

MNI EGB Supply - W/C July 31, 2023

3 August 2023 - By Tim Davis

THIS WEEK:

Spain, France and Belgium all still look to issue this week while Germany came to the market yesterday. **We pencil in gross nominal issuance of E18.0bln**, down from E24.0bln last week.

- **Germany** kicked off issuance for both the week and August on Wednesday, selling 15-year Bunds: E750mln (E609mln allotted) of the previous benchmark, the 0% May-36 Bund (ISIN: DE0001102549), was sold alongside E1.25bln (E1.105bln allotted) of the on-the-run 1.00% May-38 Bund (ISIN: DE0001102598).
 - It was a decent 15-year Bund auction with the bid-to-offer on the on-the-run 1.00% May-38 Bund higher than the previous auction in May while the lowest accepted price (to 2dp) was the same as the average price for that issue and only 0.01 lower for the off-the-run 0% May-36 Bund.
 - The lowest accepted prices were above the prevailing market prices for both Bunds sold.
 - Both issues are traded comfortably above the average auction price post-auction.
- On Thursday, **Spain** will look to hold an Obli/ObliEi auction (E5-6bln of nominals and E250-750mln linker). On offer will be the 1.50% Apr-27 Obli (ISIN: ES00000128P8), the 0.60% Oct-29 Obli (ISIN: ES0000012F43) and the on-the-run 10-year 3.55% Oct-33 Obli (ISIN: ES0000012L78) alongside the 0.65% Nov-27 Obli-Ei (ISIN: ES00000128S2).
- Also Thursday, **France** will come to the market to hold a LT OAT auction. As we expected, the auction size of E8-9bln is a bit smaller than we have seen recently (France typically reduces its auction sizes in August), although it's not as much of a reduction as has been seen in other years. On offer will be the on-the-run 10-year 3.00% May-33 OAT (ISIN: FR001400H7V7), the on-the-run 15-year 1.25% May-38 OAT (ISIN: FR0014009O62) and the 37-year 4.00% Apr-60 OAT (ISIN: FR0010870956).
- On Friday, **Belgium** will hold an ORI operation. We look for the usual up to E500mln size with off-the-run OLOs likely to be on offer. Details will be announced Thursday afternoon.

NET NOMINAL FLOWS: This week sees large redemptions totalling E45.7bln, split between E21.2bln from a formerly 5-year Spanish Bono, E20.5bln from an originally 15-year BTP and E4.0bln of an originally 5-year ESM-bond. Coupon payments for the week total E13.9bln, of which E9.4bln are Austrian and E4.4bln Italian. This leaves **net flows for the week at an estimated negative E41.6bln**, more negative than the negative E8.4bln last week.

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

NEXT WEEK (W/C 7 August)

Austria, Germany and potentially Portugal look to issue in the W/C 7 August. **We pencil in gross nominal issuance of E10.2bln.**

- **Austria** will kick off issuance for the week on Tuesday 8 August with an RAGB auction. We expect the on-the-run 10-year 2.90% Feb-33 RAGB (ISIN: AT0000A324S8) to be on offer alongside another issue. We note that the August auction size tends to be a bit smaller than average.
- Also Tuesday 8 August, **Germany** will come to the market to sell E4bln of the 2.40% Oct-28 Bobl (ISIN: DE000BU25018).
- **Germany** will return to the market on Wednesday 9 August with E5bln of the 10-year 2.60% Aug-33 Bund (ISIN: DE000BU2Z015) on offer.
- **Portugal** could also potentially come to the market on Wednesday 9 August, although we think it is very unlikely given that there has been no Portuguese issuance in the first half of August since 2010.
- **Italy's** 3/7/15-50 year BTP auction which had been scheduled for Friday 11 August has been cancelled.

NET NOMINAL FLOWS: The W/C 7 August sees no redemptions and coupons of just E0.1bln. This leaves **net flows for the week at an estimated positive E10.1bln.**

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	34.8	33.8	13.8	192.5	192.2	9.2	6.3	233.6	34.7	7.8	8.7	1.6	127.8	82.2	13.0	5.0	996.9	8.3	
YTD Cash Proc.	31.7	32.6	12.7	180.0	183.6	9.1	5.6	232.3	30.4	6.7	8.4	1.5	119.8	77.4	12.9	5.0	949.8		
2023 Target	45.0	47.0	17.5	270.0	305.0	7.0	9.0	276.0	50.0	14.2	8.0	5.0	172.5	120.0	20.0	8.0	1374.2	8.2	
YTD Cash % Trgt	70.6	69.3	72.7	66.7	60.2	130.3	62.2	84.2	60.8	47.2	104.8	29.5	69.5	64.5	64.7	62.4	69.1		
Cash Proceeds:																			
Conventional	<3.5 YR	2.4	-	0.4	23.8	48.2	-1.5	-	48.1	3.7	-2.7	0.3	-0.1	21.4	11.4	-	-	155.3	0.3
	3.5 - 5.5 YR	2.1	4.3	1.9	27.5	36.2	2.8	-	45.1	4.2	-1.1	0.5	-	15.8	7.3	2.0	3.0	151.6	0.3
	5.5 - 8 YR	7.0	-	0.7	27.9	21.7	-	-	26.0	7.7	0.5	-	-	12.8	8.7	7.0	-	119.9	0.2
	8 - 11 YR	12.7	13.4	4.6	47.1	42.9	4.0	0.7	46.1	7.9	2.1	3.1	1.2	41.9	4.7	4.0	2.0	238.4	2.5
	11 - 16 YR	1.1	0.5	4.5	7.2	7.7	3.6	0.7	7.8	1.6	4.4	2.8	-	-	18.9	-	-	60.8	-
	16 - 21 YR	0.5	5.1	-	7.5	2.2	0.2	3.4	8.7	-	0.7	1.5	-	16.6	9.2	-	-	55.7	1.7
	21 - 26 YR	1.7	-	0.7	1.7	2.7	-	-	1.5	-	1.1	0.1	0.2	2.5	5.4	-	-	17.5	-
	26 - 32 YR	3.6	8.4	-	15.9	17.5	-	0.7	7.7	5.3	1.8	0.1	3.4	11.8	-	-	-	76.4	-
	32 YR +	0.8	1.0	-	3.5	-	-	-	0.5	-	-	-	-	0.8	-	-	-	6.6	-
	Total conv	31.7	32.6	12.7	162.3	179.0	9.1	5.6	191.7	30.4	6.7	8.4	1.5	115.2	77.4	12.9	5.0	882.2	5.1
Linker	CCTeu / FRN	-	-	-	-	-	-	-	16.8	-	-	-	-	-	-	-	-	16.8	-
	< 6 YR	-	-	-	4.0	0.6	-	-	10.9	-	-	-	-	1.4	-	-	-	16.9	-
	6 - 11 YR	-	-	-	3.8	3.3	-	-	9.0	-	-	-	-	3.2	-	-	-	19.3	-
	11 - 21 YR	-	-	-	8.6	-	-	-	4.0	-	-	-	-	-	-	-	-	12.6	-
	21 - 32 YR	-	-	-	1.3	0.7	-	-	-	-	-	-	-	-	-	-	-	2.0	-
	Total linker	-	-	-	17.7	4.6	-	-	23.8	-	-	-	-	4.7	-	-	-	50.8	-
	EMTN/Fgn Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.1

2023 Issuance: Nominal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Conventional	<3.5 YR	31.0	19.5	15.6	21.2	27.6	21.6	21.0	-	-	-	-	157.5
	3.5 - 5.5 YR	20.9	23.5	31.7	10.3	23.4	33.3	14.2	-	-	-	-	157.4
	5.5 - 8 YR	11.1	18.2	17.1	32.2	14.6	14.5	18.6	-	-	-	-	126.3
	8 - 11 YR	57.0	36.8	25.9	46.4	18.8	37.1	23.1	-	-	-	-	245.2
	11 - 16 YR	10.3	6.9	19.4	11.2	5.4	6.6	5.1	2.0	-	-	-	67.0
	16 - 21 YR	13.8	15.7	1.6	3.5	13.3	8.1	4.2	-	-	-	-	60.3
	21 - 26 YR	3.6	4.8	6.2	4.9	0.9	-	-	-	-	-	-	20.5
	26 - 32 YR	12.9	22.6	7.2	9.3	9.0	17.8	13.7	-	-	-	-	92.6
	32 YR +	1.6	0.9	2.5	-	1.7	0.5	2.5	-	-	-	-	9.7
	Total conv	162.1	149.1	127.2	139.0	115.0	139.4	102.5	2.0	-	-	-	936.3
Linker	CCTeu / FRN	1.7	4.6	2.9	1.6	1.7	3.0	1.4	-	-	-	-	16.9
	< 6 YR	-	0.5	10.7	0.8	1.8	0.5	-	-	-	-	-	16.0
	6 - 11 YR	4.1	3.6	2.8	4.0	0.5	1.8	1.9	-	-	-	-	18.6
	11 - 21 YR	0.4	0.5	0.5	0.7	4.4	3.0	2.8	-	-	-	-	12.3
	21 - 32 YR	-	0.2	0.3	0.4	0.5	0.5	-	-	-	-	-	1.8
	Total linker	4.5	4.8	14.2	5.9	7.1	7.0	5.2	-	-	-	-	48.8
	EMTN/Fgn Debt	0.8	0.0	0.1	1.0	0.0	0.5	0.8	-	-	-	-	3.2
	Total	169.1	158.5	144.4	147.6	123.8	149.9	109.9	2.0	-	-	-	1005.2

2023 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Conventional	<3.5 YR	30.1	19.3	15.5	21.1	27.5	21.2	20.9	-	-	-	-	155.7
	3.5 - 5.5 YR	20.2	22.6	30.2	10.0	22.1	32.9	13.8	-	-	-	-	151.9
	5.5 - 8 YR	10.3	17.2	15.3	31.1	14.3	13.9	18.2	-	-	-	-	120.2
	8 - 11 YR	56.4	34.9	24.8	46.0	18.9	37.0	23.0	-	-	-	-	240.9
	11 - 16 YR	9.4	5.8	16.9	10.9	5.1	6.4	4.8	1.5	-	-	-	60.8
	16 - 21 YR	13.3	15.4	1.7	2.8	12.4	7.9	3.9	-	-	-	-	57.4
	21 - 26 YR	3.3	3.6	5.5	4.2	0.9	-	-	-	-	-	-	17.5
	26 - 32 YR	10.7	20.8	4.6	7.2	7.7	14.1	11.3	-	-	-	-	76.4
	32 YR +	1.2	1.0	2.3	-	0.7	0.4	1.1	-	-	-	-	6.6
	Total conv	154.8	140.5	116.9	133.3	109.6	133.8	97.0	1.5	-	-	-	887.3
Linker	CCTeu / FRN	1.7	4.5	2.8	1.6	1.7	3.0	1.4	-	-	-	-	16.8
	< 6 YR	-	0.6	10.8	0.9	2.1	1.9	0.6	-	-	-	-	16.9
	6 - 11 YR	4.3	3.7	2.8	4.1	0.6	2.0	1.7	-	-	-	-	19.3
	11 - 21 YR	0.5	0.5	0.5	0.7	4.5	3.0	3.0	-	-	-	-	12.6
	21 - 32 YR	-	0.3	0.3	0.4	0.5	0.6	-	-	-	-	-	2.0
	Total linker	4.7	5.1	14.4	6.2	7.6	7.5	5.4	-	-	-	-	50.8
	EMTN/Fgn Debt	0.7	0.0	0.1	1.0	0.0	0.5	0.8	-	-	-	-	3.1
	Total	162.0	150.1	134.1	142.1	118.9	144.8	104.5	1.5	-	-	-	958.0

2022 Issuance: Nominal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Conventional	<3.5 YR	19.4	18.4	15.2	20.5	24.4	13.5	15.5	19.3	17.5	18.6	10.7	8.5	201.5
	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	13.1	18.0	18.3	7.4	8.2	22.7	12.5	3.5	150.7
	8 - 11 YR	46.7	26.2	38.0	30.3	26.6	28.7	32.6	16.0	27.3	21.1	31.0	4.1	328.6
	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	116.3	101.8	94.4	65.9	120.3	110.4	87.4	30.0	1175.2
Linker	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	0.4	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	126.8	112.7	101.1	69.0	124.4	120.0	98.7	30.0	1266.1

2022 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Conventional	<3.5 YR	19.5	18.3	15.1	20.3	24.3	13.4	15.3	19.1	17.0	18.0	10.5	8.4	199.3
	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	13.0	16.6	17.8	7.2	7.4	21.4	12.0	3.6	