

## Weekly Supply Monitor

### Euro, UK and US Supply Outlook

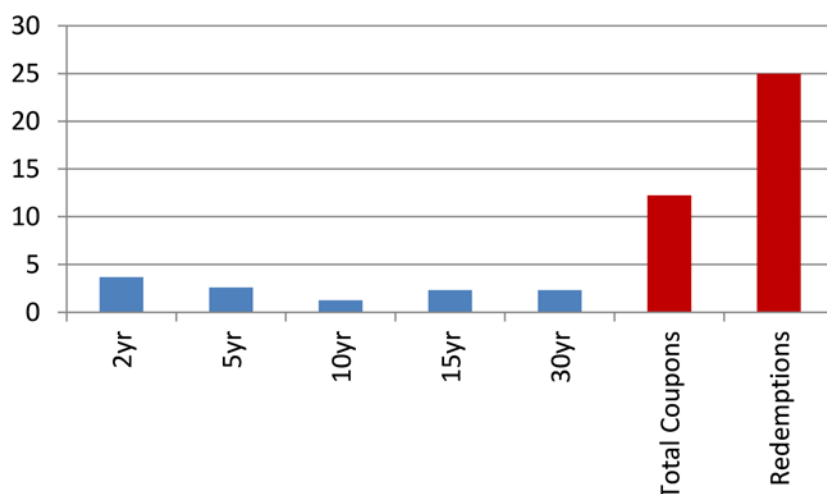
- **Europe:** Next week's EGB supply comes from Germany (€4bn), France (estimated €8bn) and Spain (estimated €3.5bn). There are significant cash flows from Germany (and Finland) eligible for reinvestment next week.
- **US:** There is no UST supply or cash flows eligible for reinvestment next week.
- **UK:** The DMO will issue around £4bn of the 1.75% Treasury gilt 2019 next Tuesday. However, there are no coupon payments or redemptions next week.
- **Spanish and Italian bill supply:** There is no bill supply from Italy or Spain scheduled next week.

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Figure 1. Core coupons by maturity and total coupon payments and redemptions next week (€billion)



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)
01 Jul (Tue)	UK	4.0	1¾% Treasury Gilt 2019 (issue and size confirmed)		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)		81k
03 Jul (Thu)	Spain	3.5	Bono 3yr and 5yr (estimated size and tenor)		10k
Weekly \$DV01 of Issuance				21.3	
Total Number of Futures Contracts					0k 21k 107k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYU4 (UST) G U4 (Gilt) RXU4 (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)		7k
08 Jul (Tue)	Netherlands	2.0	DSL Jul24 re-opening (issue confirmed, size €1.5-2.5bn)		15k
08 Jul (Tue)	UK	2.4	4% Treasury Gilt 2060 (issue confirmed, estimated size)		68k
08 Jul (Tue)	US	26.0	3-year	83k	
09 Jul (Wed)	Germany	4.0	Schatz Jun16 re-opening (issue and size confirmed)		6k
09 Jul (Wed)	US	21.0	10-Year (re-opening)	229k	
10 Jul (Thu)	US	13.0	30-year (re-opening)	292k	
11 Jul (Fri)	Italy	7.0	BTP 1.15% May17, 2.15% Dec21 and 15yr (estimated issue and size)		43k
Weekly \$DV01 of Issuance				73.4	
Total Number of Futures Contracts					604k 68k 92k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYU4 (UST) G U4 (Gilt) RXU4 (Bund)
16 Jul (Wed)	Germany	4.0	Bund May24 re-opening (issue and size confirmed)		30k
17 Jul (Thu)	France	9.7	OAT 2yr and 5yr, index-linked OAT (estimated tenors and size)		35k
17 Jul (Thu)	Spain	4.0	Bono 5yr and 10yr (estimated size and tenor)		23k
17 Jul (Thu)	UK	1.5	0.125% Index-linked Treasury Gilt 2024 (issue confirmed, estimated size)		17k
Weekly \$DV01 of Issuance				17.4	
Total Number of Futures Contracts					0k 17k 87k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures TYU4 (UST) G U4 (Gilt) RXU4 (Bund)
22 Jul (Tue)	Belgium	2.6	OLO 5yr, 10yr and 30yr (estimated tenors and size)		23k
22 Jul (Tue)	UK	3.3	2¾% Treasury Gilt 2024 (issue confirmed, estimated size)		32k
24 Jul (Thu)	US	15.0	10-year TIPS	175k	
Weekly \$DV01 of Issuance				22.6	
Total Number of Futures Contracts					175k 32k 23k

The next release of the tentative outright Treasury operation schedule will be at 3 p.m. on June 30, 2014. Therefore we have not included Fed buybacks in this calendar.

Additional issues expected in July: Greece 7yr syndication (€3bn) and Spain 15yr syndication (€3bn). They are not included in the table above as the timing of these supply events have not been announced.

Source: DMOs, Citi Research

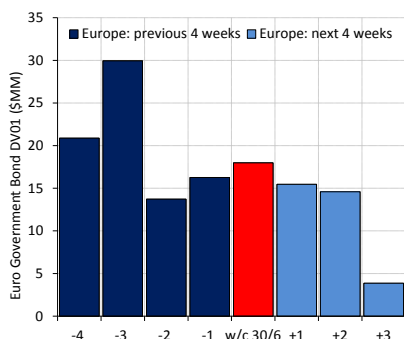
## Global Net Supply by Week (8 Week Period)

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

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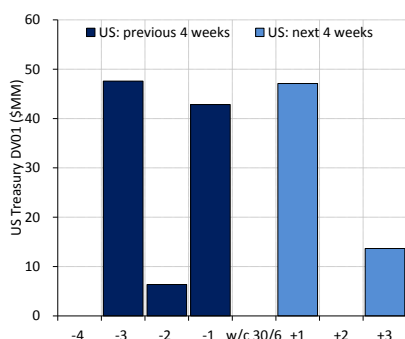
- Figure 3 to Figure 5 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the next week is shown in red. EGB issuance next week is expected to be the largest in the previous two and next four weeks (Figure 3).

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



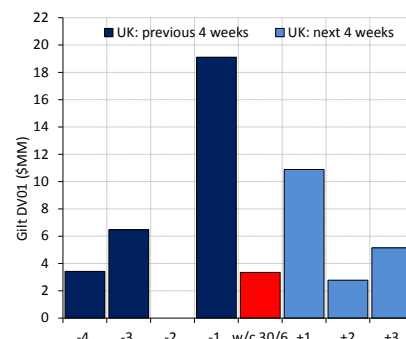
Source: DMOs, Citi Research

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)



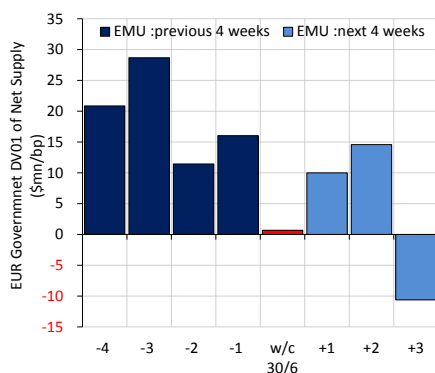
Source: DMO, Citi Research

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

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

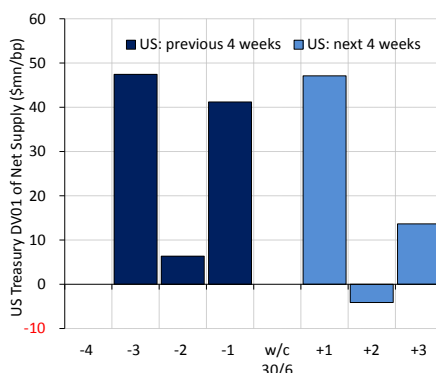
- Figure 6 to Figure 8 show the \$DV01 of projected net supply over the next four weeks and the previous four weeks.
- In net DV01 terms, EGB issuance is likely to be almost flat next week (Figure 6).

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



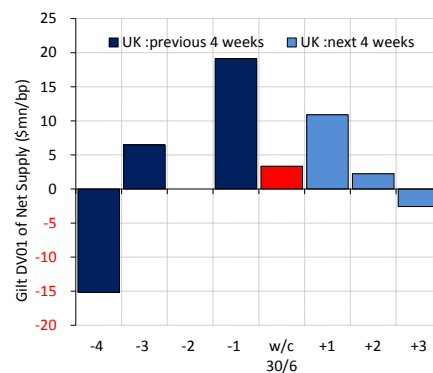
Source: DMOs, Citi Research estimates

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)



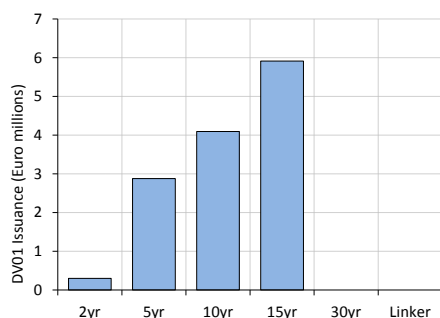
Source: DMO, Citi Research estimates

## Global Supply by Tenor (Next week)

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

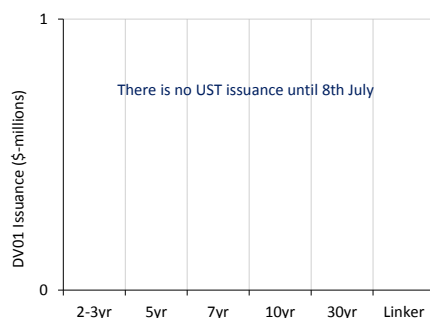
- The DV01 of the next week's euro issuance is expected to be around €13million/bp (Figure 9). The 15yr sector is likely to account for around 45% of next week's DV01.
- There is no UST issuance until 8<sup>th</sup> July (Figure 10).
- In the UK, the DMO will issue around £2million/bp of the 1.75% Treasury gilt 2019 next Tuesday (Figure 11).

Figure 9. EUR DV01: Split by Maturity (30<sup>th</sup> June –6<sup>th</sup> July)



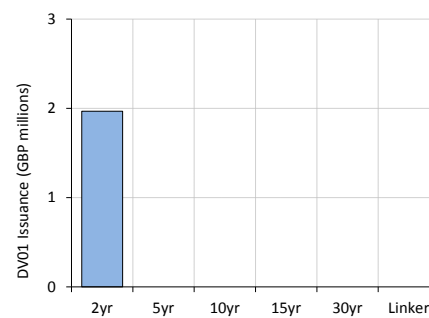
Source: DMOs, Citi Research

Figure 10. USD DV01: Split by Maturity (30<sup>th</sup> June –6<sup>th</sup> July)



Source: US Treasury, Citi Research

Figure 11. GBP DV01: Split by Maturity (30<sup>th</sup> June –6<sup>th</sup> July)

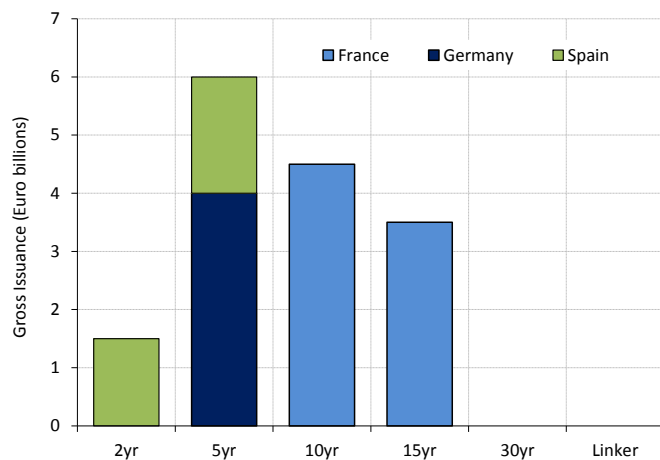


Source: DMO, Citi Research

### Euro Gross Supply and DV01 by Country & Maturity

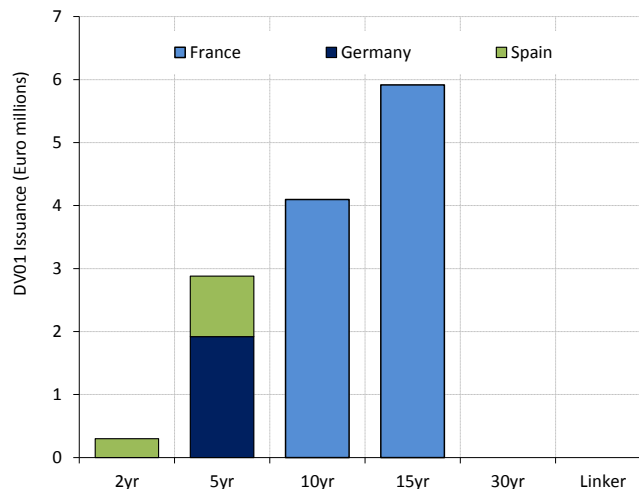
- In Europe, next week's supply comes from Germany (€4bn), France (estimated €8bn) and Spain (estimated €3.5bn) – Figure 12.
- Figure 13 shows the country and maturity split in DV01 terms. On this basis, France is expected to account for around three-quarters of next week's supply.

Figure 12. Euro Gross Issuance Next Week



Source: DMOs, Bloomberg, Citi Research

Figure 13. Euro DV01 Issuance Next Week

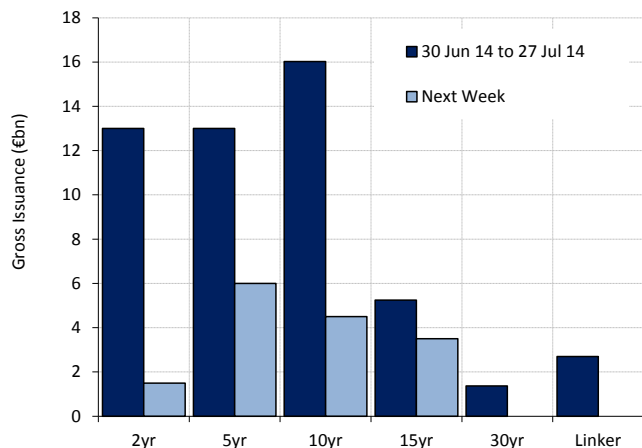


Source: DMOs, Bloomberg, Citi Research

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

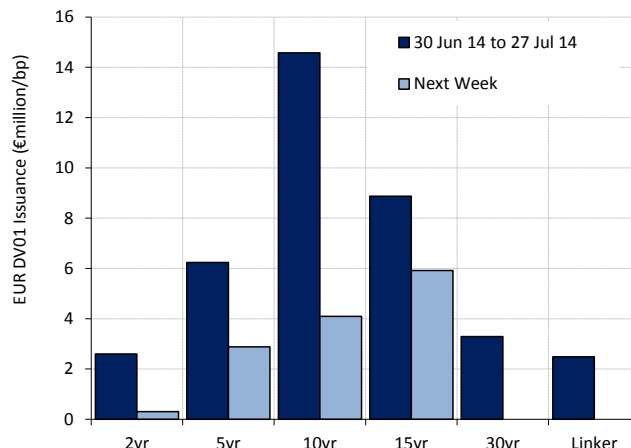
- Over the next four weeks, we expect the 10yr sector to account for around one-third of total gross issuance (around €51bn) -Figure 14.
- In DV01 terms as well, the 10yr sector is forecast to account for the maximum contribution at around 38% of total issuance (€38million/bp) over the next four weeks (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 3<sup>rd</sup> 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 3<sup>rd</sup> March. In other words, you don't wait for the money to hit your account to use it. Since we are trying to account for the impact of those payments we allocate them on a trade date basis, rather than settlement date.

**Settlement date basis:** The net cash requirement tables (Figure 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

Significant Bund coupons and redemptions eligible for reinvestment next week (on a trade-date basis)

- Germany typically pays significant coupons in January and July. Next week, there are €12.2bn of coupon payments and €25bn of redemptions from Germany and Finland available for reinvestment (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		
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
14 Jul				0.0				
21 Jul	4.2	1.7	0.7	1.7	1.2	2.9	12.3	16.4
<b>Total</b>	<b>12.7</b>	<b>6.5</b>	<b>3.3</b>	<b>4.4</b>	<b>3.5</b>	<b>2.9</b>	<b>33.4</b>	<b>89.1</b>

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 coupon payments or redemptions eligible for reinvestment over the next two weeks (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		
30 Jun								
07 Jul								
14 Jul	0.5					4.2	4.7	55.9
21 Jul								
<b>Total</b>	<b>0.5</b>					<b>4.2</b>	<b>4.7</b>	<b>55.9</b>

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 two weeks (on a trade-date basis)

- There are no gilt cash flows over the next two 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		
30 Jun								
07 Jul								
14 Jul						0.2	0.2	
21 Jul	1.0	0.4			1.5	0.6	3.5	
<b>Total</b>	<b>1.0</b>	<b>0.4</b>			<b>1.5</b>	<b>0.8</b>	<b>3.7</b>	

Source: Bloomberg, Citi Research

\*This table is on a trade-date basis

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

■ Figure 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			Coupons		Redemptions		WEEK 2			Coupons		Redemptions		
Week Beginning 30 Jun (Mon)								Week Beginning 07 Jul (Mon)						
		Austria								Austria	1.8	9.6		
		Belgium								Belgium				
		Germany	11.4		25.0					Germany				
		Finland	0.9							Finland				
	Coupons	France						Coupons		France	1.4	25.6		
2yr	3.7	Greece						2yr	4.8	Greece				
5yr	2.6	Ireland						5yr	2.2	Ireland				
10yr	1.3	Italy						10yr	1.3	Italy	0.4			
15yr	2.3	Netherlands						15yr	0.4	Netherlands	5.2	12.5		
30yr	2.3	Portugal						30yr		Portugal				
Linker		Spain						Linker		Spain				
	12.2		12.2		25.0			8.8		8.8	47.7			

WEEK 3			Coupons		Redemptions		WEEK 4			Coupons		Redemptions		
Week Beginning 14 Jul (Mon)								Week Beginning 21 Jul (Mon)						
		Austria								Austria				
		Belgium								Belgium				
		Germany								Germany				
		Finland								Finland				
	Coupons	France						Coupons		France	3.9			
2yr		Greece						2yr	4.2	Greece				
5yr		Ireland						5yr	1.7	Ireland				
10yr		Italy						10yr	0.7	Italy				
15yr	0.0	Netherlands						15yr	1.7	Netherlands				
30yr		Portugal						30yr	1.2	Portugal				
Linker		Spain						Linker	2.9	Spain	8.4	16.4		
	0.0		0.0		0.0			12.3		12.3	16.4			

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: very supportive for EGBs next week

- The euro NCR is very supportive for EGBs next week as an expected €15.5bn of gross supply is outweighed by €13.1bn of coupon payments and €38.9bn 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
30 Jun	15.5	13.1	2.4	38.9	-36.5
07 Jul	20.0		20.0		20.0
14 Jul	11.0	8.8	2.2	47.7	-45.5
21 Jul	16.3	3.8	12.5		12.5
<b>Total</b>	<b>62.8</b>	<b>25.7</b>	<b>37.1</b>	<b>86.6</b>	<b>-49.5</b>
<b>Average</b>	<b>15.7</b>	<b>6.4</b>	<b>9.3</b>	<b>21.6</b>	<b>-12.4</b>
<b>12m moving avg</b>	<b>16.9</b>	<b>3.8</b>	<b>13.1</b>	<b>10.6</b>	<b>2.5</b>

Source: DMOs, Citi Research, Bloomberg

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

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

US: slightly non-supportive for Treasuries next week

- The US NCR is slightly non-supportive for Treasuries next week as \$101bn of gross supply outweighs \$5.1bn of coupons and \$73.4bn of redemptions 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
30 Jun	101.0	5.1	95.9	73.4	3.8	18.7
07 Jul					3.8	-3.8
14 Jul	60.0	4.7	55.3	55.9	3.8	-4.3
21 Jul					3.8	-3.8
<b>Total</b>	<b>161.0</b>	<b>9.8</b>	<b>151.2</b>	<b>129.3</b>	<b>15.0</b>	<b>6.9</b>
<b>Average</b>	<b>40.3</b>	<b>2.4</b>	<b>37.8</b>	<b>32.3</b>	<b>3.8</b>	<b>1.7</b>
<b>12m ma</b>	<b>41.8</b>	<b>2.6</b>	<b>39.2</b>	<b>26.3</b>	<b>6.9</b>	<b>6.0</b>

Source: US Treasury, Citi Research, Bloomberg

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

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

UK: 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 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
30 Jun	4.0		4.0			4.0
07 Jul	2.4		2.4			2.4
14 Jul	1.5	0.2	1.3			1.3
21 Jul	3.3	3.1	0.2			0.2
<b>Total</b>	<b>11.2</b>	<b>3.3</b>	<b>7.9</b>			<b>7.9</b>
<b>Average</b>	<b>2.8</b>	<b>0.8</b>	<b>2.0</b>			<b>2.0</b>
<b>12m moving avg</b>	<b>2.8</b>	<b>0.9</b>	<b>1.9</b>	<b>1.2</b>		<b>0.6</b>

Source: DMO, Citi Research, Bloomberg

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



## ESP and ITA Bill Issuance Projections

This page contains our projections for Spanish and Italian bill supply in 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 2	10 Jul (Thu)	Italy	12 month (14 July 2015; issue confirmed, estimated size)	7
Total Size in Week 2				7.0
Week 3	15 Jul (Tue)	Spain	6month (23 January 2015) and 12month (new bill) - tenors confirmed, estimated issue and size	5
Total Size in Week 3				5.0
Week 4	22 Jul (Tue)	Spain	3month (17 October 2014) and 9month (10 April 2015) - tenors confirmed, estimated issue and size	3.75
Total Size in Week 4				3.8

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	2.6	4.6		9	14	-5
Jul	1.3	1.0	2.8	4.5		10	8	2
Aug	1.3	1.0	2.8	4.0		9	8	1
Sep	1.0	1.0	2.8	3.8		9	7	1
Oct	1.0	1.0	2.8	3.8		9	9	-1
Nov	1.0	1.0	2.8	3.8		9	8	
Dec	1.0	1.0	2.8	3.8		9	7	2
Total	12.5	12.5	30.3	45.8		101	110	-9

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		7.0		15	15	
Aug		7.5		8.0		16	17	-2
Sep		7.0		8.5		16	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		91.9		91.7		184	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 = €185bn										
	DEU 40	FRA 41	NLD 13	ITA 60	ESP 16	BEL 0	AUT 10	FIN 7	PRT 0	GRC 0	IRL 0
(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										
(Mon) 15-Sep-14				18.4				6.5			
(Thu) 25-Sep-14		15.0									

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

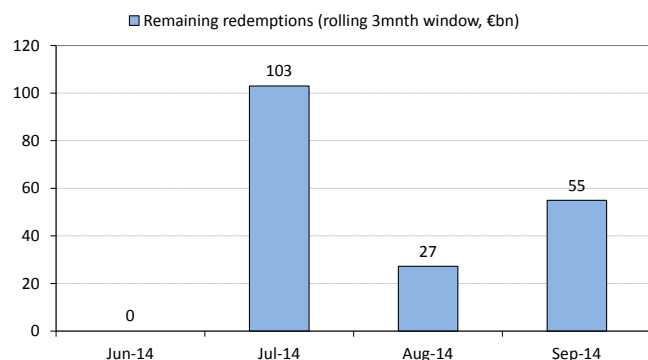
Figure 26. EMU-11 Coupon payments over the next three months (€bn)

Coupons	Coupons = €56bn										
	DEU 13	FRA 5	NLD 5	ITA 19	ESP 8	BEL 0	AUT 3	FIN 1	PRT 0	GRC 0	IRL 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									
(Sun) 27-Jul-14		0.0									
(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										
(Mon) 15-Sep-14				2.0			1.3	0.6			
(Sat) 20-Sep-14	0.0										0.0
(Thu) 25-Sep-14		0.1									

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

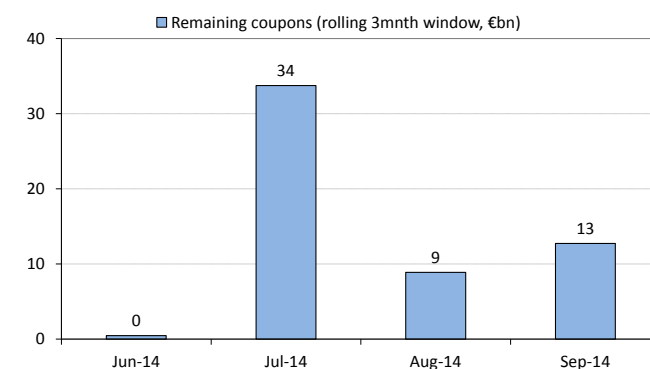
Figure 27. EMU-11 remaining redemptions over the next 3months (€bn)



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)

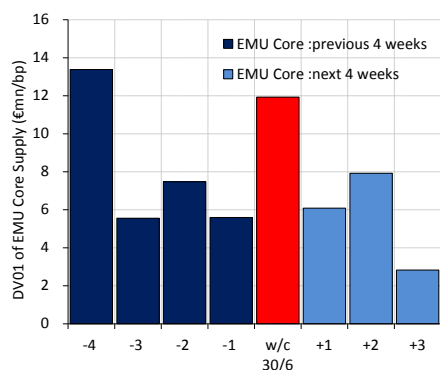
Figure 29 to Figure 31 show the projected EUR DV01 of core bond issuance, coupon payments and net issuance for the next four weeks and also the previous four weeks. Figure 32 to Figure 34 show the similar breakup for non-core issuance.

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

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

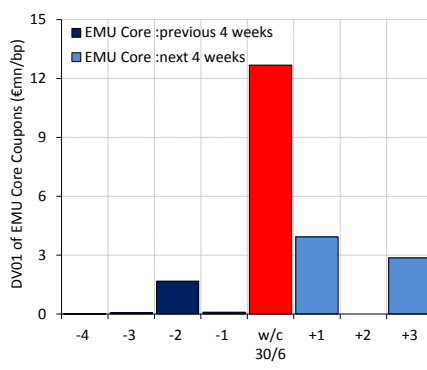
- Net core issuance will be negative next week due to significant core coupon payments (Figure 30 and Figure 31).

Figure 29. Estimated €DV01 of Core Bond Issuance



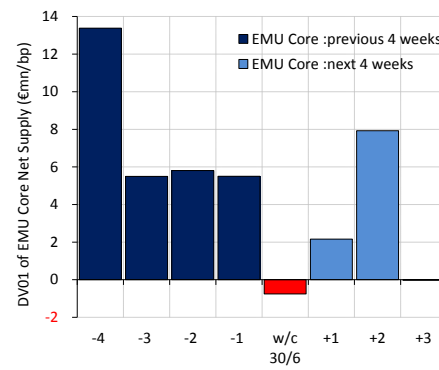
Source: DMOs, Citi estimates

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



Source: DMOs, Citi estimates

Figure 31. Estimated €DV01 of Net Core Issuance



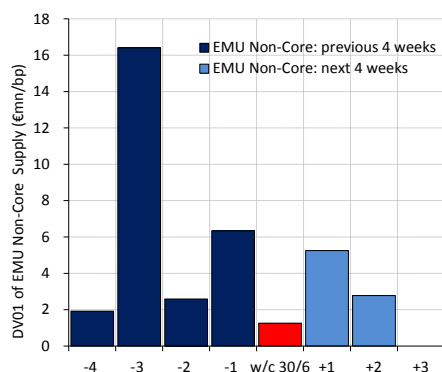
Source: DMO, Citi estimates

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

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

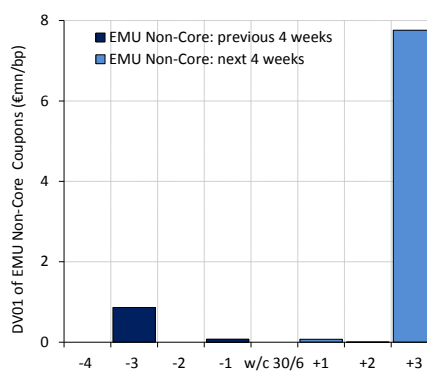
- Net non-core issuance is also likely to be relatively small next week (Figure 33).

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



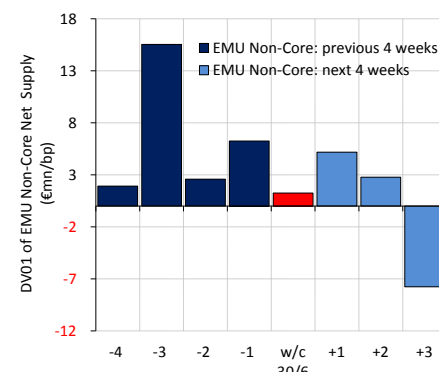
Source: DMOs, Citi estimates

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 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		4.0	4.5	3.5			12.0
Coupons	3.7	2.6	1.3	2.3	2.3		12.2
Net Supply	-3.7	1.4	3.2	1.2	-2.3		-0.2

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		1.9	4.1	5.9			11.9	16.3	+97	+208
Coupons	0.7	1.3	1.2	3.9	5.6		12.7	17.3	+103	+222
Net Supply	-0.7	0.7	2.9	2.0	-5.6		-0.8	-1.0	-6	-13
Number of RX Futures (x1000)	-6	+5	+24	+16	-45					
Number of TY Futures (x1000)	-13	+12	+51	+35	-98					

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	1.5	2.0					3.5
Coupons							
Net Supply	1.5	2.0					3.5

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	0.3	1.0					1.3	1.7	+10	+22
Coupons										
Net Supply	0.3	1.0					1.3	1.7	+10	+22
Number of RX Futures (x1000)	+2	+8								
Number of TY Futures (x1000)	+5	+17								

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							
Coupons							
Net Supply							

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										
Net Supply										
Number of RX Futures (x1000)										
Number of TY Futures (x1000)										

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	4.0						4.0
Coupons							
Net Supply	4.0						4.0

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	0.9						1.1	1.6	+9	+20
Coupons										
Net Supply	0.9						1.1	1.6	+9	+20
Number of RX Futures (x1000)	+9									
Number of TY Futures (x1000)	+20									

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	0.0	1.6	5.0	0.0	0.0	14	7	7	0		7	
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	4.0			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	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	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				Gross Supply (£bn)				Tickers used in our supply estimates						
	2012	2013	2014		2012	2013	2014							
EMU-11 (£bn)	829	853	882	Germany	184	183	172	Schatz, Bobl, Bund, Bunde, Boblei						
				France	201	192	195	OAT, BTAN, BTANI, OATi, OATei						
				Italy	205	213	244	BTP, BTPei, CCT, CTZ						
				Spain	98	126	133	Bono, Obligaciones						
				Netherlands	60	52	50	DSL						
				Belgium	43	40	31	OLO						
				Austria	21	22	23	RAGB						
				Finland	11	12	11	RFGB						
				Ireland	5	8	8	IRLD						
				Portugal		6	10	OT						
				Greece			6	HELR						

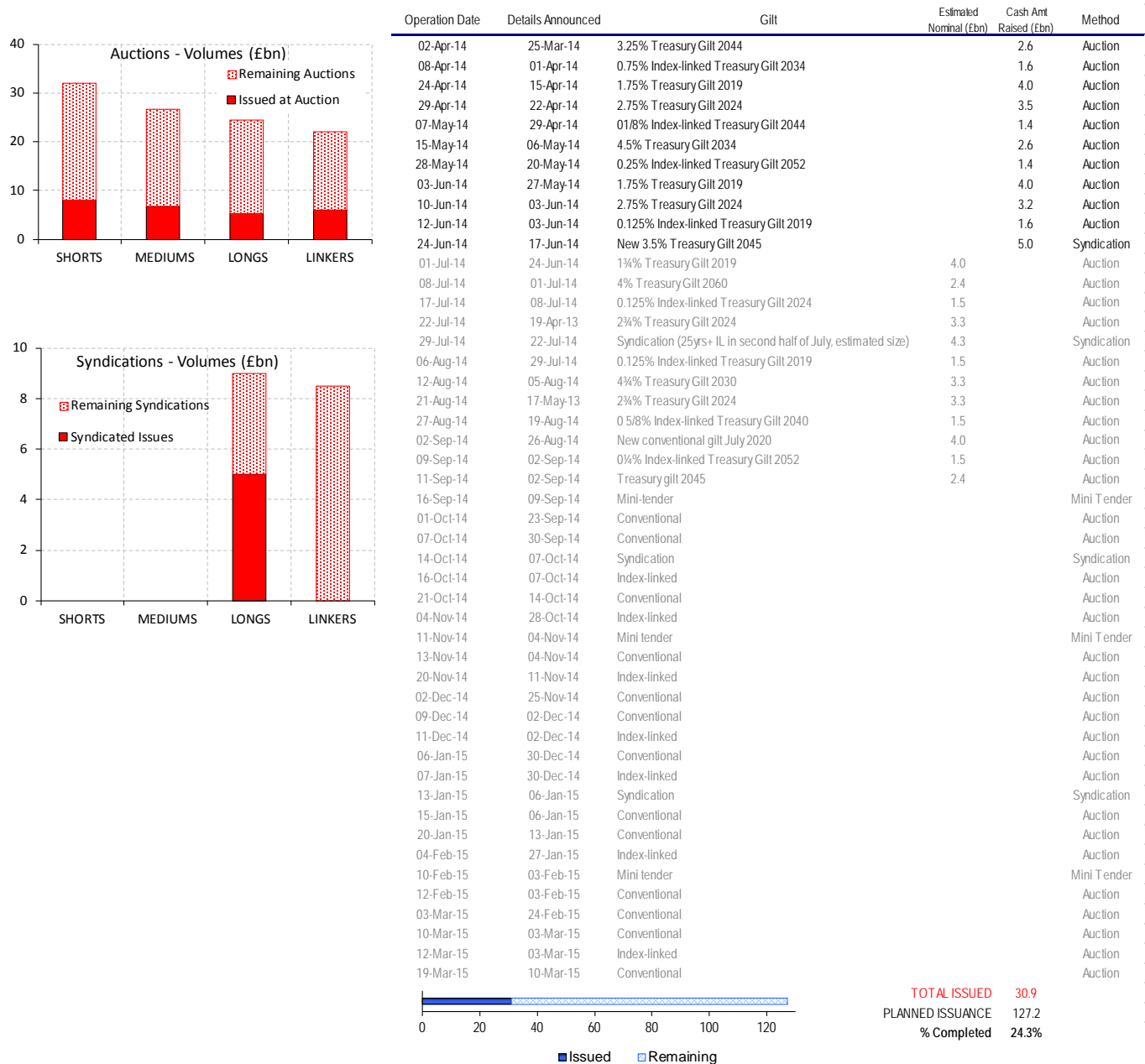
\*UK supply forecasts on financial year basis (cash amt)

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	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	18.8	21.4	26.8	2.7	2.7	5.5	78	5	73	33	40
Jul	16.0	17.8	19.8	8.3	1.4	3.9	67	42	25	116	-91
Aug	13.8	13.8	12.0			1.3	41	8	33		33
Sep	20.3	25.8	21.0	4.0	3.9	6.9	82	9	73	80	-7
Oct	18.1	19.1	22.7	2.7	4.3	3.9	71	34	37	76	-40
Nov	15.0	21.8	20.6	1.8	3.0	3.9	66	3	63	27	36
Dec	8.0	9.8	9.2	1.5			29	1	28	29	-1
Total	202	255	271	62	38	54	882	198	684	581	104

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	4	4	3	2		4	17		17		17
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	37.7	55.4	50.5	24.4	8.7	18.3	195	43	152	104	48

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	6.8	5.5	7.4		1.2	1.0	22	1	21	14	7
Jul	6.3	3.8	5.3	1.8		1.3	18	9	9	27	-18
Aug	7.0	3.8	7.3			1.3	19	8	12		12
Sep	6.8	3.8	4.8		1.0	1.3	18	2	15	33	-17
Oct	6.0	3.5	4.3		1.0	1.3	16	7	9		9
Nov	6.0	3.0	7.0	1.8		1.3	19	2	17	27	-10
Dec	4.0	1.5	4.0				10	1	9	15	-6
Total	75.3	58.8	70.7	14.2	8.1	16.7	244	57	187	192	-5

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	1.8	4.3	1.5	3.0			11	8	2	16	-14
Aug	1.8	3.0					5		5		5
Sep	5.0	3.0	2.5	1.5		3.0	15		15		15
Oct	1.8	3.0	1.8		0.8		7	7	1	22	-21
Nov		5.0	1.5				7		6		6
Dec		2.5	1.5				4		4		4
Total	21.4	48.9	38.9	14.3	1.6	8.0	133	29	104	52	52

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				0.8		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		5.0		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			1.0	0.5	0.7		2	2	1		1
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	14.1	6.6	3.4		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			0.8		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)

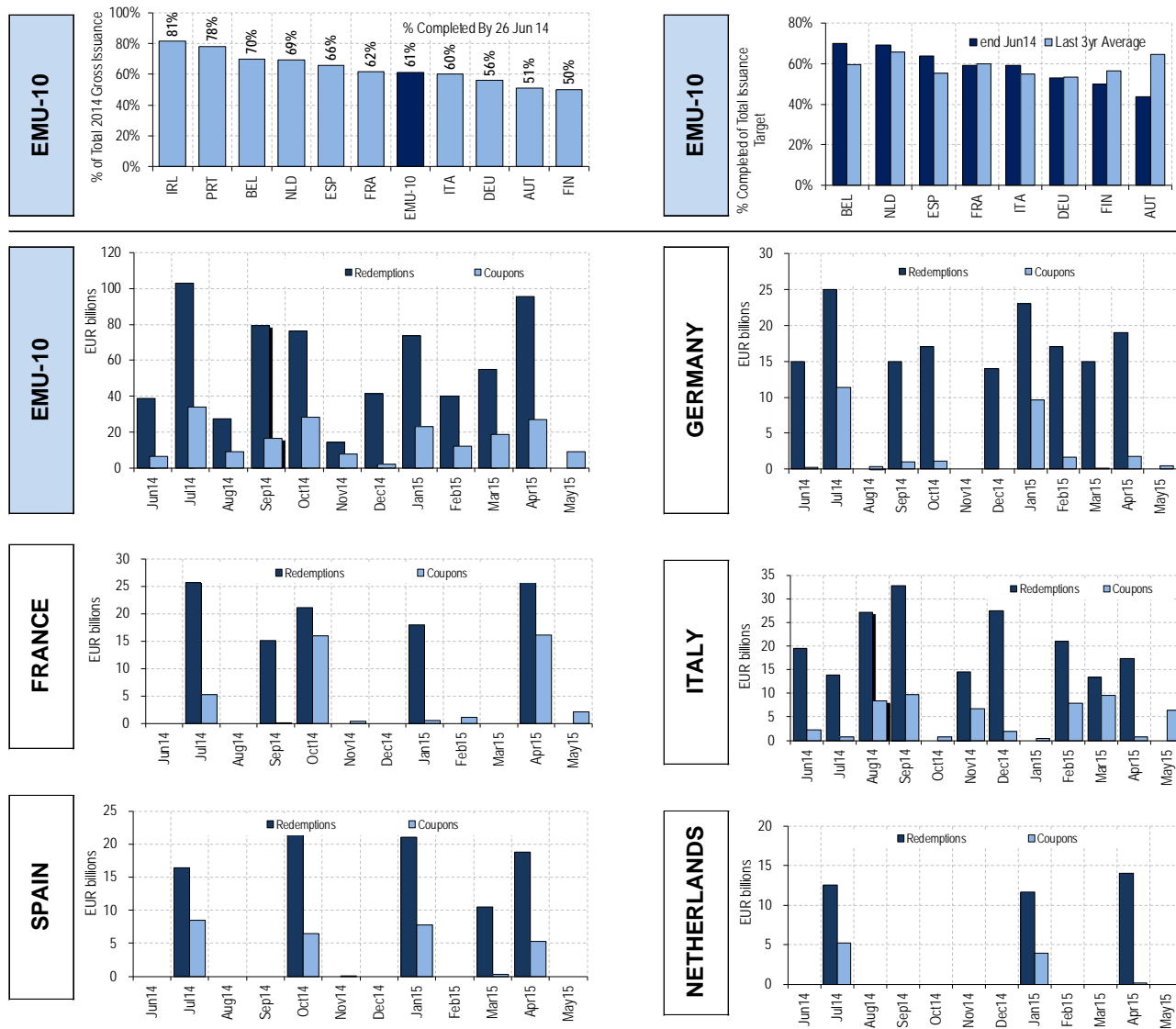
<b>FINLAND</b>	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			4.0				4		4		4
Feb											
Mar											
Apr								1	-1		-1
May			1.0		0.5		2		2		2
Jun											
Jul								1	-1		-1
Aug		4.0					4		4		4
Sep								1	-1	7	-7
Oct		1.0			0.5		2		2		2
Nov											
Dec											
Total		5.0	5.0		1.0		11	2	9	7	2
<b>IRELAND</b>	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
<b>PORTUGAL</b>	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
<b>GREECE</b>	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											
Jul		3.0					3		3		3
Aug											
Sep											
Oct											
Nov											
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

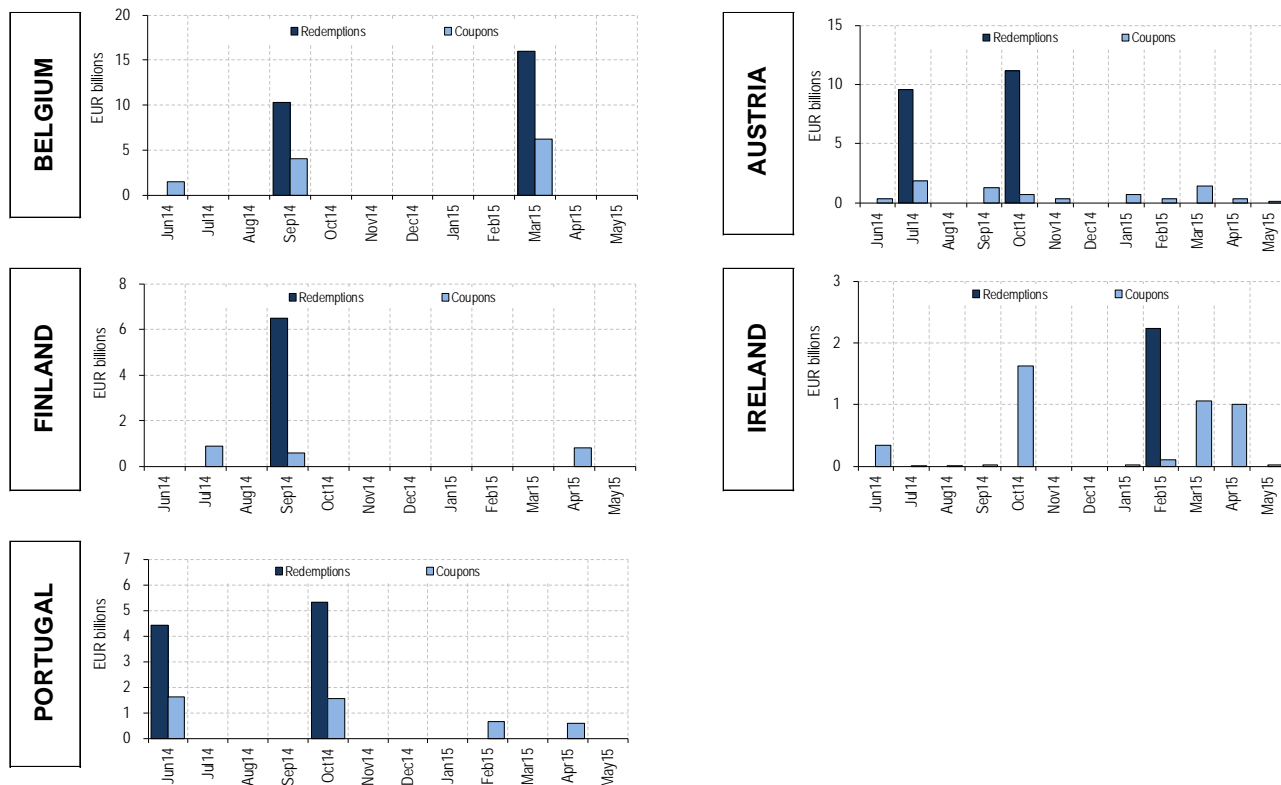
Figure 48. 2014 EMU Issuance Progress and Cash flow profile – Citi Forecasts (EUR Billions)



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					Total
	2yr	5yr	10yr	15yr	30yr	
Germany	455	275	205	85	89	1109
France	485	349	292	144	95	1364
Netherlands	126	75	71	23	33	328
Italy	604	356	297	162	102	1521
Spain	265	184	119	57	46	670
Belgium	93	63	76	50	19	300
Austria	63	50	52	11	21	197
Finland	29	23	21	4	4	80
Ireland	19	45	23	0	1	88
Portugal	34	38	15	0	7	94

	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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