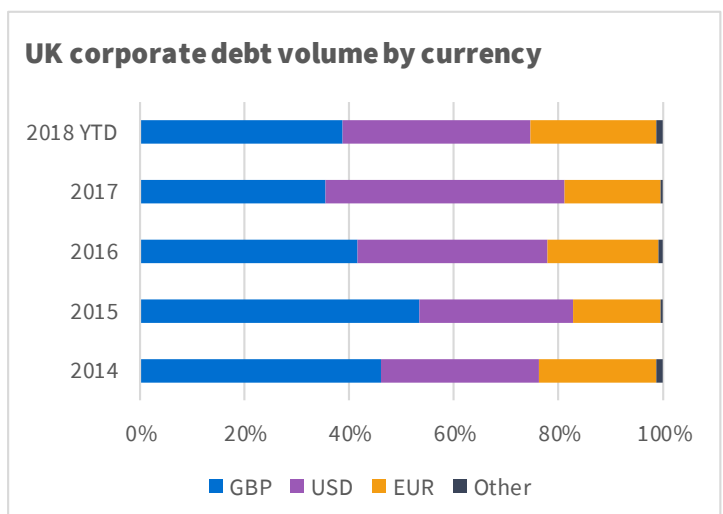
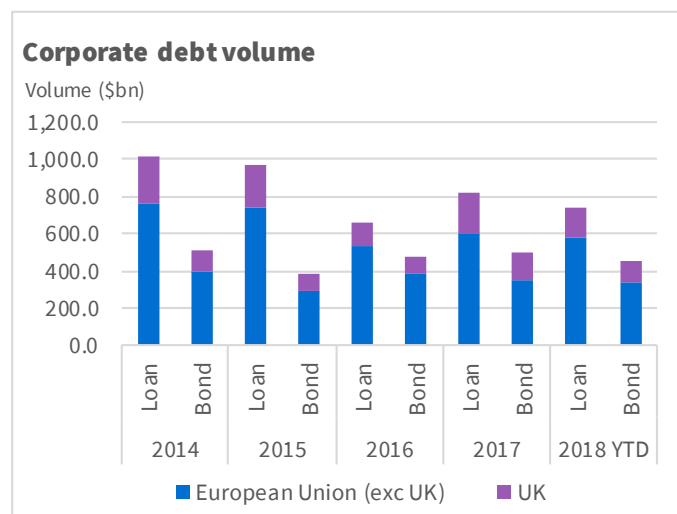


UK Corporate Debt Fades and EU takes off

\$233.3bn Euro denominated debt coming due for UK corporates as Brexit looms

Diverging issuance trend

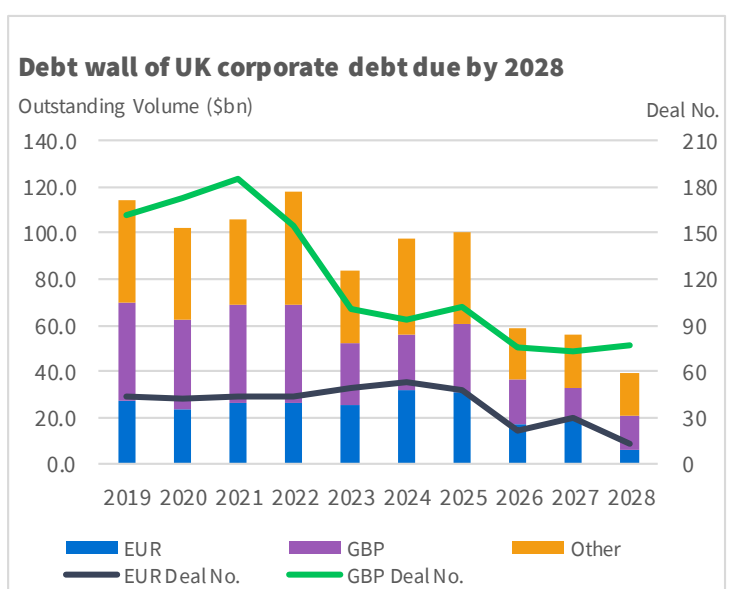
Since Article 50 was triggered in March 2017, EU and UK corporates have witnessed different fortunes in debt issuance. Corporate debt in the European Union (excluding the UK) has reached its highest YTD volume for four years and has grown by 10.3% year-on-year in 2018 via 1387 deals. Out of the total \$923.1bn priced deals of 2018 YTD, investment grade (IG) loans have the highest share with 40.7% followed by IG bonds with 31.1%. In contrast, despite accounting for 23.1% share of EU debt issuance, the highest YTD country share, UK's volume has fallen by 11.7% year-on-year to \$276.6bn via 353 deals.



Sterling issuance losing pace

Sterling denominated debt totalled \$117.5bn so far this year, down by 3.2% on 2017 YTD whilst issuance in EUR jumped to \$794.6bn. Both UK and EU corporates saw a YTD reduction of sterling issuance by 2.3% and 11.4% respectively. On the other hand EUR denominated debt has been on the rise in the UK jumping from \$52.6bn to \$65.9bn and issuance in EU has also jumped by \$55.8bn year-on-year.

\$3.69tr of debt are set to mature in the next 10 years for EU corporates with the UK accounting for 24% of the debt outstanding. A total of \$233.3bn Euro-denominated debt will be due for UK corporates whilst EU (Ex UK) will have \$61.1bn of sterling denominated debt due. As more Brexit uncertainties looms, currency fluctuations will inevitably occur and this will definitely impact the balance sheets of those companies.



Please contact us at DealogicCortexSupport@dealogic.com if you have any questions or comments.