



Daily Bond Auction Preview

14th February 2023

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

PREVIEW: UK to sell GBP 3bln 3.25% 2033 Gilt

IFR Analysis:

- There is no natural concession in place with outright yields barely changed since the last tap.
- Additionally, there is a lack of value available on the curve with 2s10s flatter since launch.
- Expect an unspectacular, but stress-free tap.

Auction History

- 1.125% 2039 Gilt: b/c 2.77x, average yield 3.697% and tail 0.3bps

Note, bids are submitted by the 10:00GMT bidding deadline, results due shortly afterwards.

PREVIEW: Italy to sell EUR 7.0-8.5bln 3.50% 2026, 3.85% 2029, and 3.25% 2038 BTP

IFR Analysis:

- The relatively light duration coming in should see these taps go reasonably well, albeit complications may arise ahead of US CPI.
- Broadly speaking the market is trading slightly cheaper from the last mid-month auctions, 10yr paper has outperformed over this time horizon.
- Italy has outperformed other EZ sovereign markets on a cross-markets basis.
- Competing supply is an issue, particularly amid speculation of a new 30yr BTP syndication in the coming weeks.

Auction History

- 3.50% 2026 BTP: b/c 1.52x & gross yield 3.26%
- 3.85% 2029 BTP: b/c 1.41x & gross yield 3.77%
- 3.25% 2038 BTP: b/c 1.58x & gross yield 4.82%

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