

ITALY AUCTION PREVIEW: BTPs & BTPei on Offer

26 January 2023 – By Lucy Hager

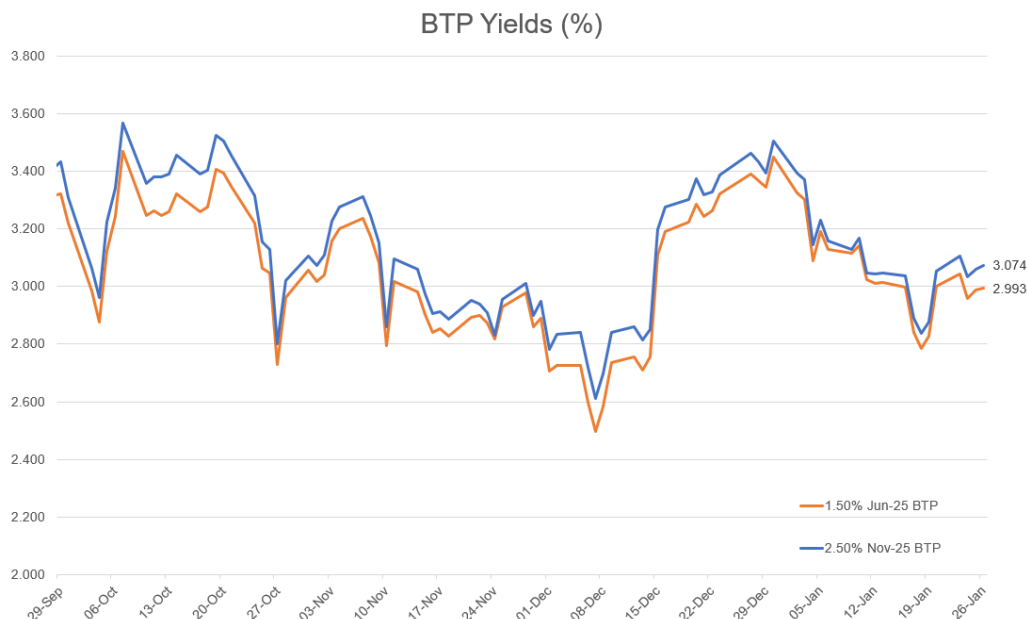
On offer today:

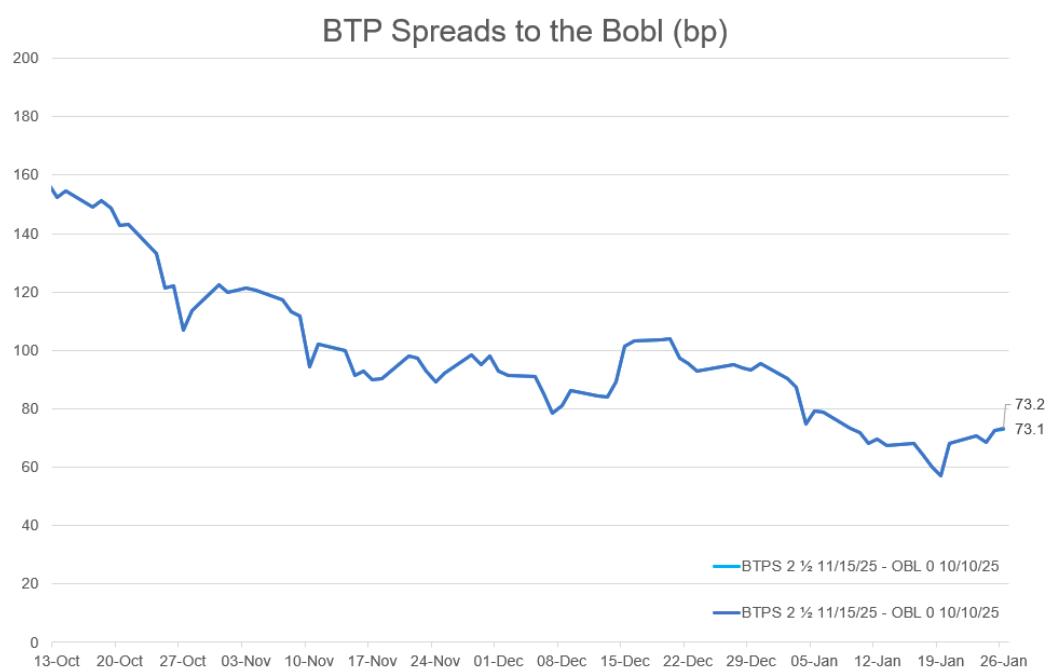
- E1.00-1.25bln of the 1.50% Jun-25 BTP (ISIN: IT0005090318)
- E1.5-2.0bln of the 2.50% Nov-25 BTP (ISIN: IT0005345183)
- E1.25-1.75bln of the 0.10% May-33 BTPei (ISIN: IT0005482994)

Timing: Results will be available shortly after the auction closes at 1000 GMT / 1100 CET.

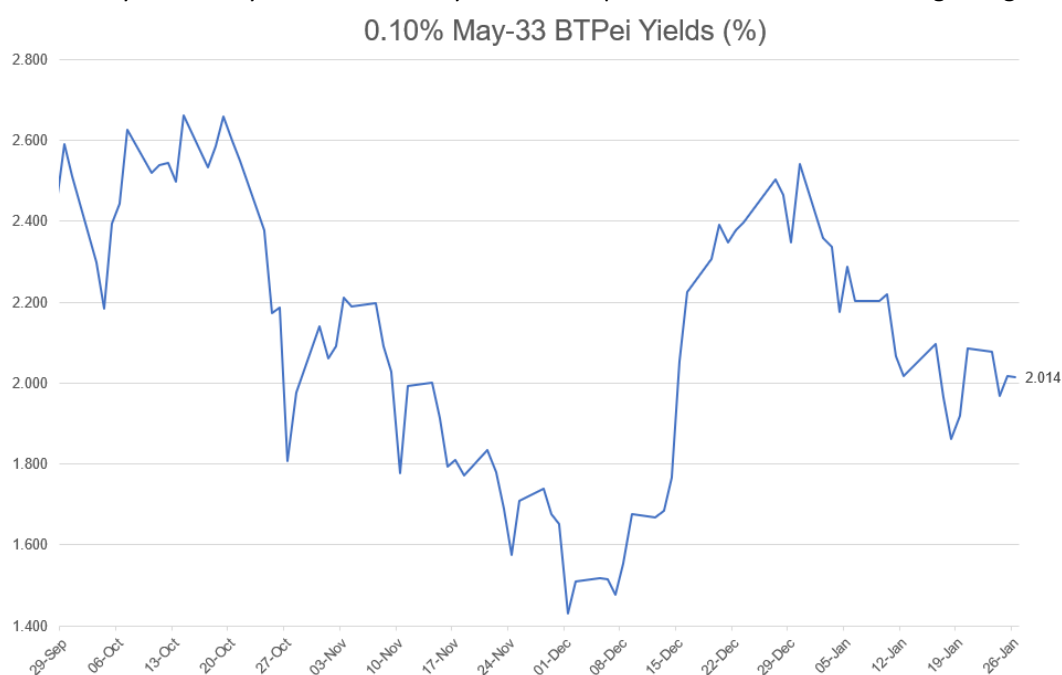
Market colour:

- Italy will conclude eurozone auctions for the week today. Instead of issuing a new BTP Short Term (which we had expected) it will reopen two existing BTPs. Also on offer will be E1.25-1.75bln of the 0.10% May-33 BTPei.
- 1.50% Jun-25 BTP and 2.50% Nov-25 BTP yields have recently resumed an upwards trajectory after declining over the first half of January. Spreads to the Bobl have narrowed over the past six months.

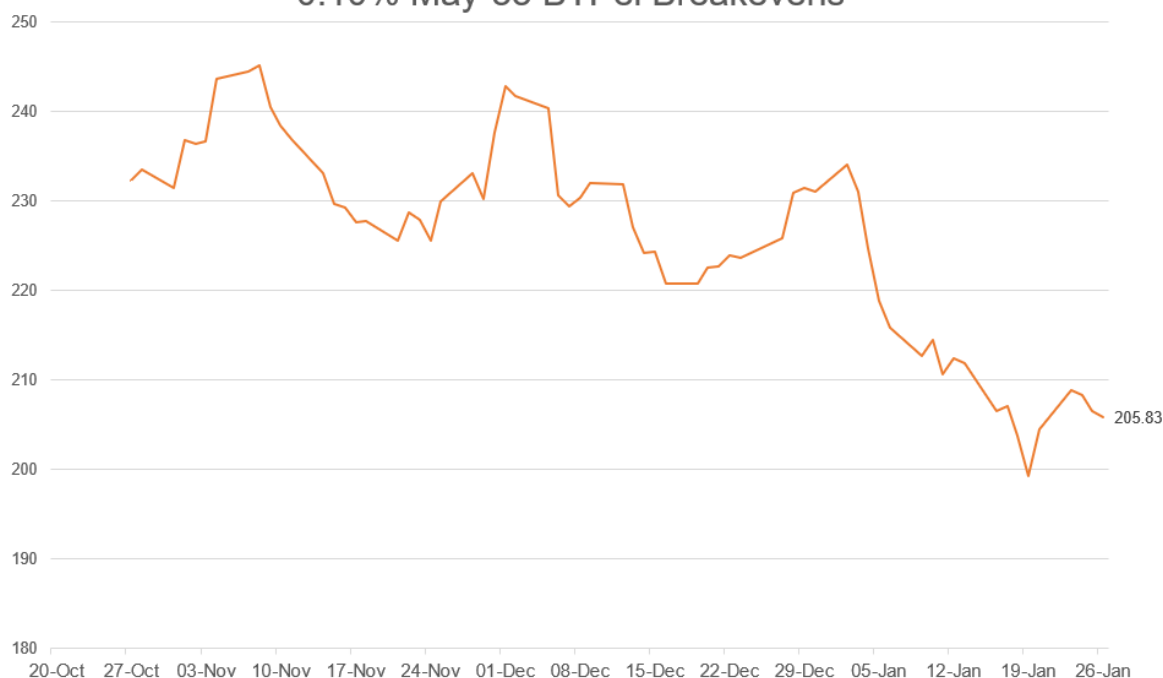




- 0.10% May-33 BTPEi yields are currently around 53bp below levels seen at the beginning of the year.



0.10% May-33 BTPei Breakevens



Auction history:

1.50% Jun-25 BTP (ISIN: IT0005090318)

Date	Issued	Avg yield	Bid/cover	Avg Price	Pre-auct	Operation
	Current	2.993%				
16-Jun-22	E-656mln			96.89		Buyback

2.50% Nov-25 BTP (ISIN: IT0005345183) – no relevant past auctions

Date	Issued	Avg yield
	Current	3.074%

Similar past auctions: The 1.20% Aug-25 BTP (ISIN: IT0005493298) has been more recently reopened:

Date	Issued	Avg yield	Bid/cover	Avg Price	Pre-auct	Operation
	Current	3.092%				
Last 5 ave	E2.75bln	2.100%	1.68x			
13-Sep-22	E2.75bln	2.770%	1.70x	95.69	95.67	Auction
13-Jul-22	E3.25bln	1.840%	1.57x	98.10	98.08	Auction
14-Jun-22	E2bln	3.040%	1.63x	94.55	94.53	Auction
12-May-22	E2bln	1.530%	1.97x	98.99	98.94	Auction
13-Apr-22	E3.75bln	1.320%	1.52x	99.63	New	Auction

0.10% May-33 BTPei (ISIN: IT0005482994)

Date	Issued	Avg yield	Bid/cover	Avg Price	Pre- auct	Operation
	Current	2.014%				
Last 5 ave	E1.1bln	1.322%	1.49x			
26-Oct-22	E750mln	2.220%	1.57x	80.23	80.16	Auction
27-Sep-22	E1.25bln	2.450%	1.31x	78.25	78.21	Auction
26-Jul-22	E750mln	1.370%	1.84x	87.32	87.09	Auction
26-May-22	E1.25bln	0.860%	1.40x	92.04	91.94	Auction
25-Mar-22	E1.5bln	-0.290%	1.31x	104.39	104.00	Auction
02-Feb-22	E5bln	-0.138%		102.70	New	Synd