

Daily Bond Auction Preview

24th January 2022

Previews of UK, EU and US government bond auctions including the size of issuance, time of auction, estimates, redemptions, coupons and analyst commentary

PREVIEW: EU to sell up to EUR 2.5bln 0.40% 2037 NextGenEU Bond

IFR Analysis:

- Even in-light of recent EGB supply, the issuance should go well due to high demand for EU bonds.
- Outing appears cheap on a curve basis and also when compared to peers.
- Highlights that they have changed the size guidance to "up to" from previously giving a range.

Bids are submitted by 10:30GMT with results submitted shortly after.

PREVIEW: US to sell USD 54bln 2yr Notes

SUPPLY: US will sell USD 54bln of 2yr notes on Jan 24th, USD 55bln of 5yr notes on Jan 25th, and USD 53bln of 7yr notes on Jan 26th; all to settle on Jan 31st. The US will also sell USD 26bln of 2yr FRNs on Jan 26th, to settle on Jan 31st.

US 2-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 0.769%, six-auction average 0.440%)
- Tail: (prev. 0.6bps, six-auction avg. 0.2bps)
- Bid-to-Cover: (prev. 2.55x, six-auction avg. 2.50x)
- Dealers: (prev. 24.2%, six-auction avg. 26.4%)
- Direct: (prev. 14.4%, six-auction avg. 19.7%)
- Indirect: (prev. 61.4%, six-auction avg. 53.9%)

US 5-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 1.263%, six-auction average 1.045%)
- Tail: (prev. 0.4bps, six-auction avg. -0.2bps)
- Bid-to-Cover: (prev. 2.41x, six-auction avg. 2.40x)
- Dealers: (prev. 20.0%, six-auction avg. 22.4%)
- Direct: (prev. 14.3%, six-auction avg. 17.2%)
- Indirect: (prev. 65.7%, six-auction avg. 60.4%)

US 7-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 1.48%, six-auction average 1.344%)
- Tail: (prev. 2.3bps, six-auction avg. 0.7bps)
- Bid-to-Cover: (prev. 2.21x, six-auction avg. 2.28x)
- Dealers: (prev. 21.3%, six-auction avg. 19.4%)
- Direct: (prev. 19.5%, six-auction avg. 20.2%)
- Indirect: (prev. 59.3%, six-auction avg. 60.4%)

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