

MNI EGB Supply - W/C December 4, 2023

7 December 2023 - By Tim Davis

THIS WEEK:

Spain, France and Finland are all still due to issue this week while Germany and Italy have already come to the market this week. **We pencil in gross nominal issuance of E16.8bln**, up from E14.9bln last week.

- **Germany** completed its 2023 issuance with a Schatz auction on Tuesday. It sold E4.5bln (E3.654bln allotted) of the 3.10% Dec-25 Schatz (ISIN: DE000BU22031).
 - It was a decent Schatz auction – with a very good bid-to-offer / bid-to-cover and a nice premium for the LAP over the pre-auction mid-price. However there was a decent concession in the secondary market going into the auction (we moved from around 100.900 around 7 minutes before the auction to a low of 100.859 just after the bidding window closed) so the premium (and the auction in general) wasn't as strong as it would appear at first glance.
- **Italy** held an exchange auction on Wednesday for a combined E3bln: MEF sold E1.662bln of the 4.75% Sep-28 BTP (ISIN: IT0004889033) and E1.338bln of the 5.00% Aug-39 BTP (ISIN: IT0004286966). MEF bought E524mln of the 0% Apr-24 BTP (ISIN: IT0005439275), E875mln of the 1.75% Jul-24 BTP (ISIN: IT0005367492), E1.323bln of the 3.75% Sep-24 BTP (ISIN: IT0005001547) and E495mln of the Feb-24 CCTeu (ISIN: IT0005218968).
- **Spain** will look to come to the market on Thursday to hold its final Obli/ObliEi auction of 2023. In line with recent years, Spain has limited duration in its December auction to around 15-years, while the auction is also a smaller size with a combined E2.5-3.5bln of nominals: the 0.60% Oct-29 Obli (ISIN: ES0000012F43) and the on-the-run 15-year 3.90% Jul-39 Obli (ISIN: ES0000012L60). A further E250-750mln of the 0.70% Nov-33 Obli-Ei (ISIN: ES0000012C12) will be on offer.
- **France** will also come to the market on Thursday to hold its last auction of the year with a combined E4-5bln of nominals and linkers on offer: the 2.75% Oct-27 OAT (ISIN: FR0011317783), the 0% May-32 OAT (ISIN: FR0014007L00), the 1.25% May-34 OAT (ISIN: FR0013313582) and the 0.10% Mar-29 OATeI (ISIN: FR0013410552).
- **Finland** will look to conclude its 2023 issuance on Thursday by holding an ORI operation with up to E300mln of the 0.125% Sep-31 RFGB (ISIN: FI4000507231) on offer.
- **Portugal** has also announced that it will hold a buyback auction on Thursday for the 5.125% Oct-24 USD bond (ISIN: XS1085735899 / XS1085738729).
- **Cancelled auction:** Germany cancelled its 7-year Bund auction that had been scheduled for Wednesday 6 December back when it released its auction plans for Q4.

NET NOMINAL FLOWS: This week sees no redemptions and coupons of just E0.5bln (E0.4bln from EU-bonds). This leaves **net flows for the week at an estimated positive E13.5bln**, versus negative E12.9bln last week.

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

NEXT WEEK (W/C 11 December)

Italy and Belgium and potentially Austria are due to issue in the W/C 11 December. **We pencil in gross nominal issuance of E7.4bln.**

- **Austria** has a reserve auction scheduled for Tuesday 12 December. We are unsure as to whether this auction will go ahead. There was no December auction held in 2022 but the on-the-run 10-year was issued in 2021.
- **Italy** will look to conclude its 2023 issuance on Wednesday 13 December. We pencil in up to E3bln of each of the on-the-run 3/7-year BTPs to be on offer: the 3.85% Sep-26 BTP (ISIN: IT0005556011) and the 4.00% Nov-30 BTP (ISIN: IT0005561888). Note that the MEF had previously announced that it will not be issuing 10+ BTPs at this auction.
- **Belgium** will look to conclude its 2023 issuance by holding an ORI operation on Friday 15 December. We pencil in a E500mln size, with details not due to be announced until Thursday 14 December.
- **Cancelled auction:** Spain has cancelled its auction that had been scheduled for Thursday 14 December – in line with our expectations and the precedent set in previous years.

NET NOMINAL FLOWS: The W/C 11 December redemptions of E25.7bln (E18.0bln Schatz and E7.7bln of a CCTeu) and coupons of E0.6bln (E0.4bln from Germany and E0.2bln EFSF-bonds). This leaves **net flows for the week at an estimated negative E18.9bln.**

mni Eurozone Issuance Profile

2023 Issuance

	Austria	Belgium	Finland	France	Germany	Greece	Ireland	Italy	Neth.	Portugal	Slovakia	Slovenia	Spain	EU	EFSF	ESM	Total	Other	
YTD Issuance	49.4	44.3	20.9	298.1	291.4	10.0	7.4	335.1	46.3	8.3	10.4	2.6	177.7	115.9	20.0	8.0	1445.8	9.8	
YTD Cash Proc.	44.8	42.0	19.4	279.7	276.9	9.9	6.5	333.7	41.6	6.9	10.0	2.4	165.0	109.4	19.8	7.8	1375.8	9.6	
2023 Target	45.0	44.1	17.5	283.4	292.3	7.0	7.0	333.0	46.0	10.3	8.0	4.2	172.5	120.0	20.0	8.0	1418.2		
YTD Cash % Trgt	99.6	95.2	111.0	98.7	94.7	141.8	92.2	100.2	90.4	67.1	125.4	57.5	95.7	91.2	98.9	97.4	97.0		
Cash Proceeds:																			
Conventional	<3.5 YR	2.7	-	0.6	42.1	73.7	-1.5	-	58.7	6.0	-3.9	0.3	-0.1	28.6	15.5	1.0	-	223.5	0.7
	3.5 - 5.5 YR	3.8	4.3	2.5	48.7	56.9	2.9	0.5	81.7	4.2	-0.9	0.9	-	19.5	14.0	2.0	3.0	243.9	0.5
	5.5 - 8 YR	11.9	1.3	4.0	36.4	30.5	-	-	39.5	7.7	0.9	-	-	23.2	15.8	9.5	-	180.7	0.4
	8 - 11 YR	16.2	18.9	6.9	75.0	68.4	4.7	0.7	67.1	11.8	2.6	4.1	1.2	54.9	8.4	5.4	2.0	348.3	2.5
	11 - 16 YR	1.9	0.7	4.6	11.1	10.3	3.6	0.7	13.8	1.6	4.8	3.1	-	21.0	2.0	-	-	79.1	-
	16 - 21 YR	0.5	5.1	-	10.7	2.2	3.2	3.4	10.9	4.9	0.7	1.5	-	19.7	13.9	-	-	73.8	1.7
	21 - 26 YR	2.5	-	0.7	1.7	3.4	-	0.4	1.5	-	1.1	0.1	0.2	2.5	7.9	-	-	22.0	-
	26 - 32 YR	4.5	10.5	0.1	22.0	25.5	-	0.7	10.6	5.3	1.8	0.1	0.1	6.0	13.0	-	-	100.1	-
	32 YR +	0.9	1.3	-	5.9	-	-	0.5	-	-	-	-	-	0.8	-	-	-	9.4	-
	Total conv	44.8	42.0	19.4	253.7	270.8	9.9	6.5	284.1	41.6	6.9	10.0	1.5	155.3	109.4	19.8	5.0	1280.8	5.7
Linker	CCTeu / FRN	-	-	-	-	-	-	22.0	-	-	-	-	-	-	-	-	-	22.0	-
	< 6 YR	-	-	-	8.6	0.6	-	-	13.0	-	-	-	-	2.2	-	-	-	24.4	-
	6 - 11 YR	-	-	-	4.6	4.2	-	-	9.1	-	-	-	-	4.6	-	-	-	22.5	-
	11 - 21 YR	-	-	-	11.3	-	-	-	5.5	-	-	-	-	3.0	-	-	-	19.7	-
	21 - 32 YR	-	-	-	1.5	1.2	-	-	-	-	-	-	-	-	-	-	-	2.7	-
	Total linker	-	-	-	26.0	6.0	-	-	27.6	-	-	-	-	9.7	-	-	-	69.4	-
	EMTN/Fgn Debt	-	-	-	-	-	-	-	-	-	-	0.9	-	-	-	-	-	3.7	3.9

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	21.1	14.6	26.2	17.3	9.3	1.8	226.7
	3.5 - 5.5 YR	20.9	23.5	31.7	10.3	23.4	33.3	14.2	16.7	20.7	22.1	1.7	252.0
	5.5 - 8 YR	11.1	18.2	17.1	32.2	14.6	14.5	18.6	16.1	10.7	26.0	9.9	189.1
	8 - 11 YR	57.0	36.8	25.9	46.4	18.8	37.1	23.1	23.4	32.9	28.3	27.5	357.3
	11 - 16 YR	10.3	6.9	19.4	11.2	5.4	6.6	5.1	6.4	3.5	8.6	3.9	88.7
	16 - 21 YR	13.8	15.7	1.6	3.5	13.3	8.1	4.2	1.1	1.2	13.8	5.3	81.8
	21 - 26 YR	3.6	4.8	6.2	4.9	0.9	-	-	-	0.6	2.3	3.0	26.3
	26 - 32 YR	12.9	22.6	7.2	9.3	9.0	17.8	13.7	5.7	12.0	6.1	8.1	124.4
	32 YR +	1.6	0.9	2.5	-	-	0.5	2.5	2.0	-	2.0	-	13.7
	Total conv	162.1	149.1	127.2	139.0	115.0	139.4	102.5	86.0	107.9	136.8	91.1	1360.0
Linker	CCTeu / FRN	1.7	4.6	2.9	1.6	1.7	3.0	1.4	1.7	1.3	1.0	-0.5	22.1
	< 6 YR	-	0.5	10.7	0.8	1.8	1.8	0.5	1.4	1.7	2.8	0.7	22.6
	6 - 11 YR	4.1	3.6	2.8	4.0	0.5	1.8	1.9	-	1.7	0.4	0.6	21.4
	11 - 21 YR	0.4	0.5	0.5	0.7	4.4	3.0	2.8	0.5	1.6	3.7	0.9	19.0
	21 - 32 YR	-	0.2	0.3	0.4	0.5	0.5	-	-	0.2	0.2	0.3	2.5
	Total linker	4.5	4.8	14.2	5.9	7.1	7.0	5.2	1.9	5.3	7.1	2.5	65.5
	EMTN/Fgn Debt	0.8	0.0	0.1	1.0	0.0	0.5	0.8	-	4.0	0.1	0.7	7.9
Total		169.1	158.5	144.4	147.6	123.8	149.9	110.0	89.6	118.9	144.2	95.3	1455.5

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	21.0	14.5	25.7	17.1	9.3	224.2
	3.5 - 5.5 YR	20.2	22.6	30.2	10.0	22.1	32.9	13.8	16.3	19.8	33.0	21.6	244.4
	5.5 - 8 YR	10.3	17.2	15.3	31.1	14.3	13.9	18.2	15.2	10.5	25.4	9.7	181.1
	8 - 11 YR	56.4	34.9	24.8	46.0	18.9	37.0	23.0	23.3	31.9	27.1	27.6	350.8
	11 - 16 YR	9.4	5.8	16.9	10.9	5.1	6.4	4.8	5.3	2.7	7.2	3.2	79.1
	16 - 21 YR	13.3	15.4	1.7	2.8	12.4	7.9	3.9	0.7	1.2	12.5	3.7	75.5
	21 - 26 YR	3.3	3.6	5.5	4.2	0.9	-	-	-	0.4	1.6	2.5	22.0
	26 - 32 YR	10.7	20.8	4.6	7.2	7.7	14.1	11.3	3.7	9.6	4.5	5.9	100.1
	32 YR +	1.2	1.0	2.3	-	0.7	0.4	1.1	2.1	-	0.7	-	9.4
	Total conv	154.8	140.5	116.9	133.3	109.6	133.8	97.0	81.1	101.9	128.3	84.2	1286.5
Linker	CCTeu / FRN	1.7	4.5	2.8	1.6	1.7	3.0	1.4	1.7	1.3	1.0	-0.5	22.0
	< 6 YR	-	0.6	10.8	0.9	2.1	1.9	0.6	1.8	1.8	3.0	0.8	24.4
	6 - 11 YR	4.3	3.7	2.8	4.1	0.6	2.0	1.9	-	2.0	0.5	0.6	22.5
	11 - 21 YR	0.5	0.5	0.5	0.7	4.5	3.0	3.0	0.5	2.0	3.7	1.0	19.7
	21 - 32 YR	-	0.3	0.3	0.4	0.5	0.6	-	-	0.2	0.2	0.2	2.7
	Total linker	4.7	5.1	14.4	6.2	7.6	7.5	5.5	2.3	6.1	7.3	2.7	69.4
	EMTN/Fgn Debt	0.7	0.0	0.1	1.0	0.0	0.5	0.8	-	3.7	0.1	0.7	7.6
Total		162.0	150.1	134.1	142.1	118.9	144.8	104.8	85.2	113.4	136.9	88.6	1385.4

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	10.9	201.8
	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	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	19.9	151.1
	8 - 11 YR	46.7	26.2	38.0	30.3	26.6	28.7	32.6	16.0	27.3	21.1	32.9	328.8
	11 - 16 YR	7.0	2.2	5.4	2.9	7.4	5.7	1.6	-	3.4	9.9	4.4	64.6
	16 - 21 YR	7.7	2.1	2.0	12.4	5.7	5.6	3.0	-	15.5	7.6	6.0	64.6
	21 - 26 YR	3.2	2.9	2.5	2.0	2.0	5.0	4.2	0.5	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	113.3
	32 YR +	2.0	-	0.2	2.1	2.2	-	-	0.2	0.2	1.2	0.2	8.8
	Total conv	137.9	104.6	108.8	97.2	116.3	101.8	94.4	65.9	120.3	110.4	88.5	1176.3
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	0.2	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	126.8	112.7	101.1	69.0	124.4	120.0	99.8	1267.2

2022 Issuance: Cash Proceeds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct</
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