

Weekly Supply Monitor

Euro, UK and US Supply Outlook

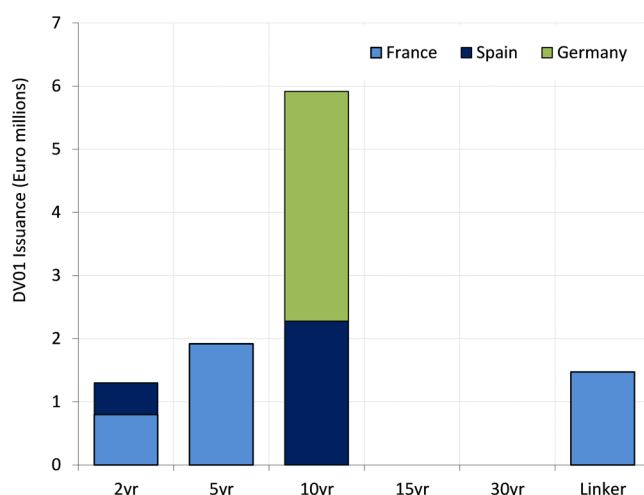
- **Europe:** Next week's EGB supply comes from France (estimated €9.6bn), Germany (€4bn) and Spain (estimated €5bn). There are no cash flows eligible for reinvestment next week.
- **US:** There is no UST supply until 24th July, but \$4.7bn of coupon payments and \$55.9bn of redemptions eligible for reinvestment next week.
- **UK:** The DMO will issue £1.5bn of the IL24 next Thursday. However, there are no coupon payments or redemptions next week.
- **Spanish and Italian bill supply:** Spain will issue an estimated €5.25bn across 6month and 12month bills on Tuesday. There will be no bill issuance from Italy next week.

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Figure 1. EMU supply next week (€million/bp)



Source: Citi Research

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. Auction calendar for the next four weeks (provisional): gross issuance (local currency, billions) and DV01 (USD million/bp)

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU4 (UST)	G U4 (Gilt)	RXU4 (Bund)
14 Jul (Mon)	US	1 - 1.25	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044		-27k		
16 Jul (Wed)	Germany	4.0	Bund May24 re-opening (issue and size confirmed)				30k
17 Jul (Thu)	France	9.6	OAT 2yr and 5yr, index-linked OAT (estimated tenors and size)				34k
17 Jul (Thu)	Spain	5.0	Bono 3yr and 10yr (estimated size and tenor)				23k
17 Jul (Thu)	UK	1.5	0.125% Index-linked Treasury Gilt 2024 (issue and size confirmed)			17k	
17 Jul (Thu)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 31-7-2018 - 31-3-2019		-10k		
Weekly \$DV01 of Issuance				14.3			
Total Number of Futures Contracts					-37k	17k	86k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU4 (UST)	G U4 (Gilt)	RXU4 (Bund)
21 Jul (Mon)	US	1 - 1.25	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044		-27k		
22 Jul (Tue)	Belgium	2.6	OLO 5yr, 10yr and 30yr (estimated tenors and size)				23k
22 Jul (Tue)	UK	3.3	2½% Treasury Gilt 2024 (issue confirmed, estimated size)			32k	
23 Jul (Wed)	US	2.5 - 3.25	Outright Treasury Coupon Purchases: 15-8-2021 - 15-5-2024		-26k		
24 Jul (Thu)	US	15.0	10-year TIPS		176k		
24 Jul (Thu)	US	2 - 2.5	Outright Treasury Coupon Purchases: 30-4-2019 - 31-3-2020		-14k		
Weekly \$DV01 of Issuance				17.5			
Total Number of Futures Contracts					110k	32k	23k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU4 (UST)	G U4 (Gilt)	RXU4 (Bund)
28 Jul (Mon)	Italy	2.8	CTZ Apr16 (estimated issue and size)				4k
28 Jul (Mon)	Italy	1.3	BTPei (estimated size)				9k
28 Jul (Mon)	US	28.0	2-Year		90k		
28 Jul (Mon)	US	1 - 1.25	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044		-27k		
29 Jul (Tue)	UK	4.3	Syndication (25yrs+ IL in second half of July, estimated size)			189k	
29 Jul (Tue)	US	35.0	5-year		190k		
29 Jul (Tue)	US	0.3 - 0.45	Outright Treasury Coupon Purchases: 15-11-2024 - 15-2-2031		-6k		
30 Jul (Wed)	Italy	5.8	BTP 1.5% Aug19 and 3.75% Sep24 (estimated issue and size)				35k
30 Jul (Wed)	Italy	1.8	CCTeu (estimated size)				7k
30 Jul (Wed)	US	29.0	7-year		225k		
30 Jul (Wed)	US	15.0	2-Year FRN		48k		
31 Jul (Thu)	US	1 - 1.25	Outright Treasury Coupon Purchases : 15-2-2036 - 15-5-2044		-27k		
Weekly \$DV01 of Issuance				78.0			
Total Number of Futures Contracts					492k	189k	55k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYU4 (UST)	G U4 (Gilt)	RXU4 (Bund)
05 Aug (Tue)	Austria	0.8	RAGB 10yr (estimated tenors and size)				6k
06 Aug (Wed)	Germany	3.0	Bobl Apr19 re-opening (issue and size confirmed)				12k
06 Aug (Wed)	UK	1.5	0.125% Index-linked Treasury Gilt 2019 (issue confirmed, estimated size)			10k	
07 Aug (Thu)	Spain	3.5	Bono 3yr and 5yr (estimated size and tenor)				11k
Weekly \$DV01 of Issuance				6.5			
Total Number of Futures Contracts					0k	10k	29k

The next release of the tentative outright Treasury operation schedule will be at 3 p.m. on July 31, 2014. Therefore we have included Fed buybacks only upto that time in this calendar. Additional issue expected in July: Spain 15yr syndication (€3bn). It is not included in the table above as the timing of this supply event has not been announced.

Source: DMOs, Citi Research

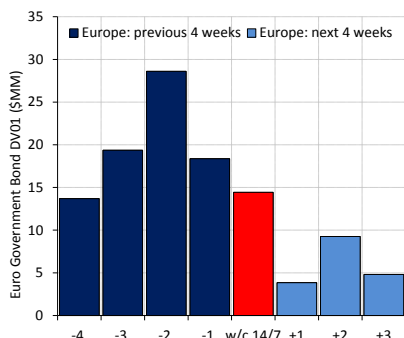
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Global Net Supply by Week (8 Week Period)

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

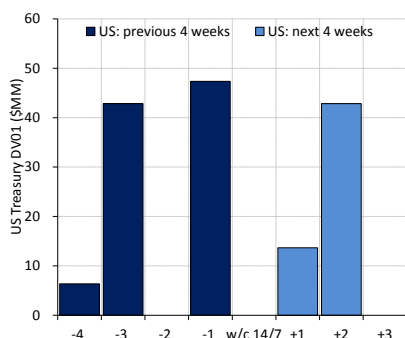
- Figure 3 to Figure 5 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the next week is shown in red. EGB issuance is expected to fall significantly after the next week ().

Figure 3. Estimated \$DV01 of EMU Bond Issuance (Previous 4 and Next 4 Weeks)



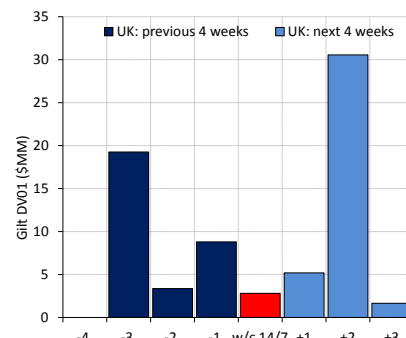
Source: DMOs, Citi Research

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



Source: US Treasury, Citi Research

Figure 5. Estimated \$DV01 of UK Gilt Issuance (Previous 4 and Next 4 Weeks)



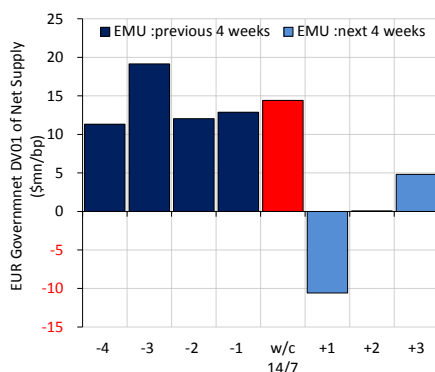
Source: DMO, Citi Research

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

Net Supply = Gross Issuance – Coupon Payments

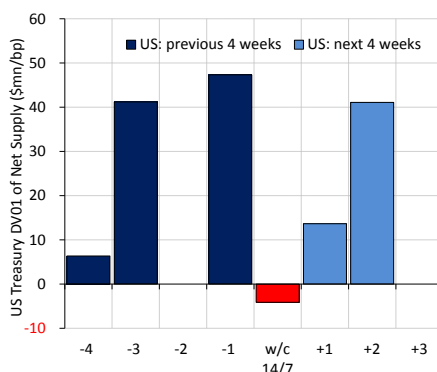
- Figure 6 to Figure 8 show the \$DV01 of projected net supply over the next four weeks and the previous four weeks.
- In net DV01 terms, EGB supply is expected to remain high next week before declining significantly.

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



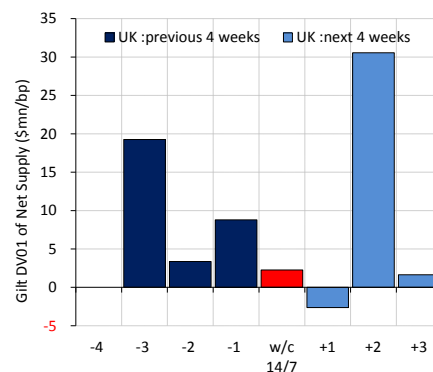
Source: DMOs, Citi estimates

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)



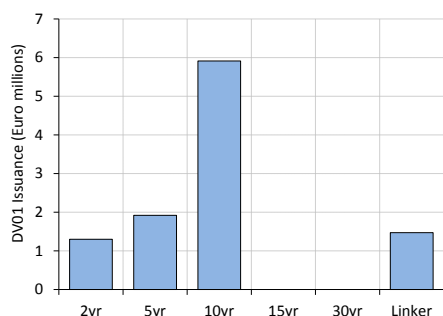
Source: DMO, Citi estimates

Global Supply by Tenor (Next week)

DV01 of EUR, USD and GBP Issuance by Maturity

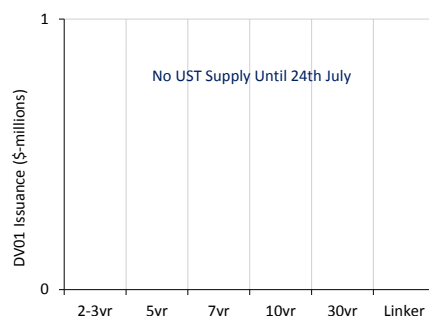
- The DV01 of the next week's euro issuance is expected to be around €11million/bp (Figure 9). The 10yr sector is likely to account for around 55% of next week's DV01.
- There is no UST supply until 24th July (Figure 10).
- In the UK, the DMO will issue around £1.6million/bp of the IL24 next Thursday (Figure 11).

Figure 9. EUR DV01: Split by Maturity (14th July –20th July)



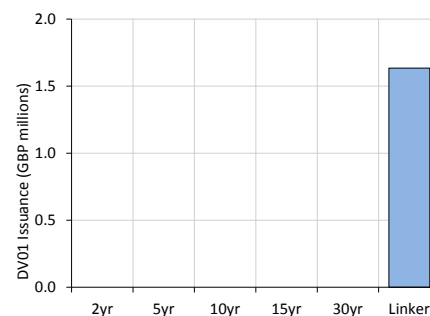
Source: DMOs, Citi Research

Figure 10. USD DV01: Split by Maturity (14th July –20th July)



Source: US Treasury, Citi Research

Figure 11. GBP DV01: Split by Maturity (14th July –20th July)

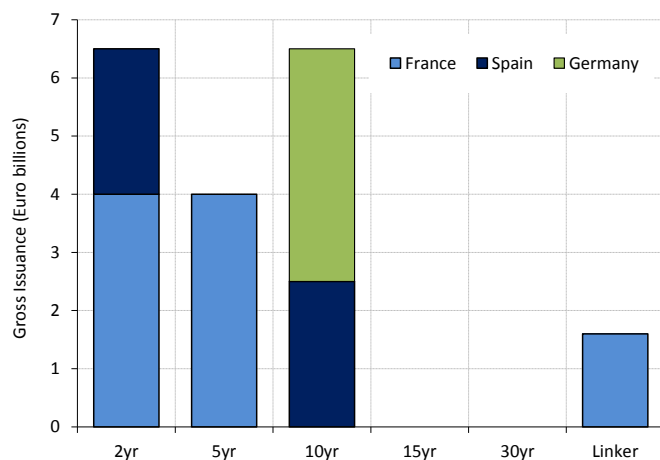


Source: DMO, Citi Research

Euro Gross Supply and DV01 by Country & Maturity

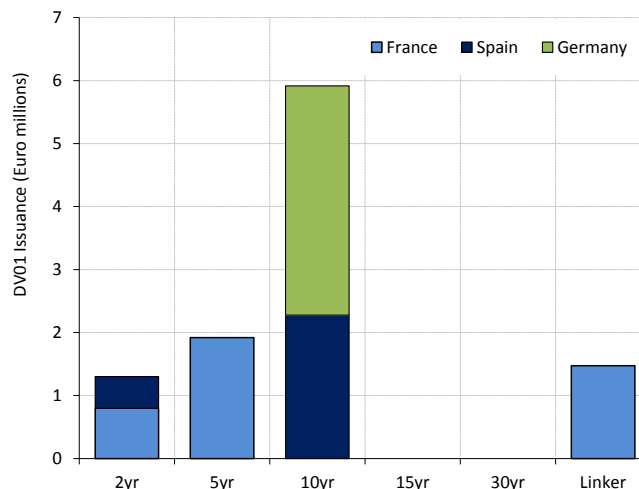
- In Europe, next week's supply comes from France (estimated €9.6bn), Germany (€4bn) and Spain (estimated €5bn) – Figure 12.
- Figure 13 shows the country and maturity split in DV01 terms. On this basis, France is expected to account for around 40% of next week's supply.

Figure 12. Euro Gross Issuance next week



Source: DMOs, Bloomberg, Citi Research

Figure 13. Euro DV01 Issuance next week

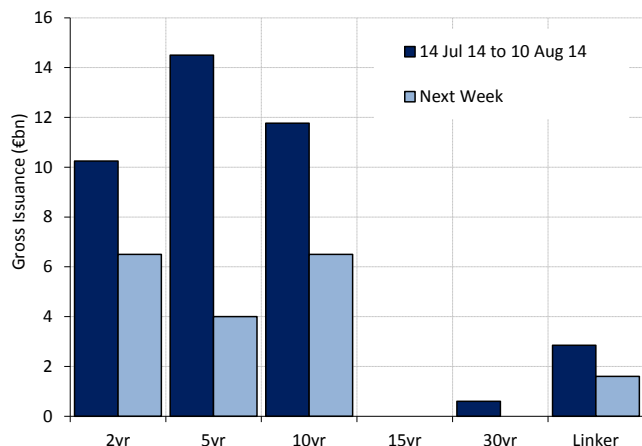


Source: DMOs, Bloomberg, Citi Research

Expected Euro Issuance by Maturity for the Next 4 Weeks

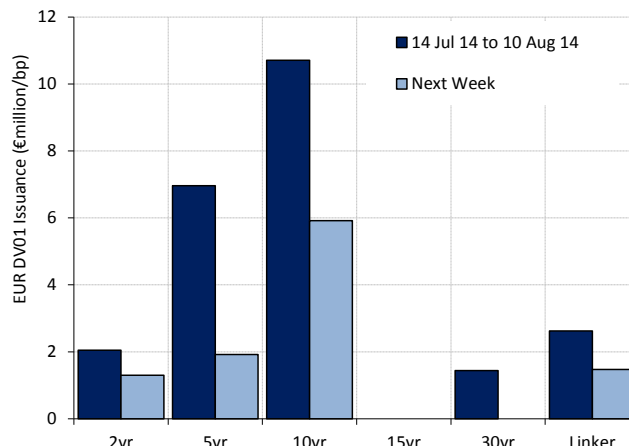
- Over the next four weeks, we expect the 5yr sector to account for around one-third of total gross issuance (around €40bn) -Figure 14.
- In DV01 terms, the 10yr sector is forecasted to contribute the maximum at around 45% of total issuance (€24million/bp) over the next four weeks (Figure 15).

Figure 14. Euro Gross Issuance over the Next Four Weeks



Source: DMOs, Bloomberg, Citi Research

Figure 15. 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 3rd March, for example, it would be allocated to the previous week (the week commencing 14 April) as that would be when you would trade to use the money you know is coming in on Monday 3rd 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 20, Figure 21 and Figure 22) 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 7 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 Cash Flows (Next 4 Weeks)

Euro coupons and redemptions for the next four weeks

No coupons or redemptions next week
(on a trade-date basis)

- There are no coupon payments or redemptions eligible for reinvestment next week. However, over the following two weeks, there are significant cash flows, largely from Spain and Italy (Figure 16 and Figure 19).

Figure 16. Euro Coupon Payments and Redemptions over the Next Four Weeks (EUR-Billions)*

Week Commencing	Coupon Payments						Total	Redemptions
	2yr	5yr	10yr	15yr	30yr	Linker		
14 Jul				0.0				
21 Jul	4.2	1.7	0.7	1.7	1.2	2.9	12.3	16.4
28 Jul	3.1	2.2	1.1	1.0	1.0		8.4	27.2
04 Aug								
Total	7.3	3.9	1.8	2.6	2.2	2.9	20.7	43.6

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

US coupons and redemptions for the next four weeks

\$60.6 bn of UST cash flows next week (on
a trade-date basis)

- There are \$4.7bn of coupon payments and \$55.9bn of redemptions eligible for reinvestment next week (Figure 17).

Figure 17. UST Coupon Payments and Redemptions over the Next Four Weeks (USD-Billions)*

Week Commencing	Coupon Payments						Total	Redemptions
	2-3yr	5yr	7yr	10yr	30yr	Linker		
14 Jul	0.5					4.2	4.7	55.9
21 Jul								
28 Jul	3.0	1.4	0.7				5.1	74.9
04 Aug								
Total	3.5	1.4	0.7			4.2	9.8	130.9

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

UK coupons and redemptions for the next four weeks

Minimal gilt cash flows next week (on a
trade-date basis)

- There are minimal gilt cash flows next week on a trade date basis. However, there are £3.5bn of coupon payments in the week commencing 21st July.

Figure 18. GBP Coupon Payments and Redemptions over the Next Four Weeks (GBP-Billions)*

Week Commencing	Coupon Payments						Total	Redemptions
	2yr	5yr	10yr	15yr	30yr	Linker		
14 Jul						0.2	0.2	
21 Jul	1.0	0.5			1.5	0.6	3.5	
28 Jul								
04 Aug								
Total	1.0	0.5			1.5	0.8	3.8	

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

■ Figure 19 below shows a weekly breakdown of euro coupons and redemptions, split by sector and country over the next four weeks.

WEEK 1	Week Beginning 14 Jul (Mon)	Austria	Coupons	Redemptions	WEEK 2	Week Beginning 21 Jul (Mon)	Austria	Coupons	Redemptions
		Belgium					Belgium		
		Germany					Germany		
	Coupons	Finland					Finland		
	2yr	France					France	3.9	
	5yr	Ireland					Ireland		
	10yr	Italy					Italy		
	15yr	0.0	Netherlands				15yr	1.7	
	30yr		Portugal				30yr	1.2	
	Linker		Spain				Linker	2.9	8.4
	0.0		0.0		12.3		12.3	16.4	
WEEK 3	Week Beginning 28 Jul (Mon)	Austria	Coupons	Redemptions	WEEK 4	Week Beginning 04 Aug (Mon)	Austria	Coupons	Redemptions
		Belgium					Belgium		
		Germany					Germany		
	Coupons	Finland					Finland		
	2yr	3.1	France				France		
	5yr	2.2	Ireland				Ireland		
	10yr	1.1	Italy	8.4		27.2	10yr		
	15yr	1.0	Netherlands				15yr		
	30yr	1.0	Portugal				30yr		
	Linker		Spain				Linker		
	8.4		8.4		0.0		0.0	0.0	

Source: Citi Research, Bloomberg

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. All three tables are on a settlement date basis.

EMU cash flow profile over the next four weeks

EMU: supportive for EGBs next week

- The euro NCR is supportive for EGBs next week as around €16bn of gross supply settles next week which is outweighed by €8.9bn of coupons and €47.7bn of redemptions (Figure 20).

Figure 20. 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
14 Jul	16.0	8.9	7.1	47.7	-40.5
21 Jul	17.2	3.9	13.3		13.3
28 Jul	11.5	16.9	-5.4	43.6	-49.0
04 Aug	3.8		3.8		3.8
Total	48.5	29.6	18.9	91.3	-72.5
Average	12.1	7.4	4.7	22.8	-18.1
12m moving avg	17.0	3.7	13.3	10.2	3.2

Source: DMOs, Citi Research, Bloomberg

*This table is on a settlement-date basis

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

US: neutral for Treasuries next week

- The US NCR is neutral for Treasuries next week as \$61bn of gross supply is largely offset by \$4.7bn of coupons, \$55.9bn of redemptions and an estimated \$3.1bn of Fed buybacks settling during this period (Figure 21).

Figure 21. 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
14 Jul	61.0	4.7	56.3	55.9	3.1	-2.7
21 Jul					6.3	-6.3
28 Jul	122.0	5.1	116.9	74.9	2.6	39.3
04 Aug					2.5	-2.5
Total	183.0	9.8	173.2	130.9	14.5	27.9
Average	45.8	2.4	43.3	32.7	3.6	7.0
12m ma	41.9	2.7	39.1	26.6	6.7	5.9

Source: US Treasury, Citi Research, Bloomberg

*This table is on a settlement-date basis

UK cash-flow profile over the next four weeks

UK: non-supportive for gilts over the next four weeks

- The UK NCR profile is non-supportive for gilts in each of the next four weeks as there is gilt supply scheduled in each week vs minimal coupons and no redemptions settling during this period (Figure 22).

Figure 22. UK Weekly Cash Flow Profile for Next Two 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
14 Jul	1.5	0.2	1.3			1.3
21 Jul	3.3	3.1	0.2			0.2
28 Jul	4.3	0.4	3.8			3.8
04 Aug	1.5		1.5			1.5
Total	10.6	3.8	6.8			6.8
Average	2.6	0.9	1.7			1.7
12m moving avg	2.7	0.9	1.8	1.2		0.6

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 2014. 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 23. Provisional Bill Auction Calendar for the Next Four Weeks, Gross Issuance (Billions), DV01 (EUR Million/bp)

Week	Date	Country	Issue Details	Total Size (€bn)
Week 1	15 Jul (Tue)	Spain	6month (23 January 2015) and 12month (new bill) - tenors confirmed, estimated issue and size	5.25
Total Size in Week 1				5.3
Week 2	22 Jul (Tue)	Spain	3month (17 October 2014) and 9month (10 April 2015) - tenors confirmed, estimated issue and size	4.25
Total Size in Week 2				4.3
Week 3	29 Jul (Tue)	Italy	6 month (30 January 2015; issue confirmed, estimated size)	7.5
Total Size in Week 3				7.5

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

2014 projections for bill supply

Figure 24. 2014 Italy and Spain Bill Supply – Citi Forecast (Euro Billion)

SPAIN	3m	6m	9m	12m	18m	Gross Supply	Redemptions	NCR
Jan	1.0	1.0	2.2	3.1		7	8	-1
Feb	0.9	0.9	2.2	3.6		8	11	-4
Mar	1.3	1.0	2.0	3.5		8	10	-2
Apr	1.1	1.2	2.0	3.7		8	12	-4
May	0.9	1.4	2.9	3.8		9	8	1
Jun	0.9	0.9	3.0	4.6		9	14	-4
Jul	1.3	1.0	3.0	4.5		10	8	2
Aug	1.3	1.0	3.0	4.0		9	8	2
Sep	1.0	1.0	3.0	3.8		9	7	1
Oct	1.0	1.0	3.0	3.8		9	9	
Nov	1.0	1.0	3.0	3.8		9	8	
Dec	1.0	1.0	2.8	3.8		9	7	2
Total	12.5	12.5	31.9	45.8		103	110	-8

ITALY	3m*	6m	9m	12m	Flexible BOT	Gross Supply	Redemptions	NCR
Jan		8.1		9.3		17	20	-2
Feb		8.6		8.0		17	19	-3
Mar		8.3		7.6		16	16	-1
Apr		7.7		7.5		15	17	-2
May		7.2		7.2		14	14	
Jun		8.3		7.2		15	16	
Jul		8.3		7.2		15	15	
Aug		8.3		7.2		15	17	-2
Sep		8.3		7.2		15	18	-3
Oct		7.0		8.5		16	17	-1
Nov		7.0		7.0		14	14	
Dec		7.0		6.0		13	14	-1
Total		93.9		89.6		183	197	-14

*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 25. EMU-11 Bond redemptions over the next three months (€bn)

Redemptions	Redemptions = €188bn									
	DEU 32	FRA 41	NLD 13	ITA 60	ESP 16	BEL 10	AUT 10	FIN 7	PRT 0	IRL 0
(Sat) 12-Jul-14		25.6								
(Tue) 15-Jul-14			12.5				9.6			
(Wed) 30-Jul-14					16.4					
(Fri) 01-Aug-14				27.2						
(Fri) 12-Sep-14	15.0									
(Mon) 15-Sep-14				18.4				6.5		
(Thu) 25-Sep-14		15.0								
(Sun) 28-Sep-14						10.3				
(Tue) 30-Sep-14				14.3						
(Fri) 10-Oct-14	17.0									

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

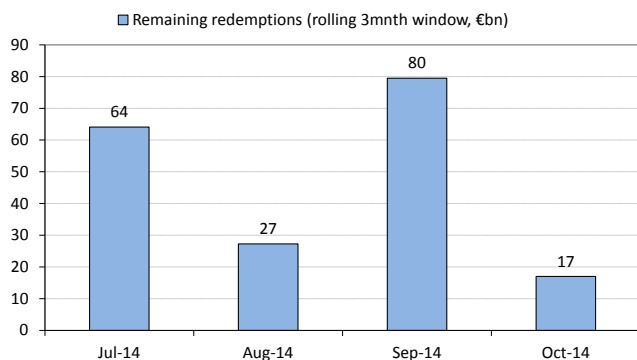
Figure 26. EMU-11 Coupon payments over the next three months (€bn)

Coupons	Coupons = €48bn									
	DEU 2	FRA 5	NLD 5	ITA 19	ESP 8	BEL 4	AUT 3	FIN 1	PRT 0	IRL 0
(Sat) 12-Jul-14		1.4								
(Tue) 15-Jul-14			5.3	0.4			1.8			
(Sun) 20-Jul-14										0.0
(Fri) 25-Jul-14		3.9								
(Wed) 30-Jul-14					8.4					
(Fri) 01-Aug-14				8.4						
(Fri) 15-Aug-14	0.5									
(Mon) 18-Aug-14										0.0
(Mon) 01-Sep-14				7.7						
(Thu) 04-Sep-14	1.0									
(Thu) 11-Sep-14	0.0									
(Mon) 15-Sep-14				2.0			1.3	0.6		
(Sat) 20-Sep-14	0.0									0.0
(Thu) 25-Sep-14		0.1								
(Sun) 28-Sep-14						4.0				
(Thu) 09-Oct-14	0.3									
(Fri) 10-Oct-14	0.4									

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Figure 27. EMU-11 remaining redemptions over the next 3months (€bn)



Source: DMOs, Bloomberg, Citi Research

This chart is on a calendar-date basis

Figure 28. EMU-11 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)

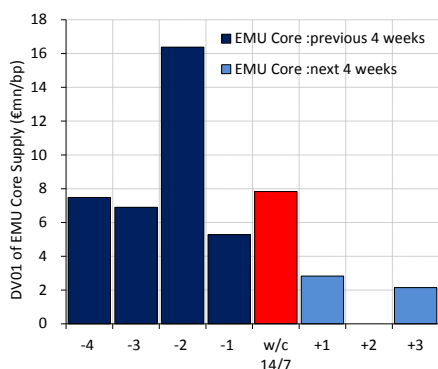
Figure 30 to Figure 32 show the projected EUR DV01 of core bond issuance, coupon payments and net issuance for the next four weeks and also the previous four weeks. Figure 33 to Figure 35 show the similar breakup for non-core issuance.

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

DV01 core: Germany, France, Netherlands, Austria, Finland & Belgium

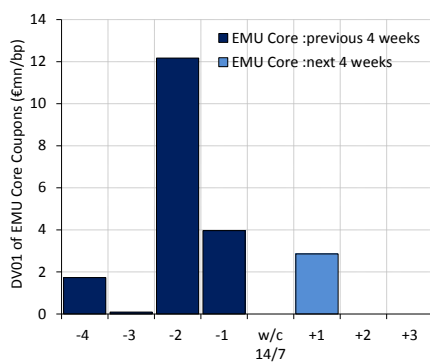
- Net core issuance next week will be the largest in the previous four and next four weeks, due to no coupon payments during this period (Figure 31 and Figure 32).

Figure 29. Estimated €DV01 of Core Bond Issuance



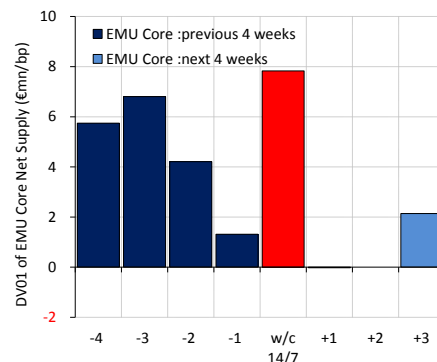
Source: DMOs, Citi estimates

Figure 30. Estimated €DV01 of Core Coupons (Trade-date basis)



Source: DMOs, Citi estimates

Figure 31. Estimated €DV01 of Net Core Issuance



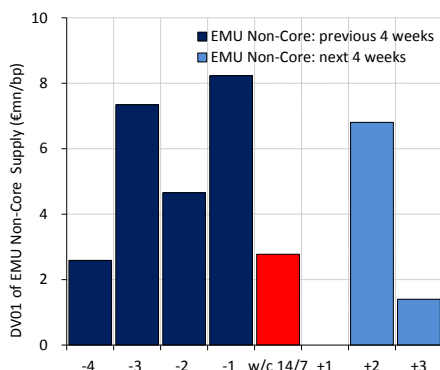
Source: DMO, Citi estimates

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

DV01 non-core: Italy, Spain, Ireland & Portugal

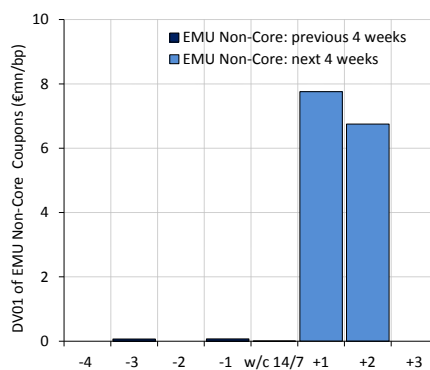
- Net non-core issuance is small but positive next week because of no coupon payments during this period (Figure 34).

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



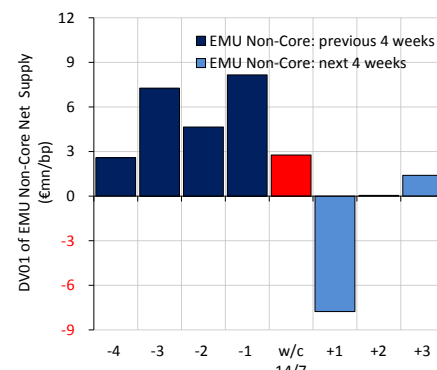
Source: DMOs, Citi estimates

Figure 33. Estimated €DV01 of Non-Core Coupons (Trade-date basis)



Source: DMOs, Citi estimates

Figure 34. Estimated €DV01 of Net Non-Core Issuance



Source: DMO, Citi estimates

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

Figure 36 and Figure 37 show the split by tenor of next week's core bond issuance, coupon payments and net issuance in both nominal and DV01 terms, and the equivalent number of 10yr futures. Figure 38 and Figure 39 show the same for non-core.

These tables are on a trade-date basis.

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

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

Figure 35. EMU core issuance, coupons and net supply by tenor for next week

EMU Core	2yr	5yr	10yr	15yr	30yr	Linkers	Total
Gross Supply	4.0	4.0	4.0			1.6	13.6
Coupons							
Net Supply	4.0	4.0	4.0			1.6	13.6

Source: DMOs, Bloomberg, Citi Research

This table is on a trade-date basis

EMU Core: DV01 of Net Supply + Futures Equivalent

Figure 36. 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	RXU4	TYU4
DV01 of issuance	0.8	1.9	3.6			1.5	7.8	10.6	+64	+137
Coupons										
Net Supply	0.8	1.9	3.6			1.5	7.8	10.6	+64	+137
Number of RX Futures (x1000)	+6	+16	+30			+12				
Number of TY Futures (x1000)	+14	+34	+64			+26				

Source: DMOs, Bloomberg, Citi Research

This table is on a trade-date basis

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

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

Figure 37. EMU non-core issuance, coupons and net supply by tenor for next week

EMU Non-Core	2yr	5yr	10yr	15yr	30yr	Linkers	Total
Gross Supply	2.5		2.5				5.0
Coupons				0.0			0.0
Net Supply	2.5		2.5	0.0			5.0

Source: DMOs, Bloomberg, Citi Research

This table is on a trade-date basis

EMU Non-Core: DV01 of Net Supply + Futures Equivalent

Figure 38. DV01 of EMU non-core issuance, coupons and net supply by tenor for next week

EMU Non-Core	2yr	5yr	10yr	15yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU4	TYU4
DV01 of issuance	0.5		2.3				2.8	3.8	+23	+49
Coupons				0.0			0.0	0.0	+0	+0
Net Supply	0.5		2.3	0.0			2.8	3.8	+22	+49
Number of RX Futures (x1000)	+4		+18	-0						
Number of TY Futures (x1000)	+9		+40	-0						

Source: DMOs, Bloomberg, Citi Research

This table is on a trade-date basis

Appendix: US & UK Net Supply (Next Week)

US: Next week's Nominal Net Supply by Tenor

- Figure 40 and Figure 41 show a breakdown of next week's US Treasury issuance, coupon payments and net issuance by tenor in both nominal and DV01 terms. These figures are on a trade-date basis.

Figure 39. US Treasury issuance, coupons and net supply by tenor

US	2-3yr	5yr	7yr	10yr	30yr	Linkers	Total
Gross Supply							
Coupons	0.5					4.4	4.9
Net Supply	-0.5					-4.4	-4.9

Source: US Treasury, Bloomberg, Citi Research

This table is on a trade-date basis

US: DV01 of Net Supply + Futures Equivalent

Figure 40. US Treasury DV01 of gross and net supply

US	2-3yr	5yr	7yr	10yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU4	TYU4
DV01 of issuance										
Coupons	0.1					4.0	3.0	4.1	+25	+53
Net Supply	-0.1					-4.0	-3.0	-4.1	-25	-53
Number of RX Futures (x1000)	-1					-24				
Number of TY Futures (x1000)	-1					-52				

Source: US Treasury, Bloomberg, Citi Research

This table is on a trade-date basis

UK: Next week's Nominal Net Supply by Tenor

- Figure 42 and Figure 43 show a breakdown of next week's UK gilt issuance, coupon payments and net issuance by tenor in both nominal and DV01 terms. These figures are on a trade-date basis.

Figure 41. UK gilt issuance, coupons and net supply by tenor

UK	2yr	5yr	10yr	15yr	30yr	Linkers	Total
Gross Supply							1.5
Coupons							0.2
Net Supply							1.3

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

UK: DV01 of Net Supply + Futures Equivalent

Figure 42. UK gilt DV01 of gross and net supply

UK	2yr	5yr	10yr	15yr	30yr	Linkers	Total		Number of 10yr Futures (x1000)	
							€DV01	\$DV01	RXU4	TYU4
DV01 of issuance						2.2	2.7	3.7	+22	+48
Coupons						0.3	0.4	0.5	+3	+7
Net Supply						1.8	2.3	3.2	+19	+41
Number of RX Futures (x1000)						+19				
Number of TY Futures (x1000)						+41				

Source: DMO, Bloomberg, Citi Research

This table is on a trade-date basis

Appendix: Global Supply Forecasts

Figure 43. UK, US and EMU-11 Gross Supply – Citi forecasts

2014/15 Cashflow Tables														
Gross Supply (£bn cash)														
UK	Auctions				Syndications			A	B	C = A - B	D	E	F = C - D - E	
	Shorts	Mediums	Longs	Linkers	Long	Linker	Mini Tender	Gross Supply	Coupons	Net Supply	Redemptions	Buybacks	NCR	
Apr-14	4.0	3.5	2.6	1.6				12	0	11			11	
May-14			2.6	2.8				5	1	5			5	
Jun-14	4.0	3.2		1.6	5.0			14	7	7			7	
Jul-14	3.9	3.3	2.2	1.5	0.0	4.3	0.0	15	4	11	0		11	
Aug-14		6.7		2.9				10	0	9			9	
Sep-14	4.0		2.4	1.5			1.7	10	11	-1	41		-42	
Oct-14	4.0	3.3	2.4	1.5	4.0			15	0	15			15	
Nov-14			4.9	2.9			1.7	9	1	9			9	
Dec-14	4.0			1.5				5	7	-2			-2	
Jan-15	4.0	3.3	2.4	1.5		4.3		15	4	12	29		-17	
Feb-15			2.4	1.5			1.7	6	0	5			5	
Mar-15	4.0	3.3	2.4	1.5				11	10	1			1	
Total	32.0	26.7	24.4	22.1	9.0	8.5	5.0	128	45	83	69		13	

Gross Supply (\$bn nominal)														
US	FRN	2yr	3yr	5yr	7yr	10yr	30yr	TIPS	A	B	C	D = A - B - C	E	F = D - E
									Gross Supply	Coupons	Fed Purchases	Net Supply	Redemptions	NCR
Jan-14	15	32	30	35	29	21	13	15	190	11	40	139	126	13
Feb-14	13	32	30	35	29	24	16	9	188	26	35	127	130	-3
Mar-14	13	32	30	35	29	21	13	13	186	6	30	150	103	47
Apr-14	15	32	30	35	29	21	13	18	193	7	30	156	123	33
May-14	13	30	28	35	29	24	16	13	188	24	25	139	130	9
Jun-14	13	30	28	35	29	21	13	7	176	6	20	150	105	45
Jul-14	15	28	27	35	29	21	13	15	183	10	15	158	131	27
Aug-14	13	28	27	35	29	24	16	16	188	26	10	152	133	19
Sep-14	13	28	26	35	29	21	13	13	178	5	5	168	108	60
Oct-14	15	25	26	35	29	21	13	7	171	7		164	109	55
Nov-14	13	25	26	35	29	24	16	13	181	23		158	138	20
Dec-14	13	25	26	35	29	21	13	16	178	5		173	111	62
Total	164	347	334	420	348	264	168	155	2200	156	210	1834	1448	386

Gross issuance forecasts for 2014 vs 2012 and 2013 (for fixed rate government bonds and index-linked notes)														
Gross Supply				Gross Supply (£bn)				Tickers used in our supply estimates						
	2012	2013	2014		2012	2013	2014							
EMU-11 (£bn)	829	853	894	Germany	184	183	173	Schatz, Bobli, Bund, Bundel, Boblei						
				France	201	192	197	OAT, BTAN, BTANI, OATI, OATei						
				Italy	205	213	256	BTP, BTPei, CCT, CTZ						
				Spain	98	126	129	Bono, Obligaciones						
				Netherlands	60	52	50	DSL						
				Belgium	43	40	31	OLO						
				Austria	21	22	22	RAGB						
				Finland	11	12	11	RFGB						
				Ireland	5	8	8	IRLD						
				Portugal		6	10	OT						

Gross Supply				Gross Supply (£bn)			
	2012	2013	2014		2012	2013	2014
US (\$bn)	2153	2140	2200				
Gross Supply *	12/13	13/14	14/15				
UK (£bn)	165.1	153.4	127.2				

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

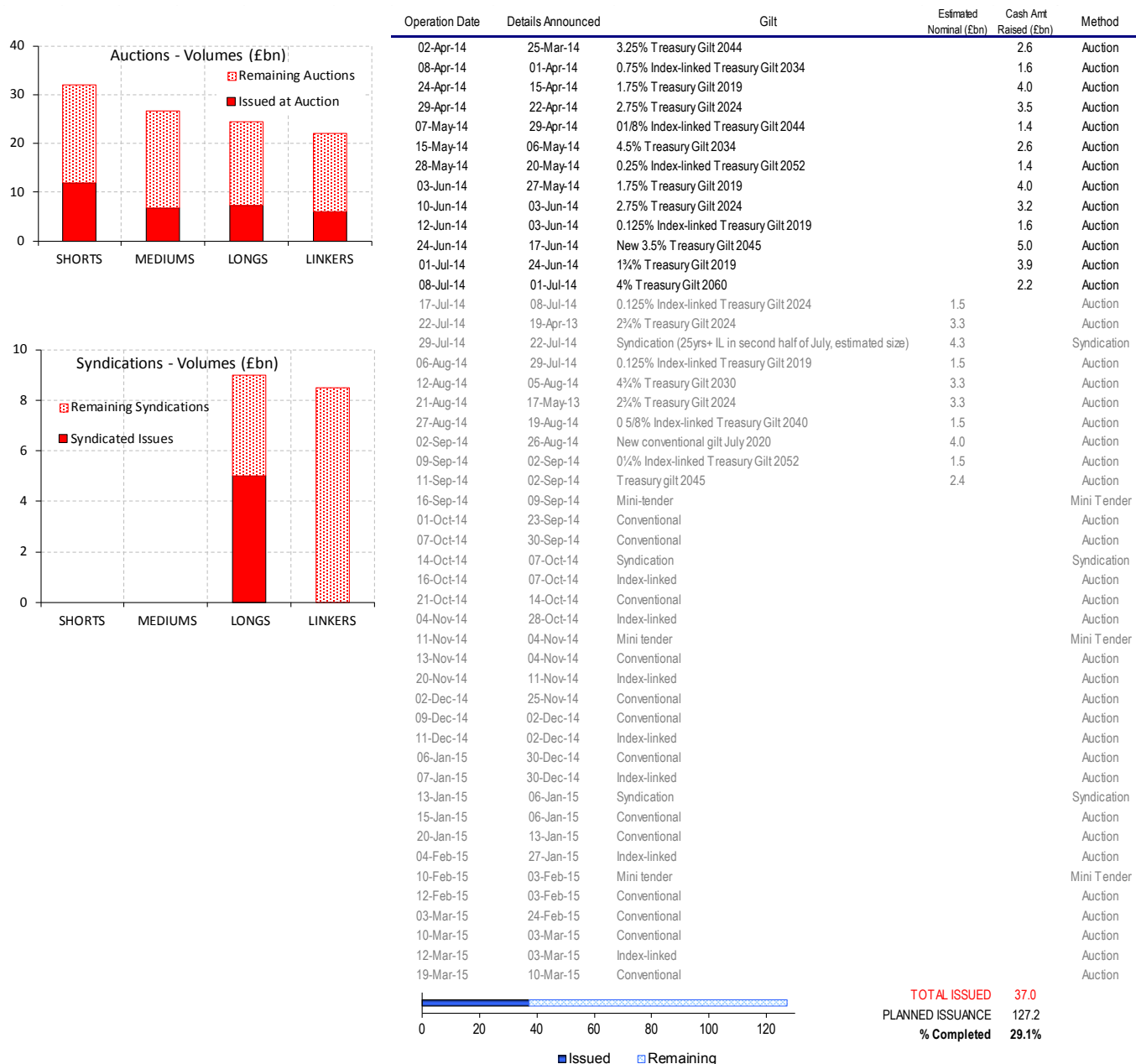
*UK supply forecasts on financial year basis (cash amt)

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

UK Gilt Remit and Progress for FY2014/15

Figure 44. UK Gilt Remit and Progress for FY2014/15



Source: DMO, Bloomberg, Citi Research

EMU 2014 Supply, Coupons & Redemptions

Figure 45. 2014 Euro Government Bond Supply – Citi Forecasts (EUR Billions)

EMU-11	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	21.4	27.5	40.9	7.7	2.8	4.2	105	34	70	94	-24
Feb	14.3	27.9	23.6	4.8	11.2	3.7	85	12	74	15	59
Mar	20.8	20.4	23.8	12.9	0.8	7.2	86	12	74	38	36
Apr	19.2	25.7	28.7	7.5	4.1	5.1	90	34	57	40	17
May	16.5	23.8	22.4	8.6	3.6	8.6	84	5	79	32	46
Jun	16.4	19.3	29.8	2.8	2.9	5.7	77	5	72	33	39
Jul	18.3	19.2	19.7	11.6	2.1	4.9	76	42	34	116	-82
Aug	13.0	14.5	12.3			1.3	41	8	33		33
Sep	19.3	27.0	20.8	4.0	3.9	6.9	82	9	73	80	-7
Oct	17.3	20.6	23.5	2.7	4.2	3.9	72	34	38	76	-38
Nov	15.0	23.3	20.6	1.8	3.0	3.9	67	3	64	27	37
Dec	8.0	10.8	9.2	1.5			30	1	29	29	
Total	199	260	275	66	39	55	894	198	696	581	115

GERMANY	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.0	5.0	5.0			1.0	15	11	4	24	-20
Feb	5.0	4.0	5.0		3.0	1.0	18	2	16		16
Mar	4.0	4.0	4.0			1.0	13		13	15	-2
Apr	4.0	3.0	4.0			2.0	13	2	11	19	-8
May	5.0	5.0	5.0		2.0	1.0	18		18		18
Jun	4.0	4.0	5.0			1.0	14		14	15	-1
Jul	4.0	4.0	4.0			1.0	13	11	2	25	-23
Aug	5.0	3.0	4.0				12		12		12
Sep	4.0	5.0	5.0			2.0	16	1	15	15	
Oct	4.0	4.0	9.0		2.0	1.0	20	1	19	17	2
Nov	5.0	4.0	4.0			1.0	14		14		14
Dec	4.0	3.0					7		7	14	-7
Total	52.0	48.0	54.0		7.0	12.0	173	29	144	144	-0

FRANCE	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	2.5	8.9	6.2		1.8	1.9	21	1	20	21	-1
Feb	2.6	5.4	4.7	4.8		1.6	19	1	18		18
Mar	4.3	4.8	4.5	4.7		1.7	20		20		20
Apr	4.4	5.1	9.7	5.0	2.4	1.6	28	17	11	21	-10
May	3.4	4.5				1.6	10	2	7		7
Jun	4	4	3	2		4	17		17		17
Jul	4.0	4.0	3.6	6.6		1.6	20	5	15	26	-11
Aug											
Sep	4.5	4.5	5.0		2.3	1.6	18		18	15	3
Oct	4.0	5.0	5.3	2.7		1.6	19	16	3	21	-19
Nov	4.0	6.8	4.3		2.3	1.6	19		18		18
Dec		2.0	3.0	1.5			7		7		7
Total	37.7	55.4	49.6	27.5	8.7	18.3	197	43	154	104	50

ITALY	CTZ/3yr	5yr/CCT	7yr/10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	7.7	6.9	6.3	2.0		1.3	24	9	15	14	
Feb	4.3	8.0	7.1		1.7	1.2	22	7	15	15	
Mar	6.5	6.3	5.8	1.7	0.8	4.5	26	2	23	15	9
Apr	7.0	6.7	6.0		1.3	1.5	22	6	16		16
May	7.1	6.2	5.6	7.0	1.1	1.0	28	2	26	32	-7
Jun	4.3	6.4	10.0		1.2	1.2	23	1	22	14	8
Jul	5.8	5.0	5.5	2.0		1.3	20	9	11	27	-17
Aug	7.0	5.0	7.5			1.3	21	8	13		13
Sep	6.8	5.0	5.0		1.0	1.3	19	2	17	33	-16
Oct	6.0	5.0	5.0		1.0	1.3	18	7	12		12
Nov	6.0	6.5	7.0	1.8		1.3	23	2	20	27	-7
Dec	4.0	2.5	4.0				11	1	10	15	-5
Total	72.4	69.5	74.8	14.4	8.1	16.8	256	57	199	192	7

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 46. 2014 Euro Government Bond Supply – Citi Forecasts (EUR Billions)

SPAIN	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	2.8	3.5	10.0	5.8			22	8	14	14	-1
Feb	2.4	6.3	2.3		0.8		12		12		12
Mar	3.2	4.7	1.3	1.5			11		10		10
Apr	1.3	4.9	5.1	1.5			13	5	8		8
May	1.0	4.3	2.4	1.1		5.0	14		14		14
Jun		4.5	9.0				14		14		14
Jul	1.5	4.4	2.5	3.0	1.0	1.0	13	8	5	16	-11
Aug	1.0	2.5					4		4		4
Sep	4.0	3.0	2.0	1.5		3.0	14		14		14
Oct	1.0	3.0	1.5		0.7		6	7		22	-22
Nov		3.0	1.5				5		4		4
Dec		2.5	1.5				4		4		4
Total	18.6	46.6	39.2	14.3	2.5	9.0	130	29	101	52	49

NETHERLANDS	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.4						5	4	1	16	-15
Feb		2.3			3.7		6		6		6
Mar	2.9		6.6				9		9		9
Apr	2.5	2.4					5		5		5
May		2.3	2.4				5		5		5
Jun	3.5				0.9		4		4		4
Jul			2.0				2	5	-3	13	-16
Aug											
Sep		5.0	2.0				7		7		7
Oct	2.3						2		2		2
Nov		2.0	2.0				4		4		4
Dec											
Total	15.6	14.0	15.0		5.1		50	9	40	28	12

BELGIUM	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			5.0				5		5		5
Feb		1.1	1.5		1.4		4		4		4
Mar				5.0			5	7	-2	9	-10
Apr		0.6	1.4	1.1			3		3		3
May		0.8	1.2				2		2		2
Jun			1.5	0.7	0.9		3	2	2		2
Jul		1.0	1.0		0.6		3		3		3
Aug											
Sep		1.0	1.0		0.6		3	4	-1	10	-12
Oct		1.0	1.0				2		2		2
Nov		1.0	1.0				2		2		2
Dec											
Total		6.5	14.5	6.7	3.5		31	12	19	19	0

AUSTRIA	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			0.7		0.6		1	1		1	-1
Feb		0.8					1		1		1
Mar		0.7	0.6				1	1			
Apr			0.8				1		1		1
May		0.7	4.0				5		5		5
Jun											
Jul			0.6		0.5		1	2	-1	10	-10
Aug			0.8				1		1		1
Sep		3.5		2.5			6	1	5		5
Oct		0.8	0.7				2	1	1	11	-10
Nov			0.8		0.8		2		1		1
Dec		0.8	0.7				2		2		2
Total		7.2	9.6	3.0	2.8		22	7	15	22	-7

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Figure 47. 2014 Euro Government Bond Supply – Citi Forecasts (EUR Billions)

FINLAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			4.0				4		4		4
Feb											
Mar											
Apr								1	-1		-1
May			1.0		0.5		2		2		2
Jun											
Jul								1	-1		-1
Aug		4.0					4		4		4
Sep								1	-1	7	-7
Oct		1.0			0.5		2		2		2
Nov											
Dec											
Total		5.0	5.0		1.0		11	2	9	7	2

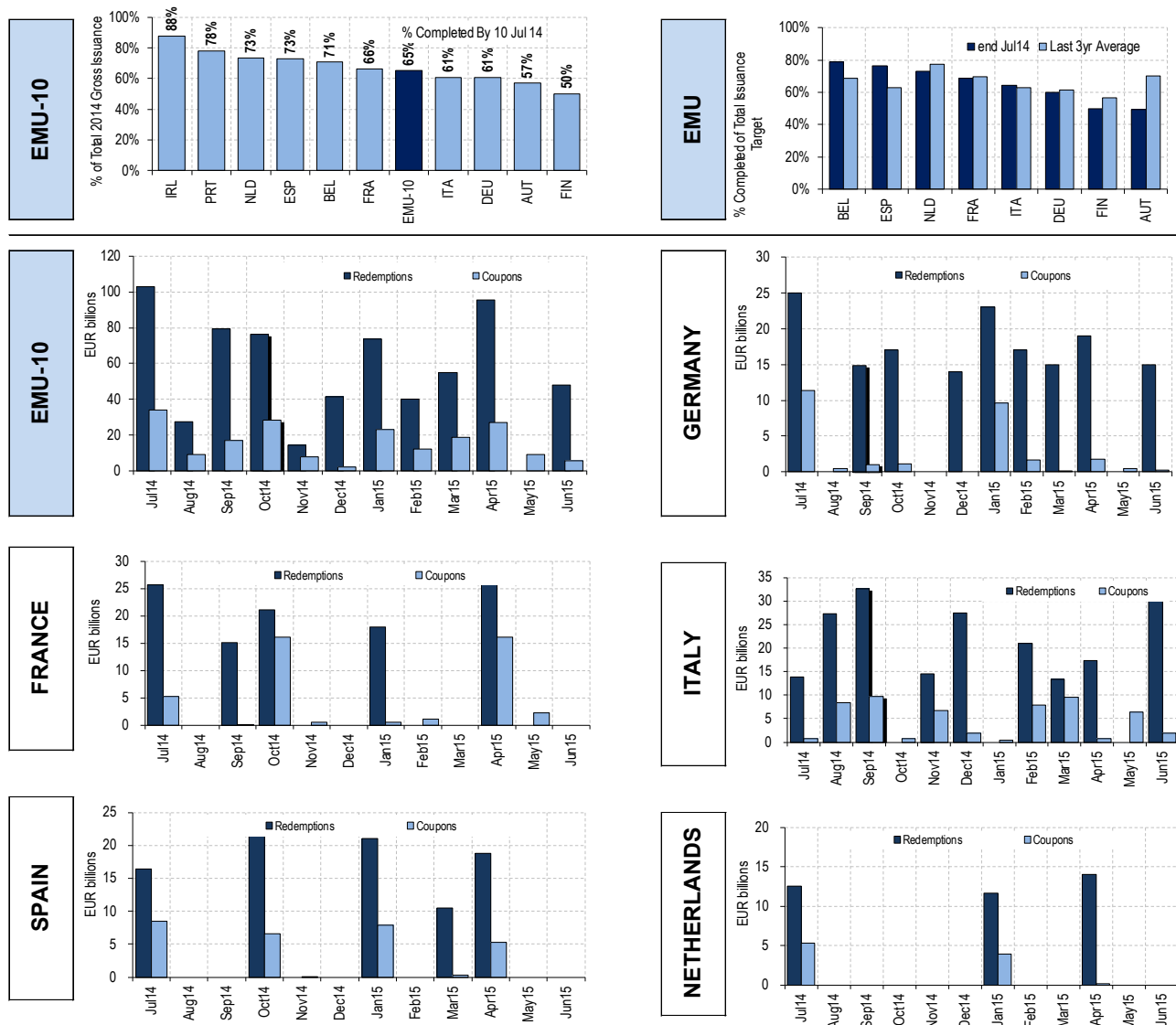
IRELAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			3.8				4		4	3	1
Feb											
Mar			1.0				1	1			
Apr			1.0				1	1			
May			0.8				1		1		1
Jun											
Jul			0.5				1		0		0
Aug											
Sep											
Oct			1.0				1	2	-1		-1
Nov											
Dec											
Total			8.0				8	4	4	3	1

PORTUGAL	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan		3.3					3		3		3
Feb			3.0				3	1	2		2
Mar											
Apr			0.8				1	1			
May											
Jun			1.0				1	2	-1	4	-5
Jul		0.8					1		1		1
Aug											
Sep			0.8				1		1		1
Oct		0.8					1	2	-1	5	-6
Nov											
Dec											
Total		4.8	5.5				10	4	6	10	-4

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

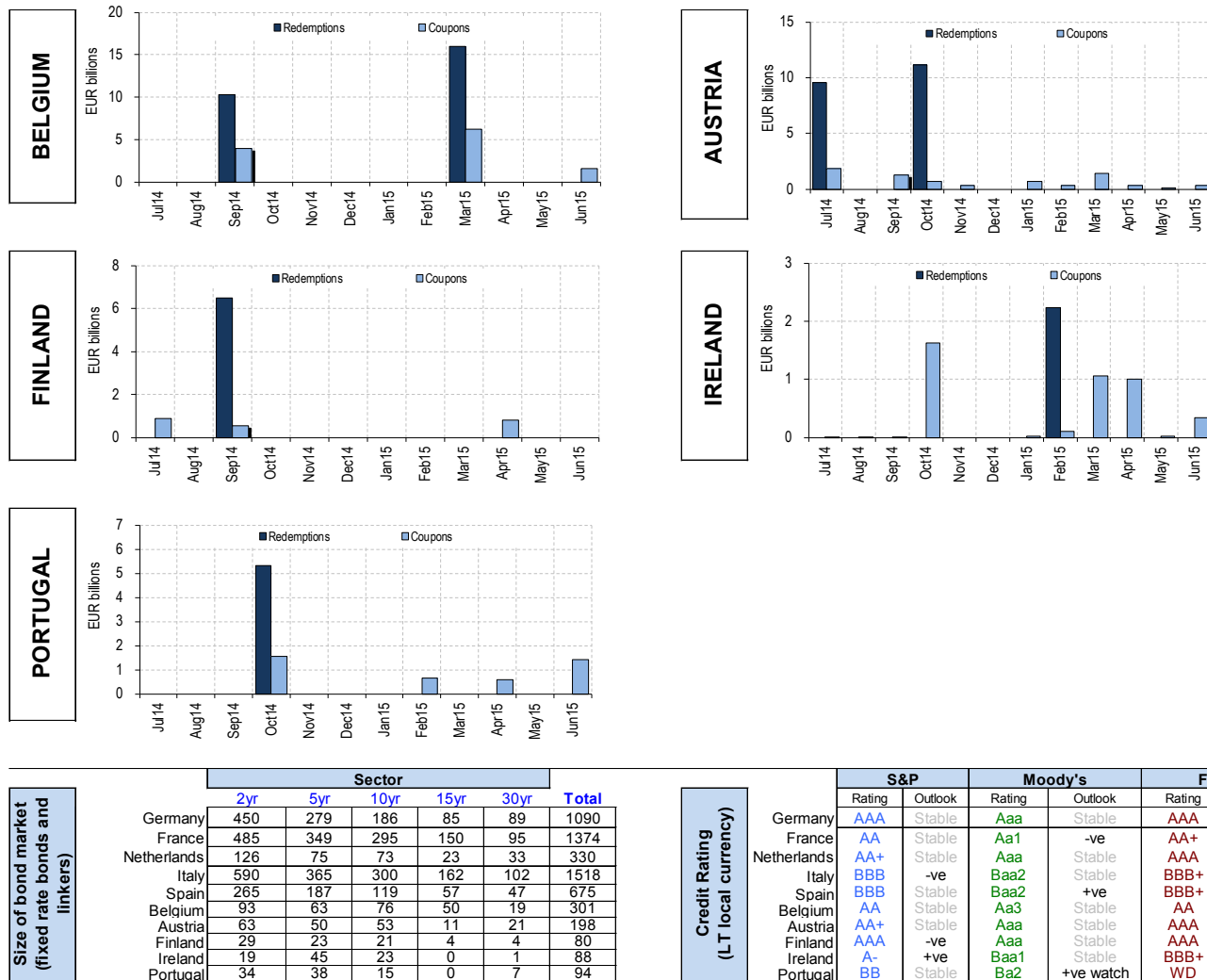
Figure 48. 2014 EMU Issuance Progress and Cash flow profile – Citi Forecasts (EUR Billions)



Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Figure 49. 2014 EMU Issuance Progress and Cash flow profile – Citi Forecasts (EUR Billions) - continued



Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Appendix A-1

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