

MNI EGB Supply - W/C March 13, 2023

16 March 2023 - By Tim Davis

Spain and France both look to issue today while the Netherlands, Italy and Germany have all sold bonds already this week. **We pencil in gross nominal issuance of E41.4bln for the week**, up from last week's E15.7bln.

- The **Netherlands** kicked off this week's issuance, selling with E1.995bln (top of the target range) of the 0.75% Jul-27 DSL (ISIN: NL0012171458) on Tuesday morning.
- Also Tuesday, **Italy** launched a new 3-year BTP as well selling on-the-run 7/50-year BTPs and the 2035 Green BTP for a combined E9.75bln (top of the target range): E4.0bln of the new 3.80% Apr-26 BTP (ISIN: IT0005538597), E3.0bln of the 3.85% Dec-29 BTP (ISIN: IT0005519787), E2.0bln of the 4.00% Apr-35 BTP Green (ISIN: IT0005508590) and E750mln of the 2.15% Mar-72 BTP (ISIN: IT0005441883).
 - The BTP auction largely in line with expectations - bid-to-covers were similar to recent ranges, average auction prices were a little above pre-auction mid-prices.
 - The full amount was taken up in the supplementary round: E1.2bln of the 3.80% Apr-26 BTP, E600mln of the 3.85% Dec-29 BTP, E400mln of the 4.00% Apr-35 BTP Green and E150mln of the 2.15% Mar-72 BTP.
- Finally on Tuesday, **Germany** sold E5bln (E4.2061bln allotted) of the 2.20% Apr-28 Bobl (ISIN: DE000BU25000).
 - It was a relatively weak Bobl auction with the lowest accepted price below the pre-auction mid-price and a lower bid-to-cover than the previous Bobl auction. The price of the 2.20% Apr-28 Bobl fell further below 98.80 following the results (low price at auction was 98.84 with pre-auction mid-price of 98.858).
- On Wednesday, **Germany** returned to the market for a 30-year Bund auction. It sold E1.0bln (E753.8mln allotted) of the 0% Aug-50 Bund (ISIN: DE0001102481) and E1.5bln (E1.232bln allotted) of the 1.80% Aug-53 Bund (ISIN: DE0001102614).
 - It was another disappointing 30-year German auction. For the 0% Aug-50 Bund the bid-to-cover and bid-to-cover looked ok, but the average price of 54.55 was below the pre-auction mid-price of 54.574 and there was also a fairly wide tail with the lowest accepted price of 54.45.
 - The 1.80% Aug-53 Bund auction was the weaker of the two with the auction technically not fully covered (less bids than E1.5bln). There was also a similar sized tail.
 - Last month's 30-year auction was also disappointing but in the interim we saw the 1.80% Aug-53 syndication on 23 February which saw a book size of E41bln and was very strong.
 - Despite the weak auction, both the 0% Aug-50 and the 1.80% Aug-53 Bunds saw prices move higher in post-auction trading in line with the broader fixed income rally.
- On Thursday, **Spain** will look to sell a combined E5.5-6.5bln of the 0% Jan-28 Obli (ISIN: ES0000012I08), the 3.15% Apr-33 Obli (ISIN: ES0000012L52) and the 1.90% Oct-52 Obli (ISIN: ES0000012K46).
- **France** will then look to sell E10.5-12.0bln of MT OATs. On offer will be the 2.50% Sep-26 OAT (ISIN: FR001400FYQ4), the 0.75% Feb-28 OAT (ISIN: FR001400AIN5) and the 0% Nov-30 OAT (ISIN: FR0013516549).
- **France** will conclude bond issuance for the week later on Thursday with E1.0-1.5bln of I/L OATs on offer: the 0.10% Mar-29 OATei (ISIN: FR0013410552), the 0.10% Jul-53 OATei (ISIN: FR0014008181) and the 0.10% Mar-36 OATi (ISIN: FR0013524014).

NET NOMINAL FLOWS: This week sees a E15.0bln redemption of a formerly 7-year BTP and coupon payments of E4.6bln (of which E2.7bln are Italian and E1.1bln Belgian). With estimated gross nominal issuance of E41.1bln this week, **we look for net flows of positive E22.4bln**, compared to last week's negative E0.4bln.

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

2023 Issuance

	Austria	Belgium	Finland	France	Germany	Greece	Ireland	Italy	Neth.	Portugal	Slovakia	Slovenia	Spain	EU	EFSS	ESM	Total	Other
YTD Issuance	14.8	12.5	4.4	73.6	74.7	3.5	4.8	83.4	16.5	4.1	4.6	1.6	52.0	29.8	6.0	3.0	389.2	4.2
YTD Cash Proc.	13.3	12.4	4.2	65.3	71.2	3.5	4.4	82.6	14.9	3.6	4.4	1.5	50.2	27.9	6.0	3.0	368.5	4.2
YTD Cash % Trgt	29.6	26.4	24.2	24.2	23.3	49.9	49.4	26.2	29.8	18.4	55.0	29.5	29.1	17.6	29.8	37.5	25.3	
Cash Proceeds:																		
<3.5 YR	0.7	-	-	3.6	18.3	-	-	18.1	3.7	-1.1	0.2	-0.1	8.3	4.3	-	-	55.9	0.1
3.5 - 5.5 YR	1.0	-	0.6	11.9	14.8	-	-	7.2	1.8	-	0.3	-	5.1	1.7	2.0	3.0	49.5	0.1
5.5 - 8 YR	1.2	-	-	4.7	7.8	-	-	11.3	-	-	-	-	7.0	4.3	-	-	36.2	0.1
8 - 11 YR	7.6	7.0	0.7	22.7	14.9	3.5	0.3	10.7	5.9	1.4	0.2	1.2	17.9	1.5	4.0	-	99.6	1.2
11 - 16 YR	0.4	-	3.0	7.2	2.6	-	0.7	3.7	1.6	3.4	2.1	-	-	5.9	-	-	30.6	-
16 - 21 YR	0.5	0.2	-	-	0.9	-	3.4	7.0	-	-	1.5	-	8.7	5.3	-	-	27.5	1.7
21 - 26 YR	0.5	-	-	1.7	1.9	-	-	-	-	-	0.1	0.2	1.4	-	-	-	5.7	-
26 - 32 YR	0.7	5.0	-	6.7	8.0	-	-	5.0	1.8	-	0.1	0.1	-	4.9	-	-	32.2	-
32 YR +	0.7	0.2	-	2.9	-	-	-	0.5	-	-	-	-	-	-	-	-	4.4	-
Total conv	13.3	12.4	4.2	61.4	69.3	3.5	4.4	63.4	14.9	3.6	4.4	1.5	48.3	27.9	6.0	3.0	341.6	3.4
CCTeu / FRN	-	-	-	-	-	-	-	6.2	-	-	-	-	-	-	-	-	6.2	-
< 6 YR	-	-	-	-	0.6	-	-	9.9	-	-	-	-	-	-	-	-	10.5	-
6 - 11 YR	-	-	-	2.9	1.1	-	-	3.0	-	-	-	-	1.9	-	-	-	8.9	-
11 - 21 YR	-	-	-	1.0	-	-	-	-	-	-	-	-	-	-	-	-	1.0	-
21 - 32 YR	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	0.3	-
Total linker	-	-	-	3.9	1.9	-	-	12.9	-	-	-	-	1.9	-	-	-	20.6	-
EMTN/Fgn Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8

2023 Issuance: Nominal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	31.0	19.5	6.7	-	-	-	-	-	-	-	-	-	57.1
3.5 - 5.5 YR	20.9	23.5	7.1	-	-	-	-	-	-	-	-	-	51.5
5.5 - 8 YR	11.1	18.2	9.4	-	-	-	-	-	-	-	-	-	38.7
8 - 11 YR	57.0	36.8	10.5	-	-	-	-	-	-	-	-	-	104.3
11 - 16 YR	10.3	6.2	18.5	-	-	-	-	-	-	-	-	-	35.0
16 - 21 YR	13.8	15.3	0.8	-	-	-	-	-	-	-	-	-	29.9
21 - 26 YR	3.5	3.8	-	-	-	-	-	-	-	-	-	-	7.3
26 - 32 YR	12.9	21.1	3.2	-	-	-	-	-	-	-	-	-	37.2
32 YR +	1.6	0.9	2.5	-	-	-	-	-	-	-	-	-	5.0
Total conv	162.0	145.5	58.6	-	-	-	-	-	-	-	-	-	366.1
CCTeu / FRN	1.7	4.6	-	-	-	-	-	-	-	-	-	-	6.3
< 6 YR	-	0.5	9.9	-	-	-	-	-	-	-	-	-	10.4
6 - 11 YR	4.1	3.6	1.1	-	-	-	-	-	-	-	-	-	8.8
11 - 21 YR	0.4	0.5	-	-	-	-	-	-	-	-	-	-	0.9
21 - 32 YR	-	0.2	-	-	-	-	-	-	-	-	-	-	0.2
Total linker	4.5	4.8	11.0	-	-	-	-	-	-	-	-	-	20.3
EMTN/Fgn Debt	0.8	0.0	-	-	-	-	-	-	-	-	-	-	0.8
Total	169.0	154.8	69.6	-	-	-	-	-	-	-	-	-	393.4

2023 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<3.5 YR	30.1	19.3	6.6	-	-	-	-	-	-	-	-	-	56.1
3.5 - 5.5 YR	20.2	22.6	6.8	-	-	-	-	-	-	-	-	-	49.6
5.5 - 8 YR	10.3	17.2	8.9	-	-	-	-	-	-	-	-	-	36.4
8 - 11 YR	56.4	34.9	9.6	-	-	-	-	-	-	-	-	-	100.8
11 - 16 YR	9.4	5.1	16.1	-	-	-	-	-	-	-	-	-	30.6
16 - 21 YR	13.3	15.0	0.9	-	-	-	-	-	-	-	-	-	29.2
21 - 26 YR	3.2	2.5	-	-	-	-	-	-	-	-	-	-	5.7
26 - 32 YR	10.7	19.3	2.3	-	-	-	-	-	-	-	-	-	32.2
32 YR +	1.2	1.0	2.3	-	-	-	-	-	-	-	-	-	4.4
Total conv	154.7	136.8	53.5	-	-	-	-	-	-	-	-	-	345.0
CCTeu / FRN	1.7	4.5	-	-	-	-	-	-	-	-	-	-	6.2
< 6 YR	-	0.6	9.9	-	-	-	-	-	-	-	-	-	10.5
6 - 11 YR	4.3	3.5	1.1	-	-	-	-	-	-	-	-	-	8.9
11 - 21 YR	0.5	0.5	-	-	-	-	-	-	-	-	-	-	1.0
21 - 32 YR	-	0.3	-	-	-	-	-	-	-	-	-	-	0.3
Total linker	4.7	4.9	11.0	-	-	-	-	-	-	-	-	-	20.6
EMTN/Fgn Debt	0.7	0.0	-	-	-	-	-	-	-	-	-	-	0.8
Total	161.9	146.3	64.5	-	-	-	-	-	-	-	-	-	372.7

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	1.5	1.4	1.1	2.3	1.2	0.2	2.2	-2.1	-	15.4
< 6 YR	2.4	1.3	-	1.3	-	-0.5	0.5	1.0	1.2	0.9	-1.2	-	6.9
6 - 11 YR	1.6	1.8	1.7	1.6	3.9	9.4	3.1	0.6	1.1	1.8	14.8	-	41.6
11 - 21 YR	1.8	5.5	3.9	1.4	5.6	1.4	0.7	0.9	1.2	1.3	-	-	23.7
21 - 32 YR	4.2	0.3	0.3	0.6	-	0.3	0.4	-	0.5	0.3	0.5	-	7.6
Total linker	10.1	8.9	5.9	4.9	9.6	10.7	4.8	2.5	4.0	4.4	14.1	-	79.9
EMTN/Fgn Debt	1.0	-0.5	0.4	0.4	0.8	0.1	0.0	0.2	0.1	3.1	-	-	5.6
Total	149.6	111.6	118.6	101.1	120.7	104.4	95.9	69.5	118.5	110.2	93.5	28.1	1221.6