

MNI EGB Supply - W/C February 6, 2023

9 February 2023 - By Tim Davis

France, the Netherlands, Austria, Germany and Portugal have all come to the market this week. **Announced gross nominal issuance this week is E18.5bln**, substantially less than last week's E47.5bln.

- **France** came to the market on Tuesday to launch its new 30-year 3.00% May-54 OAT (ISIN : FR001400FTH3) via syndication for E5.0bln (the size in line with MNI expectations). Demand was very strong with books of E47bln surpassing the E28bln seen in July 2021 for the last 30-year OAT syndication. Indeed, the book size exceeded any deal since January 2021.
- Also Tuesday, the **Netherlands** launched its new 10-year 2.50% Jul-33 DSL (ISIN: NL0015001AM2) via DDA for E6.0bln, the top of the target range. Demand was robust with a book size of E20.6bln slightly exceeding the E20.0bln seen at the launch of the 0.50% Jul-32 DSL a year ago.
- **Austria** held a larger-than-usual auction of E1.725bln, selling E862.5mln (E750mln allotted) of each of the 10-year 2.90% Feb-33 RAGB (ISIN: AT0000A324S8) that was launched via syndication last month as well as the 0% Oct-40 RAGB (ISIN: AT0000A2KQ43).
- Finally on Tuesday, **Germany** sold 3/10-year linkers: E500mln (E375mln allotted) of the 0.10% Apr-26 ILB (ISIN: DE0001030567) and E200mln (E198mln allotted) of the 0.10% Apr-46 ILB (ISIN: DE0001030575).
- On Wednesday, **Germany** returned to the market to sell E4bln (E3.3786bln allotted) of the 7-year 2.10% Nov-29 Bund (ISIN: DE0001102622).
 - It was a slightly disappointing Bund auction. Other than the two minutes leading up to the auction close, the 45 minutes before the auction close didn't see the market price dip below 98.483. The average price achieved at auction was 98.48. Despite a relatively tight tail, this means that the lowest accepted price of 98.47 was lower than the market price through the auction.
 - The bid-to-cover was also lower than seen in November, although there was more allotted at this week's auction.
- **Portugal** drew auction issuance to an end on Wednesday, selling E1.0bln (top of the target range) of the 10-year 1.65% Jul-32 OT (ISIN: PTOTEYOE0031).
- In terms of other **syndications** we still see a low chance, but some potential for an Italian transaction to be announced today and held tomorrow. We now think that we will see the Spanish longer-dated Obli (possibly 15-year) in the W/C 20 February (avoiding the auctions next week). And we could still see the Belgian 20/30-year OLO next week.

NET NOMINAL FLOWS: This week sees two redemptions totalling E3.1bln with the majority (E3.0bln) from a formerly 3-year ESM-bond. Coupons total just E0.1bln. With announced gross nominal issuance of E18.5bln this week ahead of any further syndications, **we look for net flows of positive E15.2bln this week**, up from last week's positive E11.6bln.

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

mni Eurozone Issuance Profile

2023 Issuance

	Austria	Belgium	Finland	France	Germany	Greece	Ireland	Italy	Neth.	Portugal	Slovakia	Slovenia	Spain	EU	EFSS	ESM	Total	Other	
YTD Issuance	10.0	7.5	4.4	45.9	37.7	3.5	3.5	30.8	12.0	4.0	0.6	1.5	32.8	13.2	6.0	0.0	213.3	1.0	
YTD Cash Proc.	9.1	7.5	4.2	39.9	36.9	3.5	3.4	30.9	11.5	3.8	0.5	1.5	32.2	11.9	6.0	0.0	203.0	1.0	
2022 Target	45.0	47.0	17.5	270.0	305.0	7.0	9.0	315.0	50.0	19.8	8.0	5.0	172.5	158.0	20.0	8.0	1456.8		
YTD Cash % Trgt	20.3	15.9	24.2	14.8	12.1	49.9	38.3	9.8	22.9	19.3	6.7	29.5	18.7	7.6	29.8	0.0	13.9		
Cash Proceeds:																			
<3.5 YR	0.3	-	-	3.6	12.4	-	-	4.5	3.7	-	-	-	5.8	2.7	-	-	33.0	0.1	
3.5 - 5.5 YR	0.5	-	0.6	3.5	5.0	-	-	4.7	-	-	0.1	-	3.9	1.7	2.0	-	22.0	0.1	
5.5 - 8 YR	0.5	-	-	2.2	3.9	-	-	4.2	-	-	-	-	3.2	-	-	-	14.1	0.1	
8 - 11 YR	6.6	7.0	0.7	17.3	10.0	3.5	-	7.1	5.9	0.9	0.2	1.2	13.0	1.5	4.0	-	78.9	-	
11 - 16 YR	-	-	3.0	1.8	1.3	-	-	-	-	2.9	0.2	-	-	-	-	-	9.1	-	
16 - 21 YR	0.5	0.2	-	-	-	-	3.4	7.0	-	-	-	-	3.7	1.2	-	-	16.0	-	
21 - 26 YR	0.5	-	-	1.7	1.1	-	-	-	-	-	0.1	0.2	1.4	-	-	-	4.9	-	
26 - 32 YR	0.2	-	-	6.7	2.0	-	-	-	1.8	-	-	-	-	4.9	-	-	15.5	-	
32 YR +	-	0.2	-	1.2	-	-	-	-	-	-	-	-	-	-	-	-	1.4	-	
Total conv	9.1	7.5	4.2	37.9	35.7	3.5	3.4	27.6	11.5	3.8	0.5	1.5	30.9	11.9	6.0	-	195.0	0.3	
CCTeu / FRN	-	-	-	-	-	-	-	1.7	-	-	-	-	-	-	-	-	-	1.7	-
< 6 YR	-	-	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-	0.5	-
6 - 11 YR	-	-	-	1.5	0.6	-	-	1.6	-	-	-	-	1.3	-	-	-	-	5.0	-
11 - 21 YR	-	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	-
21 - 32 YR	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Total linker	-	-	-	-	1.3	-	-	1.6	-	-	-	-	1.3	-	-	-	-	6.2	-
EMTN/Fgn Debt	-	-	-	2.0	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7

2023 Issuance: Nominal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	31.0	2.9	-	-	-	-	-	-	-	-	-	-	33.9
3.5 - 5.5 YR	20.9	2.0	-	-	-	-	-	-	-	-	-	-	23.0
5.5 - 8 YR	11.1	4.0	-	-	-	-	-	-	-	-	-	-	15.1
8 - 11 YR	57.0	24.2	-	-	-	-	-	-	-	-	-	-	81.2
11 - 16 YR	10.0	-	-	-	-	-	-	-	-	-	-	-	10.0
16 - 21 YR	13.8	3.1	-	-	-	-	-	-	-	-	-	-	16.9
21 - 26 YR	3.5	2.8	-	-	-	-	-	-	-	-	-	-	6.3
26 - 32 YR	12.9	5.0	-	-	-	-	-	-	-	-	-	-	17.9
32 YR +	1.6	0.3	-	-	-	-	-	-	-	-	-	-	1.9
Total conv	161.8	44.3	-	-	-	-	-	-	-	-	-	-	206.1
CCTeu / FRN	1.7	-	-	-	-	-	-	-	-	-	-	-	1.7
< 6 YR	-	0.5	-	-	-	-	-	-	-	-	-	-	0.5
6 - 11 YR	4.1	0.6	-	-	-	-	-	-	-	-	-	-	4.7
11 - 21 YR	0.4	-	-	-	-	-	-	-	-	-	-	-	0.4
21 - 32 YR	-	0.2	-	-	-	-	-	-	-	-	-	-	0.2
Total linker	4.5	1.3	-	-	-	-	-	-	-	-	-	-	5.8
EMTN/Fgn Debt	0.8	-	-	-	-	-	-	-	-	-	-	-	0.8
Total	168.8	45.6	-	-	-	-	-	-	-	-	-	-	214.4

2023 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	30.1	2.9	-	-	-	-	-	-	-	-	-	-	33.0
3.5 - 5.5 YR	20.2	1.9	-	-	-	-	-	-	-	-	-	-	22.1
5.5 - 8 YR	10.3	3.9	-	-	-	-	-	-	-	-	-	-	14.2
8 - 11 YR	56.4	22.6	-	-	-	-	-	-	-	-	-	-	78.9
11 - 16 YR	9.1	-	-	-	-	-	-	-	-	-	-	-	9.1
16 - 21 YR	13.3	2.7	-	-	-	-	-	-	-	-	-	-	16.0
21 - 26 YR	3.2	1.7	-	-	-	-	-	-	-	-	-	-	4.9
26 - 32 YR	10.7	4.9	-	-	-	-	-	-	-	-	-	-	15.5
32 YR +	1.2	0.2	-	-	-	-	-	-	-	-	-	-	1.4
Total conv	154.5	40.8	-	-	-	-	-	-	-	-	-	-	195.3
CCTeu / FRN	1.7	-	-	-	-	-	-	-	-	-	-	-	1.7
< 6 YR	-	0.5	-	-	-	-	-	-	-	-	-	-	0.5
6 - 11 YR	4.3	0.7	-	-	-	-	-	-	-	-	-	-	5.0
11 - 21 YR	0.5	-	-	-	-	-	-	-	-	-	-	-	0.5
21 - 32 YR	-	0.2	-	-	-	-	-	-	-	-	-	-	0.2
Total linker	4.7	1.4	-	-	-	-	-	-	-	-	-	-	6.2
EMTN/Fgn Debt	0.7	-	-	-	-	-	-	-	-	-	-	-	0.7
Total	161.7	42.3	-	-	-	-	-	-	-	-	-	-	204.0

2022 Issuance: Nominal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	19.4	18.4	15.2	20.5	24.4	13.7	15.5	19.3	17.5	18.6	10.7	8.5	201.7
3.5 - 5.5 YR	22.7	24.6	17.6	15.8	22.2	15.6	11.4	17.6	26.6	22.8	16.9	1.3	215.0
5.5 - 8 YR	12.2	7.4	21.6	5.8	13.0	18.0	18.2	7.4	8.2	22.7	12.4	3.5	150.4
8 - 11 YR	46.7	26.2	38.0	30.3	26.5	28.7	32.5	16.0	27.3	21.1	30.9	4.1	328.3
11 - 16 YR	7.0	2.2	5.4	2.9	7.4	5.7	1.6	3.4	9.9	4.4	6.6	8.2	64.6
16 - 21 YR	7.7	2.1	2.0	12.4	5.7	5.6	3.0	-	15.5	7.6	2.0	1.1	64.6
21 - 26 YR	3.2	2.9	2.5	2.0	2.0	5.0	4.2	0.5	2.5	0.4	2.0	1.1	28.2
26 - 32 YR	17.0	20.9	6.4	5.4	12.6	9.7	7.9	1.5	12.7	11.6	5.8	1.8	113.3
32 YR +	2.0	-	0.2	2.1	2.2	-	-	0.2	0.2	1.2	-	0.5	8.6
Total conv	137.9	104.6	108.8	97.2	116.1	102.0	94.3	65.8	120.3	110.4	87.2	30.0	1174.8
CCTeu / FRN	1.7	0.8	5.0	1.5	1.4	1.2	2.4	1.3	0.2	2.2	-2.0	-	15.8
< 6 YR	2.1	1.0	-	1.2	-	-1.0	0.5	0.7	1.1	0.9	-1.2	-	5.0
6 - 11 YR	1.4	1.6	1.3	1.2	3.5	9.4	2.8	0.4	1.3	1.8	14.1	-	38.7
11 - 21 YR	1.2	5.3	3.3	1.1	4.8	1.0	0.5	0.7	1.0	1.2	-	-	20.2
21 - 32 YR	3.0	0.2	0.2	0.4	-	0.2	0.4	-	0.4	0.3	0.4	-	5.7
Total linker	7.6	8.1	4.8	3.9	8.3	9.7	4.1	1.7	3.8	4.2	13.3	-	69.5
EMTN/Fgn Debt	1.0	-0.5	0.4	0.4	0.8	0.1	0.1	0.2	0.1	3.2	-	-	5.6
Total	148.3	113.1	119.0	103.0	126.6	112.9	100.9	68.9	124.4	120.0	98.5	30.0	1265.7

2022 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	19.5	18.3	15.1	20.3	24.3	13.6	15.3	19.1	17.0	18.0	10.5	8.4	199.5
3.5 - 5.5 YR	22.8	24.4	17.6	15.4	21.5	15.1	11.5	17.6	25.5	21.2	16.2	1.2	210.0
5.5 - 8 YR	12.2	7.3	21.4	5.7	12.9	16.6	17.8	7.2	7.4	21.4	12.0	3.6	145.5
8 - 11 YR	46.3	25.4	36.6	29.5	24.2	26.4	31.8	16.1	25.4	19.8	28.9	3.4	313.7
11 - 16 YR	7.0	2.3	5.2	2.4	7.3	4.8	1.5	3.3	9.3	3.4	5.7	7.7	60.1
16 - 21 YR	7.5	1.9	1.8	12.2	4.8	4.2	2.1	-	15.5	7.6	1.4	0.8	59.7
21 - 26 YR	3.2	2.7	3.6	2.4	2.1	4.9	3.3	0.6	2.5	0.3	2.1	1.2	28.9
26 - 32 YR	16.5	20.0	5.8	4.9	10.2	6.9	5.3	1.6	11.5	7.9	4.7	1.3	96.6
32 YR +	1.8	-	0.2	1.4	1.7	-	-	0.2	0.2	0.9	-	0.5	6.8
Total conv	136.8	102.3	107.3	94.3	108.9	92.6	88.6	65.7	114.3	100.5	81.5	28.1	1120.8
CCTeu / FRN	1.7	0.8	5.0										