

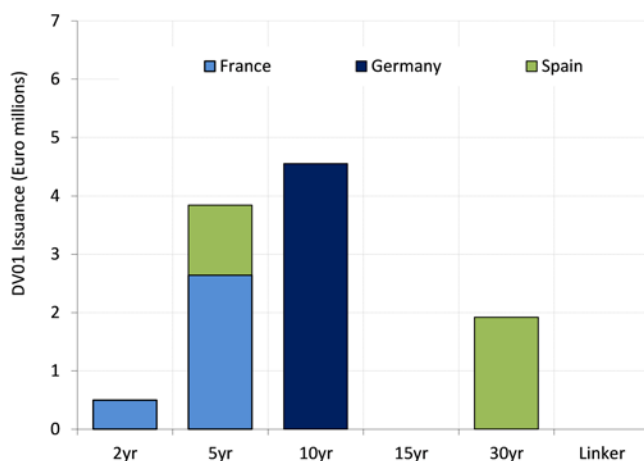
Weekly Supply Monitor

Euro, UK and US Supply Outlook

- **Europe:** Next week's EGB supply comes from Germany (€5bn), Spain (estimated €3.3bn) and France (estimated €8bn). There are minimal coupon payments and no redemptions eligible for reinvestment next week.
- **US:** The US Treasury will re-open \$7bn of 30yr TIPS on Thursday. The cash flow profile is non-supportive for USTs with no cash flows next week.
- **UK:** There is no gilt supply or cash flows next week.
- **Spanish and Italian bill supply:** Spain will issue around €5bn in 6month and 12month bills next Tuesday. There is no BOT issuance next week.

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Figure 1. EUR supply next week (DV01, €million/bp)



Source: DMOs, Bloomberg, Citi Research 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. 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 TYM4 (UST) G M4 (Gilt) RXM4 (Bund)
16 Jun (Mon)	US	2.25 - 3	Outright Treasury Coupon Purchases: 30-6-2018 - 28-2-2019		-14k
17 Jun (Tue)	US	0.85 - 1.1	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044		-24k
18 Jun (Wed)	Germany	5.0	Bund May24 re-opening (issue and size confirmed)		38k
18 Jun (Wed)	Spain	3.3	Bono 5yr and 30yr (estimated size and tenor)		26k
19 Jun (Thu)	France	8.0	OAT 2yr and 5yr (estimated tenors and size). We believe IL auction will be cancelled following the syndication		26k
19 Jun (Thu)	US	7.0	30-year TIPS (re-opening)	85k	
19 Jun (Thu)	US	2.25 - 2.75	Outright Treasury Coupon Purchases: 15-8-2021 - 15-5-2024	-32k	

Weekly \$DV01 of Issuance

15.7

Total Number of Futures Contracts

15k

0k

91k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYM4 (UST) G M4 (Gilt) RXM4 (Bund)
23 Jun (Mon)	Belgium	3.3	OLO 5yr, 10yr, 15yr and 30yr (estimated tenor and size)		34k
23 Jun (Mon)	US	1.5 - 2	Outright Treasury Coupon Purchases: 31-3-2020 - 31-5-2021	-14k	
24 Jun (Tue)	Netherlands	1.5	Reopening off-the-run DSL (estimated tenor, size €1-2bn)		14k
24 Jun (Tue)	UK	4.3	Syndication of new gilt Jan45 (issue confirmed, estimated size, week commencing 23 June)		103k
24 Jun (Tue)	US	30.0	2-Year	101k	
24 Jun (Tue)	US	0.85 - 1.1	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044	-24k	
25 Jun (Wed)	Italy	3.0	CTZ (estimated size)		5k
25 Jun (Wed)	Italy	1.5	BTPei (estimated size)		12k
25 Jun (Wed)	US	13.0	2-Year FRN (re-opening)	44k	
25 Jun (Wed)	US	35.0	5-year	197k	
25 Jun (Wed)	US	2.25 - 2.75	Outright Treasury Coupon Purchases: 15-8-2021 - 15-5-2024	-32k	
26 Jun (Thu)	US	29.0	7-year	233k	
26 Jun (Thu)	US	0.85 - 1.1	Outright Treasury Coupon Purchases: 15-2-2036 - 15-5-2044	-24k	
27 Jun (Fri)	Italy	7.0	BTP 5yr and 10yr (estimated tenor and size)		37k
27 Jun (Fri)	Italy	3.0	CCTeu (estimated size)		12k

Weekly \$DV01 of Issuance

70.5

Total Number of Futures Contracts

481k

103k

114k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYM4 (UST) G M4 (Gilt) RXM4 (Bund)
01 Jul (Tue)	UK	4.0	1¼% Treasury Gilt 2019 (issue confirmed, estimated size)		21k
02 Jul (Wed)	Germany	4.0	Bobl Apr19 re-opening (issue and size confirmed)		16k
03 Jul (Thu)	France	8.0	OAT 10yr and 15yr (estimated tenors and size)		84k
03 Jul (Thu)	Spain	3.5	Bono 3yr and 5yr (estimated size and tenor)		11k

Weekly \$DV01 of Issuance

21.1

Total Number of Futures Contracts

0k

21k

111k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYM4 (UST) G M4 (Gilt) RXM4 (Bund)
08 Jul (Tue)	Austria	1.5	RAGB 10yr and 30yr (estimated tenors and size)		21k
08 Jul (Tue)	Germany	1.0	Boblei/Bundei (estimated size)		8k
08 Jul (Tue)	Netherlands	2.0	DSL 10yr		15k
08 Jul (Tue)	UK	2.4	4% Treasury Gilt 2060 (issue confirmed, estimated size)		68k
08 Jul (Tue)	US	26.0	3-year	87k	
09 Jul (Wed)	Germany	4.0	Schatz Jun16 re-opening (issue and size confirmed)		7k
09 Jul (Wed)	US	21.0	10-Year (re-opening)	239k	
10 Jul (Thu)	US	13.0	30-year (re-opening)	305k	
11 Jul (Fri)	Italy	7.0	BTP 3yr, 7yr and 15yr (estimated tenor and size)		44k

Weekly \$DV01 of Issuance

73.2

Total Number of Futures Contracts

632k

68k

96k

The next release of the tentative outright Treasury operation schedule will be at 3 p.m. on June 30, 2014. Therefore we have included Fed buybacks only until that time in this calendar.

Source: DMOs, Citi Research

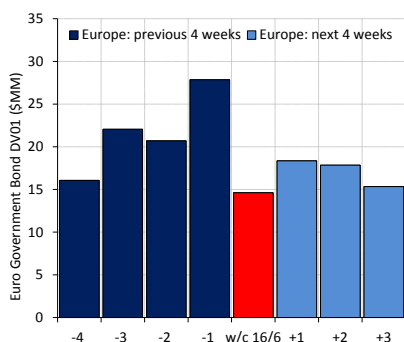
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Global Net Supply by Week (8 Week Period)

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

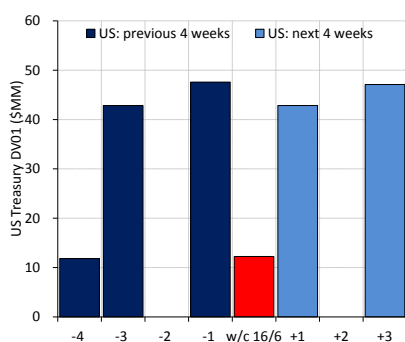
- Figure 3 to Figure 5 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the week commencing 21 April is shown in red. EGB issuance is expected to remain high in the next four weeks (Figure 3). On the other hand, next week's UST supply is expected to be relatively low (Figure 4). There will be no gilt issuance next week (Figure 5).

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



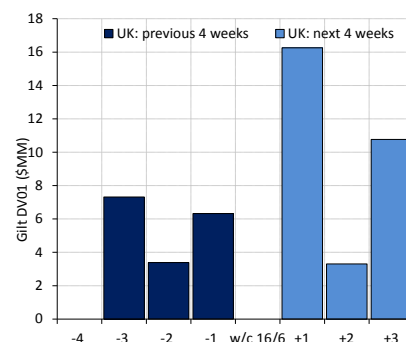
Source: DMOs, Citi Research

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)



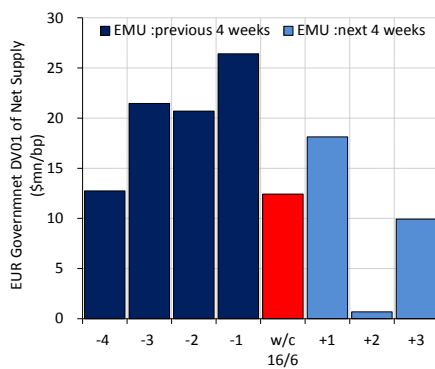
Source: DMO, Citi Research

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

Net Supply = Gross Issuance – Coupon Payments

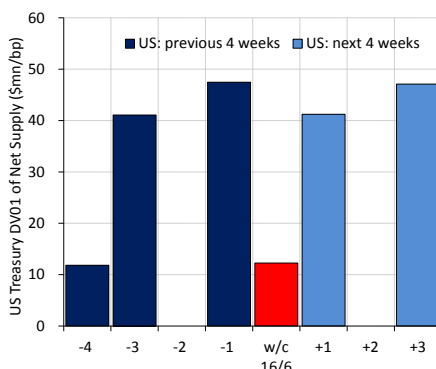
- Figure 6 to Figure 8 show the \$DV01 of projected net supply over the next four weeks and the previous four weeks.
- In net DV01 terms, EGB issuance is likely to remain high for the next 2 weeks before falling significantly (Figure 6).

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



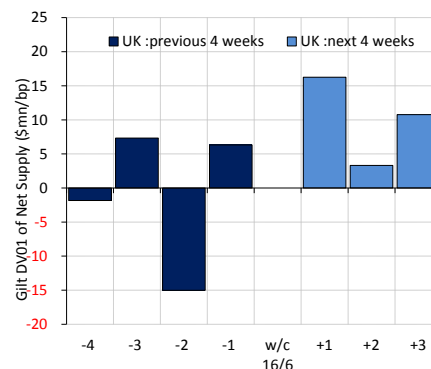
Source: DMOs, Citi Research estimates

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



Source: US Treasury, Citi Research estimates

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



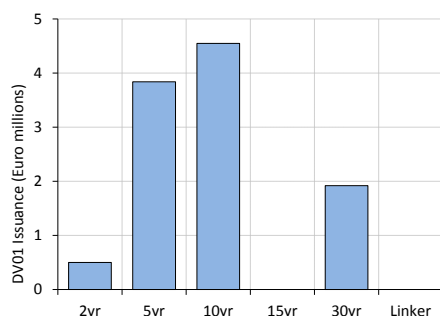
Source: DMO, Citi Research estimates

Global Supply by Tenor (Next week)

DV01 of EUR, USD and GBP Issuance by Maturity

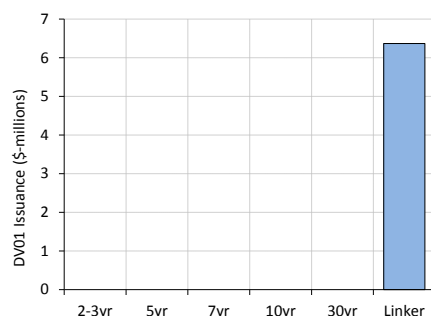
- The DV01 of the next week's euro issuance is expected to be around €11million/bp (Figure 9). The 10yr sector is likely to account for around 40% of next week's DV01.
- The US Treasury will issue \$6million/bp of 30yr TIPS in a re-opening on Thursday (Figure 10).
- There is no gilt issuance next week (Figure 11).

Figure 9. EUR DV01: Split by Maturity (16 June –22 June)



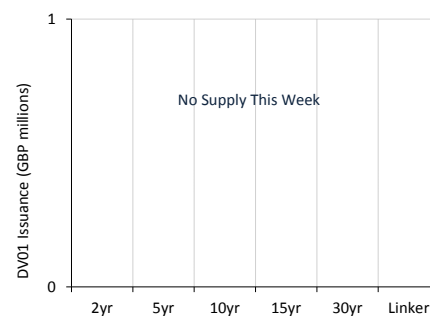
Source: DMOs, Citi Research

Figure 10. USD DV01: Split by Maturity (16 June –22 June)



Source: US Treasury, Citi Research

Figure 11. GBP DV01: Split by Maturity (16 June –22 June)

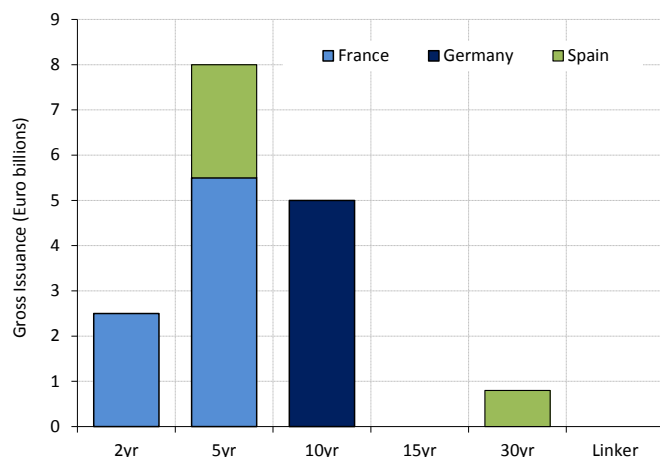


Source: DMO, Citi Research

Euro Gross Supply and DV01 by Country & Maturity

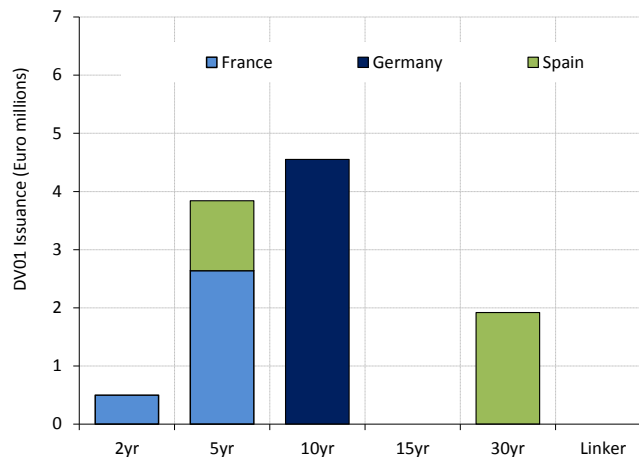
- In Europe, next week's supply comes from Germany (€5bn), Spain (estimated €3.3bn) and France (estimated €8bn) – Figure 12.
- Figure 13 shows the country and maturity split in DV01 terms. Germany is likely to account for around 42% of next week's supply in DV01 terms.

Figure 12. Euro Gross Issuance next week



Source: DMOs, Bloomberg, Citi Research estimates

Figure 13. Euro DV01 Issuance next week

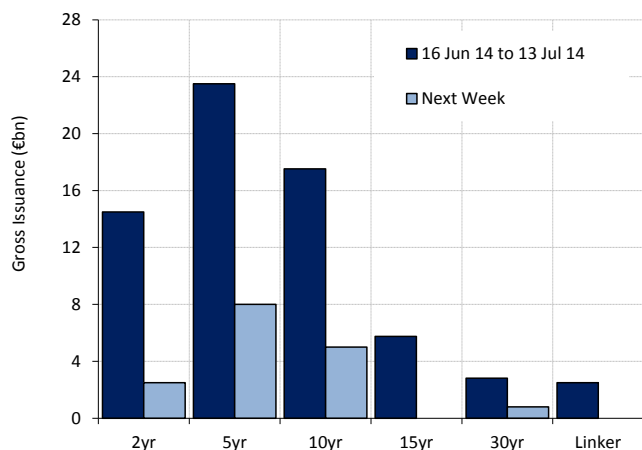


Source: DMOs, Bloomberg, Citi Research estimates

Expected Euro Issuance by Maturity for the Next 4 Weeks

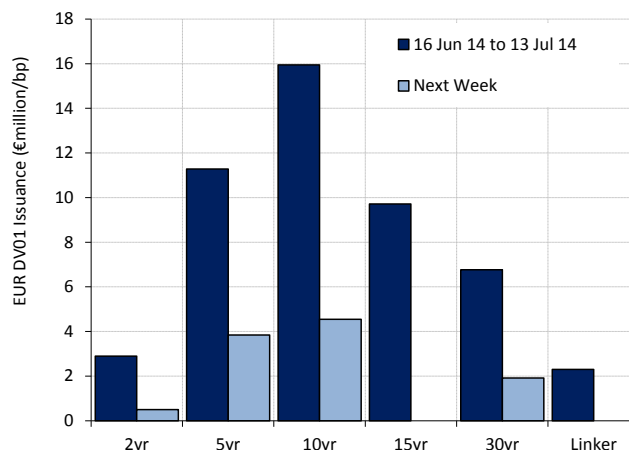
- Over the next four weeks, maximum supply is expected in the 5yr sector which should account for around one-third of total gross issuance (around €67bn) - Figure 14.
- However, in DV01 terms, the 10yr sector is forecasted to account for the maximum one-third of total issuance (€49million/bp) over the next four weeks (Figure 15).

Figure 14. Euro Gross Issuance over the Next Four Weeks



Source: DMOs, Bloomberg, Citi Research estimates

Figure 15. Euro DV01 Issuance over the Next Four Weeks



Source: DMOs, Bloomberg, Citi Research estimates

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

BTP redemptions in the week commencing 23rd June (on a trade-date basis)

- There are minimal cash flows next week. However, there are €0.8bn of coupon payments and €13.9bn of redemptions (from Italy, see Figure 19) available for reinvestment in the week commencing 23rd June.

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		
16 Jun	0.2	0.1	0.5	0.2	0.3		1.4	
23 Jun	0.8						0.8	13.9
30 Jun	3.7	2.6	1.3	2.3	2.3		12.2	25.0
07 Jul	4.8	2.2	1.3	0.4			8.8	47.7
Total	9.6	5.0	3.2	2.9	2.7		23.3	86.6

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

US coupons and redemptions for the next four weeks

No UST cash flows next week (on a trade-date basis)

- There are no UST coupon payments or 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		
16 Jun								
23 Jun	3.4	1.2	0.4				5.1	73.4
30 Jun								
07 Jul								
Total	3.4	1.2	0.4				5.1	73.4

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

UK coupons and redemptions for the next four weeks

No gilt cash flows for the next four weeks (on a trade-date basis)

- There are no gilt cash flows over the next four weeks, on a trade date basis.

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		
16 Jun								
23 Jun								
30 Jun								
07 Jul								
Total								

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

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

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

Figure 19. Euro Coupons and Redemptions by Maturity and Country for the Next 4 weeks (EUR Billions)

WEEK 1			WEEK 2		
Week Beginning 16 Jun (Mon)			Week Beginning 23 Jun (Mon)		
		Coupons			Coupons
	Austria	0.2		Austria	
	Belgium	1.0		Belgium	0.5
	Germany	0.2		Germany	
	Finland			Finland	
	France			France	
2yr	Greece			Greece	
5yr	Ireland			Ireland	
10yr	Italy			Italy	0.4
15yr	Netherlands			Netherlands	13.9
30yr	Portugal			Portugal	
Linker	Spain			Spain	
		1.4			0.8
					13.9
WEEK 3			WEEK 4		
Week Beginning 30 Jun (Mon)			Week Beginning 07 Jul (Mon)		
		Coupons			Coupons
	Austria			Austria	1.8
	Belgium			Belgium	9.6
	Germany	11.4		Germany	
	Finland	0.9		Finland	
	France			France	1.4
2yr	Greece			Greece	25.6
5yr	Ireland			Ireland	
10yr	Italy			Italy	0.4
15yr	Netherlands			Netherlands	5.2
30yr	Portugal			Portugal	12.5
Linker	Spain			Spain	
		12.2			8.8
					47.7

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: non-supportive for EGBs next week

- The euro NCR is non-supportive for EGBs in each of the next two weeks as gross supply outweighs minimal coupon payments and 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
16 Jun	23.3	3.1	20.2	4.4	15.8
23 Jun	16.1	1.0	15.1		15.1
30 Jun	18.5	13.1	5.4	38.9	-33.5
07 Jul	20.0		20.0		20.0
Total	77.9	17.1	60.8	43.3	17.5
Average	19.5	4.3	15.2	10.8	4.4
12m moving avg	17.1	3.8	13.3	10.5	2.8

Source: DMOs, Citi Research, Bloomberg

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

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

US: non-supportive for Treasuries next week

- The US NCR is non-supportive for Treasuries next week as \$62bn of gross supply outweighs \$0.6bn of coupon payments, \$32bn of redemptions and an estimated \$6.1bn of 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
16 Jun	62.0	0.6	61.4	32.0	6.1	23.3
23 Jun	13.0		13.0		6.2	6.8
30 Jun	101.0	5.1	95.9	73.4	3.8	18.7
07 Jul					3.8	-3.8
Total	176.0	5.7	170.3	105.4	19.8	45.1
Average	44.0	1.4	42.6	26.4	5.0	11.3
12m ma	41.8	2.7	39.1	26.4	7.1	5.6

Source: US Treasury, Citi Research, Bloomberg

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

UK cash-flow profile over the next four weeks

UK: neutral for gilts next week

- There is no gilt supply or cash flows next week. The UK NCR profile turns non-supportive for gilts in the week commencing 23rd June as there is £4.3bn of gross issuance vs no coupons or 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
16 Jun						
23 Jun	4.3		4.3			4.3
30 Jun	4.0		4.0			4.0
07 Jul	2.4		2.4			2.4
Total	10.7		10.7			10.7
Average	2.7		2.7			2.7
12m moving avg	2.8	0.9	2.0	1.2		0.7

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	17 Jun (Tue)	Spain	6month (12 December 2014) and 12month (new bill) - tenors confirmed, estimated issue and size	4.95
Total Size in Week 1				5.0
Week 2	24 Jun (Tue)	Spain	3month (19 September 2014) and 9month (13 March 2015) - tenors confirmed, estimated issue and size	3.5
	26 Jun (Thu)	Italy	6 month (31 December 2014; issue confirmed, estimated size)	7
Total Size in Week 2				10.5
Week 4	10 Jul (Thu)	Italy	12 month (14 July 2015; issue confirmed, estimated size)	7
Total Size in Week 4				7.0

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	1.0	1.2	2.5	3.8		8	14	-5
Jul	0.8	1.0	3.0	3.8		9	8	1
Aug	0.8	1.0	3.0	3.8		9	8	1
Sep	0.8	1.0	3.0	3.8		9	8	1
Oct	0.8	1.0	3.0	3.8		9	9	
Nov	0.8	1.0	3.0	3.8		9	8	1
Dec	0.8	1.0	3.0	3.8		9	7	2
Total	10.6	12.7	31.7	44.0		99	110	-11

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	3.0	7.7		7.5		18	17	1
May		7.2		7.2		14	14	
Jun		7.0		6.5	3.0	17	16	1
Jul		7.5		7.0		15	15	-1
Aug		7.5		8.0		16	17	-2
Sep		7.0		8.5	3.0	19	18	
Oct		7.0		8.5		16	17	-1
Nov		7.0		7.0		14	14	
Dec		7.0		6.0		13	13	1
Total	3.0	89.9		91.0	6.0	190	196	-6

*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 = €165bn										
	DEU 55	FRA 26	NLD 13	ITA 41	ESP 16	BEL 0	AUT 10	FIN 0	PRT 4	GRC 0	IRL 0
(Fri) 13-Jun-14	15.0										
(Mon) 16-Jun-14									4.4		
(Tue) 01-Jul-14				13.9							
(Fri) 04-Jul-14	25.0										
(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										

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

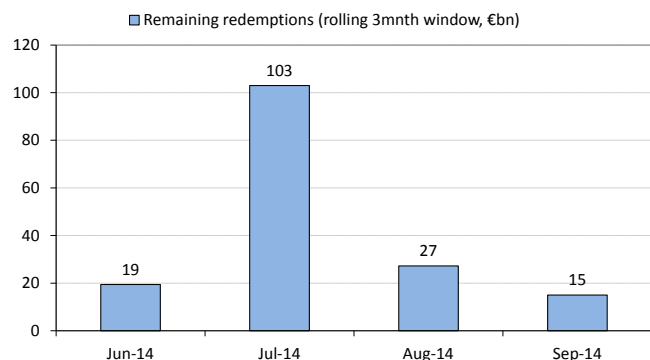
Figure 26. EMU-11 Coupon payments over the next three months (€bn)

Coupons	Coupons = €56bn										
	DEU 13	FRA 5	NLD 5	ITA 17	ESP 8	BEL 1	AUT 2	FIN 1	PRT 2	GRC 0	IRL 0
(Sat) 14-Jun-14									0.5		
(Sun) 15-Jun-14				0.6					0.9		
(Mon) 16-Jun-14									0.2		
(Wed) 18-Jun-14							0.1				0.3
(Fri) 20-Jun-14	0.2						0.2				
(Sun) 22-Jun-14						1.0					
(Sat) 28-Jun-14						0.5					
(Tue) 01-Jul-14				0.4							
(Fri) 04-Jul-14	11.4							0.9			
(Sat) 12-Jul-14		1.4									
(Tue) 15-Jul-14			5.2	0.4			1.8				
(Sun) 20-Jul-14											0.0
(Fri) 25-Jul-14		3.8									
(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				7.6							
(Thu) 04-Sep-14	1.0										
(Thu) 11-Sep-14	0.0										

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

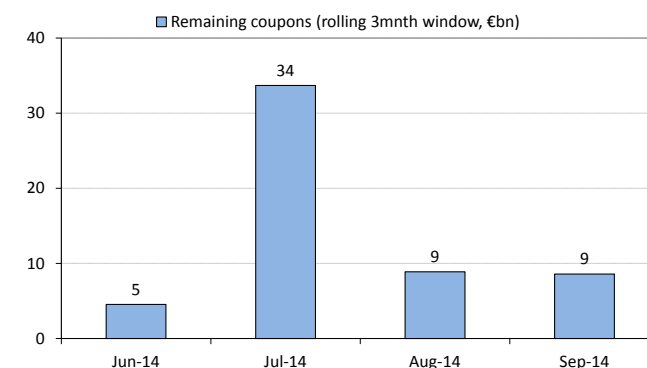
Figure 27. EMU-11 remaining redemptions over the next 3months (€bn)



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)

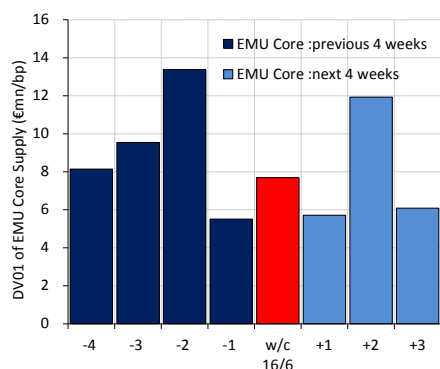
Figure 29 to Figure 31 show the projected EUR DV01 of core bond issuance, coupon payments and net issuance for the next four weeks and also the previous four weeks. Figure 32 to Figure 34 show the similar breakup for non-core issuance.

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

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

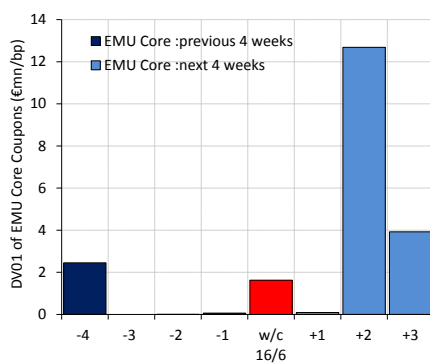
- Net core issuance will remain high for another two weeks due to minimal core coupon payments (Figure 30 and Figure 31).

Figure 29. Estimated €DV01 of Core Bond Issuance



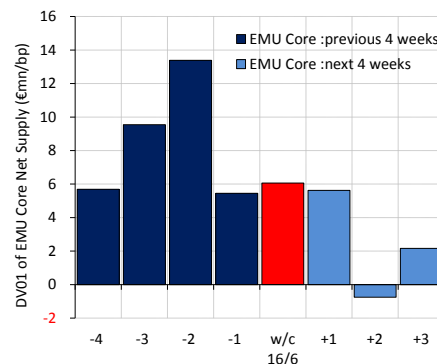
Source: DMOs, Citi Research estimates

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



Source: DMOs, Citi Research estimates

Figure 31. Estimated €DV01 of Net Core Issuance



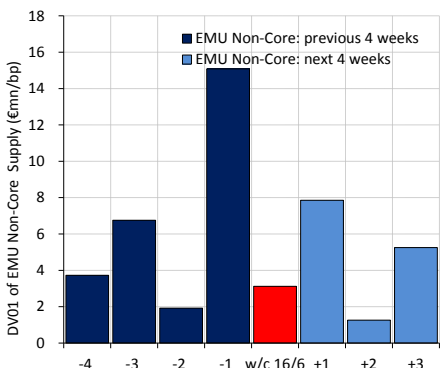
Source: DMOs, Citi Research estimates

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

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

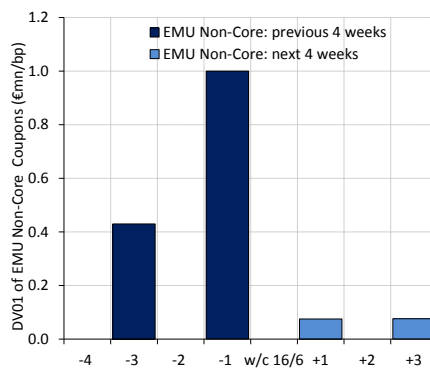
- Net non-core issuance is also likely to remain positive for the next two weeks due to minimal coupon payments (Figure 33).

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



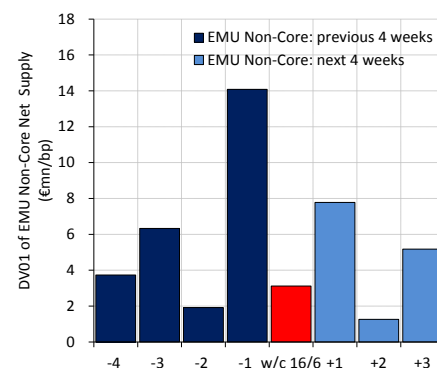
Source: DMOs, Citi Research estimates

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



Source: DMOs, Citi Research estimates

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



Source: DMOs, Citi Research estimates

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

Figure 35 and Figure 36 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 35 and Figure 36 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	2.5	5.5	5.0				13.0
Coupons	0.2	0.1	0.5	0.2	0.3		1.4
Net Supply	2.3	5.4	4.5	-0.2	-0.3		11.6

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	RXM4	TYM4
DV01 of issuance	0.5	2.6	4.6				7.7	10.4	+65	+139
Coupons	0.0	0.1	0.5	0.3	0.8		1.6	2.2	+14	+29
Net Supply	0.5	2.6	4.1	-0.3	-0.8		6.1	8.2	+51	+110
Number of RX Futures (x1000)	+4	+22	+34	-2	-6					
Number of TY Futures (x1000)	+8	+47	+74	-5	-14					

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			0.8		3.3
Coupons							
Net Supply		2.5			0.8		3.3

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	RXM4	TYM4
DV01 of issuance		1.2			1.9		3.1	4.2	+26	+57
Coupons										
Net Supply		1.2			1.9		3.1	4.2	+26	+57
Number of RX Futures (x1000)		+10			+16					
Number of TY Futures (x1000)		+22			+35					

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 39 and Figure 40 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						7.0	7.0
Coupons							
Net Supply						7.0	7.0

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	RXM4	TYM4
DV01 of issuance						6.4	4.7	6.4	+40	+85
Coupons										
Net Supply						6.4	4.7	6.4	+40	+85
Number of RX Futures (x1000)						+40				
Number of TY Futures (x1000)						+85				

Source: US Treasury, Bloomberg, Citi Research

This table is on a trade-date basis

UK: Next week's Nominal Net Supply by Tenor

- Figure 41 and Figure 42 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							
Coupons							
Net Supply							

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	RXM4	TYM4
DV01 of issuance										
Coupons										
Net Supply										
Number of RX Futures (x1000)										
Number of TY Futures (x1000)										

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)								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-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	0.0	1.5	4.3	0.0	0.0	13	7	6	0		6	
Jul-14	4.0	3.3	2.4	1.5		4.3		15	4	12			12	
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	4.3			15	0	15			15	
Nov-14			4.8	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	2			2	
Total	32.0	26.7	24.4	22.1	8.5	8.5	5.0	127	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	26	35	29	21	13	15	182	10	15	157	131	26
Aug-14	13	28	26	35	29	24	16	16	187	26	10	151	133	18
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	332	420	348	264	168	155	2198	156	210	1832	1448	384

Gross issuance forecasts for 2014 vs 2012 and 2013				
(for fixed rate government bonds and index-linked notes)				
Gross Supply	2012	2013	2014	Tickers used in our supply estimates
EMU-11 (£bn)	829	853	884	Schatz, Bobli, Bund, Bundel, Boblei
				OAT, BTAN, BTANI, OATi, OATei
Gross Supply	2012	2013	2014	
US (\$bn)	2153	2140	2198	BTP, BTPei, CCT, CTZ
				Bono, Obligaciones
Gross Supply *	12/13	13/14	14/15	
UK (£bn)	165.1	127.2	#REF!	DSL
				OLO
				RAGB
				RFGB
				IRLD
				OT
				HELR

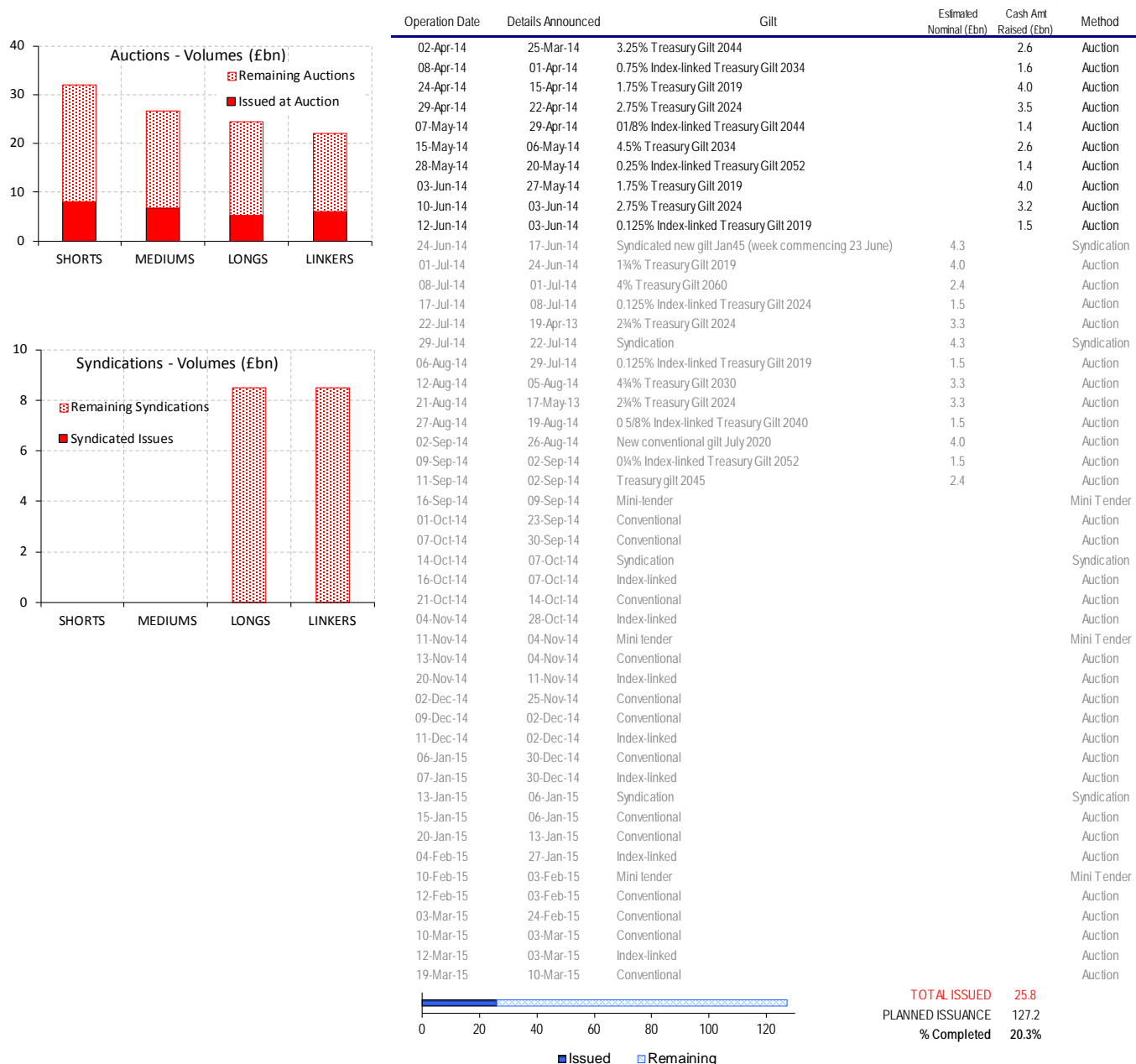
*UK supply forecasts on financial year basis (cash amt)

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	71	94	-23
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	29.7	7.5	4.1	5.1	91	34	58	40	18
May	16.5	23.8	22.4	8.6	3.6	8.6	84	5	79	32	46
Jun	15.3	24.2	25.8	2.6	3.1	5.6	77	5	72	33	38
Jul	15.8	20.0	20.3	8.3	1.4	4.1	70	42	28	116	-88
Aug	12.5	12.8	9.5			1.5	36	8	28		28
Sep	20.3	24.8	22.0	3.3	4.6	7.1	82	9	73	79	-7
Oct	18.0	19.6	22.5	2.7	4.3	4.1	71	34	37	76	-39
Nov	15.0	23.8	20.6	1.8	3.0	4.1	68	3	65	27	38
Dec	8.0	10.3	9.0	1.5			29	1	28	29	-1
Total	197	261	270	62	39	55	883	197	686	581	106

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			1.0	15	1	14	15	-1
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	11.0	172	29	143	144	-1

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	8		8
Jun	3	6	3	2		4	18		18		18
Jul	4.0	4.0	4.5	3.5		1.6	18	5	12	26	-13
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	-18
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	36.6	57.0	50.5	24.4	8.7	18.3	196	43	153	104	49

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	1
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	6.5	5.3	6.5		1.0	1.1	20	1	19	14	6
Jul	6.3	6.3	5.3	1.8		1.5	21	9	12	27	-15
Aug	6.3	3.8	4.8			1.5	16	8	9		9
Sep	6.8	3.8	7.3		1.0	1.5	20	2	18	33	-14
Oct	6.0	3.5	4.3		1.0	1.5	16	7	10		10
Nov	6.0	3.0	7.0	1.8		1.5	19	2	17	27	-10
Dec	4.0	1.5	4.0				10	1	9	15	-7
Total	74.3	61.1	69.7	14.2	8.0	18.0	245	56	189	192	-4

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	-1.1	5.4	9.0		0.8		14		14		14
Jul	1.5	4.0	2.0	3.0			11	8	2	16	-14
Aug	1.3	2.0					3		3		3
Sep	5.0	2.0	2.0	0.8		3.0	13		13		13
Oct	1.3	4.0	1.5		0.8		8	6	1	22	-21
Nov		5.0	1.5				7		6		6
Dec		3.0	1.3				4		4		4
Total	18.6	49.1	38.4	13.6	2.4	8.0	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	2.9	1.0			0.5		4		4		4
Jul			2.0				2	5	-3	13	-16
Aug											
Sep		5.0	1.0		0.8		7		7		7
Oct	2.8						3		3		3
Nov		2.5	2.0				5		5		5
Dec											
Total	15.4	15.5	14.0		5.4		50	9	41	28	13

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		1.0	1.0	0.5	0.8		3	1	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		7.5	14.1	6.6	3.4		32	12	20	19	1

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			0.8		0.8		2	2		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	9.7	3.0	3.0		23	7	16	22	-6

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

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

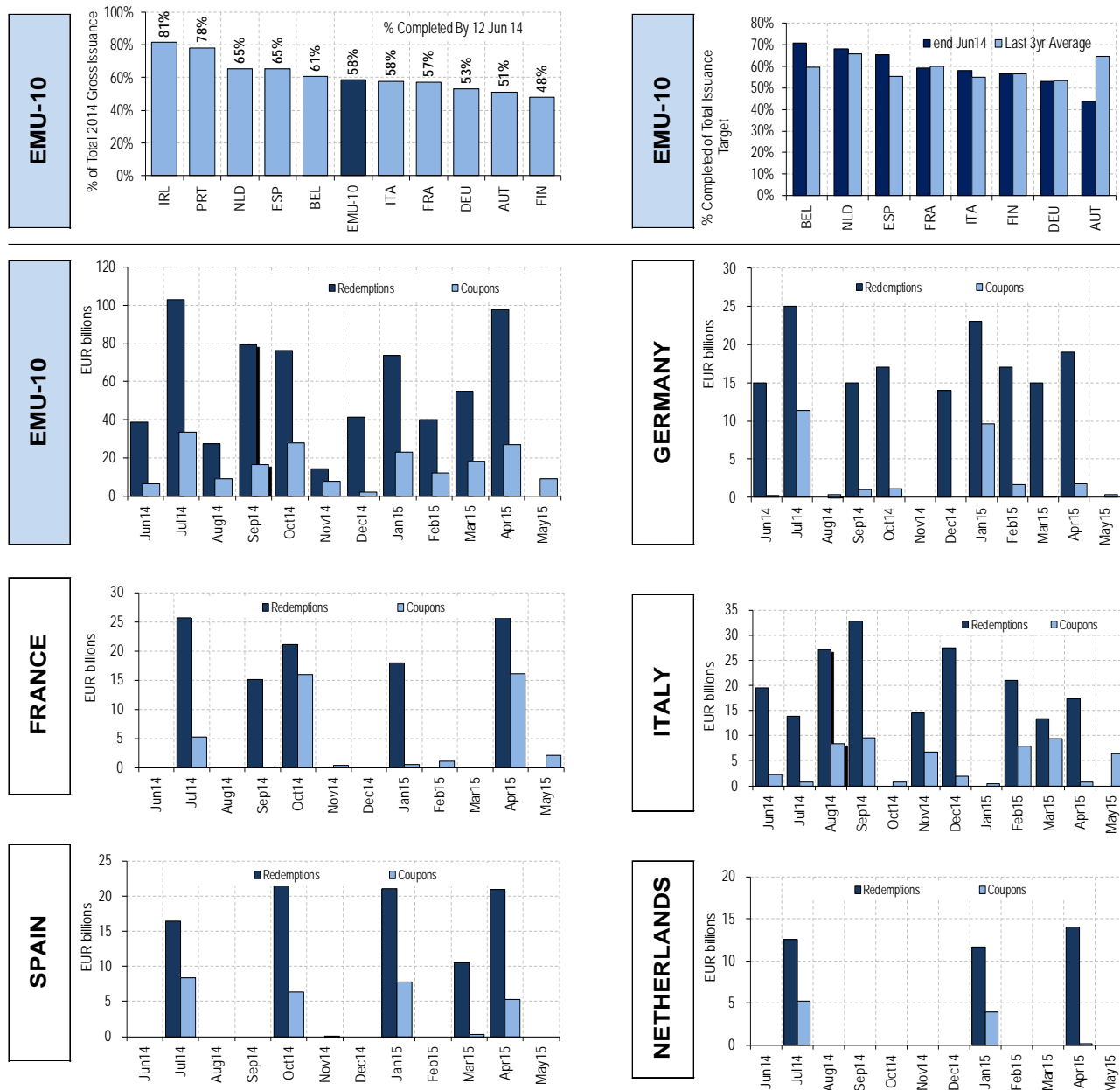
FINLAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			4.0				4		4		4
Feb											
Mar											
Apr			1.0				1	1			
May			1.0		0.5		2		2		2
Jun											
Jul								1	-1		-1
Aug		4.0					4		4		4
Sep								1	-1	7	-7
Oct		0.5			0.5		1		1		1
Nov											
Dec											
Total		4.5	6.0		1.0		12	2	9	7	3
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			0.8				1		1		1
Aug											
Sep											
Oct			0.8				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
GREECE	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan											
Feb								1	-1		-1
Mar											
Apr		3.0					3		3		3
May											
Jun		1.5					2		2		2
Jul											
Aug											
Sep											
Oct											
Nov		1.5					2		2		2
Dec											
Total		6.0					6	1	5		5

Only tradable GGBs are included in our redemption and coupon calculations (therefore GGB May14 is not included in the redemption table)

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

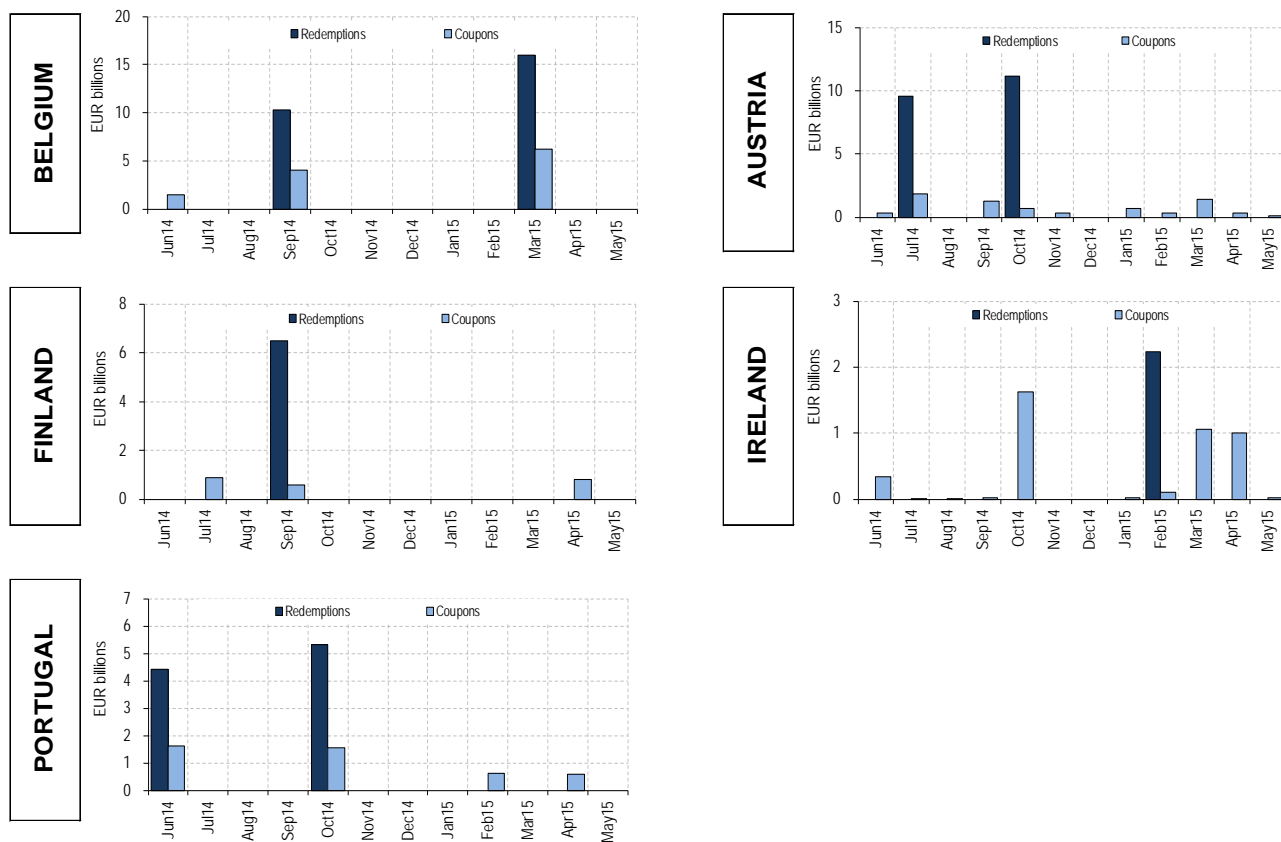
Figure 48. 2014 EMU Issuance Progress and Cash flow profile – Citi Forecasts (EUR Billions)



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



	Sector					
	2yr	5yr	10yr	15yr	30yr	Total
Germany	466	275	199	85	89	1114
France	481	345	290	139	95	1350
Netherlands	122	75	71	23	32	323
Italy	600	356	289	162	101	1507
Spain	266	182	110	57	46	661
Belgium	93	63	75	49	18	298
Austria	63	50	52	11	21	197
Finland	29	23	21	4	4	80
Ireland	19	45	23	0	1	88
Portugal	39	38	14	0	7	97

	S&P		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Germany	AAA	Stable	Aaa	Stable	AAA	Stable
France	AA	Stable	Aa1	-ve	AA+	Stable
Netherlands	AA+	Stable	Aaa	Stable	AAA	-ve
Italy	BBB	-ve	Baa2	Stable	BBB+	Stable
Spain	BBB	Stable	Baa2	+ve	BBB+	Stable
Belgium	AA	Stable	Aa3	Stable	AA	Stable
Austria	AA+	Stable	Aaa	Stable	AAA	Stable
Finland	AAA	-ve	Aaa	Stable	AAA	Stable
Ireland	A-	+ve	Baa1	Stable	BBB+	Stable
Portugal	BB	Stable	Ba2	+ve watch	WD	+ve

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Appendix A-1

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