

CUSIP Trends

Global Issuance Report

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February 2014 Overview

A recovering equity market, accelerating merger activity and a modest rise in interest rates last month aided securities issuance in February and by extension increase demand for CUSIPs. Among corporate securities, including both debt and equity issues by both US and Canadian issuers, CUSIP activity in February totaled 2,178, up from 2,071 in the prior month, a 5% increase. Similarly, CUSIP orders for both short-term and long-term CDs rose last month as identifiers for CDs with maturities of under one-year climbed to 245 in February compared to 206 in January while those for CDs with maturities of more than one-year climbed to 646 from 567 in the previous month.

In the category of international securities and private placement number of CUSIP orders, industry-wide volume dropped to 809 in February from January's count of 822. International equity CUSIP volume totaled 365 last month off from the count of 392 in January 2014. On the other hand, international debt identifier orders totaled 200 in February, an improvement from the count of 186 in the prior month. Private placement CUSIP orders totaled 244 in February, unchanged from January results. With regard to total international securities and private placement note identifier requests, early 2014 results advanced by over 27% from that of the first two month of 2013.

Municipal CUSIP orders showed signs of life as 819 requests were processed last month compared to 762 in January 2014 ending a two month slide in identifier requests for this security class. Still, for the first two months of 2014, municipal identifier demand has dropped by more than 28% compared to the number of identifiers sought at this time a year ago as 1,581 CUSIPs were ordered compared to 2,214 a year ago. The last time monthly municipal CUSIP activity topped the 1,000 mark was last November. Identifier requests among all municipal securities, including short-term and long-term notes and other instruments, saw a decline of 24% to-date in 2014 versus the year earlier volume as 1943 CUSIPs were sought compared to 2569 a year ago. Among individual geographic locations, New York issuers of municipal securities saw the most number of CUSIP requests in February with 1262 followed by New Jersey with 100.

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About CUSIP Trends

CUSIP Trends Global Issuance Report is a monthly compilation of new securities issuance trends and insights compiled by CUSIP Global Services (CGS), the world leader in financial instrument identification. Each report provides an analysis of securities issuance activity on a sector-by-sector, asset class-by-asset class and regional basis, offering an early indicator of nascent market trends and burgeoning hot spots of new capital creation.

Data for the report comes from the CGS database, which contains issuer, issue and entity identifiers, standardized descriptions and related data for more than 14 million securities, IPOs, preferred stock, funds, CDs and competitive/negotiated deals.

CGS is managed on behalf of the American Bankers Association by S&P Capital IQ. For more information, visit www.cusip.com.

Security identifier demand for a variety of corporate issues saw gains last month as ongoing merger activity, continuing equity buybacks and a modest rise in interest rates likely will trigger higher financing needs near term. Still, despite the modest improvements in February, CUSIP orders for the first two months of 2014 remain slightly behind year ago results.

Corporate CUSIPs/ Processed and Billed Requests

	Feb 14	Jan 14	2014	2013	year-over-year
US & Canada*	2178	2071	4249	3945	7.7%
CDs < 1yr Maturity	245	206	451	461	- 2.2%
CDs > 1r Maturity	646	567	1213	1136	6.8%
Other	588	653	1241	1661	-25.3%
Industry Total	3657	3497	7154	7203	- 0.7%

Municipal security CUSIP requests rose in February ending a brief two month downturn in identifier orders for this asset class as requests climbed by 5% from January's count. However, municipal bond CUSIP orders have not seen a monthly count above 1,000 since last November, while year-to-date requests continue to lag.

Municipal CUSIPs/ Processed and Billed Requests

	Feb 14	Jan 14	2014	2013	year-over-year
Municipals Bonds	819	762	1581	2214	-28.6%
Long Term Notes	25	26	50	65	-23.1%
Short Term Notes	80	109	189	175	8.0%
Other	73	49	123	115	7.0%
Industry Total	997	946	1943	2569	-24.4%

One of the stronger areas for CUSIP demand can be found among international debt and equity offerings and private placement issues. In total, these asset classes have seen a better than 27% increases in CUSIP orders in the first two months compared to year ago results. To that end, the recent drop in requests may be short lived.

International & Private Placement CUSIPs/ Processed and Billed Requests

	Feb 14	Jan 14	2014	2013	year-over-year
International Equity	365	392	757	417	81.5%
International Debt	200	186	386	384	0.5%
Private Placement Notes**	244	244	488	477	2.3%
Industry Total	809	822	1631	1278	27.6%

* U.S. & Canada: U.S. & Canada totals reflect requests for both equity and debt identifiers.

** Private Placements: Private Placement Note identifiers are assigned for non-public instruments purchased by insurance companies.

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