

Corporate Medium-Term Notes, 2002

Medium-term notes (MTNs) outstanding at the end of 2002 totaled \$516 billion (table 1), up from \$479 billion in 2001. Outstandings at financial firms increased \$38 billion, and these firms' share of all MTNs rose to about 82 percent; outstandings at nonfinancial firms fell about \$1 billion. Among financial firms, non-auto finance companies again showed the largest increase in MTNs, which jumped \$33 billion, to \$187 billion; asset-backed outstandings increased about \$13 billion, to \$33 billion. Outstandings of nonfinancial firms were little changed. Slight declines were recorded in the following sectors: electric, gas, and water; services; and transportation, mining, and construction. They were nearly offset by slight increases in the manufacturing, telephone, and communication sector and in wholesale and retail trade. At year-end 2002, the total number of firms with MTNs outstanding was about the same as the year-earlier figure—the number of financial firms rose by twelve, and the number of nonfinancial firms fell by thirteen (table 2).

The distribution of MTNs outstanding by the rating category of the issuer shifted somewhat in 2002 (table 3). Most outstandings continued to be issued by firms with investment-grade ratings (AAA through BBB); only \$17 billion of the \$516 billion total was rated BB or lower (including MTNs of "other" firms—those rated lower than B or not rated). Among investment-grade firms, the share of MTNs at firms rated A or higher jumped from 80 percent of the total to 91 percent, as outstandings of BBB financial firms fell dramatically.

As is consistent with the increase in outstandings, gross issuance of MTNs rose to \$258 billion in 2002 from \$223 billion in 2001 (table 4). The rise is more than accounted for by a near doubling of issuance by non-auto finance companies (from \$61 billion to \$112 billion) and by asset-backed issuers (from \$15 billion to \$29 billion). Gross issuance by nonfinancial corporations grew moderately. The number of MTN issuers increased by 13, to 135, in 2002 (table 5). The distribution of MTN issuance in 2002 by the rating category of the issuer was similar to that of outstanding MTNs (table 6). Speculative-grade issuers rated BB or B did not issue MTNs in 2002. However, firms in the "other" rating category, which includes firms rated lower than B, issued about \$5 billion of MTNs. Among investment-grade issuers, the share of issuance from firms rated A or higher jumped from 87 percent of the total to 97 percent.

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 | 2002 |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| All U.S. corporations | 210,895 | 235,486 | 267,501 | 287,323 | 302,102 | 388,729 | 420,565 | 446,439 | 479,178 | 515,912 |
| Financial corporations | 125,405 | 145,857 | 171,096 | 194,535 | 221,247 | 290,424 | 320,165 | 349,344 | 384,903 | 422,883 |
| Finance companies | 78,527 | 91,439 | 107,618 | 115,738 | 121,370 | 150,041 | 164,238 | 167,616 | 192,739 | 243,445 |
| Auto | 33,270 | 33,753 | 37,076 | 37,541 | 38,496 | 45,794 | 57,016 | 48,017 | 58,333 | 56,430 |
| Other | 45,257 | 57,686 | 70,542 | 78,197 | 82,874 | 104,247 | 107,222 | 119,599 | 134,406 | 187,016 |
| Banking firms | 19,558 | 21,468 | 27,964 | 33,569 | 35,666 | 52,201 | 63,333 | 61,200 | 54,693 | 48,238 |
| Savings and loans | 1,002 | 1,250 | 2,255 | 2,670 | 600 | 340 | 840 | 265 | 165 | 150 |
| Securities brokers | 21,751 | 26,944 | 27,176 | 34,556 | 56,692 | 74,105 | 75,717 | 94,379 | 95,807 | 77,219 |
| Asset-backed | n.a. | n.a. | n.a. | n.a. | 81 | 3,668 | 4,965 | 9,951 | 20,351 | 32,846 |
| Other ¹ | 4,567 | 4,756 | 6,083 | 8,002 | 6,838 | 10,069 | 11,072 | 15,933 | 21,148 | 20,986 |
| Nonfinancial corporations | 85,490 | 89,629 | 96,405 | 92,788 | 80,855 | 98,305 | 100,400 | 97,095 | 94,275 | 93,028 |
| Electric, gas, and water | 28,178 | 28,771 | 29,658 | 28,288 | 21,979 | 24,464 | 23,972 | 26,877 | 27,543 | 26,537 |
| Manufacturing | 30,885 | 31,959 | 33,945 | 34,204 | 21,941 | 29,734 | 30,143 | 27,291 | 27,792 | 29,778 |
| Services | 6,182 | 7,453 | 10,091 | 10,944 | 12,009 | 14,382 | 15,494 | 13,171 | 12,958 | 11,382 |
| Telephone and communication | 5,841 | 6,731 | 7,414 | 5,538 | 13,367 | 15,951 | 16,165 | 15,365 | 11,575 | 11,580 |
| Transportation, mining, and construction | 6,482 | 6,233 | 6,094 | 5,713 | 3,887 | 5,232 | 6,088 | 5,945 | 6,129 | 5,441 |
| Wholesale and retail trade | 7,922 | 8,482 | 9,203 | 8,101 | 7,672 | 8,542 | 8,538 | 8,446 | 8,278 | 8,310 |

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.

¹“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 | 2002 |
|---------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| All U.S. corporations | 367 | 376 | 401 | 411 | 435 | 460 | 456 | 460 | 461 | 460 |
| Financial corporations | 115 | 114 | 121 | 126 | 156 | 167 | 170 | 177 | 176 | 188 |
| Finance companies | 50 | 51 | 50 | 49 | 59 | 63 | 62 | 64 | 61 | 65 |
| Auto | 3 | 3 | 3 | 3 | 7 | 7 | 6 | 6 | 6 | 6 |
| Other | 47 | 48 | 47 | 46 | 52 | 56 | 56 | 58 | 55 | 59 |
| Banking firms | 32 | 30 | 31 | 32 | 36 | 37 | 38 | 40 | 39 | 36 |
| Savings and loans | 9 | 5 | 6 | 6 | 4 | 3 | 4 | 3 | 3 | 2 |
| Securities brokers | 7 | 10 | 10 | 10 | 18 | 19 | 18 | 17 | 17 | 15 |
| Asset-backed | n.a. | n.a. | n.a. | n.a. | 2 | 3 | 4 | 7 | 8 | 21 |
| Other ¹ | 17 | 18 | 24 | 29 | 37 | 42 | 44 | 46 | 48 | 49 |
| Nonfinancial corporations | 252 | 262 | 280 | 285 | 279 | 293 | 286 | 283 | 285 | 272 |
| Electric, gas, and water | 83 | 83 | 90 | 91 | 87 | 92 | 91 | 94 | 98 | 95 |
| Manufacturing | 104 | 111 | 117 | 117 | 91 | 98 | 95 | 90 | 92 | 93 |
| Services | 13 | 13 | 14 | 14 | 25 | 25 | 24 | 25 | 23 | 18 |
| Telephone and communication | 16 | 17 | 17 | 18 | 26 | 25 | 24 | 22 | 22 | 20 |
| Transportation, mining, and construction | 19 | 19 | 21 | 23 | 21 | 24 | 23 | 21 | 22 | 21 |
| Wholesale and retail trade | 17 | 19 | 21 | 22 | 29 | 29 | 29 | 31 | 28 | 25 |

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.

¹“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 | 2002 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| All U.S. corporations | 210,894 | 235,486 | 267,501 | 287,323 | 302,102 | 388,729 | 420,567 | 446,439 | 479,177 | 515,912 |
| AAA | 8,799 | 12,725 | 17,021 | 13,599 | 11,470 | 16,779 | 25,620 | 38,901 | 69,613 | 120,080 |
| AA | 12,860 | 15,686 | 22,984 | 38,027 | 48,541 | 51,318 | 50,110 | 98,170 | 107,747 | 116,368 |
| A | 122,544 | 142,543 | 161,758 | 168,488 | 197,197 | 266,444 | 283,925 | 248,306 | 193,948 | 216,588 |
| BBB | 62,232 | 59,603 | 61,040 | 61,449 | 37,515 | 43,563 | 49,610 | 45,399 | 95,088 | 46,211 |
| BB | 3,637 | 4,136 | 3,723 | 4,638 | 5,166 | 5,989 | 6,200 | 7,268 | 7,422 | 5,069 |
| B | 373 | 343 | 500 | 635 | 884 | 898 | 403 | 4,712 | 520 | 0 |
| Other ¹ | 450 | 451 | 475 | 488 | 1,331 | 3,740 | 4,698 | 3,684 | 4,839 | 11,596 |
| Financial corporations | 125,404 | 145,857 | 171,096 | 194,535 | 221,248 | 290,424 | 320,166 | 349,344 | 384,903 | 422,883 |
| AAA | 7,570 | 12,130 | 16,621 | 13,045 | 10,013 | 15,562 | 24,505 | 38,230 | 67,431 | 117,056 |
| AA | 4,853 | 9,747 | 16,185 | 30,771 | 34,180 | 34,492 | 30,757 | 81,514 | 91,406 | 109,847 |
| A | 81,172 | 96,964 | 107,662 | 119,131 | 157,758 | 214,799 | 234,069 | 204,320 | 154,586 | 174,350 |
| BBB | 30,596 | 25,839 | 29,410 | 30,337 | 16,142 | 20,098 | 25,199 | 15,426 | 66,858 | 16,584 |
| BB | 1,213 | 1,177 | 1,218 | 1,251 | 1,346 | 1,263 | 938 | 1,795 | 714 | 244 |
| B | 0 | 0 | 0 | 0 | 704 | 718 | 243 | 4,546 | 440 | 0 |
| Other ¹ | 0 | 0 | 0 | 0 | 1,105 | 3,492 | 4,455 | 3,513 | 3,468 | 4,803 |
| Nonfinancial corporations | 85,490 | 89,629 | 96,405 | 92,788 | 80,854 | 98,305 | 100,401 | 97,095 | 94,274 | 93,028 |
| AAA | 1,229 | 595 | 400 | 554 | 1,456 | 1,217 | 1,115 | 671 | 2,181 | 3,024 |
| AA | 8,007 | 5,939 | 6,799 | 7,256 | 14,361 | 16,826 | 19,353 | 16,656 | 16,341 | 6,522 |
| A | 41,371 | 45,579 | 54,095 | 49,357 | 39,440 | 51,644 | 49,857 | 43,985 | 39,363 | 42,238 |
| BBB | 31,636 | 33,763 | 31,630 | 31,111 | 21,372 | 23,464 | 24,411 | 29,973 | 28,230 | 29,627 |
| BB | 2,424 | 2,959 | 2,506 | 3,387 | 3,819 | 4,726 | 5,262 | 5,473 | 6,708 | 4,825 |
| B | 373 | 343 | 500 | 635 | 180 | 180 | 160 | 166 | 80 | 0 |
| Other ¹ | 450 | 451 | 475 | 488 | 226 | 248 | 243 | 171 | 1,371 | 6,793 |

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.

¹ "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 | 2002 |
|---------------------------------------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| All U.S. corporations | 86,061 | 88,144 | 98,916 | 93,677 | 114,436 | 149,219 | 170,753 | 210,183 | 222,931 | 257,754 |
| Financial corporations | 57,841 | 70,374 | 79,461 | 81,954 | 98,878 | 128,524 | 149,291 | 190,487 | 205,827 | 237,383 |
| Finance companies | 30,060 | 41,605 | 45,648 | 41,590 | 44,045 | 63,125 | 70,570 | 74,122 | 89,988 | 128,183 |
| Auto | 10,755 | 11,219 | 11,631 | 8,642 | 12,076 | 19,732 | 26,909 | 17,534 | 28,945 | 16,327 |
| Other | 19,305 | 30,386 | 34,017 | 32,948 | 31,969 | 43,393 | 43,661 | 56,588 | 61,043 | 111,856 |
| Banking firms | 7,561 | 8,103 | 13,945 | 12,136 | 14,815 | 19,057 | 24,038 | 22,199 | 18,128 | 13,090 |
| Savings and loans | 861 | 500 | 1,285 | 1,518 | 180 | 100 | 500 | 0 | 0 | 0 |
| Securities brokers | 17,937 | 19,320 | 16,912 | 24,319 | 36,192 | 40,759 | 46,275 | 78,761 | 70,875 | 57,870 |
| Asset-backed | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 5,438 | 8,469 | 14,929 | 28,599 |
| Other ¹ | 1,422 | 846 | 1,671 | 2,391 | 3,646 | 5,483 | 2,470 | 6,936 | 11,907 | 9,641 |
| Nonfinancial corporations | 28,220 | 17,770 | 19,455 | 11,723 | 15,558 | 20,695 | 21,462 | 19,696 | 17,104 | 20,370 |
| Electric, gas, and water | 10,858 | 2,523 | 2,732 | 1,877 | 2,765 | 3,198 | 2,493 | 5,586 | 3,716 | 4,217 |
| Manufacturing | 8,394 | 6,817 | 7,531 | 5,221 | 6,321 | 9,213 | 7,023 | 5,699 | 5,726 | 7,139 |
| Services | 3,079 | 3,529 | 4,691 | 3,144 | 4,187 | 6,837 | 5,012 | 1,941 | 3,843 | 3,015 |
| Telephone and communication | 2,729 | 1,492 | 1,493 | 831 | 838 | 395 | 4,292 | 3,788 | 1,580 | 3,115 |
| Transportation, mining, and construction | 1,740 | 920 | 612 | 405 | 177 | 111 | 1,558 | 1,088 | 1,304 | 709 |
| Wholesale and retail trade | 1,420 | 2,489 | 2,396 | 245 | 1,270 | 941 | 1,084 | 1,594 | 935 | 2,175 |

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.

¹“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 | 2002 |
|---------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| All U.S. corporations | 210 | 171 | 195 | 165 | 158 | 145 | 150 | 145 | 122 | 135 |
| Financial corporations | 71 | 68 | 78 | 87 | 84 | 71 | 77 | 80 | 67 | 86 |
| Finance companies | 31 | 30 | 34 | 36 | 38 | 29 | 29 | 34 | 27 | 32 |
| Auto | 3 | 3 | 3 | 3 | 5 | 6 | 5 | 5 | 4 | 4 |
| Other | 28 | 27 | 31 | 33 | 33 | 23 | 24 | 29 | 23 | 28 |
| Banking firms | 19 | 16 | 19 | 21 | 20 | 14 | 16 | 13 | 11 | 13 |
| Savings and loans | 2 | 1 | 3 | 2 | 1 | 1 | 1 | 0 | 0 | 0 |
| Securities brokers | 7 | 10 | 8 | 10 | 11 | 9 | 11 | 11 | 9 | 9 |
| Asset-backed | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4 | 6 | 8 | 19 |
| Other ¹ | 12 | 11 | 14 | 18 | 14 | 18 | 16 | 16 | 12 | 13 |
| Nonfinancial corporations | 139 | 103 | 117 | 78 | 74 | 74 | 73 | 65 | 55 | 49 |
| Electric, gas, and water | 60 | 37 | 42 | 31 | 32 | 31 | 22 | 25 | 20 | 15 |
| Manufacturing | 47 | 39 | 46 | 29 | 20 | 26 | 24 | 18 | 18 | 17 |
| Services | 7 | 8 | 7 | 7 | 6 | 7 | 10 | 9 | 6 | 5 |
| Telephone and communication | 8 | 6 | 8 | 5 | 4 | 2 | 5 | 4 | 2 | 2 |
| Transportation, mining, and construction | 9 | 7 | 7 | 3 | 4 | 3 | 6 | 4 | 5 | 4 |
| Wholesale and retail trade | 8 | 6 | 7 | 3 | 8 | 5 | 6 | 5 | 4 | 6 |

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.

¹“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 | 2002 |
|-----------------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| All U.S. Corporations | 86,063 | 87,844 | 98,916 | 93,675 | 114,470 | 149,269 | 170,753 | 210,181 | 222,932 | 257,754 |
| AAA | 4,091 | 9,274 | 10,358 | 4,740 | 2,065 | 10,021 | 15,832 | 25,730 | 38,811 | 89,342 |
| AA | 4,840 | 5,292 | 7,965 | 12,011 | 28,688 | 37,148 | 15,277 | 49,541 | 49,183 | 74,277 |
| A | 57,800 | 58,600 | 65,440 | 60,910 | 68,080 | 86,054 | 124,568 | 122,556 | 102,860 | 82,130 |
| BBB | 17,759 | 13,926 | 14,452 | 15,126 | 14,361 | 15,887 | 10,289 | 9,713 | 29,392 | 7,092 |
| BB | 1,573 | 618 | 573 | 757 | 266 | 159 | 478 | 451 | 526 | 0 |
| B | 0 | 134 | 128 | 131 | 1,010 | 0 | 100 | 50 | 0 | 0 |
| Other ¹ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4,209 | 2,140 | 2,160 | 4,912 |

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.

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

n.a. Not available.