

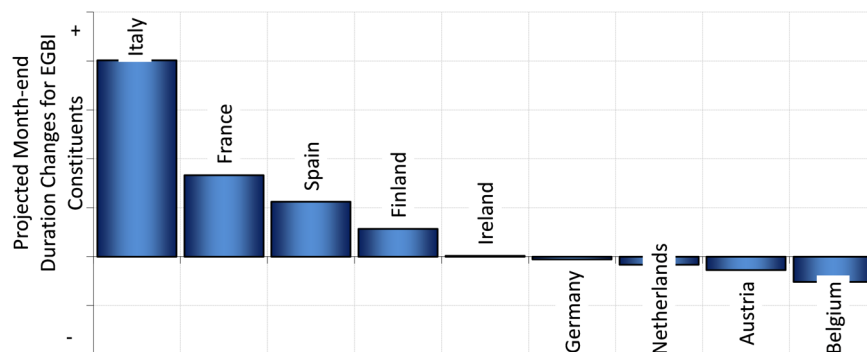
European Rates Strategy

The Month-End RV Pack

- We present a summary of month-end changes for the EGBI (EMU Government Bond Index) and the EuroILSI (Euro Inflation-linked Securities Index). We have also included RV tables and charts to help identify rich/cheap bonds in each sector vs a fitted yield curve. This can be used to help optimize month-end rebalancing.
- For full details of month-end changes, please see the notes published earlier this month ([EMU Month-End Index Projections](#) and [European Inflation-linked Index Projection](#)).

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Figure 1. EGBI: Projected month-end changes (weighted duration)



Source: Citi Research

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

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End-May EGBI Projection

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Projected changes most supportive for Italy, followed by France and Spain

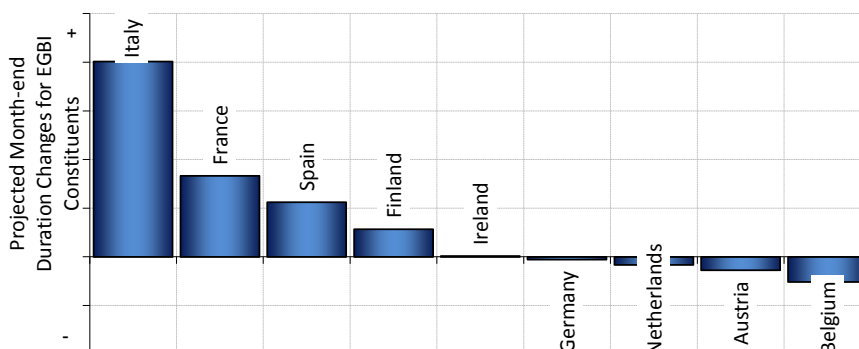
This is a summary of EGBI projections published early this week. Click [here](#) for the full note.

We expect the effective duration of the EGBI to increase by 0.03 at the end of May. At the EGBI level, the projected changes should be supportive for the 10yr sector on the curve. The changes should also put flattening pressure on 2s10s part of the curve.

Projected EGBI changes supportive for Italy

- For EGBI portfolios, it is the weighted duration change that is most relevant. On this metric, Italy is expected to extend the most this month, followed by France and Spain.

Figure 2. Weighted duration change at the end of May



Source: Citi Research

Changes at a country level

Largest Spanish extension in 2 years

Support for 10yr Spain and 30yr Finland

Flattening pressure on 2s10s Spain

- At a country level, we expect the Spanish index to extend by its largest amount in 2 years. This should put flattening pressure on the Spanish curve.
- On domestic curves, we expect index changes to be supportive for 10yr Spain and 30yr Finland (Figure 3). The changes should also put flattening pressure on 2s10s Spain.

Figure 3. Summary of price pressures on individual domestic curves

	2yr	5yr	10yr	30yr	
Germany				↓	Germany
Finland			↑	↑	Finland
Spain		↑	↑	↑	Spain
Italy				↑	Italy
Ireland			↑		Ireland
Netherlands			↑		Netherlands
	2yr	5yr	10yr	30yr	

Source: Citi Research

EMU Rich/Cheap Screen

Figure 4. The 5 richest and cheapest bonds vs a fitted yield curve by country in each sector (6month history)

		All Maturities			1-3yr Sector			3-6.5yr Sector			6.5-15yr Sector			15yr+ Sector		
		Rank	Bond	Z-Score	Rank	Bond	Z-Score	Rank	Bond	Z-Score	Rank	Bond	Z-Score	Rank	Bond	Z-Score
GERMANY	Richest	1	3.25 Jul42	-3.9	1	0.50 Apr17	-1.2	1	1.00 Feb19	-2.6	1	1.50 Feb23	-1.9	1	3.25 Jul42	-3.9
		2	1.00 Feb19	-2.6	2	0.75 Feb17	-0.7	2	0.25 Apr18	-2.6	2	2.50 Jan21	-1.1	2	2.50 Jul44	-1.4
		3	0.25 Apr18	-2.6				3	3.75 Jan19	-2.4	3	3.25 Jul21	-0.5	3	4.75 Jul40	-0.4
		4	3.75 Jan19	-2.4				4	1.00 Oct18	-2.4	4	2.00 Aug23	-0.3	4	2.50 Aug46	-0.1
		5	1.00 Oct18	-2.4				5	4.25 Jul18	-2.3	5	1.50 May23	-0.3			
	Cheapest	5	1.75 Oct15	1.9	5	2.00 Feb16	1.8				5	1.75 Jul22	0.5	5	4.25 Jul39	0.2
		4	1.75 Feb24	1.9	4	1.75 Oct15	1.9				4	2.25 Sep21	0.5	4	4.00 Jan37	1.2
		3	3.50 Jan16	2.1	3	3.50 Jan16	2.1				3	1.50 Sep22	0.5	3	4.75 Jul34	1.4
		2	0.00 Dec15	2.1	2	0.00 Dec15	2.1	2	0.50 Apr19	0.4	2	2.00 Jan22	0.5	2	5.50 Jan31	1.4
		1	4.00 Jul16	2.3	1	4.00 Jul16	2.3	1	2.25 Sep20	0.8	1	1.75 Feb24	1.9	1	6.25 Jan30	1.5
FRANCE	Richest	1	1.00 Nov18	-1.7				1	1.00 Nov18	-1.7				1	4.00 Apr55	-1.4
		2	1.00 May18	-1.7				2	1.00 May18	-1.7				2	4.50 Apr41	-0.9
		3	1.00 May19	-1.6				3	1.00 May19	-1.6				3	3.25 May45	-0.8
		4	3.75 Oct19	-1.5				4	3.75 Oct19	-1.5						
		5	4.25 Apr19	-1.4				5	4.25 Apr19	-1.4						
	Cheapest	5	3.50 Apr26	2	5	2.50 Jul16	1.5				5	3.00 Apr22	0.6	5	4.00 Oct38	0
		4	2.25 Feb16	2.2	4	0.25 Nov15	1.5				4	3.25 Oct21	1.4	4	2.50 May30	0.4
		3	2.75 Oct27	2.4	3	3.00 Oct15	1.5				3	3.50 Apr26	2	3	4.00 Apr60	0.6
		2	3.75 Apr21	2.9	2	3.25 Apr16	2	2	3.50 Apr20	1.5	2	2.75 Oct27	2.4	2	4.75 Apr35	0.7
		1	2.50 Oct20	3	1	2.25 Feb16	2.2	1	2.50 Oct20	3	1	3.75 Apr21	2.9	1	5.75 Oct32	0.9
ITALY	Richest	1	5.00 Mar22	-3.3	1	4.75 May17	-1.6	1	4.25 Sep19	-2.5	1	5.00 Mar22	-3.3	1	4.75 Sep44	-2
		2	4.25 Sep19	-2.5	2	2.25 May16	-1.3	2	4.50 Feb20	-2.2	2	4.50 Mar24	-2.2			
		3	4.50 Mar24	-2.2	3	4.00 Feb17	-1.1	3	4.25 Mar20	-1.8	3	5.50 Sep22	-2.2			
		4	4.50 Feb20	-2.2	4	1.15 May17	-0.7	4	4.75 Jun17	-1.6	4	5.50 Nov22	-0.3			
		5	5.50 Sep22	-2.2	5	3.75 Apr16	-0.6	5	5.25 Aug17	-1.6	5	4.50 May23	-0.1			
	Cheapest	5	2.75 Nov16	2.3	5	4.75 Sep16	0.5				5	3.75 May21	1.1	5	5.00 Aug39	2.2
		4	5.00 Sep40	2.5	4	2.75 Dec15	1.2				4	3.75 Sep24	1.5	4	5.00 Aug34	2.3
		3	4.00 Feb37	2.9	3	3.00 Nov15	1.5	3	2.50 May19	0.8	3	3.75 Aug21	1.6	3	5.75 Feb33	2.3
		2	4.50 Mar26	2.9	2	1.50 Dec16	1.8	2	3.50 Dec18	0.9	2	4.50 Mar26	2.9	2	5.00 Sep40	2.5
		1	4.75 Sep28	3.3	1	2.75 Nov16	2.3	1	4.00 Sep20	1.2	1	4.75 Sep28	3.3	1	4.00 Feb37	2.9
N'LANDS	Richest	1	4.50 Jul17	-2.4	1	3.25 Jul15	-0.2	1	4.50 Jul17	-2.4	1	1.75 Jul23	-1.2	1	3.75 Jan42	-0.9
		2	4.00 Jul18	-1.6				2	4.00 Jul18	-1.6	2	2.00 Jul24	-0.4	2	2.75 Jan47	-0.2
		3	1.25 Jan18	-1.5				3	1.25 Jan18	-1.5	3	3.75 Jan23	-0.2			
		4	1.75 Jul23	-1.2				4	4.00 Jul19	-0.7						
		5	3.75 Jan42	-0.9				5	1.25 Jan19	-0.2						
	Cheapest	5	2.50 Jan17	0.6												
		4	4.00 Jul16	1.3	4	0.50 Apr17	0.3									
		3	4.00 Jan37	1.5	3	0.00 Apr16	0.4									
		2	3.50 Jul20	2	2	2.50 Jan17	0.6				2	3.25 Jul21	0.3	2	2.50 Jan33	0
		1	2.25 Jul22	2.2	1	4.00 Jul16	1.3	1	3.50 Jul20	2	1	2.25 Jul22	2.2	1	4.00 Jan37	1.5
SPAIN	Richest	1	5.85 Jan22	-1.9	1	3.30 Jul16	-0.8	1	4.85 Oct20	-1.9	1	5.85 Jan22	-1.9	1	5.15 Oct44	-0.6
		2	4.85 Oct20	-1.9	2	3.25 Apr16	-0.2	2	4.50 Jan18	-1.4	2	5.50 Apr21	-1.4	2	4.20 Jan37	-0.3
		3	5.50 Apr21	-1.4				3	4.00 Apr20	-0.9	3	5.40 Jan23	-0.6			
		4	4.50 Jan18	-1.4							4	3.80 Apr24	-0.6			
		5	4.00 Apr20	-0.9							5	4.80 Jan24	-0.2			
	Cheapest	5	4.30 Oct19	1.2	5	3.80 Jan17	0.2	5	5.50 Jul17	0.7						
		4	2.75 Apr19	1.7	4	4.25 Oct16	0.3	4	3.75 Oct18	1	4	5.15 Oct28	0.2			
		3	3.75 Oct15	1.7	3	3.15 Jan16	0.8	3	4.30 Oct19	1.2	3	4.40 Oct23	0.8	3	4.90 Jul40	0
		2	5.90 Jul26	2	2	4.00 Jul15	0.8	2	2.75 Apr19	1.7	2	4.65 Jul25	1	2	5.75 Jul32	0.2
		1	4.60 Jul19	2.1	1	3.75 Oct15	1.7	1	4.60 Jul19	2.1	1	5.90 Jul26	2	1	4.70 Jul41	0.7
BELGIUM	Richest	1	1.25 Jun18	-3.4	1	4.00 Mar17	0	1	1.25 Jun18	-3.4	1	4.00 Mar22	-2.3	1	4.00 Mar32	-1.5
		2	4.00 Mar22	-2.3							2	4.25 Sep22	-1.4	2	4.25 Mar41	-0.9
		3	4.00 Mar32	-1.5							3	2.60 Jun24	-0.8			
		4	4.25 Sep22	-1.4												
		5	4.25 Mar41	-0.9												
	Cheapest	5	3.00 Sep19	1.1				5	5.50 Sep17	1						
		4	3.00 Jun34	1.1				4	3.00 Sep19	1.1						
		3	4.00 Mar19	1.2	3	3.25 Sep16	0.3	3	4.00 Mar19	1.2	3	2.25 Jun23	0.4	3	3.75 Jun45	0
		2	4.00 Mar18	1.5	2	3.75 Sep15	0.4	2	4.00 Mar18	1.5	2	4.25 Sep21	0.4	2	5.00 Mar35	0.6
		1	3.50 Jun17	2.4	1	2.75 Mar16	0.6	1	3.50 Jun17	2.4	1	4.50 Mar26	0.7	1	3.00 Jun34	1.1

Source: Citi Research

EMU Bond digest: Z-Scores and 1m changes

Figure 5. Coupon Adjusted Spread to Fitted Curve by Country (6m History); Richest and Cheapest Bonds Highlighted

	Germany			France			Italy			Netherlands			Spain			Belgium			
	Bonds	6m Z-Score	1m change	Bonds	6m Z-Score	1m change	Bonds	6m Z-Score	1m change	Bonds	6m Z-Score	1m change	Bonds	6m Z-Score	1m change	Bonds	6m Z-Score	1m change	
1 - 3yr	0.00 Jun15	1.4	1.7	2.00 Jul15	0.3	-0.4	3.00 Jun15	0.1	0.9	3.25 Jul15	-0.2	-1.3	4.00 Jul15	0.8	1.5	3.75 Sep15	0.4	0.5	
	3.25 Jul15	0.6	-0.5	3.00 Oct15	1.5	0.3	4.50 Jul15	-0.2	0.4	0.00 Apr16	0.4	0.2	3.75 Oct15	1.7	2.4	2.75 Mar16	0.6	1.4	
	0.25 Sep15	1.7	0.4	0.25 Nov15	1.5	2.6	3.75 Aug15	-0.2	0.5	4.00 Jul16	1.3	0.7	3.15 Jan16	0.8	1.5	3.25 Sep16	0.3	1.3	
	1.75 Oct15	1.9	0.4	2.25 Feb16	2.2	2.0	3.00 Nov15	1.5	2.0	2.50 Jan17	0.6	0.6	3.25 Apr16	-0.2	0.6	4.00 Mar17	0.0	1.3	
	0.00 Dec15	2.1	1.5	3.25 Apr16	2.0	2.2	2.75 Dec15	1.2	1.9	0.50 Apr17	0.3	0.2	3.30 Jul16	-0.8	0.1				
	3.50 Jan16	2.1	0.5	2.50 Jul16	1.5	1.8	3.75 Apr16	-0.6	0.2				4.25 Oct16	0.3	1.2				
	2.00 Feb16	1.8	0.4	5.00 Oct16	1.0	2.1	2.25 May16	-1.3	-0.4				3.80 Jan17	0.2	1.2				
	0.25 Mar16	0.7	-0.5	0.25 Nov16	0.7	1.6	3.75 Aug16	-0.1	0.7				2.10 Apr17	0.1	1.0				
	2.75 Apr16	1.4	-0.1	1.75 Feb17	1.1	2.1	4.75 Sep16	0.5	1.3										
	4.00 Jul16	2.3	0.6	3.75 Apr17	1.4	2.4	2.75 Nov16	2.3	3.0										
	1.25 Oct16	1.1	-0.2				1.50 Dec16	1.8	2.3										
	3.75 Jan17	0.5	-0.6				4.00 Feb17	-1.1	-0.2										
	0.75 Feb17	-0.7	-1.5				4.75 May17	-1.6	-0.6										
0.50 Apr17	-1.2	-1.8																	
3 - 6.5yr	4.25 Jul17	-1.2	-1.8	1.00 Jul17	-0.1	1.5	4.75 Jun17	-1.6	-0.6	4.50 Jul17	-2.4	-1.4	5.50 Jul17	0.7	1.7	3.50 Jun17	2.4	3.8	
	0.50 Oct17	-1.2	-1.6	4.25 Oct17	-1.1	0.6	5.25 Aug17	-1.6	-0.6	1.25 Jan18	-1.5	-0.4	4.50 Jan18	-1.4	-0.3	5.50 Sep17	1.0	2.4	
	4.00 Jan18	-1.6	-1.7	4.00 Apr18	-1.3	0.6	3.50 Nov17	-0.8	0.2	4.00 Jul18	-1.6	-0.2	4.10 Jul18	0.5	1.6	4.00 Mar18	1.5	3.1	
	0.50 Feb18	-2.1	-2.4	1.00 May18	-1.7	0.5	4.50 Feb18	-1.2	-0.2	1.25 Jan19	-0.2	1.4	3.75 Oct18	1.0	2.1	1.25 Jun18	-3.4	-1.3	
	0.25 Apr18	-2.6	-2.6	4.25 Oct18	-0.6	1.2	3.50 Jun18	-0.4	0.7	4.00 Jul19	-0.7	1.0	2.75 Apr19	1.7	2.7	4.00 Mar19	1.2	2.7	
	4.25 Jul18	-2.3	-2.2	1.00 Nov18	-1.7	0.4	4.50 Aug18	-0.3	0.7	3.50 Jul20	2.0	3.4	4.60 Jul19	2.1	3.2	3.00 Sep19	1.1	2.4	
	1.00 Oct18	-2.4	-2.3	4.25 Apr19	-1.4	0.5	3.50 Dec18	0.9	1.9				4.30 Oct19	1.2	2.3	3.75 Sep20	0.7	2.4	
	3.75 Jan19	-2.4	-2.2	1.00 May19	-1.6	0.2	4.25 Feb19	-0.7	0.3				4.00 Apr20	-0.9	0.3				
	1.00 Feb19	-2.6	-3.2	3.75 Oct19	-1.5	0.5	4.50 Mar19	-1.0	0.0				4.85 Oct20	-1.9	-0.6				
	3.50 Jul19	-1.7	-1.9	3.50 Apr20	1.5	3.3	2.50 May19	0.8	1.4										
	3.25 Jan20	-0.7	-1.1	2.50 Oct20	3.0	4.6	4.25 Sep19	-2.5	-1.4										
	3.00 Jul20	-0.2	-0.7				4.50 Feb20	-2.2	-1.0										
	2.25 Sep20	0.8	0.1				4.25 Mar20	-1.8	-0.7										
							4.00 Sep20	1.2	2.1										
	6.5 - 15yr	2.50 Jan21	-1.1	-1.5	3.75 Apr21	2.9	4.7	3.75 Mar21	1.1	2.0	3.25 Jul21	0.3	2.0	5.50 Apr21	-1.4	-0.2	4.25 Sep21	0.4	2.1
		3.25 Jul21	-0.5	-0.8	3.25 Oct21	1.4	3.4	3.75 May21	1.1	2.0	2.25 Jul22	2.2	3.6	5.85 Jan22	-1.9	-0.6	4.00 Mar22	-2.3	-0.6
		2.25 Sep21	0.5	0.0	3.00 Apr22	0.6	2.7	3.75 Aug21	1.6	2.4	3.75 Jan23	-0.2	1.1	5.40 Jan23	-0.6	0.6	4.25 Sep22	-1.4	0.2
2.00 Jan22		0.5	0.0	2.25 Oct22	0.2	2.2	4.75 Sep21	0.5	1.5	1.75 Jul23	-1.2	0.2	4.40 Oct23	0.8	2.0	2.25 Jun23	0.4	2.0	
1.75 Jul22		0.5	0.1	1.75 May23	0.2	2.4	5.00 Mar22	-3.3	-2.1	2.00 Jul24	-0.4	0.4	4.80 Jan24	-0.2	1.0	2.60 Jun24	-0.8	0.6	
1.50 Sep22		0.5	0.1	4.25 Oct23	-1.1	0.8	5.50 Sep22	-2.2	-1.2				3.80 Apr24	-0.6	0.5	4.50 Mar26	0.7	2.2	
1.50 Feb23		-1.9	-1.9	2.25 May24	-0.9	1.2	5.50 Nov22	-0.3	0.7				4.65 Jul25	1.0	2.0				
1.50 May23		-0.3	-0.4	3.50 Apr26	2.0	3.7	4.50 May23	-0.1	0.9				5.90 Jul26	2.0	2.9				
2.00 Aug23		-0.3	-0.5	2.75 Oct27	2.4	4.1	4.75 Aug23	0.2	1.2				5.15 Oct28	0.2	1.0				
1.75 Feb24		1.9	0.8				4.50 Mar24	-2.2	-1.2										
							3.75 Sep24	1.5	1.2										
							5.00 Mar25	0.8	1.6										
							4.50 Mar26	2.9	3.3										
							4.75 Sep28	3.3	3.9										
15yr+		6.25 Jan30	1.5	0.6	5.75 Oct32	0.9	2.7	5.75 Feb33	2.3	2.8	2.50 Jan33	0.0	1.3	5.75 Jul32	0.2	0.9	4.00 Mar32	-1.5	0.0
		5.50 Jan31	1.4	0.6	4.75 Apr35	0.7	2.5	5.00 Aug34	2.3	2.7	4.00 Jan37	1.5	2.6	4.20 Jan37	-0.3	0.4	3.00 Jun34	1.1	1.9
		4.75 Jul34	1.4	0.5	4.00 Oct38	0.0	1.9	4.00 Feb37	2.9	3.0	3.75 Jan42	-0.9	0.3	4.90 Jul40	0.0	0.6	5.00 Mar35	0.6	2.0
	4.00 Jan37	1.2	0.4	4.50 Apr41	-0.9	1.0	5.00 Aug39	2.2	2.5	2.75 Jan47	-0.2	0.2	4.70 Jul41	0.7	1.3	4.25 Mar41	-0.9	0.6	
	4.25 Jul39	0.2	-0.1	3.25 May45	-0.8	1.0	5.00 Sep40	2.5	2.7				5.15 Oct44	-0.6	0.0	3.75 Jun45	0.0	1.5	
	4.75 Jul40	-0.4	-0.6	4.00 Apr55	-1.4	0.3	4.75 Sep44	-2.0	-2.1										
	3.25 Jul42	-3.9	-4.1	4.00 Apr60	0.6	2.1													
	2.50 Jul44	-1.4	-1.7																
	2.50 Aug46	-0.1	-1.7																
Bonds that switch sector this month																			
Germany	Old Sector	New Sector	France	Old Sector	New Sector	Italy	Old Sector	New Sector	Netherlands	Old Sector	New Sector	Spain	Old Sector	New Sector	Belgium	Old Sector	New Sector		
						4.75 May17	3-6.5yr	1-3yr				3.00 Apr15	1-3yr	dropped					
												2.10 Apr17	3-6.5yr	1-3yr					
												4.85 Oct20	6.5-15yr	3-6.5yr					

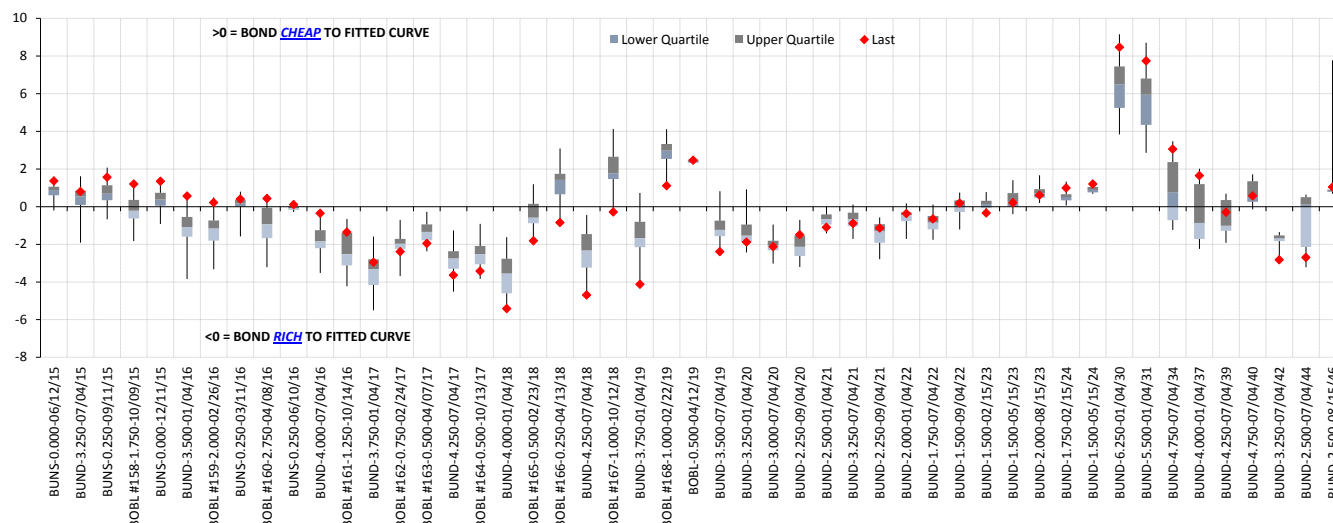
Source: Citi Research

RV Charts for Conventional Bonds

This section presents a selection of relative value charts¹ for Germany, France, Italy, Spain, the Netherlands and Belgium and places current levels in the context of their 6-month trading range. A positive (negative) value indicates that a bond is cheap (rich) relative to the fitted curve.

Germany: current yield vs fitted yield curve

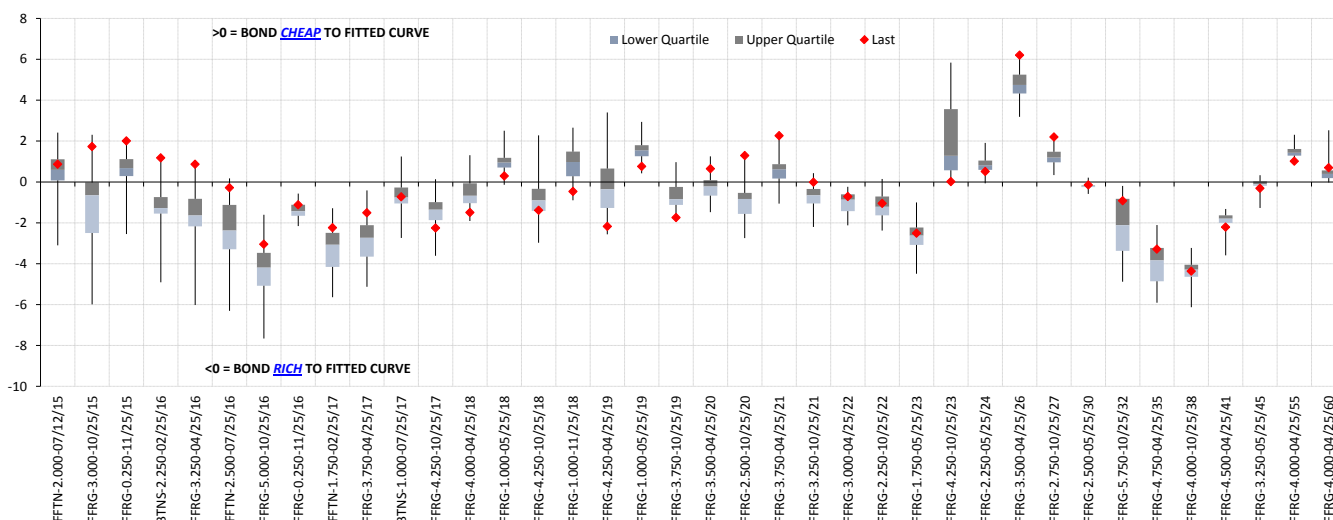
Figure 6. Germany: Current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

France: current yield vs fitted yield curve

Figure 7. France: Current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

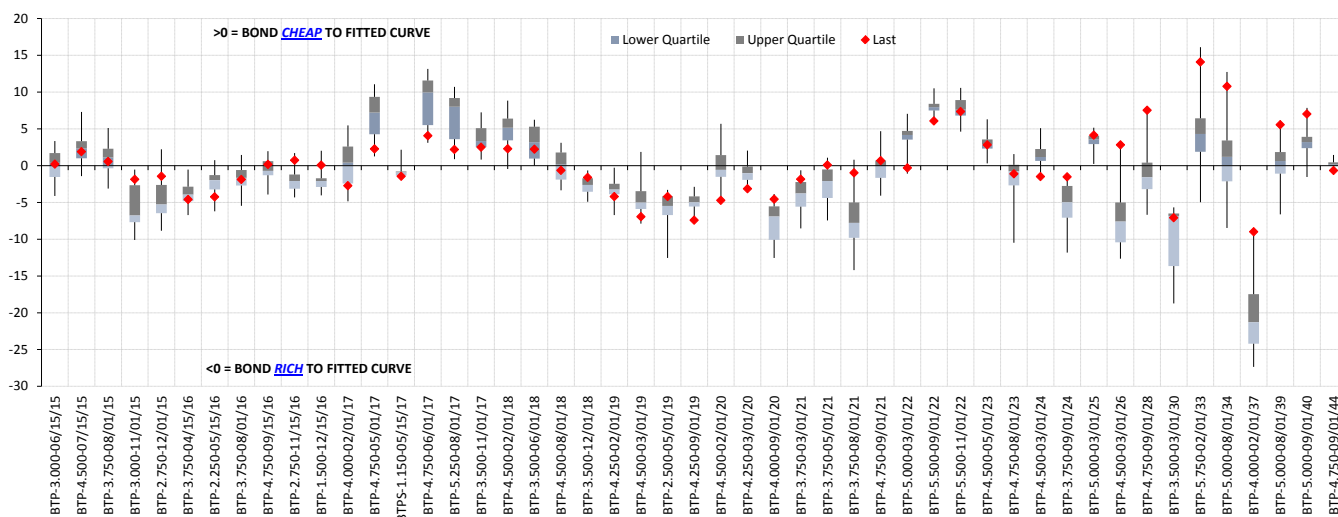
¹Criteria: (1) Fixed rate bonds issued in local currency, (2) Maturity > 1 year and (3) Issued since 1 May 2000.

Lower Quartile Range = the range between the median and the lower quartile (the 25th percentile)

Upper Quartile Range = the range between the median and the upper quartile (the 75th percentile)

Italy: current yield vs fitted yield curve

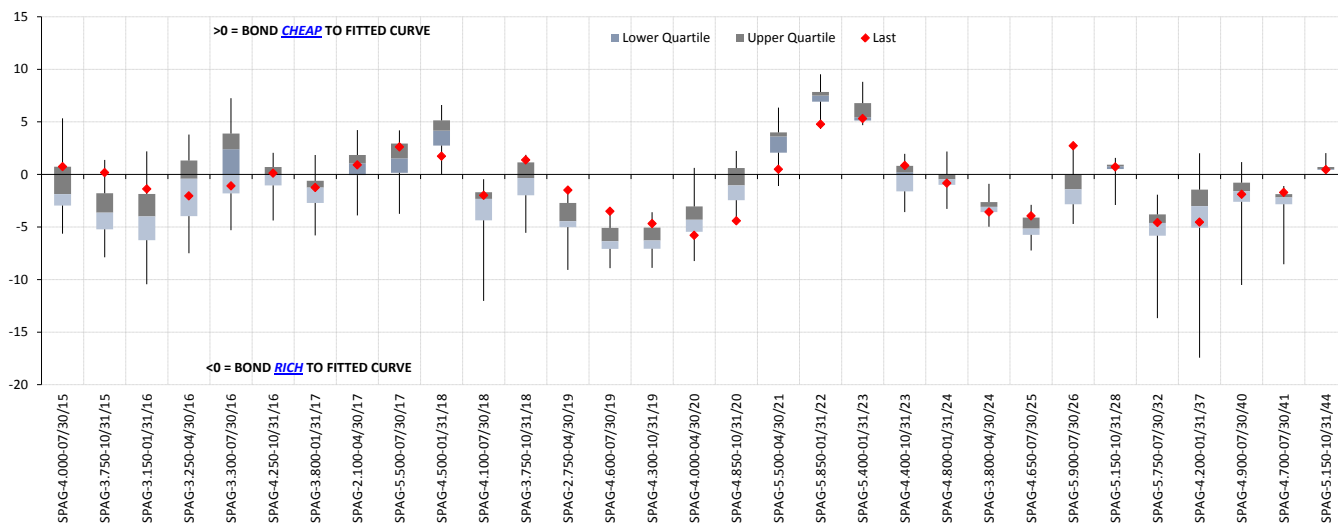
Figure 8. Italy: Current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

Spain: current yield vs fitted yield curve

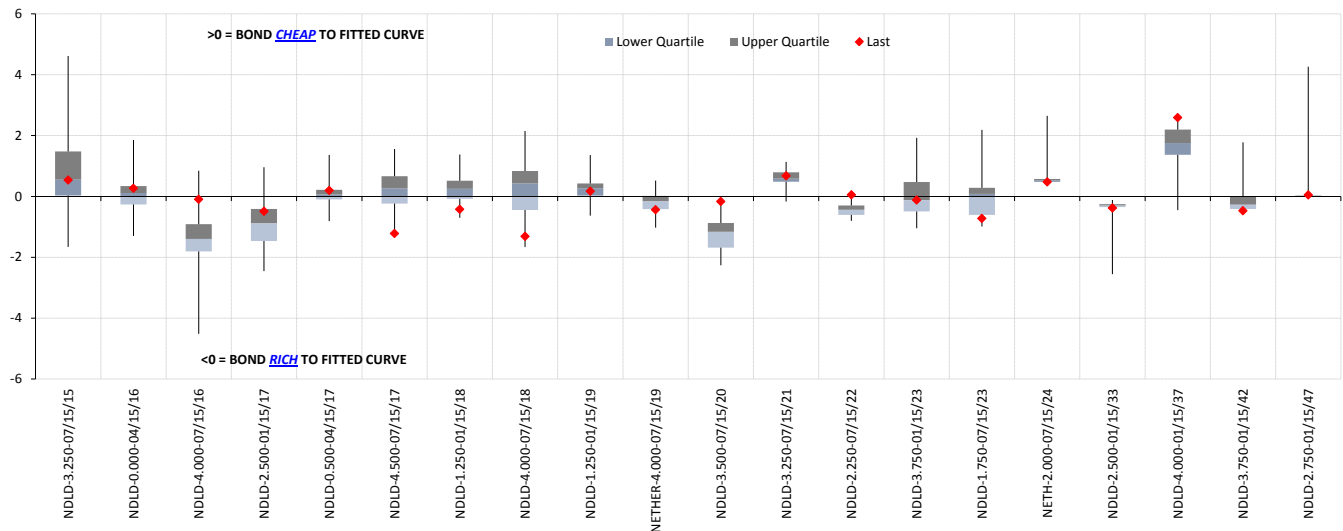
Figure 9. Spain: Current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

Netherlands: current yield vs fitted yield curve

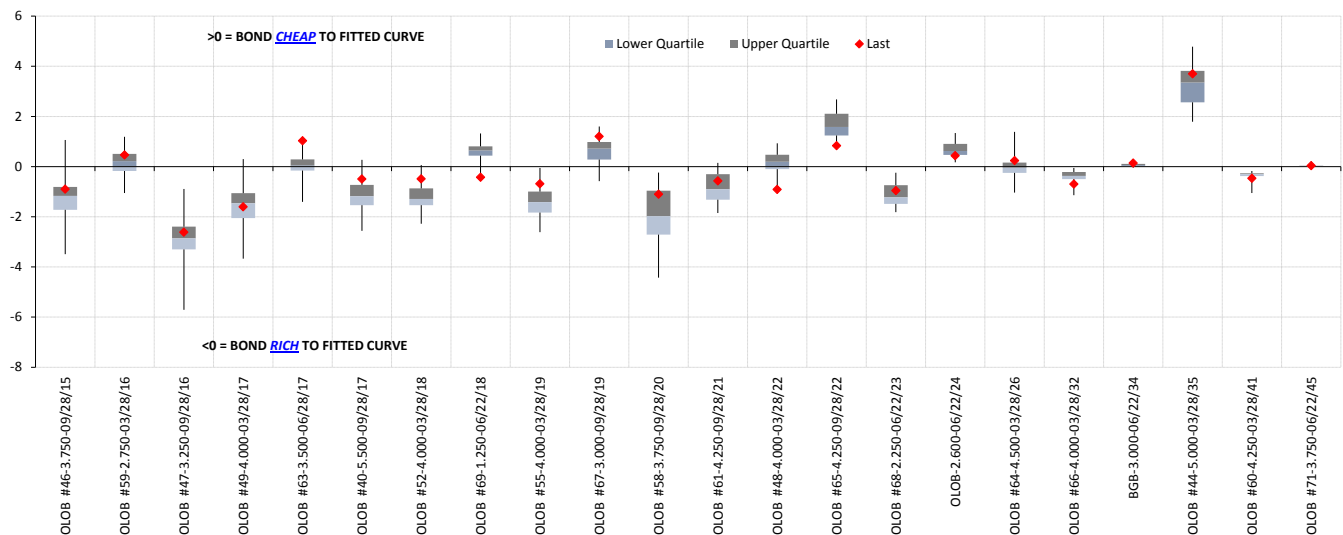
Figure 10. Netherlands: current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

Belgium: current yield vs fitted yield curve

Figure 11. Belgium: Current bond curve minus fitted curve (bps), 6-month history.



Source: Citi Research

European Inflation-Linked Index Highlights

Here we provide a summary of our ILSI index projections (see the full note [here](#)), and relative value analysis to position for index changes at the end of this month.

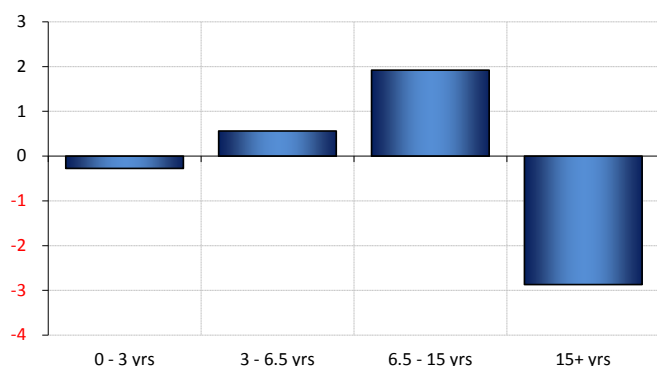
The European Inflation-linked Securities Index (EuroILSI) is projected to contract by 0.01 at the end of May. This is largely due to concentration of German and French issuance in the short-end.

Changes at a EuroILSI level

Month-end changes supportive for 10yr real yields

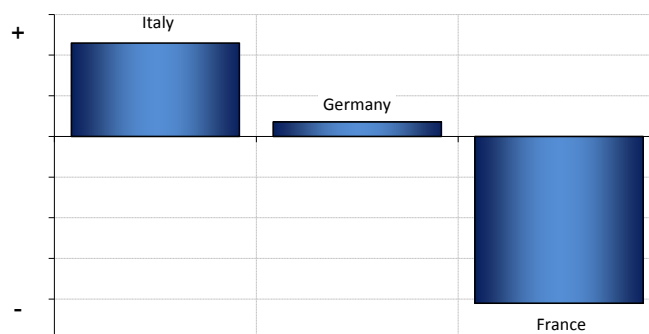
- At the Euro level, changes should be supportive for 10yr real yields on the curve and put steepening pressure on 10s30s part of the curve (Figure 12). We expect index changes to be relatively supportive for Italy (Figure 13).

Figure 12. Projected duration changes: Split by sector



Source: Citi Research

Figure 13. Projected weighted duration changes: Split by country



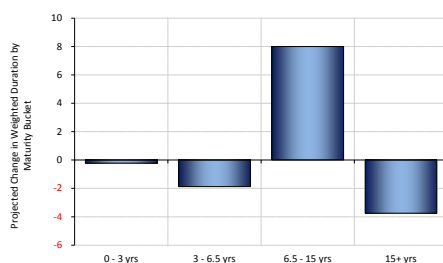
Source: Citi Research

Changes at a country level

Changes relatively supportive for BTPei real yields

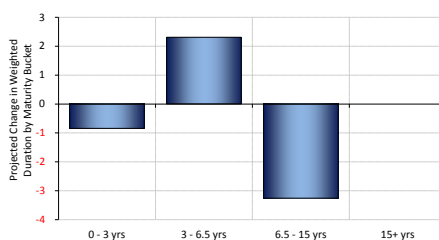
- At a country level for individual EuroILSI constituents, only the Italian index is projected to extend. This is likely to prompt curve extensions.
- Figure 14 to Figure 16 show the curve splits of the projected changes. As they imply, the index changes should be supportive for 10yr BTPei real yields vs the 5yr and 30yr sectors.

Figure 14. Italy: End-May Projected Index Change by Maturity (Weighted Duration)



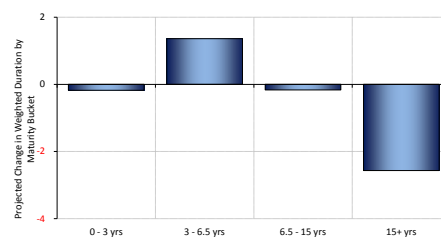
Source: Citi Research

Figure 15. Germany: End-May Projected Index Change by Maturity (Weighted Duration)



Source: Citi Research

Figure 16. France: End-May Projected Index Change by Maturity (Weighted Duration)



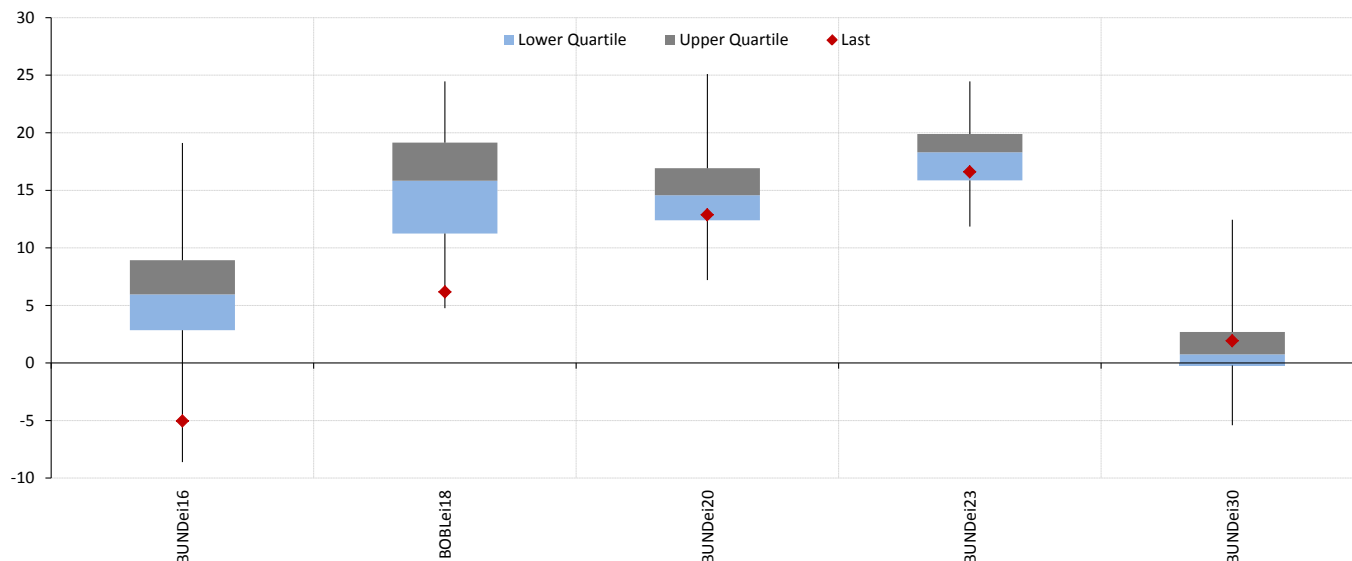
Source: Citi Research

RV Charts for Inflation-Linked Bonds

This section presents a selection of relative value charts² for Germany, France and Italy and places their current ASW spread to reference conventionals in the context of its 6-month trading range.

Germany: ASW box vs 6-month history

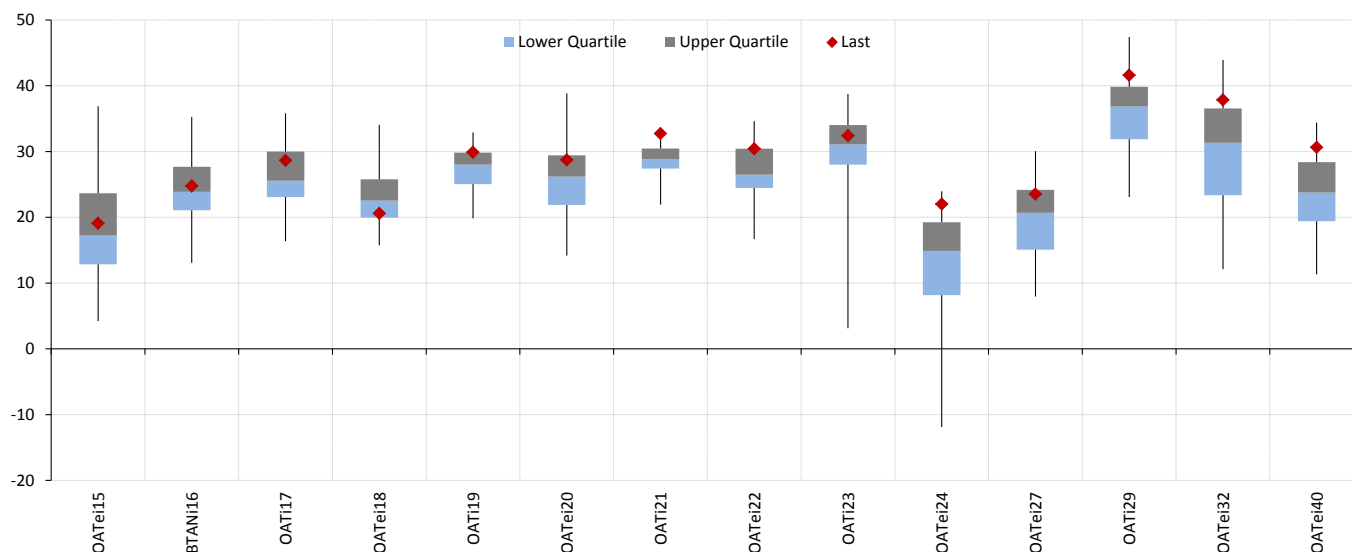
Figure 17. Germany: ASW box (Asset swap spread vs reference conventional)



Source: Citi Research

France: ASW box vs 6-month history

Figure 18. France: ASW box (asset swap spread vs reference conventional)



Source: Citi Research

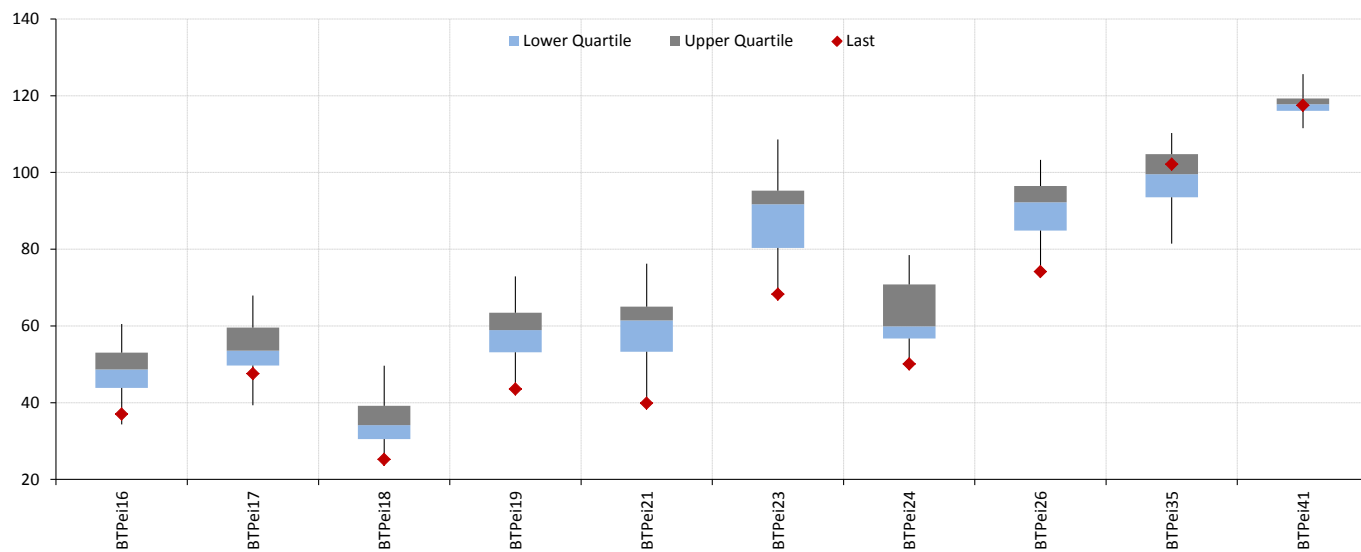
² Criteria: (1) Inflation-linked bonds issued in local currency and (2) Maturity > 1 year.

Lower Quartile Range = the range between the median and the lower quartile (the 25th percentile)

Upper Quartile Range = the range between the median and the upper quartile (the 75th percentile)

Italy: ASW box vs 6-month history

Figure 19. Italy: ASW box (asset swap spread vs reference conventional)



Source: Citi Research

Appendix A-1

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