

## Corporate Medium-Term Notes, 1999

U.S. corporations issued \$135 billion of medium-term notes (MTNs) in 1999, down \$15 billion from the 1998 total of \$150 billion (table 1.A). Issuance by financial firms fell to \$121 billion in 1999, a decline of \$8 billion, while nonfinancial firms issued \$14 billion, a \$7 billion decline from 1998. A total of 96 firms sold MTNs in 1999, down from 145 in 1998 (table 1.B), though the number of firms with MTNs outstanding rose to 451 in 1999 (table 2.B). Year-end MTNs outstanding rose \$37 billion in 1999, to \$416 billion (tables 2.A and 3). The increase was largely accounted for by the \$28 billion rise in outstandings at financial firms, to nearly \$330 billion. Outstandings for nonfinancial firms increased \$9 billion, to \$90 billion, after the previous year's gain of \$6 billion.

Borrowers in the corporate MTN market continue to have predominantly investment-grade ratings. As in 1998, roughly 99 percent of total MTN issuance had a rating of Baa or better (table 5.A). Issuance by single-A-rated issuers accounted for 62 percent of total gross issuance, up from 58 percent in 1998. AA rated issuance declined to 20 percent, from 25 percent in 1998. Three issuers had a speculative-grade credit rating last year (table 5.B).

The MTN market accounts for a sizable share of intermediate and long-term borrowing by U.S. companies. One measure of the MTN market share is the volume of MTN issuance as a percent of total public issuance of investment-grade debt (MTNs plus corporate bonds). For all U.S. corporations, this measure of share was 41 percent in 1999 (table 7); for financial firms, it was 57 percent; and for nonfinancial firms, it was 12 percent. For all firms, this share fell slightly from 1998. Similarly, the ratio of outstanding MTN debt as a share of total corporate outstanding debt (MTNs plus corporate bonds) declined slightly over the year, from 15 percent to 14 percent (table 8).

Table 1

## Gross Borrowing by U.S. Corporations in the U.S. Medium-Term Note Market

## A. Millions of Dollars

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	34,008	46,617	72,018	74,539	86,062	87,845	98,916	93,676	114,437	149,219	134,990
Financial Corporations	26,294	29,936	45,773	50,626	57,842	70,074	79,462	81,954	98,879	128,524	121,041
Auto Finance Companies	8,575	9,874	12,380	13,450	10,755	11,219	11,631	8,642	12,076	19,732	22,971
Banking Firms	3,610	3,162	11,157	6,603	7,561	8,103	13,945	12,136	14,815	19,057	11,837
Finance Companies*	8,500	12,289	14,802	18,635	19,305	30,386	34,017	32,948	31,969	43,393	41,365
Real Estate, Insurance and Other Financial Companies	900	1,186	1,027	1,129	1,422	846	1,671	2,391	3,646	5,483	3,249
Savings and Loans	2,312	25	0	67	861	500	1,285	1,518	180	100	180
Securities Brokers	2,397	3,399	6,408	10,741	17,937	19,320	16,912	24,319	36,192	40,759	41,438
Nonfinancial Corporations	7,713	16,681	26,245	23,913	28,220	17,771	19,455	11,722	15,578	20,695	13,950
Electric, Gas and Water	2,706	3,221	5,143	7,535	10,858	2,523	2,732	1,877	2,765	3,198	1,866
Manufacturing	2,570	6,497	12,503	9,190	8,394	6,817	7,531	5,221	6,321	9,213	6,556
Services	961	1,237	2,409	1,747	3,079	3,529	4,691	3,144	4,187	6,837	4,429
Telephone and Communication	84	1,221	1,373	1,635	2,729	1,492	1,493	831	838	395	67
Transportation, Mining, and Construction	578	1,933	1,800	1,068	1,740	920	612	405	177	111	700
Wholesale and Retail Trade	815	2,573	3,018	2,738	1,420	2,489	2,396	245	1,270	941	331

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 1

## Gross Borrowing by U.S. Corporations in the U.S. Medium-Term Note Market

## B. Number of Issuers

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	139	165	224	211	210	171	195	165	158	145	96
Financial Corporations	72	65	76	66	71	68	78	87	84	71	53
Auto Finance Companies	3	3	2	2	3	3	3	3	5	6	5
Banking Firms	15	13	23	16	19	16	19	21	20	14	10
Finance Companies*	30	37	38	31	28	27	31	33	33	23	19
Real Estate, Insurance and Other Financial Companies	8	5	7	10	12	11	14	18	14	18	10
Savings and Loans	11	1	0	1	2	1	3	2	1	1	1
Securities Brokers	5	6	6	6	7	10	8	10	11	9	8
Nonfinancial Corporations	67	100	148	145	139	103	117	78	74	74	43
Electric, Gas and Water	25	30	44	56	60	37	42	31	32	31	16
Manufacturing	25	41	62	51	47	39	46	29	20	26	13
Services	7	7	10	7	7	8	7	7	6	7	8
Telephone and Communication	1	9	11	10	8	6	8	5	4	2	1
Transportation, Mining, and Construction	6	8	11	8	9	7	7	3	4	3	2
Wholesale and Retail Trade	3	5	10	13	8	6	7	3	8	5	3

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 2  
Medium-Term Notes Outstanding

A. Millions of Dollars

	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	142,416	176,855	210,894	235,485	267,501	287,324	317,516	379,747	416,284
Financial Corporations	89,823	108,277	125,404	145,858	171,096	194,536	242,685	298,482	326,376
Auto Finance Companies	29,526	33,657	33,270	33,753	37,076	37,541	39,573	48,004	59,036
Banking Firms	15,794	17,988	19,558	21,468	27,964	33,569	41,103	55,987	62,167
Finance Companies*	31,645	39,306	45,257	57,686	70,542	78,197	83,141	98,852	111,177
Real Estate, Insurance and Other Financial Companies	2,783	3,442	4,567	4,757	6,083	8,002	12,628	21,839	24,080
Savings and Loans	1,398	805	1,002	1,250	2,255	2,670	490	340	340
Securities Brokers	8,678	13,078	21,751	26,944	27,176	34,556	65,639	73,460	69,575
Nonfinancial Corporations	52,593	68,578	85,490	89,627	96,405	92,788	74,832	81,265	89,909
Electric, Gas and Water	12,414	18,895	28,178	28,771	29,658	28,288	21,788	23,550	24,689
Manufacturing	21,793	27,384	30,885	31,959	33,945	34,204	25,405	28,353	35,524
Services	4,953	5,211	6,182	7,453	10,091	10,944	10,365	11,681	9,429
Telephone and Communication	2,610	3,841	5,841	6,731	7,414	5,538	6,335	6,072	6,229
Transportation, Mining, and Construction	4,482	5,097	6,482	6,233	6,094	5,713	4,028	4,040	6,063
Wholesale and Retail Trade	6,341	8,150	7,922	8,482	9,203	8,101	6,909	7,568	7,974

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 2

## Medium-Term Notes Outstanding

## B. Number of Issuers with MTNs Outstanding

	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	315	354	367	376	401	411	448	427	451
Financial Corporations	114	119	115	114	121	126	175	168	177
Auto Finance Companies	3	3	3	3	3	3	8	7	6
Banking Firms	29	29	32	30	31	32	39	35	35
Finance Companies*	45	47	47	48	47	46	69	64	69
Real Estate, Insurance and Other Financial Companies	13	17	17	18	24	29	39	41	46
Savings and Loans	18	17	9	5	6	6	4	3	3
Securities Brokers	6	6	7	10	10	10	16	18	18
Nonfinancial Corporations	201	235	252	262	280	285	273	259	274
Electric, Gas and Water	62	74	83	83	90	91	86	85	89
Manufacturing	85	99	104	111	117	117	97	93	92
Services	14	13	13	13	14	14	19	16	17
Telephone and Communication	14	16	16	17	17	18	22	20	20
Transportation, Mining, and Construction	15	16	19	19	21	23	24	23	31
Wholesale and Retail Trade	11	17	17	19	21	22	25	22	25

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 3  
Net Borrowing in the Medium-Term Note Market

	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	34,439	34,039	24,591	32,016	19,823	30,192	62,231	36,538
Financial Corporations	18,454	17,127	20,454	25,238	23,440	48,149	55,797	27,893
Auto Finance Companies	4,131	-387	483	3,323	465	2,032	8,431	11,033
Banking Firms	2,194	1,570	1,910	6,496	5,605	7,534	14,884	6,180
Finance Companies*	7,661	5,951	12,429	12,856	7,655	4,944	15,711	12,324
Real Estate, Insurance and Other Financial Companies	659	1,125	190	1,326	1,919	4,626	9,211	2,241
Savings and Loans	-593	197	248	1,005	415	-2,180	-150	0
Securities Brokers	4,400	8,673	5,193	232	7,380	31,083	7,821	-3,885
Nonfinancial Corporations	15,985	16,912	4,137	6,778	-3,617	-17,956	6,433	8,644
Electric, Gas and Water	6,481	9,283	593	887	-1,370	-6,500	1,762	1,139
Manufacturing	5,591	3,501	1,074	1,986	259	-8,799	2,948	7,171
Services	258	971	1,271	2,638	853	-579	1,316	-2,252
Telephone and Communication	1,231	2,000	890	683	-1,876	797	-263	158
Transportation, Mining, and Construction	615	1,385	-249	-139	-381	-1,685	12	2,023
Wholesale and Retail Trade	1,809	-228	560	721	-1,102	-1,192	659	406

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 4

## Statistics on Firm-Level Outstandings of Medium-Term Notes

## A. Average Outstandings in Millions of Dollars

	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	452	500	575	626	667	699	709	889	969
Financial Corporations	788	910	1,090	1,279	1,414	1,544	1,387	1,777	1,844
Auto Finance Companies	9,842	11,219	11,090	11,251	12,359	12,514	4,947	6,858	11,546
Banking Firms	545	620	611	716	902	1,049	1,054	1,596	1,772
Finance Companies*	703	836	963	1,202	1,501	1,700	1,205	1,547	1,613
Real Estate, Insurance and Other Financial Companies	214	202	269	264	253	276	324	533	523
Savings and Loans	78	47	111	250	376	445	150	113	113
Securities Brokers	1,446	2,180	3,107	2,694	2,718	3,456	4,102	4,081	3,865
Nonfinancial Corporations	262	292	339	342	344	326	274	314	406
Electric, Gas and Water	200	255	339	347	330	311	253	280	280
Manufacturing	256	277	297	282	290	292	262	304	390
Services	354	401	476	573	721	782	546	691	527
Telephone and Communication	186	240	365	396	436	308	288	320	311
Transportation, Mining, and Construction	299	319	341	328	290	248	168	176	196
Wholesale and Retail Trade	576	479	466	446	438	368	276	330	308

Note. Data source changed between 1996 and 1997.

\* Excluding auto finance companies.

Table 4

## Statistics on Firm-Level Outstandings of Medium-Term Notes

## B. Median Outstandings in Millions of Dollars

	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	152	167	200	200	200	210	200	211	213
Financial Corporations	233	229	260	346	394	323	300	340	375
Auto Finance Companies	9,837	10,851	13,660	15,575	15,769	15,653	922	2,310	5,869
Banking Firms	225	150	225	355	400	323	407	463	445
Finance Companies*	350	444	442	477	621	851	504	475	552
Real Estate, Insurance and Other Financial Companies	129	133	200	169	121	163	150	150	192
Savings and Loans	50	25	26	16	105	135	105	100	100
Securities Brokers	1,028	1,316	3,396	2,242	2,575	3,656	1,433	1,090	865
Nonfinancial Corporations	130	157	198	183	185	176	150	170	180
Electric, Gas and Water	103	165	185	200	197	208	160	198	187
Manufacturing	124	140	193	170	160	150	138	150	180
Services	238	300	248	299	345	503	224	199	161
Telephone and Communication	148	198	192	198	219	198	157	188	170
Transportation, Mining, and Construction	210	174	189	159	145	110	96	75	150
Wholesale and Retail Trade	165	150	245	250	250	166	172	200	196

Note. Data source changed between 1996 and 1997.

\* Excluding auto finance companies.



Table 5

## Ratings Distribution of Medium-Term Note Gross Issuance

A. Millions of Dollars

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Aaa	1,635	1,635	4,250	2,966	4,091	9,274	10,358	4,740	2,065	10,021	11,401
Aa	14,920	14,920	5,441	6,381	4,840	5,292	7,965	12,011	28,688	37,148	26,457
A	23,731	23,731	51,589	50,652	57,800	58,600	65,440	60,910	68,080	86,054	84,159
Baa	6,331	633	10,585	13,807	17,759	13,926	14,452	15,126	14,361	15,887	12,692
Ba	0	0	145	732	1,573	618	573	757	266	159	226
B	0	0	1	0	0	134	128	131	1,010	0	54

Note. Components may not sum to totals because of rounding.  
 Data source has changed between 1996 and 1997.

Table 5

## Ratings Distribution of Medium-Term Note Gross Issuance

## B. Number of Issuers

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Aaa	14	6	9	9	8	3	2	3	3	3	3
Aa	18	25	27	23	25	14	19	17	28	21	14
A	71	92	136	111	115	107	119	96	89	84	52
Baa	36	48	59	69	64	50	53	50	39	36	24
Ba	2	0	2	7	8	5	4	3	2	1	2
B	0	0	1	0	0	2	1	1	4	0	1

Note. Data source has changed between 1996 and 1997.

Table 6  
Ratings Distribution of Medium-Term Notes  
(Millions of Dollars)

A. Year-end Outstandings

	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	210,894	235,485	267,501	287,324	317,516	379,747	416,284
Aaa	8,799	12,725	17,021	13,599	10,732	15,948	24,266
Aa	12,860	15,686	22,984	38,027	65,233	88,662	85,094
A	122,544	142,543	161,758	168,488	186,203	213,057	240,211
Baa	62,232	59,603	61,040	61,449	47,283	56,776	61,781
Ba	3,637	4,136	3,723	4,638	3,178	3,502	3,568
B	373	343	500	635	1,956	1,422	1,003
Other	0	0	0	0	2,931	380	362
Financial Corporations	125,404	145,858	171,096	194,536	242,685	298,482	326,376
Aaa	7,570	12,130	16,621	13,045	9,753	15,271	23,621
Aa	4,853	9,747	16,185	30,771	58,779	81,278	76,558
A	81,172	96,965	107,663	119,131	153,287	164,271	186,603
Baa	30,596	25,839	29,410	30,337	26,389	35,235	37,695
Ba	1,213	1,177	1,218	1,251	537	787	707
B	0	0	0	0	1,905	1,381	972
Other	0	0	0	0	1,913	260	219
Nonfinancial Corporations	85,490	89,627	96,405	92,788	74,832	81,265	89,909
Aaa	1,229	595	400	554	999	677	645
Aa	8,007	5,939	6,799	7,256	6,370	7,384	8,536
A	41,371	45,579	54,095	49,357	42,910	48,787	53,608
Baa	31,636	33,763	31,630	31,111	20,844	21,541	24,085
Ba	2,424	2,959	2,506	3,387	2,641	2,715	2,861
B	373	343	500	635	51	41	31
Other	0	0	0	0	1,018	120	143

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

Table 6

## Ratings Distribution of Medium-Term Notes

## B. Net Change

	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	34,039	24,591	32,016	19,823	30,192	62,231	36,538
Aaa	2,722	3,926	4,296	-3,422	-2,867	5,216	8,319
Aa	-277	2,826	7,298	15,043	27,206	23,429	-3,568
A	33,030	19,999	19,215	6,730	17,715	26,854	27,153
Baa	-2,389	-2,629	1,437	409	-14,166	9,493	5,005
Ba	632	499	-413	915	-1,460	324	66
B	320	-30	157	135	1,321	-534	-419
Other	0	0	0	0	0	-2,551	-18
Financial Corporations	17,127	20,454	25,238	23,440	48,149	55,797	27,893
Aaa	2,640	4,560	4,491	-3,576	-3,292	5,518	8,350
Aa	-1,743	4,894	6,438	14,586	28,008	22,499	-4,720
A	25,504	15,793	10,698	11,468	34,156	10,984	22,333
Baa	-9,446	-4,757	3,571	927	-3,948	8,846	2,461
Ba	224	-36	41	33	-714	250	-80
B	-52	0	0	0	1,905	-524	-409
Other	0	0	0	0	0	-1,653	-41
Nonfinancial Corporations	16,912	4,137	6,778	-3,617	-17,956	6,433	8,644
Aaa	82	-634	-195	154	445	-322	-32
Aa	1,466	-2,068	860	457	-886	1,014	1,152
A	7,525	4,208	8,516	-4,738	-6,447	5,877	4,821
Baa	7,057	2,127	-2,133	-519	-10,267	697	2,544
Ba	408	535	-453	881	-746	74	146
B	372	-30	157	135	-584	-10	-10
Other	0	0	0	0	0	-898	23

Note. Components may not sum to totals because of rounding.  
Data source changed between 1996 and 1997.

Table 7  
Ratio of Medium-Term Note Issuance to the  
Sum of Medium-Term Note and Corporate Bond Issuance  
for Investment-Grade Issuers  
(percent)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporations	33	42	41	37	35	54	47	43	47	43	27
Financial Corporations	44	58	57	57	51	63	59	57	62	61	32
Auto Finance Companies	61	73	74	73	62	73	77	81	71	76	65
Banking Firms	33	58	64	32	27	34	40	30	47	53	22
Finance Companies*	40	50	48	62	65	69	65	72	73	63	26
Real Estate, Insurance and Other Financial Companies	38	85	38	36	17	21	20	19	20	21	5
Savings and Loans	36	3	0	8	45	49	72	89	12	400	4
Securities Brokers	46	67	54	69	65	84	75	76	75	76	67
Nonfinancial Corporations	18	28	27	21	21	35	26	16	18	15	12
Electric, Gas and Water	24	26	27	18	21	23	24	23	20	15	9
Manufacturing	13	22	25	21	23	49	27	15	18	20	14
Services	56	46	61	40	48	58	45	36	38	37	45
Telephone and Communication	3	25	20	19	13	25	15	12	13	2	1
Transportation, Mining, and Construction	15	37	26	18	16	10	8	4	2	1	5
Wholesale and Retail Trade	29	45	34	29	16	43	35	4	15	8	3

Note. In the ratio, the volume of MTNs and corporate bonds does not include convertible bonds, federal agency bonds, asset-backed securities, or private placements.

\* Excluding auto finance companies.

Table 8  
 Ratio of Medium-Term Notes Outstanding to the  
 Sum of Medium-Term Notes and Corporate Bonds Outstanding  
 (percent)

	1991	1992	1993	1994	1995	1996	1997	1998	1999
All U.S. Corporate MTNs and Bonds	14	16	17	19	19	18	19	15	14
All U.S. Corporate MTNs and Bonds with Investment-Grade Ratings	17	19	21	23	23	22	23	17	16

Source. Moody's Investor Service for corporate bond outstandings. Both Moody's and Federal Reserve figures exclude private placements, asset-backed securities, bonds issued by federal agencies, eurobonds, and Yankee bonds. Moody's figures include convertible bonds.