

## Weekly Supply Monitor

### Euro, UK and US Supply Outlook

- **Europe:** All of next week's bond supply comes from 2yr Germany (€5bn). There are negligible cash flows next week.
- **US:** We expect around \$16bn of 5yr TIPS to be issued next Thursday. There are no cash flows from the US next week.
- **UK:** The UK DMO will issue £1.75bn of a new linker '19 on Tuesday. There are minimal gilt cash flows next week.
- **Spanish and Italian bill supply:** Spain will issue around €5bn of 6month and 12months bills on Tuesday. There is no bill issuance from Italy next week.

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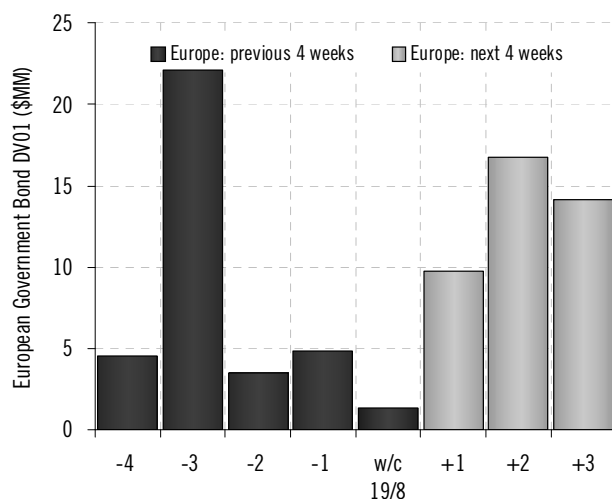
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Figure 1. Next week's has the lowest DV01 of issuance for EMU markets in an 8 week period



Source: DMOs, Citi estimates

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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# Weekly Supply Monitor

## Provisional auction calendar for the next four weeks

Figure 2. Provisional Auction Calendar for the Next Four Weeks, Gross Issuance (Billions), DV01 (USD Millions)

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU3 (UST)	G U3 (Gilt)	RXU3 (Bund)
19 Aug (Mon)	US	1.25 - 1.75	Outright Treasury Coupon Purchases: 15/2/2036 - 15/8/2043		-35k		
20 Aug (Tue)	UK	1.8	New index-linked gilt maturing on 22 November 2019 (issue and size confirmed)			16k	
20 Aug (Tue)	US	0.75 - 1	Outright Treasury Coupon Purchases: 15/11/2024 - 15/2/2031		-15k		
21 Aug (Wed)	Germany	5.0	New Schatz Sep15 (issue and size confirmed)				9k
22 Aug (Thu)	US	16.0	5-Year TIPS (re-opening)		205k		
22 Aug (Thu)	US	1.25 - 1.75	Outright Treasury Coupon Purchases: 15/2/2036 - 15/8/2043		-35k		
23 Aug (Fri)	US	2.75 - 3.5	Outright Treasury Coupon Purchases: 15/11/2020 - 15/8/2023		-32k		
<b>Weekly \$DV01 of Issuance</b>				<b>10.6</b>			
<b>Total Number of Futures Contracts</b>					<b>89k</b>	<b>16k</b>	<b>9k</b>

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU3 (UST)	G U3 (Gilt)	RXU3 (Bund)
26 Aug (Mon)	US	1.25 - 1.75	Outright Treasury Coupon Purchases: 15/2/2036 - 15/8/2043		-35k		
27 Aug (Tue)	Belgium	3.0	OLO 5yr and 10yr (estimated size and tenors)				18k
27 Aug (Tue)	Italy	2.5	CTZ (estimated size)				4k
27 Aug (Tue)	Italy	1.0	BTPei (estimated size)				8k
27 Aug (Tue)	US	34.0	2-Year		89k		
27 Aug (Tue)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 31/8/2017 - 15/5/2018		-24k		
28 Aug (Wed)	US	35.0	5-Year		220k		
28 Aug (Wed)	US	2.75 - 3.5	Outright Treasury Coupon Purchases: 15/11/2020 - 15/8/2023		-32k		
29 Aug (Thu)	Italy	5.5	BTP 5yr and 10yr (estimated tenor and size)				33k
29 Aug (Thu)	US	29.0	7-Year		250k		
29 Aug (Thu)	US	1.25 - 1.75	Outright Treasury Coupon Purchases : 15/2/2036 - 15/8/2043		-35k		
<b>Weekly \$DV01 of Issuance</b>				<b>42.9</b>			
<b>Total Number of Futures Contracts</b>					<b>434k</b>	<b>0k</b>	<b>64k</b>

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU3 (UST)	G U3 (Gilt)	RXU3 (Bund)
03 Sep (Tue)	Austria	1.3	RAGB 5yr and 10yr (estimated size and tenors)				8k
03 Sep (Tue)	UK	1.5	01/8% Index-linked Treasury Gilt 2024 (issue confirmed, estimated size)			16k	
04 Sep (Wed)	Germany	5.0	New Bobl-167 Oct18 (issue and size confirmed)				21k
05 Sep (Thu)	Spain	3.0	Bono 2yr and 5yr (estimated tenors and size)				10k
05 Sep (Thu)	France	7.5	OAT 5yr, 10yr and 30yr (estimated tenors and size)				71k
<b>Weekly \$DV01 of Issuance</b>				<b>19.3</b>			
<b>Total Number of Futures Contracts</b>					<b>0k</b>	<b>16k</b>	<b>110k</b>

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU3 (UST)	G U3 (Gilt)	RXU3 (Bund)
10 Sep (Tue)	Netherlands	2.5	DSL Jul23 re-opening (issue confirmed, size €2-3bn)				20k
10 Sep (Tue)	UK	2.6	3¼% Treasury Gilt 2044 (issue confirmed, estimated size)			48k	
10 Sep (Tue)	US	31.0	3-Year		81k		
11 Sep (Wed)	Germany	5.0	New Bund Aug23 (issue and size confirmed)				39k
11 Sep (Wed)	US	21.0	10-Year (re-opening)		245k		
12 Sep (Thu)	Italy	5.0	BTP New Nov16				28k
12 Sep (Thu)	Italy	1.3	CCTeu (estimated size)				5k
12 Sep (Thu)	UK	3.6	2¼% Treasury Gilt 2023 (issue confirmed, estimated size)			34k	
12 Sep (Thu)	US	13.0	30-year (re-opening)		316k		
<b>Weekly \$DV01 of Issuance</b>				<b>75.9</b>			
<b>Total Number of Futures Contracts</b>					<b>642k</b>	<b>82k</b>	<b>93k</b>

The next release of the tentative outright Treasury operation schedule will be at 3 p.m. on August 30, 2013. Therefore we have only provided details of Fed buybacks upto 30 August. Additional issues expected in September: Belgium 30yr (€4bn), Finland 5yr (€4bn), Ireland 5yr and 10yr (€1.2bn). These are not included in the cash flow tables and gross supply charts of this report as the timing of these supply events have not been announced.

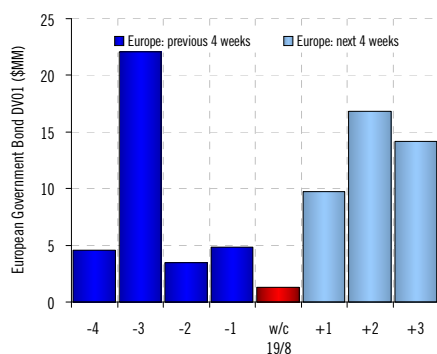
Source: DMOs, Citi Research

## Global Net Supply by Week (8 Week Period)

### DV01 of Supply: Historical & Projected EUR, USD & GBP Supply by Week

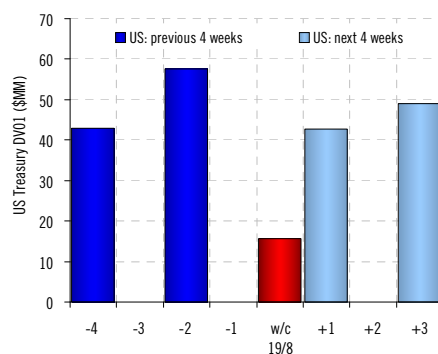
- Figure 3 to Figure 5 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the week commencing 19 August is shown in red.
- The DV01 of next week's issuance is light across all three markets (Figure 3).

Figure 3. Estimated \$DV01 of EMU Bond Issuance (weekly)



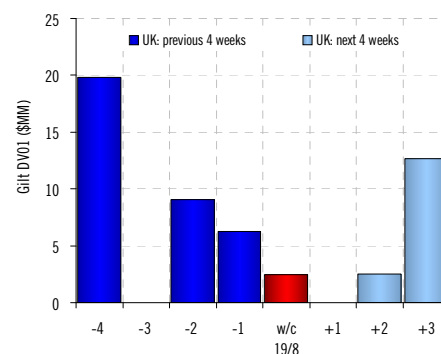
Source: DMOs, Citi Research

Figure 4. Estimated \$DV01 of US Treasury Issuance (weekly)



Source: US Treasury, Citi Research

Figure 5. Estimated \$DV01 of UK Gilt Issuance (weekly)



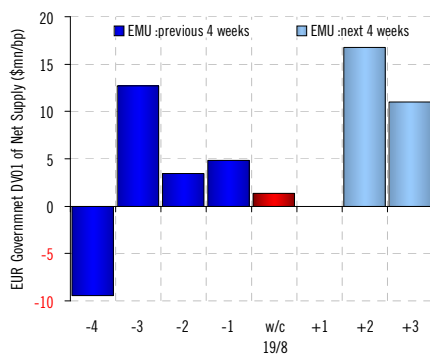
Source: DMO, Citi Research

### DV01 of Net Supply (gross supply – coupons): EUR, USD & GBP Supply by Week

**Net Supply = Gross Issuance – Coupon Payments**

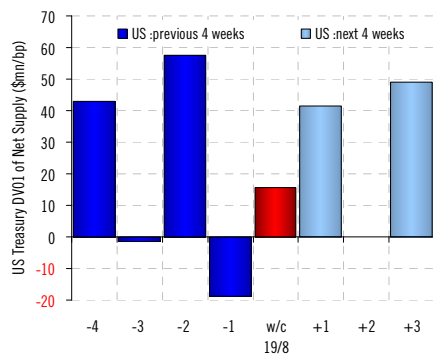
- Figure 6 to Figure 8 show the \$DV01 of projected net supply over the next four weeks and the previous four weeks.
- The DV01 of next week's US Treasury net issuance flips from negative (this week) to positive next week (Figure 7).

Figure 6. Estimated \$DV01 of Euro Bond Net Issuance (Previous 4 and Next 4 Weeks)



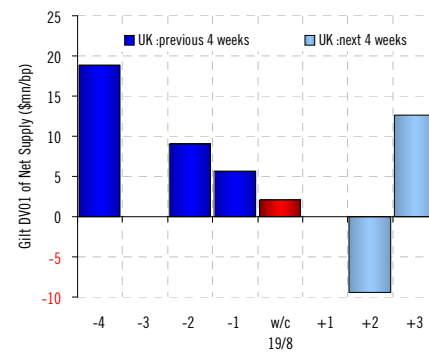
Source: DMOs, Citi estimates

Figure 7. Estimated \$DV01 of US Treasury Net Issuance (Previous 4 and Next 4 Weeks)



Source: US Treasury, Citi estimates

Figure 8. Estimated \$DV01 of UK Gilt Net Issuance (Previous 4 and Next 4 Weeks)



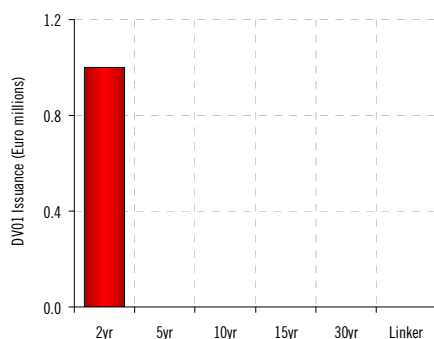
Source: DMO, Citi estimates

## Global Supply by Tenor (Next week)

### DV01 of EUR, USD and GBP Issuance by Maturity

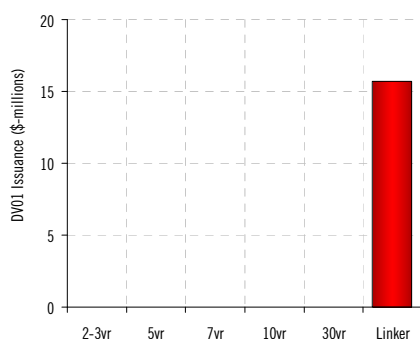
- The DV01 of the next week's euro issuance is extremely light at only €1million/bp (Figure 9). All of the next week's issuance comes from Germany in the 2yr sector.
- The US Treasury are expected to re-open around \$16million/bp of 5yr TIPS next Thursday (Figure 10).
- The UK DMO will issue around £1.5million/bp of the new linker '19 on Tuesday (Figure 11).

Figure 9. EUR DV01: Split by Maturity (19 Aug – 25 Aug)



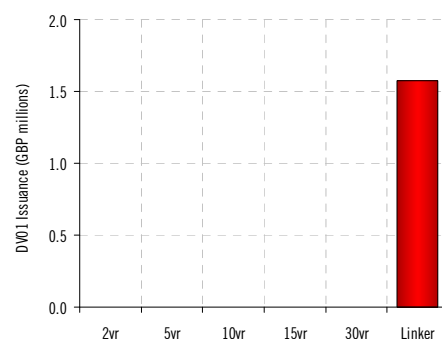
Source: DMOs, Citi Research

Figure 10. USD DV01: Split by Maturity (19 Aug – 25 Aug)



Source: US Treasury, Citi Research

Figure 11. GBP DV01 Split by Maturity (19 Aug – 25 Aug)

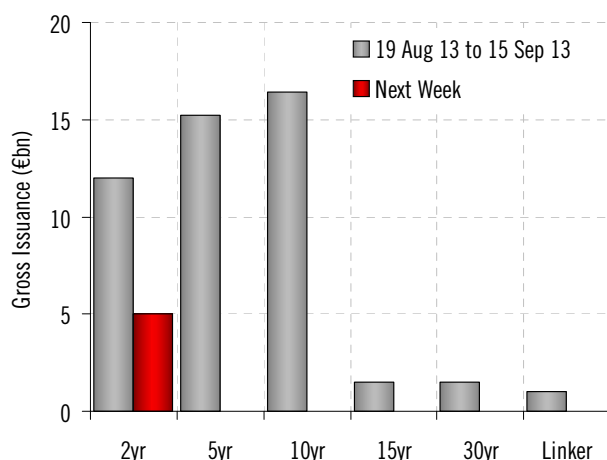


Source: DMO, Citi Research

### Expected Euro Issuance by Maturity for the Next 4 Weeks

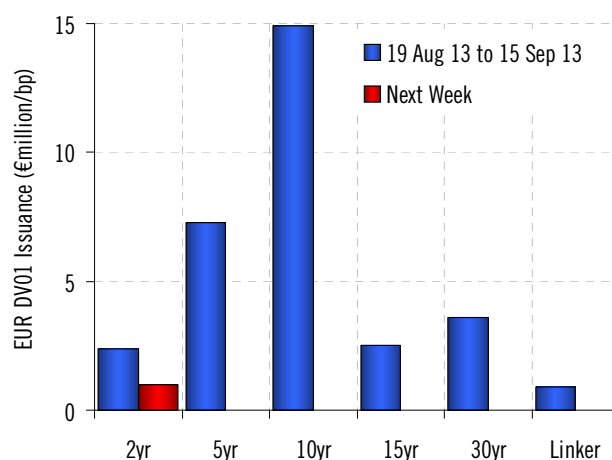
- Over the next four weeks, the 10yr sector is expected to account for around a third of total gross issuance (€48bn) - Figure 12.
- In DV01 terms, the 10yr sector is forecasted to account for around 47% of total issuance (€32million/bp) over the next four weeks (Figure 13).

Figure 12. Euro Gross Issuance over the Next Four Weeks



Source: DMOs, Bloomberg, Citi Research

Figure 13. Euro DV01 Issuance over the Next Four Weeks



Source: DMOs, Bloomberg, Citi Research

## Explanation of Trade-date and Settlement-date

Throughout the *Supply Monitor* section coupons and redemption payments are allocated on a trade date basis *except in the cash flow tables* shown above. In these cash flow tables; gross supply, coupons and redemptions are on a settlement date basis. This is to keep everything in line with US supply settling during the middle or end of the month instead of just T+3 as in Europe for example.

**Trade date basis:** In Europe if the coupon payment falls on Monday 4<sup>th</sup> March, for example, it would be allocated to the previous week (the week commencing 25 February) as that would be when you would trade to use the money you know is coming in on Monday 4<sup>th</sup> March. In other words, you don't wait for the money to hit your account to use it. Since we are trying to account for the impact of those payments we allocate them on a trade date basis, rather than settlement date.

**Settlement date basis:** The net cash requirement tables (Figure 18, Figure 19 and Figure 20) are on a settlement basis. In the US, conventional supply settles either during the middle of the month or at the end of the month. (If there is a Treasury auction during the last week of the month it will settle in the following week). Consequently, if you participate in the UST 3-year auction on 8 January the money would leave your account during the w/c 14 January. In addition, TIPS often settle during a different week from conventional supply.

## Global Coupons by Tenor (Next 4 Weeks)

### Euro coupons for the next four weeks – maturity split

EMU: negligible cash flows next week

- There are negligible cash flows next week. However, the week commencing 26 August sees €7.5bn of coupons payments from Germany and Italy, the majority of which comes from the 10yr sector (Figure 14 and Figure 17).

Figure 14. Maturity Split of Euro Coupon Payments over the Next Four Weeks (EUR-Billions)\*

Week Commencing	2yr	5yr	10yr	15yr	30yr	Linker	Total
19 Aug							
26 Aug	0.4	1.7	4.1	0.7	0.7		7.5
02 Sep							
09 Sep	1.2	0.6	0.6			1.5	3.8
<b>Total</b>	<b>1.5</b>	<b>2.2</b>	<b>4.6</b>	<b>0.7</b>	<b>0.7</b>	<b>1.5</b>	<b>11.3</b>

Source: Bloomberg, Citi Research

\*This table is on a trade-date basis

### US coupons for the next four weeks – maturity split

US: no cash flows next week

- There are no cash flows from the US next week. However, the week commencing 26 August sees \$4.3bn of coupon payments and \$60bn of redemptions (Figure 15).

Figure 15. Maturity Split of UST Coupon Payments over the Next Four Weeks (USD-Billions)\*

Week Commencing	2-3yr	5yr	7yr	10yr	30yr	Linker	Total
19 Aug							
26 Aug	2.9	1.4	0.1				4.3
02 Sep							
09 Sep	0.5						0.5
<b>Total</b>	<b>3.3</b>	<b>1.4</b>	<b>0.1</b>				<b>4.8</b>

Source: Bloomberg, Citi Research

\*This table is on a trade-date basis

### UK coupons for the next four weeks

UK: £10.4bn of coupon payments in the week commencing 2 September

- There are minimal gilt cash flows next week. In the week commencing 2 September, there will be heavy coupon payments (£10.4bn). The majority of these fall in the 2-10yr sector (Figure 16).

Figure 16. Maturity Split of Gilt Coupon Payments over the Next Four Weeks (GBP-Billions)\*

Week Commencing	2yr	5yr	10yr	15yr	30yr	Linker	Total
19 Aug		0.5					0.5
26 Aug							
02 Sep	3.0	3.1	2.9	0.5	0.9		10.4
09 Sep							
<b>Total</b>	<b>3.0</b>	<b>3.6</b>	<b>2.9</b>	<b>0.5</b>	<b>0.9</b>		<b>10.9</b>

Source: Bloomberg, Citi Research

\*This table is on a trade-date basis

## Euro Coupons and Redemptions Split by Maturity & Country (Next 4 Weeks)

■ Figure 17 below shows a weekly breakdown of euro coupons and redemptions, split by sector and country over the next four weeks.

Figure 17. Euro Coupons and Redemptions by Maturity and Country for the Next 4 weeks (EUR Billions)

WEEK 1	Week Beginning 19 Aug (Mon)		Coupons	Redemptions	WEEK 2	Week Beginning 26 Aug (Mon)		Coupons	Redemptions
		Austria					Austria		
		Belgium					Belgium		
		Germany					Germany	1.0	
		Finland					Finland		
	Coupons	France				Coupons	France		
2yr		Greece			2yr	0.4	Greece		
5yr		Ireland			5yr	1.7	Ireland		
10yr		Italy			10yr	4.1	Italy	6.5	
15yr		Netherlands			15yr	0.7	Netherlands		
30yr		Portugal			30yr	0.7	Portugal		
Linker		Spain			Linker		Spain		
	0.0		0.0	0.0		7.5		7.5	0.0
WEEK 3	Week Beginning 02 Sep (Mon)		Coupons	Redemptions	WEEK 4	Week Beginning 09 Sep (Mon)		Coupons	Redemptions
		Austria					Austria	1.3	
		Belgium					Belgium		
		Germany					Germany	0.1	17.0
		Finland					Finland	0.5	
	Coupons	France				Coupons	France		
2yr		Greece			2yr	1.2	Greece		
5yr		Ireland			5yr	0.6	Ireland		
10yr		Italy			10yr	0.6	Italy	1.9	
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal			30yr		Portugal		
Linker		Spain			Linker	1.5	Spain		
	0.0		0.0	0.0		3.8		3.8	17.0

Source: Bloomberg, Citi Research

\*This table is on a trade-date basis

## Cash Flow Profile (Next 4 Weeks)

The three tables on this page show the upcoming gross and net supply, coupons and redemptions, and the resultant NCR, for each of the next four weeks.

### EMU cash flow profile over the next four weeks

**EMU: non-supportive for bonds over the next four weeks**

- The euro net cash requirement (NCR) is strongly non-supportive for bonds over the next three weeks as gross supply easily outweighs cash flows in each of these weeks (Figure 18).

Figure 18. Estimated Euro Weekly Cash Flow Profile for Next Four weeks, EUR Billions

Settling in Week Commencing	A Gross Supply	B Coupons	A - B Net Supply	C Redemptions	A - B - C NCR
19 Aug	5.0	0.0	5.0		5.0
26 Aug	6.5		6.5		6.5
02 Sep	11.8	7.5	4.3		4.3
09 Sep	18.0	0.1	17.9	17.0	0.9
<b>Total</b>	<b>41.3</b>	<b>7.6</b>	<b>33.7</b>	<b>17.0</b>	<b>16.7</b>
<b>Average</b>	<b>10.3</b>	<b>1.9</b>	<b>8.4</b>	<b>4.3</b>	<b>4.2</b>
<b>12m moving avg</b>	<b>16.7</b>	<b>3.6</b>	<b>13.1</b>	<b>11.6</b>	<b>1.5</b>

Source: DMOs, Citi Research, Bloomberg

*\*This table is on a settlement-date basis*

### US net cash requirement (NCR) over the next four weeks

**US: supportive for bonds next week**

- The US NCR is supportive for bonds next week due to zero gross issuance and around \$7.5bn of buybacks settling during the week (Figure 19).

Figure 19. US Weekly Cash Flow Profile for Next Four weeks, USD Billions

Settling in Week Commencing	A Gross Supply	B Coupons	A - B Net Supply	C Redemptions	D Buybacks	A - B - C - D NCR
19 Aug					7.5	-7.5
26 Aug	16.0	2.0	14.0		14.0	0.0
02 Sep	98.0	2.3	95.7	59.9	11.5	24.3
09 Sep					11.5	-11.5
<b>Total</b>	<b>114.0</b>	<b>4.3</b>	<b>109.7</b>	<b>59.9</b>	<b>44.5</b>	<b>5.3</b>
<b>Average</b>	<b>28.5</b>	<b>1.1</b>	<b>27.4</b>	<b>15.0</b>	<b>11.1</b>	<b>1.3</b>
<b>12m ma</b>	<b>41.4</b>	<b>3.0</b>	<b>38.5</b>	<b>24.5</b>	<b>10.2</b>	<b>3.8</b>

Source: US Treasury, Citi Research, Bloomberg

*\*This table is on a settlement-date basis*

### UK cash-flow profile over the next four weeks

**UK: slightly non-supportive for bonds next week**

- The UK NCR profile is slightly non-supportive for bonds next week due to the settlement of £1.8bn of gross supply and zero cash flows (Figure 20).

Figure 20. UK Weekly Cash Flow Profile for Next Four weeks, GBP Billions

Settling in Week Commencing	A Gross Supply	B Coupons	A - B Net Supply	C Redemptions	D Buybacks	A - B - C - D NCR
19 Aug	1.8		1.8			1.8
26 Aug		0.5	-0.5			-0.5
02 Sep	1.5		1.5			1.5
09 Sep	6.2	10.4	-4.2			-4.2
<b>Total</b>	<b>9.4</b>	<b>10.9</b>	<b>-1.5</b>			<b>-1.5</b>
<b>Average</b>	<b>2.3</b>	<b>2.7</b>	<b>-0.4</b>			<b>-0.4</b>
<b>12m moving avg</b>	<b>2.8</b>	<b>0.9</b>	<b>2.0</b>	<b>1.1</b>		<b>0.9</b>

Source: DMO, Citi Research, Bloomberg

*\*This table is on a settlement-date basis*



## ESP and ITA Bill Issuance Projections

This page contains our projections for Spanish and Italian bill supply in 2013. Please note that this is the only page in this document (other than page 1) which refers to bills.

### Auction calendar for the next four weeks

Figure 21. Provisional Bill Auction Calendar for the Next Four Weeks, Gross Issuance (Billions), DV01 (EUR Million/bp)

Week	Date	Country	Issue Details	Total Size (€bn)
<b>Week 1</b>	20 Aug (Tue)	Spain	6month (21 February 2014), 12month (new issuance) - tenors confirmed, estimated size	5
<b>Total Size in Week 1</b>				<b>5.0</b>
<b>Week 2</b>	27 Aug (Tue)	Spain	3month (22 November 2013), 9month (16 May 2014) - tenors confirmed, estimated size	3.6
	28 Aug (Wed)	Italy	6 month (28 February 2014; issue confirmed, estimated size)	9
<b>Total Size in Week 2</b>				<b>12.6</b>
<b>Week 4</b>	11 Sep (Wed)	Italy	12 month (12 September 2014; issue confirmed, estimated size)	7
<b>Total Size in Week 4</b>				<b>7.0</b>

Italy announces issue size 3 business days before the auction

Spain announces issue details 1 business day before the auction

Source: DMOs, Citi Research

This table is on a calendar-date basis

### 2013 projections for bill supply

Figure 22. 2013 Italy and Spain Bill Supply – Citi Forecast (Euro Billion)

<b>SPAIN</b>	<b>3m</b>	<b>6m</b>	<b>9m</b>	<b>12m</b>	<b>18m</b>	<b>Gross Supply</b>	<b>Redemptions</b>	<b>NCR</b>
Jan	1.3	1.8		3.2	2.5	9	5	3
Feb	1.0	2.9	3.7	3.6		11	9	2
Mar	1.8	2.3	2.6	4.0		11	12	-2
Apr	0.9	1.3	2.2	4.6		9	8	1
May	0.9	1.2	2.6	3.3		8	6	2
Jun	1.1	1.1	2.6	4.0		9	10	-1
Jul	0.9	1.9	3.0	2.9		9	5	3
Aug	1.0	1.5	2.6	3.5		9	11	-3
Sep	1.0	1.3	2.6	4.0		9	8	1
Oct	1.0	1.3	2.6	4.0		9	8	1
Nov	1.0	1.3	2.6	4.0		9	11	-2
Dec	1.0	1.3	2.6	4.0		9	9	
<b>Total</b>	<b>12.9</b>	<b>19.0</b>	<b>29.6</b>	<b>45.2</b>	<b>2.5</b>	<b>109</b>	<b>103</b>	<b>7</b>
<b>ITALY</b>	<b>3m*</b>	<b>6m</b>	<b>9m</b>	<b>12m</b>	<b>Flexible BOT</b>	<b>Gross Supply</b>	<b>Redemptions</b>	<b>NCR</b>
Jan		9.8		9.8		20	21	-2
Feb		10.1		9.7		20	19	
Mar		9.4		7.8		17	19	-2
Apr	3.0	9.2		8.9		21	18	3
May		9.2		7.0	3.0	19	16	4
Jun		9.2		7.0		16	16	
Jul		9.8		7.0	2.5	19	11	9
Aug		9.0		8.6		18	18	-1
Sep	3.0	9.0		7.0		19	20	-1
Oct		9.0		7.0		16	17	-1
Nov		9.0		7.5		17	16	1
Dec		10.0		7.5		18	25	-8
<b>Total</b>	<b>6.0</b>	<b>112.6</b>		<b>94.7</b>	<b>5.5</b>	<b>219</b>	<b>216</b>	<b>2</b>

\*3month bills will be issued only for specific cash needs. In this case, auctions shall be held on the 12 month BOT auction dates

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

## EMU: Coupons & Redemptions (Next 3mths)

Figure 23. EMU-10 Bond Redemptions over the next three months (€bn)

Redemptions = €142bn											
Redemptions	DEU 33	FRA 32	NLD 0	ITA 28	ESP 16	BEL 14	AUT 13	FIN 0	PRT 6	GRC 0	IRL 0
(Fri) 13-Sep-13	17.0										
(Mon) 23-Sep-13									5.8		
(Wed) 25-Sep-13		10.7									
(Sat) 28-Sep-13						13.5					
(Mon) 30-Sep-13				10.6							
(Fri) 11-Oct-13	16.0										
(Sun) 20-Oct-13							13.1				
(Fri) 25-Oct-13		21.1									
(Thu) 31-Oct-13					16.2						
(Fri) 01-Nov-13				17.8							

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

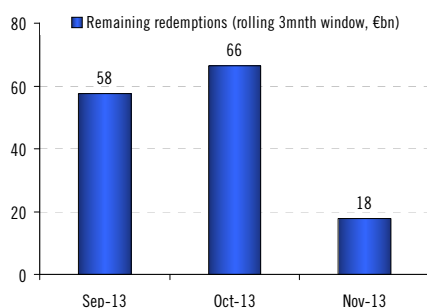
Figure 24. EMU-10 Coupon Payments over the next three months (€bn)

Coupons = €50bn											
Coupons	DEU 3	FRA 17	NLD 0	ITA 15	ESP 5	BEL 5	AUT 2	FIN 1	PRT 2	GRC 0	IRL 2
(Sun) 18-Aug-13											0.001
(Sun) 01-Sep-13				6.5							
(Wed) 04-Sep-13	0.99										
(Fri) 13-Sep-13	0.1										
(Sun) 15-Sep-13				1.9			1.3	0.5			
(Fri) 20-Sep-13	0.0										0.02
(Mon) 23-Sep-13									0.3		
(Wed) 25-Sep-13		0.3									
(Sat) 28-Sep-13						4.6					
(Tue) 01-Oct-13				0.2							
(Wed) 09-Oct-13	0.3										
(Thu) 10-Oct-13	0.4										
(Fri) 11-Oct-13	0.6										
(Sun) 13-Oct-13	0.1										
(Mon) 14-Oct-13	0.2										
(Tue) 15-Oct-13				0.8					1.0		
(Wed) 16-Oct-13									0.4		
(Fri) 18-Oct-13											1.6
(Sun) 20-Oct-13							1.0				
(Fri) 25-Oct-13		16.2							0.4		
(Thu) 31-Oct-13					5.1						
(Fri) 01-Nov-13				5.5							

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

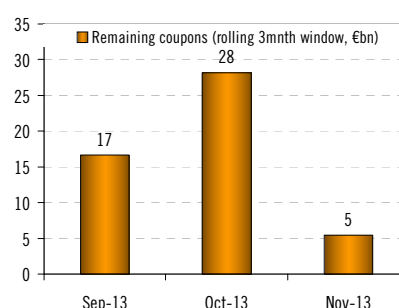
Figure 25. EMU-10 remaining redemptions over the next 3months (€bn)



Source: DMOs, Bloomberg, Citi Research

This chart is on a calendar-date basis

Figure 26. EMU-10 remaining coupons over the next 3months (€bn)



Source: DMOs, Bloomberg, Citi Research

This chart is on a calendar-date basis

## Appendix: EMU Core & Non-Core Net Supply (8 weeks)

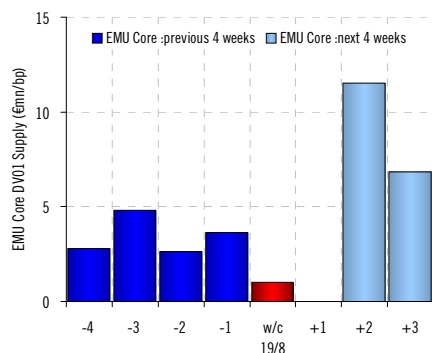
Figure 27 to Figure 29 show the projected EUR DV01 of core bond issuance, coupon payments and net issuance for the next four weeks and also the previous four weeks. Figure 30 to Figure 32 show the similar breakup for non-core issuance.

EMU core issuers = Germany, France, Netherlands, Austria & Finland

DV01 of core supply: Germany, France, Netherlands, Austria & Finland

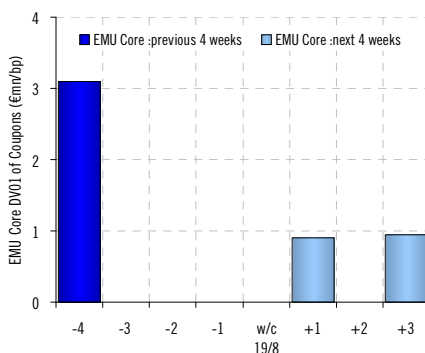
- The DV01 of core issuance is light until week 3 (Figure 27).

Figure 27. Estimated €DV01 of Core Bond Issuance



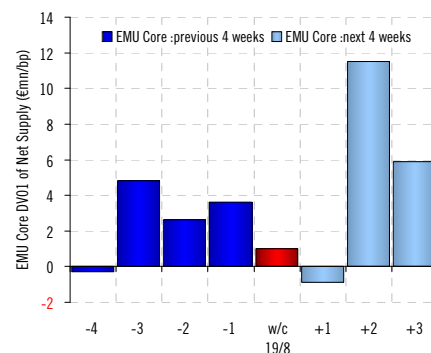
Source: DMOs, Citi estimates

Figure 28. Estimated €DV01 of Core Coupons (Trade-date basis)



Source: US Treasury, Citi estimates

Figure 29. Estimated €DV01 of Net Core Issuance



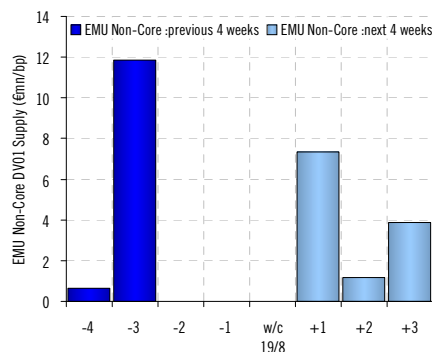
Source: DMO, Citi estimates

EMU non-core issuers = Italy, Spain, Belgium, Ireland & Portugal

DV01 of non-core supply: Italy, Spain, Belgium, Ireland & Portugal

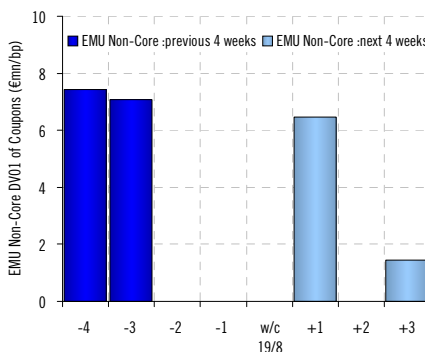
- The DV01 of net non-core issuance remains almost flat over the next three weeks (Figure 32).

Figure 30. Estimated €DV01 of Non-Core Bond Issuance



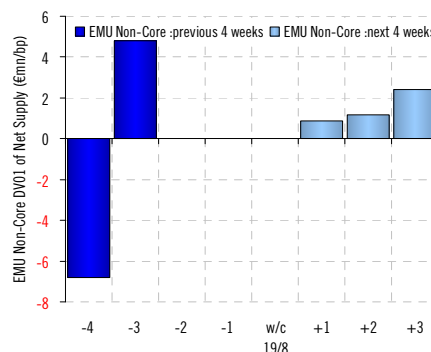
Source: DMOs, Citi estimates

Figure 31. Estimated €DV01 of Non-Core Coupons (Trade-date basis)



Source: US Treasury, Citi estimates

Figure 32. Estimated €DV01 of Net Non-Core Issuance



Source: DMO, Citi estimates

## Appendix: EMU Core & Non-Core Net Supply (Next Week)

Figure 33 and Figure 34 show the split by tenor of next week's core bond issuance, coupon payments and net issuance in both nominal and DV01 terms.

We have also included the equivalent number of 10yr Futures. Figure 33 to Figure 35 are on a trade-date basis.

EMU core issuers = Germany, France, Netherlands, Austria & Finland

### EMU Core: Next week's Nominal Net Supply by Tenor

Figure 33. EMU core issuance, coupons and net supply by tenor for next week

EMU Core	2yr	5yr	10yr	15yr	30yr	Linkers	Total
Gross Supply	5.0						5.0
Coupons							
Net Supply	5.0						5.0

Source: DMOs, Bloomberg, Citi Research

*This table is on a trade-date basis*

### EMU Core: DV01 of Net Supply + Futures Equivalent

Figure 34. DV01 of EMU core issuance, coupons and net supply by tenor for next week

EMU Core	2yr	5yr	10yr	15yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU3	TYU3
DV01 of issuance	1.0						1.0	1.3	+9	+17
Coupons										
Net Supply	1.0						1.0	1.3	+9	+17
Number of RX Futures (x1000)	+9									
Number of TY Futures (x1000)	+17									

Source: DMOs, Bloomberg, Citi Research

*This table is on a trade-date basis*

EMU non-core issuers = Italy, Spain, Belgium, Ireland & Portugal

### EMU Non-Core: Next week's Nominal Net Supply by Tenor

- No issuance and coupon payments from non-core issuers next week.

## Appendix: US & UK Net Supply (Next Week)

### US: Next week's Nominal Net Supply by Tenor

- Figure 35 and Figure 36 show a breakdown of next week's US bond issuance, coupon payments and net issuance by tenor in both nominal and DV01 terms. These figures are on a trade-date basis.

Figure 35. US Treasury issuance, coupons and net supply by tenor

US	2-3yr	5yr	7yr	10yr	30yr	Linkers	Total
Gross Supply						16.0	16.0
Coupons							
Net Supply						16.0	16.0

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

### US: DV01 of Net Supply + Futures Equivalent

Figure 36. US Treasury DV01 of gross and net supply

US	2-3yr	5yr	7yr	10yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU3	TYU3
DV01 of issuance						15.7	11.8	15.7	+103	+205
Coupons										
Net Supply						15.7	11.8	15.7	+103	+205
Number of RX Futures (x1000)						+103				
Number of TY Futures (x1000)						+205				

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

### UK: Next week's Nominal Net Supply by Tenor

- Figure 37 and Figure 38 show a breakdown of next week's UK bond issuance, coupon payments and net issuance by tenor in both nominal and DV01 terms. These figures are on a trade-date basis.

Figure 37. UK gilt issuance, coupons and net supply by tenor

UK	2yr	5yr	10yr	15yr	30yr	Linkers	Total
Gross Supply						1.8	1.8
Coupons		0.5					0.5
Net Supply		-0.5				1.8	1.3

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

### UK: DV01 of Net Supply + Futures Equivalent

Figure 38. UK gilt DV01 of gross and net supply

UK	2yr	5yr	10yr	15yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU3	TYU3
DV01 of issuance						2.5	2.9	3.9	+26	+51
Coupons		0.2					0.3	0.4	+2	+5
Net Supply		-0.2				2.5	2.7	3.5	+23	+46
Number of RX Futures (x1000)		-2				+26				
Number of TY Futures (x1000)		-5				+51				

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

## Appendix: Global Supply Forecasts

Figure 39. UK, US and EMU-10 Gross Supply – Citi forecasts

2013 Cashflow Tables													
Gross Supply (£bn cash)								A	B	C = A - B	D	E	F = C - D - E
UK	Auctions				Syndications			Gross Supply	Coupons	Net Supply	Redemptions	Buybacks	NCR
	Shorts	Mediums	Longs	Linkers	Long	Linker	Mini Tender						
Apr-13		3.6	2.5	3.5			0.7	10	0	10			10
May-13	5.3		2.7	1.3			1.9	11	1	11			11
Jun-13	4.7	3.7	2.7	1.9	4.8			18	7	11			11
Jul-13		3.7	2.4	1.6		4.2		12	3	9			9
Aug-13	4.9	0.0	2.6	3.3	0.0	0.0	0.0	11	1	10	21	0	-11
Sep-13	4.7	3.6	2.4	1.6		4.2		16	11	5	9		-3
Oct-13		3.6	2.4	1.6			1.5	9	0	9			9
Nov-13	4.7	3.6	2.4	1.6	3.7			16	1	15			15
Dec-13	4.7	3.6		1.6			1.5	11	7	4			4
Jan-14	4.7		2.4	1.6			1.5	10	3	7			7
Feb-14	4.7	3.6	2.4	1.6		4.2	1.5	18	0	17			17
Mar-14	4.7	3.6		3.2			1.5	13	11	2	35		-33
Total	42.9	32.5	25.0	24.3	8.5	12.5	10.0	156	45	111	65		46

Gross Supply (\$bn nominal)								A	B	C	D = A - B - C	E	F = D - E
US	2yr	3yr	5yr	7yr	10yr	30yr	TIPS	Gross Supply	Coupons	Fed Purchases	Net Supply	Redemptions	NCR
Jan	35	32	35	29	21	13	15	180	11	44	125	93	32
Feb	35	32	35	29	24	16	9	180	26	45	109	119	-9
Mar	35	32	35	29	21	13	13	178	6	41	131	98	33
Apr	35	32	35	29	21	13	18	183	7	46	130	117	13
May	35	32	35	29	24	16	13	184	24	45	115	118	-3
Jun	35	32	35	29	21	13	7	172	5	45	122	94	27
Jul	35	32	35	29	21	13	15	180	10	44	126	120	6
Aug	34	32	35	29	24	16	16	186	25	45	116	129	-14
Sep	33	31	35	29	21	13	13	175	5	20	150	96	54
Oct	32	30	35	29	21	13	7	167	6	20	141	94	47
Nov	32	30	35	29	24	16	13	179	23	20	136	128	8
Dec	32	30	35	29	21	13	16	176	5	20	151	99	53
Total	408	377	420	348	264	168	155	2140	154	434	1551	1304	247

### Gross issuance forecasts for 2013 vs 2012

(for fixed rate government bonds and index-linked notes)

Gross Supply	2012	2013	Gross Supply (€bn)	2012	2013	Tickers used in our supply estimates
EMU-10 (€bn)	829	832	Germany	184	183	Schatz, Bobl, Bund, BundeI, Boblei
			France	201	187	OAT, BTAN, BTANI, OATi, OATei
			Italy	205	204	BTP, BTPei, CCT, CTZ
			Spain	98	116	SPGB
			Netherlands	60	52	DSL
			Belgium	43	45	OLO
			Austria	21	19	RAGB
			Finland	11	12	RFGB
			Ireland	5	10	IRLD
			Portugal	0	6	OT
			Total	829	832	

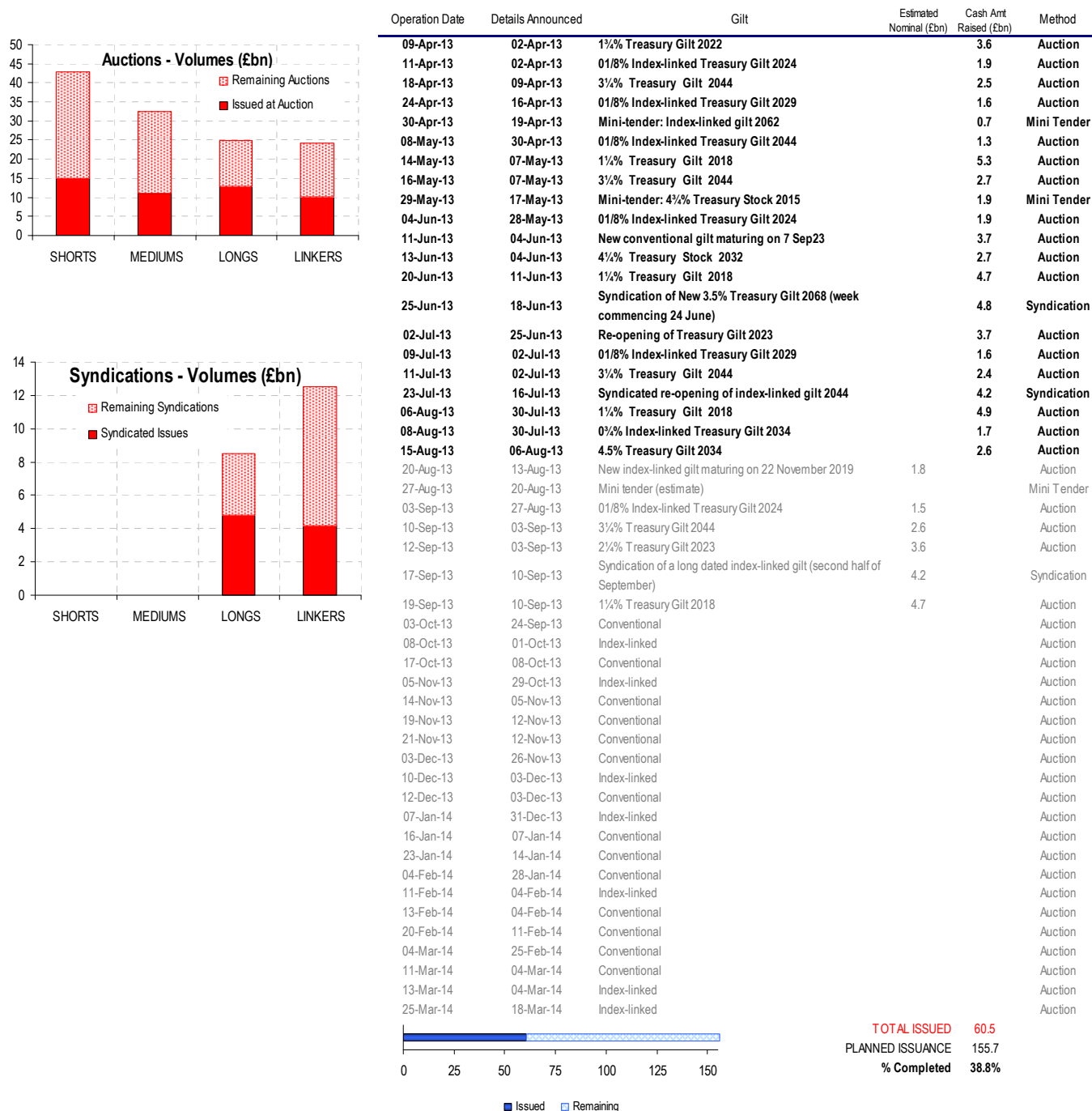
\*UK supply forecasts on financial year basis (cash amt)

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

# UK Gilt Remit and Progress for FY2013/14

Figure 40. UK Gilt Remit and Progress for FY2013/14



Source: DMO, Bloomberg, Citi Research

# EMU 2013 Supply, Coupons & Redemptions

Figure 41. 2013 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

EMU-10	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	25.1	25.7	25.2	8.7	4.6	5.8	95	37	58	92	-34
Feb	17.4	27.5	19.4	5.7	1.0	4.6	76	9	66		66
Mar	21.2	22.1	30.1	5.1	5.9	3.8	88	12	76	31	46
Apr	21.2	17.2	27.4	5.0	3.5	3.5	78	34	44	100	-56
May	17.9	24.0	30.0	5.4	6.8	3.3	87	3	85	17	68
Jun	22.4	25.4	18.8	4.8	1.2	3.6	76	5	72	31	40
Jul	18.0	20.0	22.2	8.3	4.5	2.3	75	45	30	119	-89
Aug	8.6	11.0	9.0			1.0	30	7	23		23
Sep	17.5	25.1	18.3	1.5	6.3	3.5	72	10	62	58	4
Oct	15.3	20.3	21.6	1.8	3.8	3.5	66	33	33	84	-51
Nov	17.5	19.1	15.5	2.0	0.8	2.5	57	2	55		55
Dec	9.5	13.0	7.7	1.5			32	1	30	35	-5
Total	212	250	245	50	38	37	832	198	635	567	67

GERMANY	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	5.0	5.0	5.0		2.0	1.0	18	12	6	24	-18
Feb	5.0	4.0	5.0			1.0	15	1	14		14
Mar	5.0	4.0	4.0			1.0	14		14	18	-4
Apr	5.0	4.0	4.0		2.0	1.0	16	3	13	29	-16
May	5.0	5.0	5.0			1.0	16		16		16
Jun	5.0	4.0	5.0			1.0	15	1	14	17	-3
Jul	5.0	4.0	4.0		2.0	1.0	16	12	4	22	-18
Aug	5.0	4.0	4.0				13		13		13
Sep	5.0	5.0	5.0			1.0	16	1	15	17	-2
Oct	5.0	4.0	9.0		2.0	1.0	21	2	19	16	3
Nov	5.0	4.0	4.0			1.0	14		14		14
Dec	5.0	4.0					9		9	15	-6
Total	60.0	51.0	54.0		8.0	10.0	183	32	151	158	-7

FRANCE	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	2.4	7.3	5.2	1.2		1.8	18	2	16	18	-2
Feb	2.0	7.6	5.6	4.0		2.3	21	1	21		21
Mar	5.0	5.5	3.6	1.8	4.5	1.8	22		22		22
Apr	4.3	3.6	8.4			1.7	18	17	1	22	-21
May	3.4	6.2	7.2	1.0		1.4	19	1	19		19
Jun	3.3	6.0	3.8	2.3		1.5	17		17		17
Jul	3.9	4.8	6.3	3.3		1.3	20	6	13	36	-22
Aug											
Sep	3.0	6.5	4.0		1.5	1.5	17		16	11	5
Oct	3.0	6.0	6.5			1.5	17	16	1	21	-20
Nov	3.0	4.5	4.0			1.5	13		13		13
Dec		1.8	2.8	1.5			6		6		6
Total	33.3	59.5	57.3	15.0	6.0	16.3	187	43	144	107	37

ITALY	CTZ/3yr	5yr/CCT	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	7.6	4.5	3.5	6.0		2.9	25	10	15	21	-6
Feb	6.8	4.5	5.2	1.0	1.0	1.3	20	6	13		13
Mar	5.2	5.4	3.1	2.0		1.0	17	2	15		15
Apr	6.5	5.0	3.5	1.7		0.8	17	7	11	29	-18
May	6.0	6.5	3.5	1.5	6.0	1.0	24	2	22	17	5
Jun	8.5	6.2	2.9	1.7		1.2	20	1	19	14	5
Jul	6.6	5.0	4.9	1.5			18	9	9	25	-16
Aug	2.5	2.8	2.8			1.0	9	7	2		2
Sep	6.0	4.1	2.8	1.5		1.0	15	2	13	11	3
Oct	5.0	5.5	3.3		1.0	1.0	16	6	10	18	-8
Nov	5.0	4.3	3.3	1.0			14	2	12		12
Dec	2.5	3.6	3.3				9	1	8	20	-12
Total	68.1	57.2	41.7	17.8	8.0	11.1	204	55	149	155	-6

Given that the majority of Italian redemptions occur on the 1st of the month and the Italian Treasury conducts an end-month BTP auction, the coupons & redemptions in the table above are on a trade-date basis (e.g. the redemption on 1 Aug will appear in July). In our view, this is a better representation of the monthly net cash requirement.

Source: DMOs, Bloomberg, Citi Research

All the numbers in this table except the Italian cash flows are on a calendar-date basis



Figure 42. 2013 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

SPAIN	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	6.4	3.9	7.0	0.6	0.5		18	8	10	14	-4
Feb	3.6	3.1	3.1	0.7			11		11		11
Mar	2.1	3.5	5.7		0.7		12		12		12
Apr	5.4	3.2	2.4				11	4	7	15	-8
May	3.4	2.9	7.0	2.3			16		16		16
Jun	2.5	1.4	4.1				8		8		8
Jul	2.5	4.6	1.2	3.5			12	9	3	15	-12
Aug	1.1	2.7					4		4		4
Sep	1.0	3.3	1.8				6		6		6
Oct	2.3	2.0	1.0	0.8			6	5	1	16	-15
Nov	2.0	3.0	1.0				6		6		6
Dec	2.0	3.0	1.0				6		6		6
Total	34.4	36.6	35.3	8.0	1.2		116	27	89	60	29

NETHERLANDS	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	3.8				1.5		5	4	1	16	-14
Feb		2.7					3		3		3
Mar	4.0	2.5	6.5				13		13		13
Apr				2.0			2		2		2
May		1.7	2.3				4		4		4
Jun	3.0	6.1					9		9		9
Jul			3.4		0.8		4	6	-2	16	-18
Aug											
Sep	2.5		2.5				5		5		5
Oct		1.8					2		2		2
Nov	2.5		1.0	1.0			5		5		5
Dec											
Total	15.8	14.8	15.8	3.0	2.3		52	10	42	32	10

BELGIUM	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			4.0				4		4		4
Feb		5.0					5		5		5
Mar		1.2	1.3	1.2			4	7	-3	13	-16
Apr		1.4	2.2	1.3			5		5		5
May		1.1	1.3	0.6	0.8		4		4		4
Jun		1.7	1.3	0.8			4	1	3		3
Jul		1.6	1.5		0.9		4		4		4
Aug		1.5	1.5				3		3		3
Sep		1.0	1.0		4.8		7	5	2	14	-11
Oct		1.0	1.0	1.0			3		3		3
Nov		1.0	1.0		0.8		3		3		3
Dec											
Total		16.6	16.1	4.9	7.2		45	12	32	26	6

AUSTRIA	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			0.6		0.6		1	1			
Feb		0.6	0.6				1		1		1
Mar			0.9		0.8		2	1			
Apr			3.0		1.5		5		4		4
May		0.7	0.7				1		1		1
Jun			0.7		0.7		1		1		1
Jul			0.9		0.8		2	2			
Aug			0.8				1		1		1
Sep		0.7	0.7				1	1			
Oct			0.9		0.8		2	1	1	13	-12
Nov		0.7	0.7				1		1		1
Dec		0.7	0.7				1		1		1
Total		3.2	10.8		5.1		19	7	12	13	-1

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

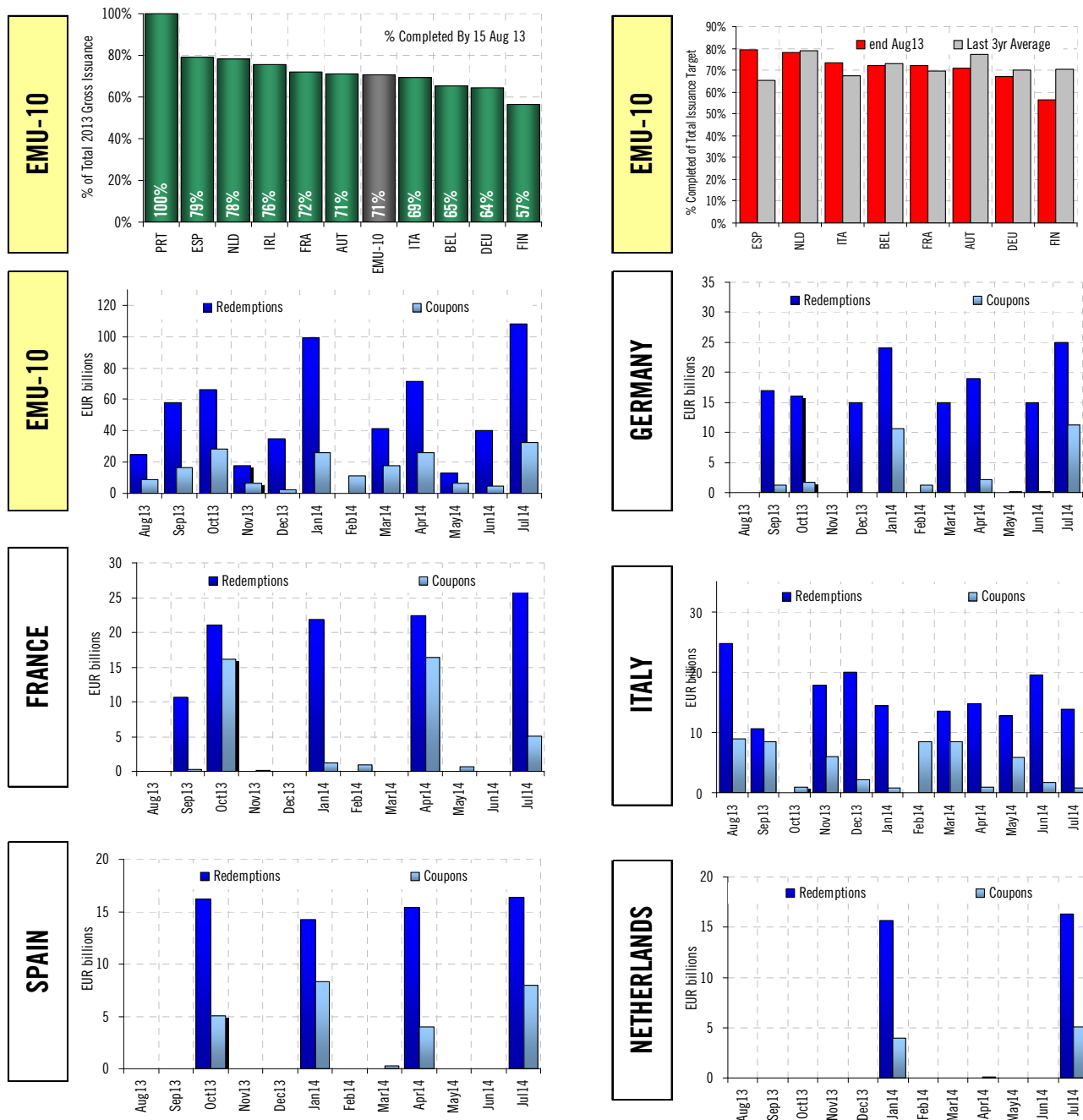
Figure 43. 2013 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

<b>FINLAND</b>	<b>2yr/3yr</b>	<b>5yr</b>	<b>10yr</b>	<b>15yr</b>	<b>30yr</b>	<b>Linkers</b>	<b>Gross Supply</b>	<b>Coupons</b>	<b>Net Supply</b>	<b>Redemptions</b>	<b>NCR</b>
Jan				1.0			1		1		1
Feb											
Mar											
Apr			4.0				4	1	3		3
May											
Jun			1.0		0.5		2		2		2
Jul								1	-1	6	-7
Aug											
Sep		4.0					4	1	3		3
Oct											
Nov		1.0					1		1		1
Dec											
<b>Total</b>		<b>5.0</b>	<b>5.0</b>	<b>1.0</b>	<b>0.5</b>		<b>12</b>	<b>2</b>	<b>9</b>	<b>6</b>	<b>3</b>
<b>IRELAND</b>	<b>2yr/3yr</b>	<b>5yr</b>	<b>10yr</b>	<b>15yr</b>	<b>30yr</b>	<b>Linkers</b>	<b>Gross Supply</b>	<b>Coupons</b>	<b>Net Supply</b>	<b>Redemptions</b>	<b>NCR</b>
Jan		2.5					3		2		2
Feb											
Mar			5.0				5	1	4		4
Apr								1	-1	5	-6
May											
Jun											
Jul											
Aug											
Sep		0.6	0.6				1		1		1
Oct								2	-2		-2
Nov		0.6	0.6				1		1		1
Dec											
<b>Total</b>		<b>3.7</b>	<b>6.2</b>				<b>10</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>1</b>
<b>PORTUGAL</b>	<b>2yr/3yr</b>	<b>5yr</b>	<b>10yr</b>	<b>15yr</b>	<b>30yr</b>	<b>Linkers</b>	<b>Gross Supply</b>	<b>Coupons</b>	<b>Net Supply</b>	<b>Redemptions</b>	<b>NCR</b>
Jan		2.5					3		3		3
Feb											
Mar											
Apr								1	-1		-1
May			3.0				3		3		3
Jun								1	-1		-1
Jul											
Aug											
Sep										6	-6
Oct								2	-2		-2
Nov											
Dec											
<b>Total</b>		<b>2.5</b>	<b>3.0</b>				<b>6</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>-5</b>

Source: DMOs, Bloomberg, Citi Research

*This table is on a calendar-date basis*

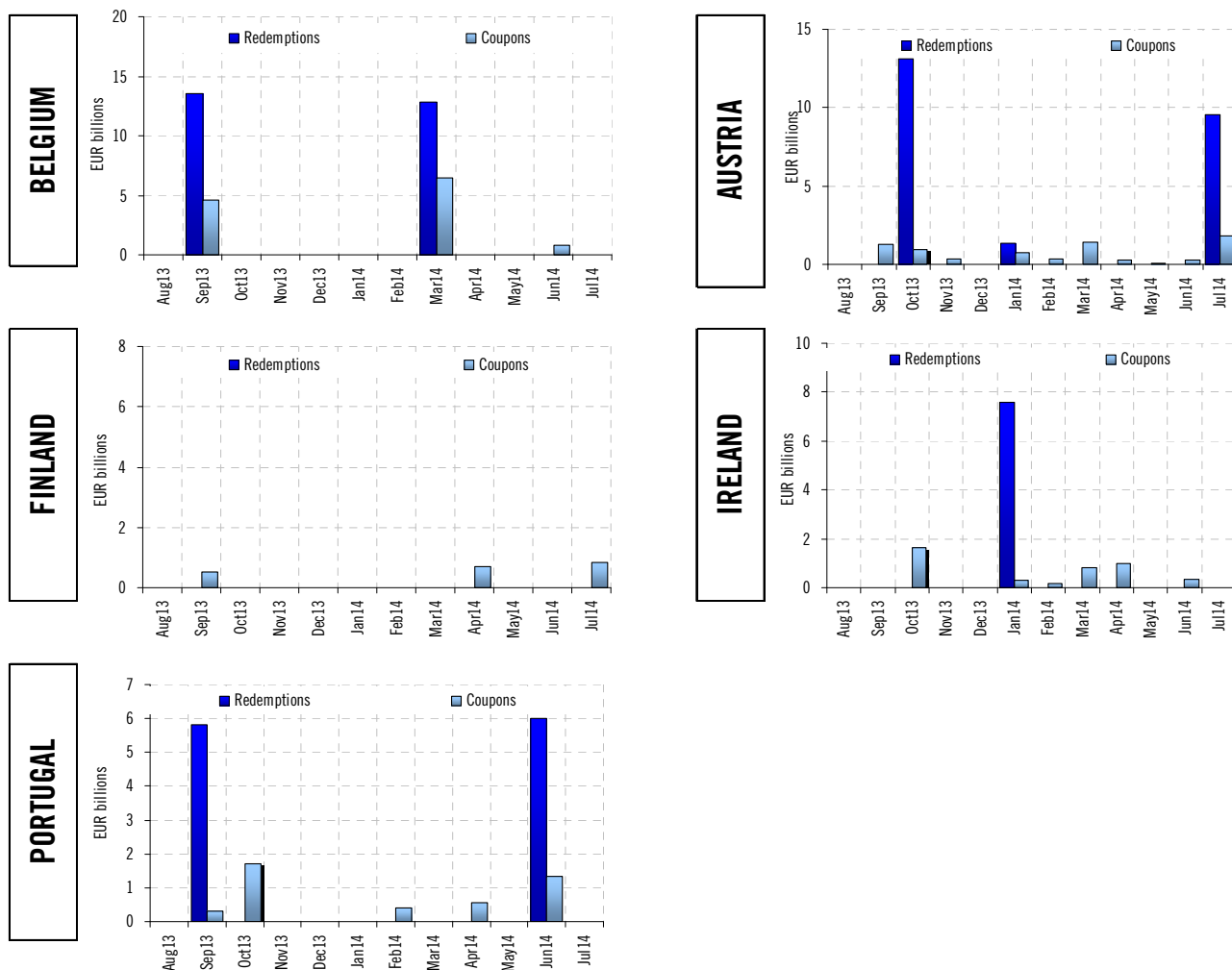
Figure 44. 2013 EMU Issuance Progress and Cash flow profile – Citi Forecasts (Euro in Billions)



Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Figure 45. 2013 EMU Issuance Progress and Cash flow profile – Citi Forecasts (Euro in Billions)



Size of bond market (fixed rate bonds and linkers)	Sector						Credit Rating (LT local currency)	S&P		Moody's		Fitch		
	2yr	5yr	10yr	15yr	30yr	Total		Rating	Outlook	Rating	Outlook	Rating	Outlook	
	Germany	456	259	182	83	80	1060	Germany	AAA	Stable	Aaa	-ve	AAA	Stable
	France	409	350	253	143	107	1261	France	AA+	-ve	Aa1	-ve	AA+	Stable
	Netherlands	116	80	59	23	27	305	Netherlands	AAA	-ve	Aaa	-ve	AAA	-ve
	Italy	543	347	272	167	93	1423	Italy	BBB	-ve	Baa2	-ve	BBB+	-ve
	Spain	268	118	118	46	41	591	Spain	BBB-	-ve	Baa3	-ve	BBB	-ve
	Belgium	89	72	71	32	30	294	Belgium	AA	-ve	Aa3	-ve	AA	Stable
	Austria	60	61	35	17	19	192	Austria	AA+	Stable	Aaa	-ve	AAA	Stable
	Finland	18	23	22	4	3	69	Finland	AAA	Stable	Aaa	Stable	AAA	Stable
	Ireland	21	42	26	0	1	90	Ireland	BBB+	+ve	Ba1	-ve	BBB+	Stable
	Portugal	43	32	18	0	7	99	Portugal	BB	-ve	Ba3	-ve	WD	-ve

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

## Appendix A-1

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