Daily Bond Auction Preview - 27th 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.

UK to sell GBP 4bln 4.125% 2033 Treasury Gilt

Analysis:

- The Middle East conflict, and its effect on energy prices, have been the main driver of bond performance over the past 3 months. The optimism over a possible end of the war has supported global debt, however, gilts have been the least benefited from the recent updates.
- UK politics briefly took the limelight following the local elections. The election revealed discontent with the Labour party, which further fuelled gilt underperformance. The UK-DE 10yr spread briefly topped 200bps.
- UniCredit remains cautious on UK gilts due to 3 main reasons: 1) political uncertainty, 2) inflationary pressure well above BoE's target, and 3) weakening macro fundamentals.

Recent History:

- 4.125% 2033: b/c 3.30x, average yield 4.507%, tail 0.2bps

Results due shortly after the 10:00BST bidding deadline

Germany to sell EUR 2bln 2.60% 2041 and 2.90% 2056 Bund

Analysis:

- German yields have slipped optimism of a US-Iran deal that would result in the reopening of the Strait of Hormuz. However, the 10yr yield continues to find support at the 2.95% level, highlighting that the higher energy prices has caused a structural shift for EGBs.
- Expectations of an ECB rate hike become baked into markets. Pricing indicates a 60% chance of a hike in June, with 2 hikes priced in by year-end.
- In terms of recent ECB commentary, hawk Schnabel recently advocated for a June hike, saying rates should be raised in June, even if an Iran peace deal is struck, while both President Lagarde and Lane stated that the Bank's inflation outlook is to be lifted in June.

Recent History:

- 2.60% 2041: b/c 2.7x, average yield 3.34%, retention 3.7%
- 2.90% 2056: b/c 1.45x, average yield 3.58%, retention 22.1%

Results due shortly after the 10:30BST bidding deadline

US to sell USD 70bln 5-year Note

Recent History:

- Tail: prev. 0.5bps, six-auction average 0.6bps
- High Yield: prev. 3.955%, six-auction average 3.780%
- B/C: prev. 2.33x, six-auction average 2.34x
- Dealer: prev. 12.7%, six-auction average 12.0%
- Direct: prev. 15.0%, six-auction average 25.0%
- Indirect: prev. 72.3%, six-auction average 63.0%

Results due shortly after the 18:00BST bidding deadline