



Chart of the Week

Weekly analysis of key themes in markets

March 3, 2026

Is record credit issuance a cause for investor concern?



Source: Bloomberg. Data as of February 23, 2026. 10-year average and 10-year low based on February 24, 2016 – February 23, 2026 data. IG = investment grade.

Investment-grade (IG) credit spreads have risen but still remain close to 10-year lows

2026 is likely to be a record year for corporate credit issuance, fueling investor concerns about excess supply, significant artificial-intelligence- (AI-) related debt issuance, and potentially higher risk premiums in credit markets. Despite subsequent market volatility, robust demand for corporate debt has been more than meeting the increasing supply, helping to keep credit spreads stable.

The chart above puts recent credit-spread increases in perspective, showing that they are up only modestly off 10-year lows and well below the 10-year average. With spreads coming off very low levels, we do not see these increases as signs of meaningful stress — especially as the sharpest increases have occurred in a minority of technology companies with significant AI exposure — and continue to believe investors should benefit from moderate credit exposure.

What it may mean for investors

Favorable supply and demand dynamics and our positive outlook on credit risks drive our belief that IG Corporate Securities remain attractive. Even if credit risks do not fall further, we see the current environment as relatively low risk and think investors can benefit from the additional income offered by bonds with moderate credit exposure. We are favorable on IG Corporate Securities as a result and see pullbacks on headline risks as likely representing an opportunity.

Tony Miano, CFA, CAIA; *Investment Strategy Analyst*

Excerpted from Investment Strategy report (March 2)

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield (junk) bonds** have lower credit ratings and are subject to greater risk of default and greater principal risk.

General Disclosures

Global Investment Strategy (GIS) is a division of Wells Fargo Investment Institute, Inc. (WFII). WFII is a registered investment adviser and wholly owned subsidiary of Wells Fargo Bank, N.A., a bank affiliate of Wells Fargo & Company.

The information in this report was prepared by Global Investment Strategy. Opinions represent GIS' opinion as of the date of this report and are for general information purposes only and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally. GIS does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. This report is not intended to be a client-specific suitability or best interest analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee to its accuracy or completeness.

Wells Fargo Advisors is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, but is not licensed or registered with any financial services regulatory authority outside of the U.S. Non-U.S. residents who maintain U.S.-based financial services account(s) with Wells Fargo Advisors may not be afforded certain protections conferred by legislation and regulations in their country of residence in respect of any investments, investment transactions or communications made with Wells Fargo Advisors.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. [PM]-08292027-5259668