Daily Bond Auction Preview - 21st July 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.

The UK to sell GBP 5bln 4.00% 2029 Treasury Gilt

Analysis:

- Currently, the UK 3yr yield trades at 4.46%.
- Focus in the UK has been on the new Labour government, and more specifically who would be named as Chancellor. In a surprise pick, PM Burnham selected former Defence Secretary Healey as the new Chancellor. Markets were expecting Home Secretary Mahmood to be given the role. Thus far, the gilt market is taking this as fairly positive, possibly taking comfort in the fact that he used to work in the Treasury in past administrations.
- Before he left his role in the Defence Ministry, Healey pushed for further defence spending, stating that the UK should spend 3% of GDP on defence by 2030. It is currently on track to be 2.7% by 2030. Analysts expect that he will use his new role to push for further defence spending.
- In other news, the UK government will remove VAT on electricity bills from October 1st, funded by cancellation of the Digital ID programme, as part of new tax cut measures.
- Although politics remain in focus, the short-end of the UK curve is mainly driven by rates. Currently, the BoE is expected to remain on hold at its July policy meeting, with a 12% chance of a hold. For year-end, 40bps of hikes is priced in.

Recent History:

- 4.00% 2029: b/c 3.35x, avg. yield 4.238%, tail 0.2bps

Results due shortly after the 10:00BST bidding deadline

Germany to sell EUR 6.0bln 2.90% 2031 Bobl

Analysis:

- Currently, the German 5yr trades at 2.87%, and just shy of the 2.90% peak printed by the Middle East conflict.
- German debt is trading at cheap levels, with the current yield having historically presented as good resistance. Focus this week will be on the ECB policy announcement, in which a hold is expected, which the next rate move priced in for September (80% chance).

Recent History:

- No recent history

Results due shortly after the 10:30BST bidding deadline

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