Daily Bond Auction Preview - 24th June 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 2-2.5bln 2.20% 2028 BTP and EUR 1.5-1.75bln 2.40% 2039 BTPei Auctions

Analysis:

- Markets have taken the news that a deal between the US and Iran as good news. Yields have come off, with the front-end leading declines. However, EGBs haven't experienced the same degree of bull steepening as its other global peers. Hawkish rhetoric by several ECB officials have limited the decline in yields.
- Analysts at UniCredit like the 2028 Short Term BTP in relative-value terms. It offers a 6bp pickup against the 2% Feb28 BTP.
- For the BTPei, UniCredit states that it offers an appealing real yield/breakeven combination on the BTPei curve. It is also appealing compared to other EZ linkers.
- Politics remain a key driver for BTPs. Italy's Economy Minister recently said they cannot hold an earlier April 2027 election because it would not give enough time to approve its plans to devolve more powers to regional authorities.

Recent History:

- 2.20% 2028: b/c 1.62x & average yield 2.73%
- 2.40% 2039 BTPei: b/c 1.62x & gross yield 2.00%

Results due shortly after the 10:00BST bidding deadline

The UK to sell GBP 4.25bln 4.125% 2031 Treasury Gilt

Analysis:

- Analysts at UBS favour the 2-5yr part of the UK yield curve, citing a compelling risk-reward profile. The BoE held rates at its latest confab, and UBS thinks that market expectations are too hawkish, citing a soft labour market and negative fiscal impulse.
- Politics have returned to the forefront, with newly-appointed MP for Makerfield Burnham expected to become PM, following Starmer's resignation. Focus will be on how Burnham navigates the fiscal space. Even though markets are still worried about another Liz Truss debacle, Burnham has already stated fiscal-rule reassurance over confrontation.
- However, ING also sees limited upward risk in terms of rates, but states that political uncertainties are likely to keep upward pressure on gilts, especially the longer end.

Recent History:

- 4.125% 2031: b/c 3.36x, average yield 4.651%, tail 0.2bps

Results due shortly after the 10:00BST bidding deadline

Germany to sell EUR 2bln 4.00% 2037 and 3.40% 2047 Bund

Analysis:

- German debt acted as a slight haven amid the equity selloff in Tuesday's session, initiated by losses in South Korea's KOSPI.
- Contrary to UK debt, UBS sees value in long-end EGBs. Long-end yields should be capped given any further hike by the ECB is expected to be quickly reversed as it would worsen the trade-off to growth. To add, the EZ's fiscal response to the Middle East conflict has been better-than-expected, which further supports EGBs.

Recent History:

- 4.00% 2037: No recent history
- 3.40% 2047: b/c 2.2x, average yield 3.4%, retention 2.9%

Results due shortly after the 10:30BST bidding deadline

The US to sell USD 70bln 5-year Note

Analysis:

- The current 5-year yield trades around 4.25%, above both the prior auction's high yield of 4.182% and the six-auction average of 3.884%. Yields have moved higher over the past week following a hawkish shift from the FOMC.
- The BofA MOVE Index briefly retraced all of the US-Iran conflict-related increase before moving back to around 70, broadly matching the level seen at the time of the previous 5-year auction. While volatility remains elevated relative to the start of the year, it is no longer a significant headwind for Treasury demand.
- The auction benefits from a combination of higher outright yields, reduced geopolitical uncertainty and a more hawkish Federal Reserve. The key question will be whether the improved backdrop can bring direct bidders back into the sector while maintaining the strong indirect demand seen at the previous auction. If Tuesday's 2-year auction is any guide, the recent backup in yields may prove sufficient to attract stronger participation from domestic investors.

US 5-YEAR NOTE RECENT AUCTION HISTORY:

- High Yield: prev. 4.182%, six-auction avg. 3.884%
- Tail: prev. 0.1bps, six-auction avg. 0.5bps
- Bid-to-Cover: prev. 2.34x, six-auction avg. 2.33x
- Dealers: prev. 12.8%, six-auction avg. 12.3%
- Directs: prev. 12.3%, six-auction avg. 22.4%
- Indirects: prev. 74.9%, six-auction avg. 65.3%

Results due shortly after the 18:00BST bidding deadline