

## Corporate Medium-Term Notes, 2001

The 2001 survey of corporate medium-term notes (MTNs) incorporates significant revisions of data going back to 1997. The revisions are based on improved procedures for the collection of data, which have enhanced both the coverage and accuracy of the survey. In general, the data revisions have resulted in sizable increases in the measured level of MTNs outstanding and in the gross issuance of MTNs, particularly for financial corporations.

MTNs outstanding at the end of 2001 totaled \$479 billion (table 1), up from \$446 billion in 2000. The bulk of outstanding MTNs are issued by financial firms, which accounted for \$385 billion of the total, up from \$349 billion in 2000. MTNs issued by nonfinancial firms have declined steadily since the end of 1999 and totaled \$94 billion in 2001.

Outstandings at non-auto finance companies grew rapidly in 2001, to \$134 billion. Asset-backed MTNs outstanding rose to \$20 billion in 2001, double the level at the end of 2000. Within the nonfinancial sector, issuance among half of the subsectors (electric, gas, and water; manufacturing; transportation, mining, and construction) registered weak growth in 2001. Issuance declined in the other half of the nonfinancial subsectors, especially in the telephone and communications group, where MTNs outstanding fell to \$12 billion in 2001 from \$15 billion in 2000.

The number of firms with MTNs outstanding has been stable in recent years (table 2). In 2001, the financial firms with MTNs outstanding numbered 176, compared with 285 nonfinancial firms; in dollar terms, however, the bulk of outstanding MTNs is from financial firms.

The vast majority of firms with MTNs outstanding enjoy investment-grade credit ratings. Of the \$479 billion in MTNs outstanding at the end of 2001 (table 3), just \$13 billion were issued by firms with BB or lower long-term bond ratings (including firms in the "Other" category). The bulk of outstanding investment-grade MTNs were issued by firms with an "A" rating at the end of 2001, although outstanding MTNs issued by these firms fell to \$194 billion in 2001 from \$248 billion in 2000. The outstanding MTNs issued by firms with BBB, AA, and AAA ratings grew in 2001, a movement reflecting credit rating changes of the issuing firms.

As suggested by the modest rise in outstanding MTNs, issuance activity rose only moderately, to \$223 billion in 2001 from \$210 billion in 2000 (table 4). Issuance by financial corporations rose to \$206 billion in 2001 from \$190 billion in 2000, while issuance by nonfinancial corporations declined. The number of firms issuing MTNs declined from 145 firms in 2000 to 122 firms in 2001 (table 5), a decline that was about evenly split between the financial and nonfinancial sectors. In the financial sector, the declines were concentrated among finance companies, while in the nonfinancial sector they were concentrated in the electric, gas, and water grouping. Across the credit rating spectrum, issuance patterns were largely in line with the patterns for outstanding MTNs (table 6).

Table 1: Dollar Volume of Medium-Term Notes Outstanding  
(Millions of dollars, end of period)

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. corporations	210,895	235,486	267,501	287,323	302,102	388,729	420,566	446,440	479,177
Financial corporations	125,405	145,857	171,096	194,535	221,248	290,425	320,166	349,344	384,903
Finance companies	78,527	91,439	107,618	115,738	121,370	150,041	164,238	167,616	192,739
Auto	33,270	33,753	37,076	37,541	38,496	45,794	57,016	48,017	58,333
Other	45,257	57,686	70,542	78,197	82,874	104,247	107,222	119,599	134,406
Banking firms	19,558	21,468	27,964	33,569	35,666	52,201	63,333	61,200	54,693
Savings and loans	1,002	1,250	2,255	2,670	600	340	840	265	165
Securities brokers	21,751	26,944	27,176	34,556	56,692	74,105	75,717	94,379	95,807
Asset-backed	n.a.	n.a.	n.a.	n.a.	81	3,668	4,965	9,951	20,351
Other <sup>1</sup>	4,567	4,756	6,083	8,002	6,838	10,069	11,072	15,933	21,148
Nonfinancial corporations	85,490	89,629	96,405	92,788	80,855	98,305	100,400	97,096	94,274
Electric, gas, and water	28,178	28,771	29,658	28,288	21,979	24,464	23,972	26,877	27,543
Manufacturing	30,885	31,959	33,945	34,204	21,941	29,734	30,143	27,291	27,792
Services	6,182	7,453	10,091	10,944	12,009	14,382	15,494	13,171	12,958
Telephone and communication	5,841	6,731	7,414	5,538	13,367	15,951	16,165	15,365	11,575
Transportation, mining, and construction	6,482	6,233	6,094	5,713	3,887	5,232	6,088	5,945	6,129
Wholesale and retail trade	7,922	8,482	9,203	8,101	7,672	8,542	8,538	8,446	8,278

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1997 through 2001 were significantly revised in 2002.

<sup>1</sup>“Other” financial corporations consist of insurance, real estate, and miscellaneous investing institutions.

n.a. Not available.

Table 2: Number of Issuers of Medium-Term Notes Outstanding  
(End of period)

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. corporations	367	376	401	411	435	460	456	460	461
Financial corporations	115	114	121	126	156	167	170	177	176
Finance companies	50	51	50	49	59	63	62	64	61
Auto	3	3	3	3	7	7	6	6	6
Other	47	48	47	46	52	56	56	58	55
Banking firms	32	30	31	32	36	37	38	40	39
Savings and loans	9	5	6	6	4	3	4	3	3
Securities brokers	7	10	10	10	18	19	18	17	17
Asset-backed	n.a.	n.a.	n.a.	n.a.	2	3	4	7	8
Other <sup>1</sup>	17	18	24	29	37	42	44	46	48
Nonfinancial corporations	252	262	280	285	279	293	286	283	285
Electric, gas, and water	83	83	90	91	87	92	91	94	98
Manufacturing	104	111	117	117	91	98	95	90	92
Services	13	13	14	14	25	25	24	25	23
Telephone and communication	16	17	17	18	26	25	24	22	22
Transportation, mining, and construction	19	19	21	23	21	24	23	21	22
Wholesale and retail trade	17	19	21	22	29	29	29	31	28

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1997 through 2001 were significantly revised in 2002.

<sup>1</sup>“Other” financial corporations consist of insurance, real estate, and miscellaneous investing institutions.

n.a. Not available.

Table 3: Dollar Volume of Medium-Term Notes Outstanding, by Rating Category of Issuer  
(Millions of dollars, end of period)

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. corporations	210,894	235,486	267,501	287,323	302,102	388,729	420,566	446,440	479,177
AAA	8,799	12,725	17,021	13,599	11,470	16,779	25,620	38,901	69,613
AA	12,860	15,686	22,984	38,027	48,541	51,318	50,110	98,170	107,747
A	122,544	142,543	161,758	168,488	197,197	266,444	283,925	248,306	193,948
BBB	62,232	59,603	61,040	61,449	37,515	43,563	49,610	45,399	95,088
BB	3,637	4,136	3,723	4,638	5,166	5,989	6,200	7,268	7,422
B	373	343	500	635	884	898	403	4,712	520
Other <sup>1</sup>	450	451	475	488	1,331	3,740	4,698	3,684	4,839
Financial corporations	125,404	145,857	171,096	194,535	221,248	290,425	320,166	349,344	384,903
AAA	7,570	12,130	16,621	13,045	10,013	15,562	24,505	38,230	67,431
AA	4,853	9,747	16,185	30,771	34,180	34,492	30,757	81,514	91,406
A	81,172	96,964	107,662	119,131	157,758	214,799	234,069	204,320	154,586
BBB	30,596	25,839	29,410	30,337	16,142	20,098	25,199	15,426	66,858
BB	1,213	1,177	1,218	1,251	1,346	1,263	938	1,795	714
B	0	0	0	0	704	718	243	4,546	440
Other <sup>1</sup>	0	0	0	0	1,105	3,492	4,455	3,513	3,468
Nonfinancial corporations	85,490	89,629	96,405	92,788	80,855	98,305	100,400	97,096	94,274
AAA	1,229	595	400	554	1,456	1,217	1,115	671	2,181
AA	8,007	5,939	6,799	7,256	14,361	16,826	19,353	16,656	16,341
A	41,371	45,579	54,095	49,357	39,440	51,644	49,857	43,985	39,363
BBB	31,636	33,763	31,630	31,111	21,372	23,464	24,411	29,973	28,230
BB	2,424	2,959	2,506	3,387	3,819	4,726	5,262	5,473	6,708
B	373	343	500	635	180	180	160	166	80
Other <sup>1</sup>	450	451	475	488	226	248	243	171	1,371

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1997 through 2001 were significantly revised in 2002.

<sup>1</sup> "Other" consists of firms rated less than B and those not rated by S&P or Moody's.

n.a. Not available.

Table 4: Dollar Volume of Gross Issuance of Medium-Term Notes  
(Millions of dollars)

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. corporations	86,061	88,144	98,916	93,677	114,436	149,219	170,753	210,182	222,932
Financial corporations	57,841	70,374	79,461	81,954	98,878	128,524	149,290	190,487	205,827
Finance companies	30,060	41,605	45,648	41,590	44,045	63,125	70,570	74,122	89,988
Auto	10,755	11,219	11,631	8,642	12,076	19,732	26,909	17,534	28,945
Other	19,305	30,386	34,017	32,948	31,969	43,393	43,661	56,588	61,043
Banking firms	7,561	8,103	13,945	12,136	14,815	19,057	24,038	22,199	18,128
Savings and loans	861	500	1,285	1,518	180	100	500	0	0
Securities brokers	17,937	19,320	16,912	24,319	36,192	40,759	46,275	78,761	70,875
Asset-backed	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,438	8,469	14,929
Other <sup>1</sup>	1,422	846	1,671	2,391	3,646	5,483	2,470	6,936	11,907
Nonfinancial corporations	28,220	17,770	19,455	11,723	15,558	20,695	21,463	19,695	17,104
Electric, gas, and water	10,858	2,523	2,732	1,877	2,765	3,198	2,493	5,586	3,716
Manufacturing	8,394	6,817	7,531	5,221	6,321	9,213	7,023	5,699	5,726
Services	3,079	3,529	4,691	3,144	4,187	6,837	5,012	1,941	3,843
Telephone and communication	2,729	1,492	1,493	831	838	395	4,292	3,788	1,580
Transportation, mining, and construction	1,740	920	612	405	177	111	1,558	1,088	1,304
Wholesale and retail trade	1,420	2,489	2,396	245	1,270	941	1,084	1,594	935

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1999 through 2001 were significantly revised in 2002.

<sup>1</sup>“Other” financial corporations consist of insurance, real estate, and miscellaneous investing institutions.

n.a. Not available.

Table 5: Number of Issuers of Medium-Term Notes

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. corporations	210	171	195	165	158	145	150	145	122
Financial corporations	71	68	78	87	84	71	77	80	67
Finance companies	31	30	34	36	38	29	29	34	27
Auto	3	3	3	3	5	6	5	5	4
Other	28	27	31	33	33	23	24	29	23
Banking firms	19	16	19	21	20	14	16	13	11
Savings and loans	2	1	3	2	1	1	1	0	0
Securities brokers	7	10	8	10	11	9	11	11	9
Asset-backed	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4	6	8
Other <sup>1</sup>	12	11	14	18	14	18	16	16	12
Nonfinancial corporations	139	103	117	78	74	74	73	65	55
Electric, gas, and water	60	37	42	31	32	31	22	25	20
Manufacturing	47	39	46	29	20	26	24	18	18
Services	7	8	7	7	6	7	10	9	6
Telephone and communication	8	6	8	5	4	2	5	4	2
Transportation, mining, and construction	9	7	7	3	4	3	6	4	5
Wholesale and retail trade	8	6	7	3	8	5	6	5	4

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1999 through 2001 were significantly revised in 2002.

<sup>1</sup>“Other” financial corporations consist of insurance, real estate, and miscellaneous investing institutions.

n.a. Not available.

Table 6: Dollar Volume of Gross Issuance of Medium-Term Notes, by Rating Category of Issuer  
(Millions of dollars)

Issuer	1993	1994	1995	1996	1997	1998	1999	2000	2001
All U.S. Corporations	86,063	87,844	98,916	93,675	114,470	149,269	170,753	210,182	222,932
AAA	4,091	9,274	10,358	4,740	2,065	10,021	15,832	25,730	38,811
AA	4,840	5,292	7,965	12,011	28,688	37,148	15,277	49,541	49,183
A	57,800	58,600	65,440	60,910	68,080	86,054	124,568	122,556	102,860
BBB	17,759	13,926	14,452	15,126	14,361	15,887	10,289	9,713	29,392
BB	1,573	618	573	757	266	159	478	451	526
B	0	134	128	131	1,010	0	100	50	0
Other <sup>1</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,209	2,140	2,160

Note. Components may not sum to totals because of rounding. Data source changed between 1996 and 1997. Data from 1999 through 2001 were significantly revised in 2002.

<sup>1</sup>“Other” consists of firms rated less than B and those not rated by S&P or Moody’s.

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