Daily Bond Auction Preview - 26th May 2026

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.

Italy to sell EUR 2.25-2.5bln 2.20% 2028 BTP and EUR 1.75-2.5bln 1.10% 2031 and 2.25% 2046 BTPei

Analysis:

- Italian yields have fallen in recent sessions on optimism of a US-Iran deal that would result in the reopening of the Strait of Hormuz. Italy has been one of the many European countries that have been heavily affected by the Hormuz closure, due to its reliance on oil.
- IT 2yr have remained fairly elevated compared to its 10yr counterpart, as expectations of a ECB rate hike become baked into markets. Pricing indicate a 60% chance of a hike in June, with 2 hikes priced in by year-end. Hawk Schnabel recently advocated for a June hike, saying rates should be raised in June, even if an Iran peace deal is struck.
- On the political front, an unexpected win for PM Meloni after her party's candidate for the Mayor of Venice won.
- Demand for its nominal 2yr tap may be tepid, but demand could move into its inflation-linked debt, taking advantage of the higher yield environment.

Recent History:

- 2.20% 2028: b/c 1.63x & average yield 2.80%
- 1.10% 2031 BTPei: b/c 1.67x & real yield 0.97%
- 2.25% 2046 BTPei: No recent history

Results due shortly after the 10:00BST bidding deadline

US to sell USD 69bln 2-year Note

Recent History:

- Tail: prev. 0.1bps, six-auction average 0.2bps
- High Yield: prev. 3.812%, six-auction average 3.629%
- B/C: prev. 2.65x, six-auction average 2.62x
- Dealer: prev. 11.9%, six-auction average 12.8%
- Direct: prev. 31.6%, six-auction average 29.2%
- Indirect: prev. 56.5%, six-auction average 57.9%

Results due shortly after the 18:00BST bidding deadline