

# Global Convertibles Issuance: Key Trends and Insights

The global convertibles market rebounded in Q2 despite trade shocks and market disruptions.

## Introduction

In April 2025, sweeping U.S. tariffs—including a 10% baseline introduced on April 5—sparked intense market volatility, triggering a bond sell-off, plunging equities, and a freeze in convertible issuance as the cost of capital spiked. By contrast, May and June saw a sharp rebound, with issuance outpacing levels seen in 2024. This recovery was fueled by key factors, including a 90-day suspension of tariff hikes, temporary trade agreements (notably with China and the UK), and broader market stabilization. As the S&P 500 rallied, Treasury yields normalized, and credit spreads tightened, issuers regained confidence and swiftly returned to the convertible market.

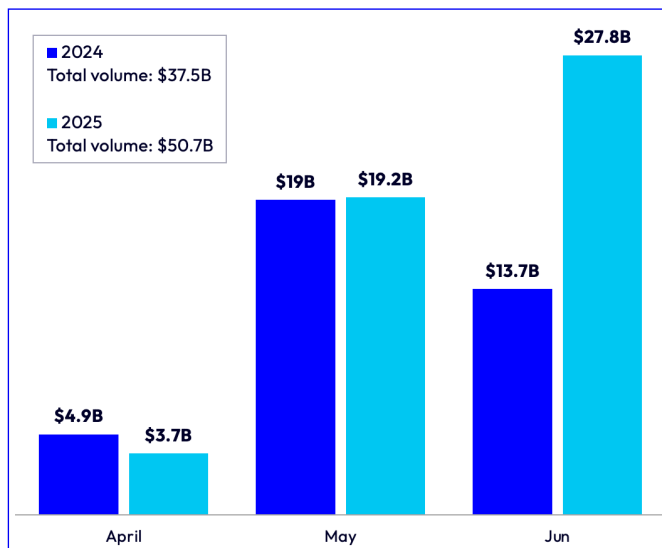
Supported by detailed insights into top deals and year-over-year performance, this Q2 2025 market report offers perspective into how the convertibles market continues to evolve as an essential financing instrument in today's dynamic and rapidly changing financial landscape.

# Q2 2025

## Trends in Global Issuance

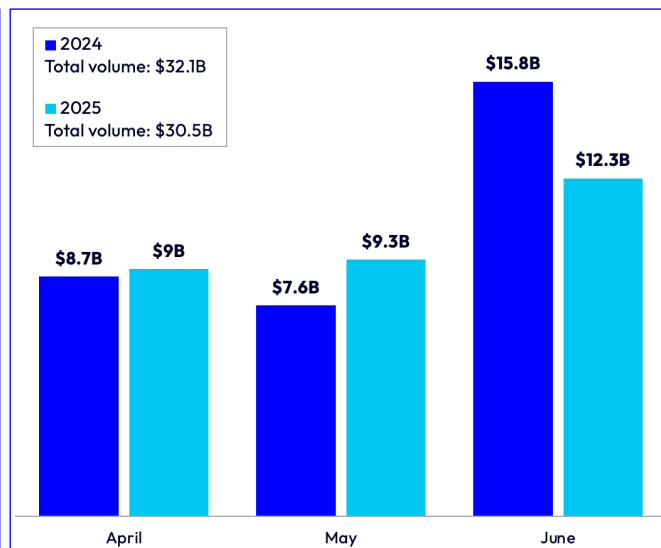
Convertible issuance remained active in Q2 2025, with 69 new deals raising approximately \$50.7 billion in gross proceeds. This strong showing reflects ongoing corporate interest in equity-linked financing and continued demand from investors seeking hybrid exposure. While new issuance volumes were healthy, redemptions trended slightly downward, totaling just over \$30.5 billion during the quarter. The average deal size this quarter was roughly \$724 million—above historical norms—signaling increased use of convertibles for large-scale capital raising.

Global Issuance (Q2 2024 vs. Q2 2025)



source: Numerix

Redemptions Gross Proceeds (Q2 2024 vs. Q2 2025)



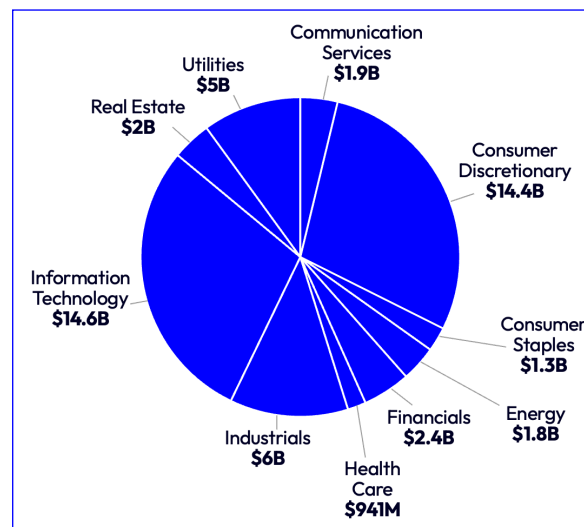
source: Numerix

## Sector Leaders and Laggards

Information Technology remained the top sector for convertible issuance in Q2, with 20 deals generating approximately \$14.6 billion. This reflects sustained demand for capital among software, semiconductor, and services companies. The Consumer Discretionary sector was also prominent, contributing 15 deals totaling over \$14.4 billion—highlighting strong participation from e-commerce and consumer brand names.

Utilities saw seven deals totaling \$5.0 billion. Financials recorded five deals totaling \$2.4 billion. Other sectors including Real Estate (five deals totaling approximately

New Issuance by Sector Q2 2025



source: Numerix

\$2.0 billion) and Energy (four deals totaling \$1.8 billion) also saw notable issuance. Overall, deal activity remains centered in growth-oriented and capital-intensive sectors.

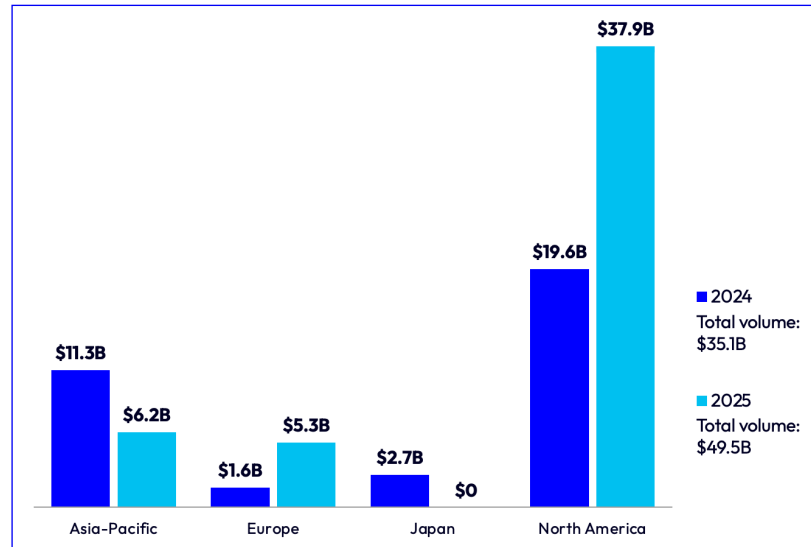
## Regional Issuance and Redemptions

North America continued to dominate the convertible issuance landscape in Q2, accounting for 49 deals and nearly \$37.9 billion in proceeds—more than half of global volume. Asia-Pacific followed with 10 deals totaling \$6.2 billion. Europe contributed 10 deals worth \$5.3 billion, showing steady but moderate activity. Japan posted no deals in Q2 2025.

While North America remains the clear leader, both in volume and average deal size (approximately \$773 million), Asia-Pacific’s \$620 million average signals its growing strategic importance. Europe, despite trailing in total issuance, saw the fastest year-over-year growth, surging 231% from \$1.6 billion to \$5.3 billion. This momentum may reflect renewed issuer confidence amid improved stability and increased investor demand for hybrid or equity-linked debt instruments.

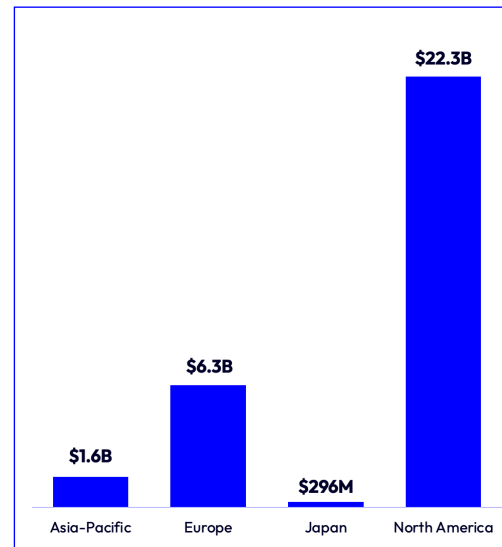
Additionally, despite strong issuance growth in North America, a total of \$22.3B in redemptions—exceeds all other regions combined.

New Issuance By Region (Q2 2024 vs. Q2 2025)



source: Numerix

Redemptions Gross Proceeds by Region (Q2 2025)



source: Numerix

## Year-over-Year Context

Convertible issuance surged in Q2 2025, reaching \$50.7 billion—up 26% from \$37.6 billion a year earlier. Activity slowed in April amid tariff-related volatility but rebounded sharply in May and June, with June alone contributing \$27.8 billion—more than twice the total from June 2024. Redemptions remained substantial but declined slightly to \$30.5 billion, compared to \$32.1 billion in Q2 2024. This improved

issuance-to-redemption ratio points to rising issuer confidence and durable investor demand, reinforcing convertibles' growing role in corporate capital strategies.

## Top 10 Deals (by Size)

Ticker	Issuer	Size USD	Sector
DASH	DoorDash Inc	\$2.75B	Consumer Discretionary
GME	GameStop	\$2.25B	Consumer Discretionary
NET	Cloudflare Inc	\$2B	Information Technology
SMCI	Super Micro Computer	\$2B	Information Technology
AKAM	Akamai Technologies Inc	\$1.73B	Information Technology
SO	Southern Co	\$1.65B	Utilities
2318 HK	Ping An Insurance Group	\$1.5B	Financials
GRAB	Grab Holdings Inc	\$1.5B	Industrials
ZS	Zscaler	\$1.5B	Information Technology
FE	FirstEnergy Corp Tranche A	\$1.35B	Utilities

source: Numerix

## Key Observations from the Top 10 Deals

### 1. Post-Tariff Rebound

After a significant pause in April driven by the introduction of U.S. tariffs and elevated macro uncertainty, convertible issuance roared back in May. Market participants regained confidence as trade tensions eased and volatility stabilized. Issuers, many of whom had paused deals earlier in the quarter, re-entered the market—resulting in more than \$19 billion in new issuance in May alone, more than doubling April's total. This rebound reflects the convertible market's sensitivity to macro catalysts and its flexibility in adapting to changing conditions.

### 2. Wider Issuer Base

While convertible bonds have traditionally been favored by high-growth tech names, Q2 2025 saw a marked increase in activity from a broader range of sectors. Companies in consumer discretionary (GameStop), utilities (Southern Co) and industrials (Grab Holdings Inc) turned to convertibles as part of their capital structure strategies. This trend signals growing issuer comfort with the instrument's hybrid nature—offering cost-effective financing while preserving equity flexibility and reducing immediate dilution risk.

### 3. Megadeal Issuance Marks a Structural Shift

One of the most striking developments in Q2 2025 was the volume of large-scale deals: 17 convertible issuances surpassed the \$1 billion mark in the first half of the year, compared to just seven in all of 2024. This surge in megadeals points to a structural shift in how convertibles are being utilized—not just as niche financing tools, but as mainstream instruments capable of moving

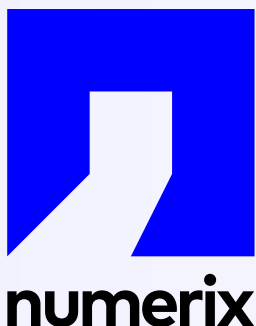
large amounts of capital efficiently. Issuers are capitalizing on renewed investor appetite and heightened market volatility to secure favorable terms at scale. The growing size of these deals also reflects increased buy-side comfort with convertibles, as institutions seek yield and equity optionality in a shifting macro environment.

#### 4. Favorable Pricing Dynamics

Convertible pricing in Q2 2025 was supported by a sweet spot in market conditions: stabilized equity markets, strong investor demand for hybrid assets, and persistently elevated interest rates that allowed for more compelling bond-equity tradeoffs. Issuers could offer lower coupons than straight debt while retaining upside optionality tied to equity performance. Investors, in turn, were drawn to the asymmetric payoff profile convertibles offer—especially attractive in uncertain macro environments where pure equity exposure may be too risky.

## Concluding Thoughts

Q2 2025 reaffirmed the convertible market's agility in navigating volatile macro conditions. After a turbulent start triggered by U.S. tariff policy, issuance rebounded sharply, demonstrating the market's resilience and strategic value for both issuers and investors. The surge in large-scale deals, broader sector participation, and favorable pricing dynamics underscore a structural evolution in how convertibles are being deployed as mainstream financing instruments. As global markets continue to shift, convertibles are well-positioned to remain a vital tool for raising capital with flexibility, especially in environments where uncertainty and opportunity go hand in hand.



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