



Daily Bond Auction Preview

8th March 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: The Netherlands to sell EUR 1.5-2.5bln 0.00% 2029 DSL

Rabobank

- Those who would like to take a risk-off bet with the DSL auction, "it would seem that going long versus Belgium presents a better opportunity than going long versus France."
- The DSL Jan 2029 appears to be trading cheap versus its peers on the Dutch curve (the DSL Jul 2028 and DSL Jul 2029).

In terms of historical data:

- 0.00% 2029 DSL: average yield -0.28%, average price EUR 102.03.

On the issue date at 09:00GMT, the DSTA will announce the price at which Primary Dealers can buy the bond. The issuance will take the form of a tap auction, during which the DSTA may revise the price at any time.

PREVIEW: UK to sell GBP 1.5bln 1.25% 2051 Gilt

IFR

- There is decent natural concession in play with outright cash yields higher since the last tap.
- Curve concession is also present with 10s/30s steeper since the last auction.
- The line offers some relative value, and the sale should be underpinned by the usual institutional demand for longer-dated paper.

In terms of historical data:

- 1.25% 2051 Gilt: b/c 2.42x, average yield 0.871% & tail 1.0bp.

Bids are submitted by 10:00 GMT with results submitted shortly after.

PREVIEW: Germany to sell EUR 0.8bln 0.50% 2030 and 0.10% 2033 I/L

In terms of historical data:

- 0.50% 2030 I/L: b/c 1.40x & average yield -2.06%
- 0.10% 2033 I/L Bund: b/c 1.50x & average yield -1.80%

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

PREVIEW: US to sell USD 48bln of 3yr notes

SUPPLY: US to sell USD 48bln of 3yr notes on March 8th, USD 34bln of 10yr notes on March 9th, and USD 20bln of 30yr bonds on March 10th; all to settle on March 15th.

US 3-YEAR NOTE AUCTION RECENT HISTORY:



- High Yield: (prev. 1.592%, six-auction average 0.943%)
- Tail: (prev. -0.3bps, six-auction avg. -0.1bps)
- Bid-to-Cover: (prev. 2.45x, six-auction avg. 2.42x)
- Dealers: (prev. 20.3%, six-auction avg. 26.4%)
- Direct: (prev. 11.1%, six-auction avg. 16.8%)
- Indirect: (prev. 68.5%, six-auction avg. 56.8%)

US 10-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 1.904%, six-auction average 1.585%)
- Tail: (prev. -2.2bps, six-auction avg. -0.4bps)
- Bid-to-Cover: (prev. 2.68x, six-auction avg. 2.52x)
- Dealers: (prev. 7.4%, six-auction avg. 12.7%)
- Direct: (prev. 15.0%, six-auction avg. 16.5%)
- Indirect: (prev. 77.6%, six-auction avg. 70.9%)

US 30-YEAR BOND AUCTION RECENT HISTORY:

- High Yield: (prev. 2.34%, six-auction average 2.035%)
- Tail: (prev. 1.1bps, six-auction avg. 1.1bps)
- Bid-to-Cover: (prev. 2.3x, six-auction avg. 2.32x)
- Dealers: (prev. 14.3%, six-auction avg. 17.2%)
- Direct: (prev. 17.8%, six-auction avg. 17.3%)
- Indirect: (prev. 68.0%, six-auction avg. 65.5%)

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