



Press Release

For release at 6:00, September 30, 2019

Corporate Debt and Equity Issues, August 2019

Corporate financing through debt and equity issues in August 2019 came to KRW14.5413 trillion in total, down KRW2.5118 trillion from a month earlier. Meanwhile, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in August totaled KRW129.4444 trillion, down KRW8.5042 trillion from a month ago.

Table 1. Corporate Debt and Equity Issues, August 2019*

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Aug	Jan-Aug	Jul	Aug
Equity issues	8,895.9	6,684.9	3,247.6	532.9	494.6
IPOs	2,314.9	1,216.7	1,265.7	344.7	86.2
Secondary offerings	6,581.0	5,468.2	1,981.9	188.2	408.4
Debt Issues	160,918.3	108,993.5	116,664.4	16,520.2	14,046.7
Corporate	35,659.0	25,224.0	33,507.2	6,130.0	1,606.0
Financial	109,129.9	73,302.2	74,362.2	9,826.0	11,417.9
Asset-backed securities	16,129.4	10,467.3	8,795.0	564.2	1,022.8
Total	169,814.2	115,678.4	119,912.0	17,053.1	14,541.3

*Bank debentures and corporate debts issued by financial holding companies came to be under financial debts.

Equity and Debt Issues

Equity issues decreased KRW38.3 billion or 7.2% from KRW532.9 billion to KRW494.6 billion. Eight companies conducted initial public offerings (IPO) in August and they were listed on the KOSDAQ market. IPO volume also shrank 75.0% to KRW86.2 billion compared to the previous month. Meanwhile, secondary offerings came to KRW408.4 billion, up KRW220.2 billion or 117.0% from a month earlier.

In August, debt issuance totaled KRW14.0467 trillion, down KRW2.4735 trillion or 15.0% from KRW16.5202 trillion a month ago. Corporate bond issuance dropped KRW4.5240 trillion or 73.8% to KRW1.6060 trillion.



Total 177 financial debentures were issued in August, and the volume grew KRW1.5919 trillion or 16.2% to KRW11.4179 trillion from the previous month. Financial holding companies cut their issuance 34.3% to KRW650.0 billion. By contrast, domestic banks' issuance increased 41.0% to KRW4.4779 trillion. To go into detail, issuance by national banks was up 47.1% to KRW4.3779 trillion while regional banks' issuance halved to KRW100.0 billion. When it came to other finance debentures, issuance totaled KRW6.2900 trillion, 11.1% greater than the previous month. Securities companies, which issued no debts in July, issued KRW900.0 billion of debentures in August. While credit card companies issued 42.6% more debts than the previous month, installment financing companies and other financial companies cut issuance by 17.2% and 45.3%, respectively.

Meanwhile, ABS issuance came to KRW1.0228 trillion in August 2019, up KRW458.6 billion or 81.3% from KRW564.2 billion a month ago. When it came to primary CBO (P-CBO), there was no issuance in August.

As of end-August, the outstanding balance of debt came to KRW513.0162 trillion, KRW4.2466 trillion greater than a month earlier.

Commercial Papers and Short-term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW34.1408 trillion in August, down KRW3.6808 trillion or 9.7% from KRW37.8216 trillion in July. Companies' CP issuance dropped 15.7% compared to the previous month. On top of that, project finance asset-backed CP (PFABCP) decreased 6.7% as well as other asset-backed CP fell 4.0%.

Issuance of short-term electronic bonds came to KRW95.3036 trillion, down KRW4.8234 trillion or 4.8% from KRW100.1270 trillion a month earlier. Companies' issuance and PFAB short-term electronic bonds decreased 6.0% and 12.5%, respectively. Other asset-backed short-term electronic bonds, however, increased 13.9% compared to the previous month.

At the end of August 2019, the outstanding balance of CPs came to KRW174.8226 trillion and short-term electronic bonds KRW52.3979 trillion. CP expanded 13.9% from a month ago, and short-term electronic bonds 1.2%.



Table 2. Commercial Papers and Short-Term Electronic Bond Issues, August 2019

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Aug	Jan-Aug	Jul	Aug
CPs	353,699.4	228,235.2	243,284.9	37,821.6	34,140.8
Short-term electronic bonds	1,117,516.1	787,471.7	719,304.3	100,127.0	95,303.6
Total	1,471,215.5	1,015,706.9	962,589.2	137,948.6	129,444.4

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