance MS+115bp-120bp. Books above USD 2.2bn. IPTs MS+140bp area.

First Abu Dhabi Bank: CNH 1.5bn five-year senior unsecured offering in Taiwan on 11 January at final guidance yield of 3.15%. On 7 January, the bank sold a 500m five-year Sukuk at profit rate of 4.411%, equivalent to MS+90bp. Books above USD 1.4bn. Guidance MS+100bp-105bp.

Itau Unibanco Holding: USD 500m 10.25NC5 Tier 2 sustainable bond on 12 January at a yield of 3.95% (T+344.6bp). Pricing came at the tight end of 4% +/-5p guidance. IPTs were low 4%.

KEB Hana Bank: EUR 500m five-year social covered bond on 19 January at MS+27bp for yield of -0.17%. Books above EUR 1.85bn. Pricing tight end of MS+28bp +/-1bp WPIR guidance. IPTs MS+33bp.

Macquarie Group: USD 1.25bn 6NC5 senior unsecured on 5 Jan at T+97bp. IPTs T+135bp area.

National Australia Bank: USD 1.25bn 20-year subordinated note offering on 5 January at T+95bp. IPTs were T+125bp area.

Nippon Life Insurance: USD 1.6bn 30NC10 fixed-to-fixed step-up callable dated subordinated note at the guidance yield of 2.75% on 13 January. IPTs were 3.125% area.

Qatar National Bank: USD 1bn five-year senior unsecured offering on 19 Jan at MS+95bp for a 1.479% yield. Books over USD 2.1bn. IPTs MS+120bp area.

Royal Bank of Canada: EUR 1.25bn 10-year mortgage covered on 19 Jan at MS+9bp to demand of more than EUR 1.3bn. Guidance MS+11bp area.

On 13 Jan: senior unsecured. Tranche A, USD 1bn 3-year at T+22bp (IPTs T+high 30s). Tranche B: USD 700m 3-year FRN at SOFR+30bp (IPTs +high 30s). Tranche C: USD 1.25bn 5-year at T+42bp (IPTs high 50s). Tranche D: USD 300m 5-year FRN at SOFR+52.5bp (IPTs high 50s).

Shanghai Pudong Development Bank**: USD 300m three-year senior unsecured bond on 11 January at T+84bp final guidance. Initial guidance was T+120bp area. Books closed at USD 1bn.

India's **Shriram Transport Finance**: USD 500m three year and two-month social bond on 7 January at a yield of 4.40% to demand of more than USD 1.1bn from 113 accounts. Initial guidance was 4.65% area; final guidance was 4.40%-4.45% WPIR.

State Bank of India: USD 600m 5.5-year senior unsecured on 7 January at T+140bp final guidance. Initial guidance T+175bp. Final demand above USD 1.2bn from 75 accounts; leads received more than USD 2bn in orders in marketing.

Sumitomo Mitsui Financial Group: four-tranche senior unsecured offering on 4 January. Tranche A: USD 500m three-year green bond at T+35bp, tight end of T+40bp +/-5bp. IPTs were T+60bp area. Tranche B: a USD 1bn five-year conventional bond at T+60bp, tight end of T+65bp +/-5bp. IPTs T+85bp area. Tranche C: USD 500m 10-year at T+80bp, tight end of T+85bp +/-5bp. IPTs T+110bp area. Tranche D: USD 500m 20-year at T+85bp, tight end of T+90bp +/-5bp. IPTs T+125bp area.

Toronto-Dominion Bank: Tranche A: USD 1.15bn two-year fixed-rate at T+17bp; 1bp through T+18bp launch spread (tight end of T+20bp +/-2bp guidance); IPTs T+30bp-35bp. Tranche B: USD 600m two-year FRN at SOFR+24bp. Guidance SOFR+20bp +/2bp; IPTs SOFR+30bp-35bp. Tranche C: USD 1.2bn five-year fixed-rate at T+43bp; tight end of T+45bp +/-2bp guidance. IPTs T+60bp area. Aggregate books over USD 5.1bn (USD 850m, USD 1.9bn and USD 2.4bn).

Wells Fargo: USD 3.51bn PNC5 perpetual preferred stock on 19 January at 3.90% yield; IPTs 4.375% area.

PRIVATE SECTOR ESG ISSUANCE

China Central Real Estate: no-grow USD 260m 4.5NC2.5 senior unsecured green bond on 7 January at final guidance yield of 7.875%. Initial guidance 8% area. Final demand above USD 1.05bn.

Digital Realty Trust: EUR 1bn 10.5-year senior unsecured green bond on 5 January at MS+93bp. Guidance was MS+95bp-98bp; IPTs MS+115bp-120bp. Books closed over EUR 2bn at reoffer.

Duke Realty: USD 450m (upsized from USD 400m) 10-year senior unsecured green bond on 11 Jan at T+70bp, guidance T+75bp +/-5bp. IPTs T+95bp area.

FS Bioenergia, Brazilian producer of corn-based ethanol: USD 50m tap of outstanding USD 550m five-year 10% green bond of December 2020. The tap priced at 106.50, against IPTs of 105.

Brazilian pulp and paper company **Klabin**: no-grow USD 500m 10-year sustainability-linked bond on 6 January at a yield of 3.20%, through 3.30% +/-5bp. IPTs 3.75% area.

Kraftwerke Oberhasli (KWO): CHF 100m 10-year green bond with a 0.125% coupon on 12 January. The company said it was the first green bond from a Swiss storage and large-scale hydropower company.

Level 3 Communications: USD 900m 8.5NC3 senior unsecured sustainability-linked bond on 11 January at a 3.875% yield (T+278bp).

Latin American e-commerce platform **MercadoLibre**: dual-tranche sustainability bonds. USD 400m five-year tranche at a yield of 2.375% (tight end of 2.50%+/-12.5bp guidance; IPTs 3% area); USD 700m 10-year at a yield of 3.125%, tight end of 3.25% +/-12.5bp guidance (IPTs mid to high 3s).

Modern Land (China): no-grow USD 250m 2.25-year green bond on 6 January at final guidance yield of 10.40%. Final demand above USD 3.1bn. Initial guidance 11.00% area.

Motability Operations Group, the charity that provides vehicles to meet customer disability needs: senior unsecured social bond on 13 Jan. Tranche A: EUR 500m 7.5-year at MS+53bp (guidance MS+55bp-60bp; IPTs MS+75bp-80bp). Tranche B: GBP 350m 20-year at G+75bp (guidance G+75bp-80bp; IPTs G+90bp area). Books above EUR 2.2bn and GBP 1bn.

New World Development: no-grow USD 200m 10-year sustainability-linked bond on 8 January at T+275bp final guidance. Demand USD 940m from 63 accounts. Initial guidance T+300bp area.

Odfjell, Norwegian sea-borne transportation and chemicals/specialty bulk liquids storage company: NOK 850m four-year sustainability-linked bond at three-month Nibor+575bp.

Brazilian logistics group **Simpar**: USD 625m 10NC5 sustainability-linked sub bond 14 Jan at a 5.20% yield; tight end of 5.25% +/- 5bp guidance. IPTs high 5s.

China real estate developer **Sinic Holdings**: USD 250m 364-day green note on 19 January at final guidance of 9.125%. Final order book above USD 2bn from 110 accounts. Initial guidance 9.50% area.

SK Battery America: senior green bond on 19 January. Tranche A: USD 300m three-year at T+150bp; over USD 3.75bn of demand from over 215 accounts. Tranche B: USD 700m five-year at T+175bp. Demand above USD 5.25bn from over 285 accounts. Initial guidance T+195bp area and T+220bp area, respectively.

South Korean chipmaker **SK Hynix**: USD 2.5bn three-tranche senior unsecured offering on 13 January. The USD 1bn 10-year had a green label priced at T+140bp, garnering USD 5.4bn in orders from 235 accounts. Guidance T+180bp area.

Telecom Italia: EUR 1bn eight-year senior unsecured sustainability bond on 11 January at a yield of 1.75%, or MS+205.6bp. Final books at reoffer above EUR 2.8bn, having reached EUR 3.9bn in marketing. IPTs 2.25% area, tightened to 1.875% area guidance.

Yuzhou Group Holdings: USD 562m 6NC4 senior unsecured green high-yield bond on 5 January at final guidance yield of 6.35%. Initial guidance 6.90% area. Final books over USD 4.6bn from 210 accounts, having been at USD 5.5bn in marketing.

Zhenro Properties Group: USD 400m 5NC3 senior unsecured high-yield green bond on 5 January at 6.63%. Initial guidance 7.15% area. Final order book above USD 5bn from over 290 accounts.

Source for raw bond data: Bond Radar (www.bondradar.com), company reports, media reports

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