



Press Release

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Corporate Debt and Equity Issues, January 2020

Corporate financing through debt and equity issues in January 2020 came to KRW11.2056 trillion in total, up KRW1.7463 trillion from a month earlier. However, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in January 2020 totaled KRW121.5886 trillion, down KRW11.0914 trillion from the same period a month ago.

Table 1. Corporate Debt and Equity Issues, January 2020*

(In billions of KRW)

	2019	2019		2020
	Year	Jan	Dec	Jan
Equity issues	5,317.2	246.0	721.1	47.7
IPOs	2,467.7	128.9	241.5	21.0
Secondary offerings	2,849.5	117.1	479.6	26.7
Debt Issues	170,182.7	13,313.9	8,738.2	11,157.9
Corporate	45,306.2	5,853.0	494.0	3,211.0
Financial	109,902.9	7,063.9	6,842.3	7,509.0
Asset-backed securities	14,973.6	397.0	1,401.9	437.9
Total	175,499.9	13,559.9	9,459.3	11,205.6

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

Equity and Debt Issues

Equity issues came to KRW47.7 billion in total in January, down KRW673.4 billion or 93.4% from KRW721.1 billion a month ago. Two companies conducted initial public offerings (IPO): both companies were listed on the KOSDAQ market. Compared to the previous month, IPO volume decreased by KRW220.5 billion or 91.3% from KRW241.5 billion to KRW21.0 billion. Furthermore, secondary offerings also shrank from KRW479.6 billion to KRW26.7 billion during the same period.

Debt issuance came to KRW11.1579 trillion in January, up KRW2.4197 trillion or 27.7% from KRW8.7382 trillion a month earlier. Corporate bond issues soared by 550.0% from KRW494.0 billion to KRW3.2110 trillion.



Meanwhile, total 173 financial debentures were issued in January 2020, and the volume reached KRW7.5090 trillion which was 9.7% greater than that of the previous month. Financial holding companies cut their issuance by KRW310.0 billion or 55.4% from KRW560.0 billion to KRW250.0 billion during the same period. Banks' debt issuance also decreased 28.0% from KRW875.0 billion to KRW630.0 billion. National banks issued 47.9% less debts than the previous month while regional banks' issuance surged 300.0% from a month ago. When it came to other financial debentures, total issuance reached KRW6.62690 trillion, up KRW1.2217 trillion or 22.6% compared to the previous month. To go into detail, installment finance companies expanded issuance by 19.9%. By contrast, credit card firms and other financial companies cut their issuance by 2.7% and 100.0%, respectively. Meanwhile, the issuance of securities companies which issued nothing in December 2019 came to KRW1.1140 trillion in January 2020.

In the meantime, ABS issuance came to KRW437.9 billion in January, down KRW964.0 billion or 68.8% from a month ago. When it came to primary CBO (P-CBO), there was no issuance.

At the end of January 2020, the outstanding balance of debt came to KRW525.3131 trillion, up KRW1.3735 trillion from KRW523.9396 trillion a month earlier.

Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW27.5995 trillion in January, down KRW3.7276 trillion or 11.9% from KRW31.3271 trillion a month ago. Companies' CP issuance grew 11.9% as well as project finance asset-backed CPs (PFABCP) soared 209.1% from a month ago. By contrast, other asset-backed CPs decreased by 43.8%.

Short-term electronic bonds declined as well. Issuance totaled KRW93.9891 trillion in January, which were KRW7.3638 trillion less than the previous month. Companies' issuance and other asset-backed short-term electronic bonds shrank 9.3% and 6.4%, respectively. However, PFAB short-term electronic bonds grew 29.8% from a year ago.

As of end-January 2020, the outstanding balance of CPs came to KRW187.0083 trillion and short-term electronic bonds KRW58.4264 trillion. CPs and short-term electronic bonds increased 2.4% and 7.0%, respectively, from a month ago.



Table 2. Commercial Papers and Short-Term Electronic Bond Issues, January 2020

(In billions of KRW)

	2019	2019		2020
	Year	Jan	Dec	Jan
CPs	388,843.8	24,884.0	31,327.1	27,599.5
Short-term electronic bonds	1,123,162.7	89,014.6	101,352.9	93,989.1
Total	1,512,006.5	113,898.6	132,680.0	121,588.6

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