

MNI EGB Supply - W/C January 23, 2023

24 January 2023 - By Tim Davis

THE WEEK AHEAD:

The Netherlands, Germany and Italy are due to hold auctions and we expect syndications from the EU, Spain and France. We look for **gross nominal issuance at first round operations of E29.0bln** for these deals, down a little from last week's E32.6bln.

- The **EU** will look to hold a syndication today with the 30-year 3.00% Mar-53 EU-bond (ISIN: EU000A3K4DY4) due to be tapped. There is a bit more uncertainty over the size of the deal than normal – most recent 30-year syndications have been as part of a dual-tranche (for around E3bln) with the single tranche deals tended to be launches of around E5bln. So we pencil in a E3-5bln range for today's transaction.
- In terms of today's auctions, the **Netherlands** will look to sell E1.5-2.0bln of the 2.00% Jan-54 DSL (ISIN: NL00150012X2). This will be the first reopening of the 30-year DSL since it was launched via DDA in September.
- Also this morning, **Germany** will come to the market with E1.5bln of the 0% Oct-25 Green Bobl (ISIN: DE0001030716) on offer. Note that the issue has a residual maturity of around 3-years and marks the first of 5 green auctions in 2023 (with 2 green syndications due too). **Germany** plans to sell E15-17bln of green securities this year.
- Looking to the rest of the week, MNI also expects **Spain** to hold a syndication to launch a new 10-year Apr-33 Obli for E10bln. Furthermore we pencil in a **French** syndication (albeit with lower conviction) and note that a 30-year OAT or 10-20-year OATi could be on offer.
- **Germany** will return to the market on Wednesday with E1.5bln of the 15-year 1.00% May-38 Bund (ISIN: DE0001102598) on offer.
- **Italy** will conclude issuance for the week on Thursday. Instead of issuing a new BTP Short Term (which we had expected) it will reopen two existing BTPs: E1.00-1.25bln of the 1.50% Jun-25 BTP (ISIN: IT0005090318) and E1.5-2.0bln of the 2.50% Nov-25 BTP (ISIN: IT0005345183). Also on offer will be E1.25-1.75bln of the 0.10% May-33 BTPei (ISIN: IT0005482994).

NET NOMINAL FLOWS: The upcoming week sees no redemptions and coupons of just E0.5bln. With gross nominal issuance of E29.0bln **we look for net flows of positive E28.5bln in the week ahead**, more than reversing last week's negative -E6.8bln of net issuance.

For a calendar of all announced EGB/EU/ESM/EFSF auctions [see the MNI EZ/UK Bond Supply Calendar here.](#)

