

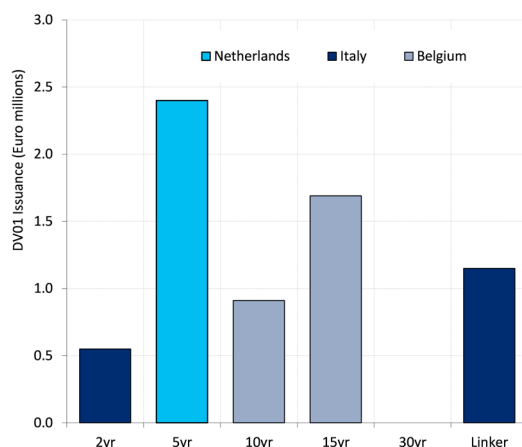
Weekly Supply Monitor

Euro, UK and US Supply Outlook

- **Europe:** EGB supply comes from Belgium (estimated €2bn), the Netherlands (minimum €4bn) and Italy (estimated €4bn) next week. The net cash requirement is supportive for EGBs with €4.1bn of coupons and €39.6bn of redemptions across Belgium, France and Italy eligible for reinvestment next week.
- **US:** The US Treasury will issue an estimated \$106bn across the 2yr, 5yr and 7yr sectors and 2yr FRNs. There are no UST cash flows next week.
- **UK:** There is no gilt supply or cash flows eligible for reinvestment next week.
- **Spanish and Italian bill supply:** Spain will issue an estimated €3.75bn across 3-month and 9-month bills on Tuesday. Italy will issue an estimated €7.5bn of 6-month bills on Friday.

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Figure 1. EMU-11 DV01 issuance next week (€million/bp)



Source: DMOs, 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		
					TYZ4 (UST)	G Z4 (Gilt)	RXZ4 (Bund)
22 Sep (Mon)	Belgium	2.0	OLO 2.6% Jun24 and 3% Jun34 (issue confirmed, estimated size)				21k
23 Sep (Tue)	US	29.0	2-year		92k		
23 Sep (Tue)	US	1.6 - 1.9	Outright Treasury Coupon Purchases: 30-6-2019 - 31-5-2020		-10k		
24 Sep (Wed)	Netherlands	5.0	New DSL Jan20 via DDA (issue confirmed, size min €4bn)				20k
24 Sep (Wed)	US	13.0	2-Year FRN (re-opening)		41k		
24 Sep (Wed)	US	35.0	5-year		186k		
24 Sep (Wed)	US	0.95 - 1.15	Outright Treasury Coupon Purchases: 15-2-2036 - 15-8-2044		-25k		
25 Sep (Thu)	Italy	2.8	CTZ Aug16 (estimated issue and size)				5k
25 Sep (Thu)	Italy	1.3	BTPei (estimated size)				9k
25 Sep (Thu)	US	29.0	7-year		221k		

Weekly \$DV01 of Issuance

48.5

Total Number of Futures Contracts

505k

0k

55k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ4 (UST)	G Z4 (Gilt)	RXZ4 (Bund)
29 Sep (Mon)	Italy	7.3	BTP 1.5% Aug19 and Dec24 (estimated issue and size)				46k
29 Sep (Mon)	Italy	1.5	CCTeu (estimated size)				6k
29 Sep (Mon)	US	2 - 2.5	Outright Treasury Coupon Purchases : 15-11-2021 - 15-8-2024		-27k		
29 Sep (Mon)	UK	1.5	Gilt APF reinvestment 3-7yrs			-8k	
30 Sep (Tue)	UK	1.3	Mini-tender (estimate)			3k	
30 Sep (Tue)	UK	1.6	Gilt APF reinvestment 15yrs+			-32k	
01 Oct (Wed)	Germany	5.0	Bund Aug24 re-opening (issue and size confirmed)				37k
01 Oct (Wed)	UK	4.0	2% Treasury Gilt 2020 (issue confirmed, estimated size)			24k	
01 Oct (Wed)	UK	1.6	Gilt APF reinvestment 7-15yrs			-15k	
02 Oct (Thu)	France	8.0	OAT 10yr and 15yr (estimated tenors and size)				77k
02 Oct (Thu)	Spain	3.5	Bono 5yr and 15yr (estimated tenors and size)				29k

Weekly \$DV01 of Issuance

24.3

Total Number of Futures Contracts

-27k

-27k

194k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ4 (UST)	G Z4 (Gilt)	RXZ4 (Bund)
06 Oct (Mon)	UK	1.5	Gilt APF reinvestment 3-7yrs			-8k	
07 Oct (Tue)	Austria	6.0	RAGB 5yr and 30yr (estimated tenors and size)				63k
07 Oct (Tue)	UK	2.3	3.5% Treasury Gilt 2045 (issue confirmed, estimated size)			52k	
07 Oct (Tue)	US	27.0	3-Year		86k		
07 Oct (Tue)	UK	1.6	Gilt APF reinvestment 15yrs+			-32k	
08 Oct (Wed)	Germany	4.0	Bobl Oct19 re-opening (issue and size confirmed)				16k
08 Oct (Wed)	US	21.0	10-Year (re-opening)		226k		
08 Oct (Wed)	UK	1.6	Gilt APF reinvestment 7-15yrs			-15k	
09 Oct (Thu)	US	13.0	30-year (re-opening)		288k		

Weekly \$DV01 of Issuance

59.3

Total Number of Futures Contracts

600k

-2k

79k

Date	Country	Nominal Size (Local Ccy, bn)	Issue Details	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ4 (UST)	G Z4 (Gilt)	RXZ4 (Bund)
13 Oct (Mon)	Italy	6.5	BTP 3yr, 7yr and 30yr (estimated tenor and size)				46k
14 Oct (Tue)	Germany	2.0	New 5yr Boblei (estimated issue and size)				15k
14 Oct (Tue)	Netherlands	2.3	DSL 3yr				4k
15 Oct (Wed)	Germany	4.0	Schatz Sep16 re-opening (issue and size confirmed)				7k
16 Oct (Thu)	France	9.6	OAT 2yr and 5yr, index-linked OAT (estimated tenors and size)				35k
16 Oct (Thu)	UK	1.3	0.125% Index-linked Treasury Gilt 2024 (issue confirmed, estimated size)			15k	

Weekly \$DV01 of Issuance

19.2

Total Number of Futures Contracts

0k

15k

107k

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

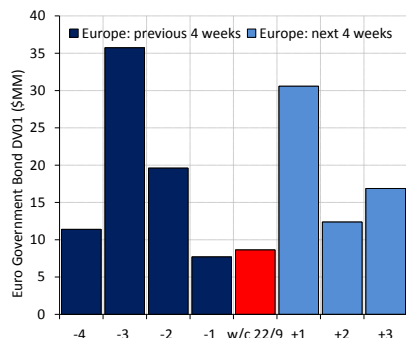
Source: DMOs, Citi Research

Global Supply by Week (8 Week Period)

DV01 of supply: EMU, UST & gilts by week

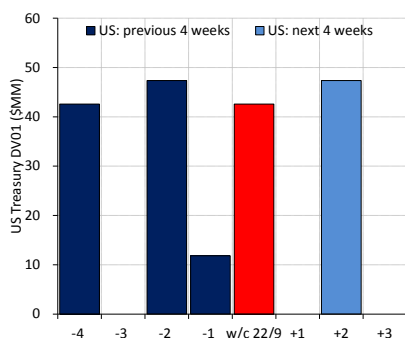
- Figure 3 to Figure 5 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the next week is shown in red. There is no gilt issuance next week. EGB supply next week is also relatively low in context of the previous four and next four weeks.

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



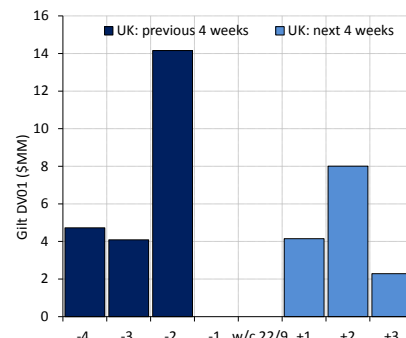
Source: DMOs, Citi Research

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)

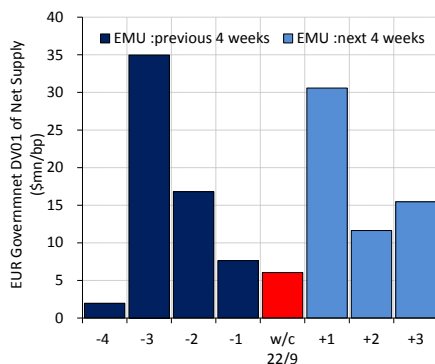


Source: DMO, Citi Research

DV01 of net supply (gross supply – coupons)

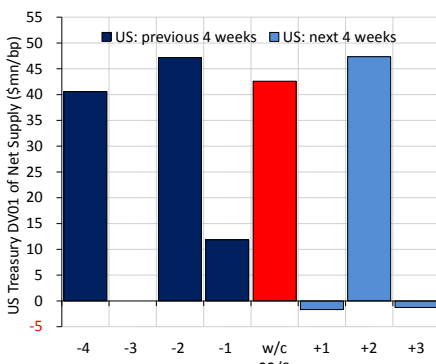
- Figure 6 to Figure 8 show the \$DV01 of projected net supply over the next four weeks and the previous four weeks.
- In net DV01 terms, next week's EGB supply is expected to be the lowest in the next four weeks.

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



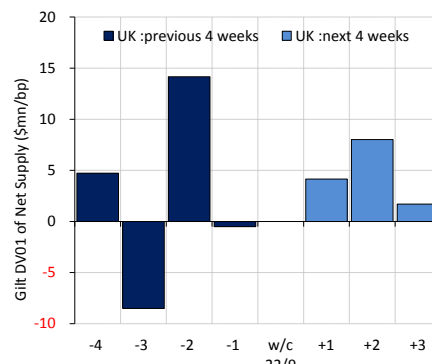
Source: DMOs, Citi estimates

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)



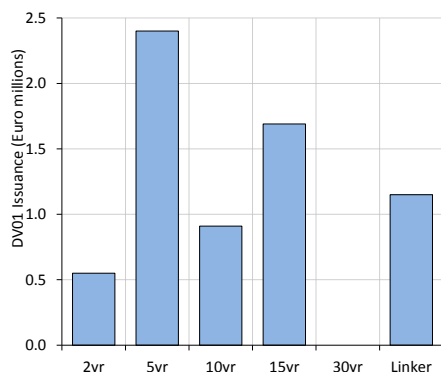
Source: DMO, Citi estimates

Supply next week: break-up by tenor

DV01 of EUR, UST and gilt issuance by maturity

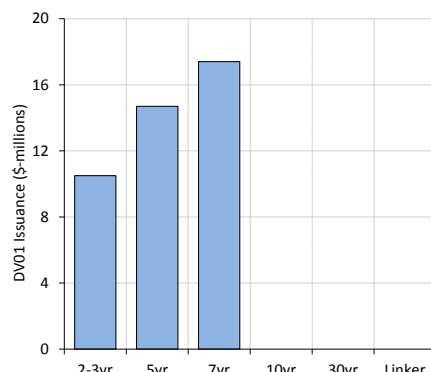
- We expect around €6.5million/bp of euro supply next week. One-third of this is expected to come in the 5yr sector (Figure 9).
- The US Treasury will issue around \$42million/bp across the 2yr, 5yr and 7yr sectors and 2yr FRNs (Figure 10).
- There is no gilt issuance next week (Figure 11).

Figure 9. EUR DV01: Split by Maturity (22nd – 28th September)



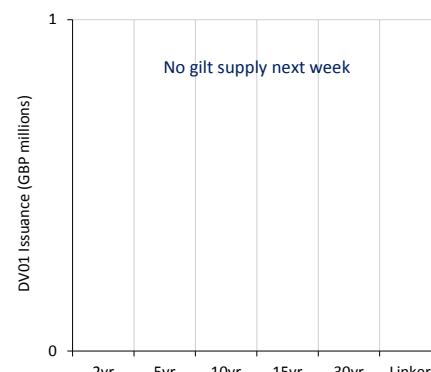
Source: DMOs, Citi Research

Figure 10. USD DV01: Split by Maturity (22nd – 28th September)



Source: US Treasury, Citi Research

Figure 11. GBP DV01: Split by Maturity (22nd – 28th September)

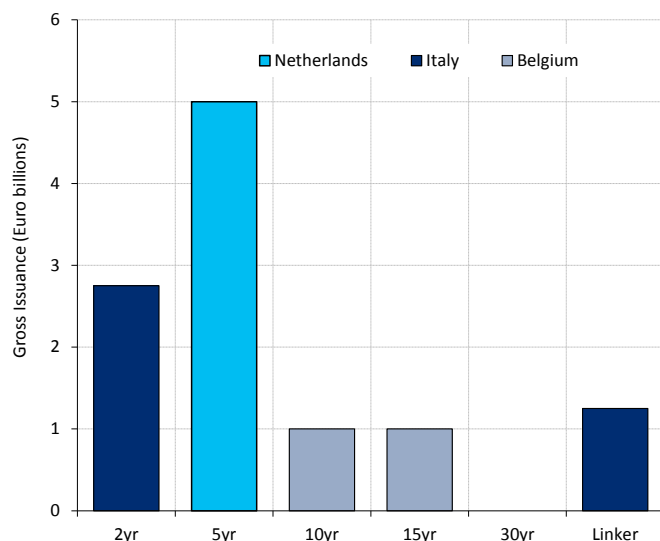


Source: DMO, Citi Research

Euro gross supply and DV01 by country & maturity

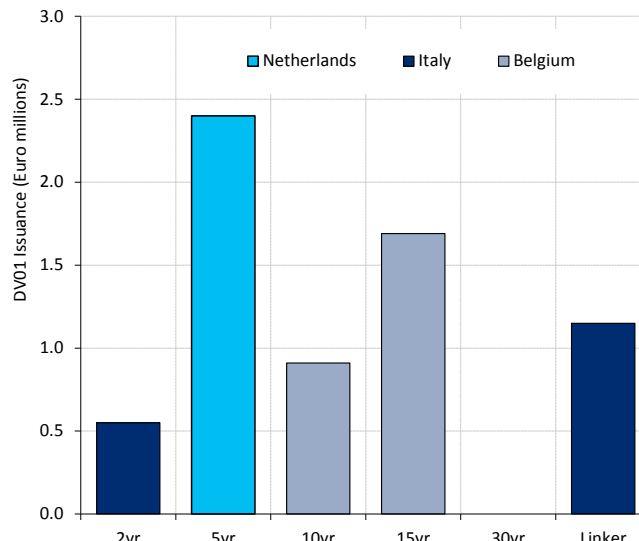
- In Europe, next week's supply comes from Belgium (estimated €2bn), the Netherlands (minimum €4bn) and Italy (estimated €4bn) – Figure 12.
- In DV01 terms, Belgium (around €2.5million/bp) is likely to account for around 40% of next week's supply (€6.5million/bp) - Figure 13.

Figure 12. Euro Gross Issuance next week



Source: DMOs, Bloomberg, Citi Research

Figure 13. Euro DV01 Issuance next week

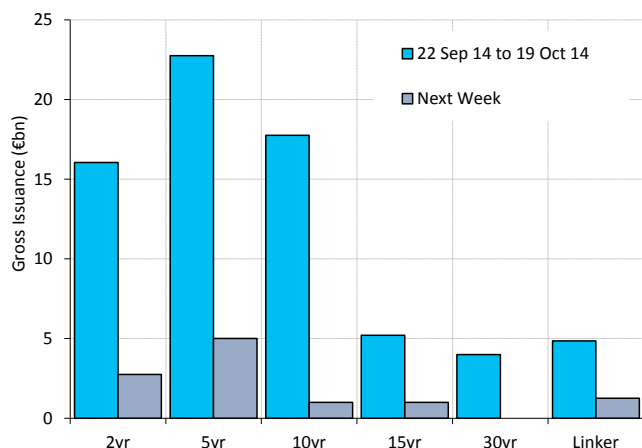


Source: DMOs, Bloomberg, Citi Research

Expected euro issuance by maturity for the next 4 weeks

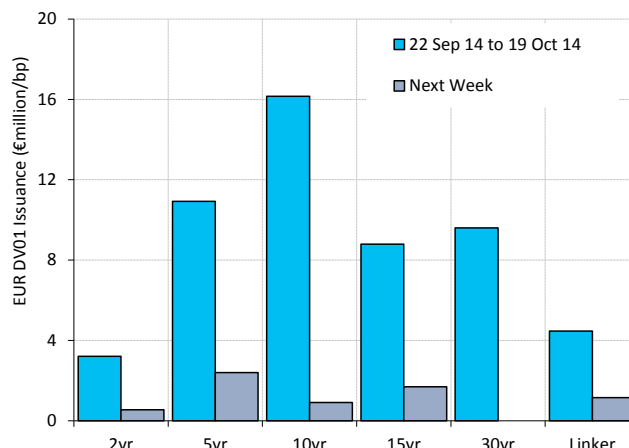
- Over the next four weeks, the 5yr sector is expected to account for maximum supply at around €23billion, approximately 32% of the total supply over this period (estimated €71billion) - Figure 14.
- In DV01 terms, the 10yr sector is expected to contribute the maximum (€16million/bp). This is around 30% of total issuance (estimated €53million/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 *Weekly Supply Monitor* coupons and redemption payments are allocated on a trade date basis *except in the cash flow tables* below. 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 24th February) 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

- There are €4.1bn of coupons and €39.6bn of redemptions across Belgium, France and Italy eligible for reinvestment next week (Figure 16 and Figure 19).

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

Week Commencing	Coupon Payments							Redemptions
	2yr	5yr	10yr	15yr	30yr	Linker	Total	
22 Sep	1.9	1.0	1.3				4.1	39.6
29 Sep								
06 Oct	2.4	0.2					2.6	22.1
13 Oct	1.2	1.3	0.2				2.8	11.1
Total	5.5	2.5	1.5				9.5	72.8

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

US coupons and redemptions for the next four weeks

- There are no UST coupons 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							Redemptions
	2-3yr	5yr	7yr	10yr	30yr	Linker	Total	
22 Sep								
29 Sep	2.9	1.4	0.6				4.9	75.7
06 Oct								
13 Oct	0.5					0.2	0.6	32.0
Total	3.4	1.4	0.6			0.2	5.6	107.7

Source: Bloomberg, Citi Research

*This table is on a trade-date basis

UK coupons and redemptions for the next four weeks

- There are no gilt coupon payments or redemptions eligible for reinvestment next week (Figure 18).

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

Week Commencing	Coupon Payments							Redemptions
	2yr	5yr	10yr	15yr	30yr	Linker	Total	
22 Sep								
29 Sep								
06 Oct								
13 Oct						0.3	0.3	
Total						0.3	0.3	

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 22 Sep (Mon)			Coupons	Redemptions	Week Beginning 29 Sep (Mon)			Coupons	Redemptions
		Austria					Austria		
		Belgium	4.0	10.3			Belgium		
		Germany					Germany		
		Finland					Finland		
Coupons		France	0.1	15.0	Coupons		France		
2yr	1.9	Greece			2yr		Greece		
5yr	1.0	Ireland			5yr		Ireland		
10yr	1.3	Italy		14.3	10yr		Italy		
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal			30yr		Portugal		
Linker		Spain			Linker		Spain		
			4.1	39.6				0.0	0.0
WEEK 3					WEEK 4				
Week Beginning 06 Oct (Mon)			Coupons	Redemptions	Week Beginning 13 Oct (Mon)			Coupons	Redemptions
		Austria					Austria	0.7	11.1
		Belgium					Belgium		
		Germany	1.2	17.0			Germany		
		Finland					Finland		
Coupons		France			Coupons		France		
2yr	2.4	Greece			2yr	1.2	Greece		
5yr	0.2	Ireland			5yr	1.3	Ireland	1.6	
10yr		Italy	0.8		10yr	0.2	Italy		
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal	0.7	5.1	30yr		Portugal	0.5	
Linker		Spain			Linker		Spain		
			2.6	22.1				2.8	11.1

Source: Citi Research, Bloomberg

Global Net Cash Requirement (Next 4 Weeks)

The three tables on this page show the upcoming gross and net supply, coupons and redemptions, and the resultant net cash requirement (NCR) for each of the next four weeks. All three tables are on a settlement date basis.

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

- The euro NCR is neutral for EGBs next week on a settlement date basis as €15.1bn of gross supply settling next week is offset by €0.2bn of coupons and €15bn 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
22 Sep	15.1	0.2	14.9	15.0	-0.2
29 Sep	22.8	4.0	18.7	24.6	-5.8
06 Oct	21.5	0.7	20.7	17.0	3.7
13 Oct	14.8	2.4	12.4	5.1	7.3
Total	74.1	7.3	66.8	61.7	5.1
Average	18.5	1.8	16.7	15.4	1.3
12m moving avg	16.9	3.7	13.3	10.9	2.3

Source: DMOs, Citi Research, Bloomberg

*This table is on a settlement-date basis

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

- The NCR is non-supportive for Treasuries over the next two weeks as around \$119bn of gross supply outweighs \$4.9bn of coupons, \$75.7bn of redemptions and around \$5.3bn 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
22 Sep	13.0		13.0		2.8	10.2
29 Sep	106.0	4.9	101.1	75.7	2.5	22.8
06 Oct					2.5	-2.5
13 Oct	61.0	0.6	60.4	32.0	2.5	25.9
Total	180.0	5.6	174.4	107.7	10.3	56.4
Average	45.0	1.4	43.6	26.9	2.6	14.1
12m ma	42.1	2.6	39.5	26.9	6.2	6.5

Source: US Treasury, Citi Research, Bloomberg

*This table is on a settlement-date basis

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

- The UK NCR is slightly supportive for linkers next week on a settlement date basis thanks to £0.2bn of IL coupon payments 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
22 Sep		0.2	-0.2			-0.2
29 Sep	5.3		5.3		4.8	0.5
06 Oct	2.3		2.3		4.8	-2.6
13 Oct	1.3	0.3	1.0			1.0
Total	8.9	0.5	8.4		9.6	-1.2
Average	2.2	0.1	2.1		3.2	-0.3
12m moving avg	2.7	0.9	1.8	1.6		0.2

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	23 Sep (Tue)	Spain	3month (12 December 2014) and 9month (19 June 2015) - tenors confirmed, estimated issue and size	3.75
	26 Sep (Fri)	Italy	6 month (31 March 2015; issue confirmed, estimated size)	7.5
Total Size in Week 1				11.3
Week 3	10 Oct (Fri)	Italy	12 month (14 October 2015; issue confirmed, estimated size)	8
Total Size in Week 3				8.0
Week 4	14 Oct (Tue)	Spain	6month (10 April 2015) and 12month (new bill) - tenors confirmed, estimated issue and size	5
Total Size in Week 4				5.0

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	0.9	0.9	3.0	4.6		9	14	-4
Jul	0.6	1.0	2.1	4.1		8	8	
Aug	1.1	1.0	2.4	3.6		8	8	
Sep	1.0	1.2	2.8	3.8		9	7	1
Oct	1.0	1.0	2.8	4.0		9	9	
Nov	1.0	1.0	2.8	4.0		9	8	1
Dec	1.0	1.0	2.8	4.0		9	7	2
Total	11.8	12.7	29.6	45.7		100	110	-10

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		7.2		7.2		14	15	-1
Aug		7.5		7.7		15	17	-2
Sep		7.5		9.1		17	18	-1
Oct		7.5		8.0		16	17	-1
Nov		7.5		7.5		15	14	1
Dec		7.0		7.0		14	14	
Total		92.3		93.1		185	197	-12

*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 = €157bn											
Redemptions	DEU 31	FRA 36	NLD 0	ITA 41	ESP 22	BEL 10	AUT 11	FIN 0	PRT 5	GRC 0	IRL 0
(Thu) 25-Sep-14		15.0									
(Sun) 28-Sep-14						10.3					
(Tue) 30-Sep-14				14.3							
(Fri) 10-Oct-14	17.0										
(Wed) 15-Oct-14									5.1		
(Mon) 20-Oct-14							11.1				
(Sat) 25-Oct-14		21.1									
(Fri) 31-Oct-14					21.8						
(Sat) 15-Nov-14				14.5							
(Mon) 01-Dec-14				12.3							
(Fri) 12-Dec-14	14.0										

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

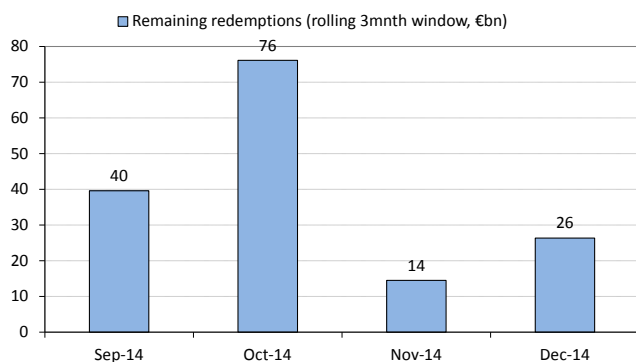
Figure 26. EMU-11 Coupon payments over the next three months (€bn)

Coupons	Coupons = €43bn									
	DEU 1	FRA 17	NLD 0	ITA 10	ESP 7	BEL 4	AUT 1	PRT 2	GRC 0	IRL 2
(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									
(Sat) 11-Oct-14	0.0									
(Sun) 12-Oct-14	0.2									
(Mon) 13-Oct-14	0.1									
(Tue) 14-Oct-14	0.2									
(Wed) 15-Oct-14				0.8				0.7		
(Thu) 16-Oct-14								0.5		
(Sat) 18-Oct-14										1.6
(Sun) 19-Oct-14							0.1			
(Mon) 20-Oct-14							0.5			
(Tue) 21-Oct-14							0.1			
(Sat) 25-Oct-14		16.0						0.4		
(Fri) 31-Oct-14					6.7					
(Sat) 01-Nov-14				5.9						
(Sat) 15-Nov-14				1.0						
(Sat) 22-Nov-14							0.3			
(Tue) 25-Nov-14		0.6								
(Sun) 30-Nov-14					0.1					
(Mon) 01-Dec-14				1.4						
(Thu) 11-Dec-14				0.0						
(Mon) 15-Dec-14				0.7						

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

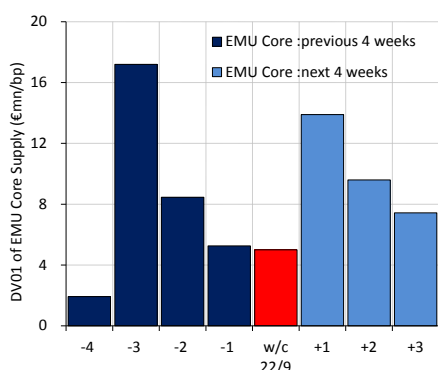
Appendix: EMU Core & Non-Core Net Supply (8 weeks)

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.

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

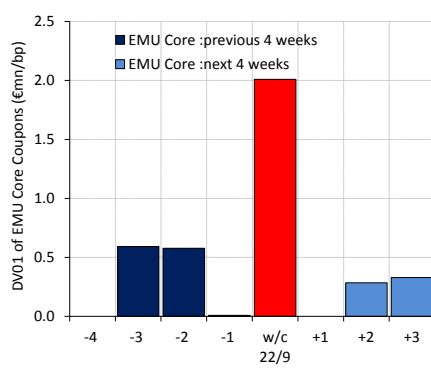
- Net issuance is non-supportive for core next week as €5million/bp of gross supply outweighs €2million/bp of coupon payments next week (Figure 29 - Figure 31).

Figure 29. Estimated €DV01 of Core Bond Issuance



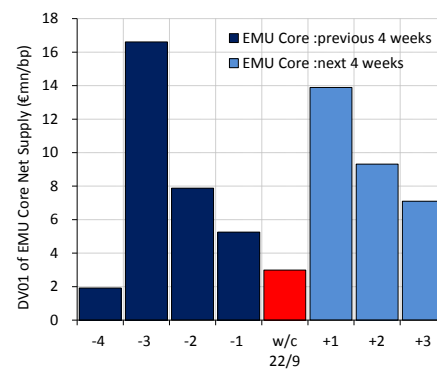
Source: DMOs, Citi estimates

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



Source: DMOs, Citi estimates

Figure 31. Estimated €DV01 of Net Core Issuance

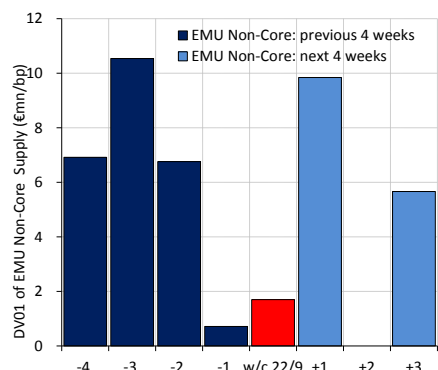


Source: DMO, Citi estimates

DV01 non-core: Italy, Spain, Ireland, Portugal and Greece

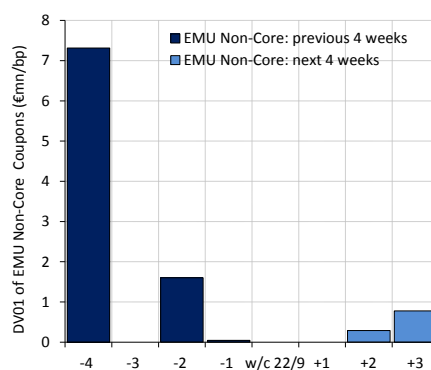
- Net issuance profile next week is non-supportive for non-core as well as there is around €1.7million/bp of gross supply but no coupon payments next week (Figure 33).

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



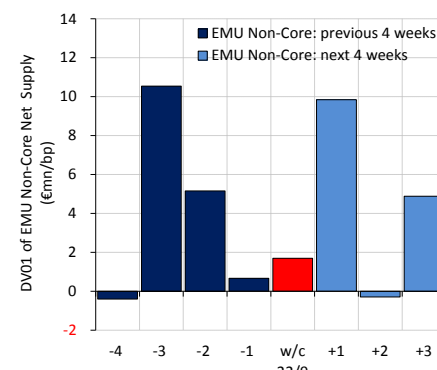
Source: DMOs, Citi estimates

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, and the equivalent number of 10yr futures. Figure 37 and Figure 38 show the same for non-core.

These tables are on a trade-date basis.

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		5.0	1.0	1.0			7.0
Coupons	1.9	1.0	1.3				4.1
Net Supply	-1.9	4.0	-0.3	1.0			2.9

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	RXZ4	TYZ4
DV01 of issuance		2.4	0.9	1.7			5.0	6.4	+41	+82
Coupons	0.4	0.5	1.2				2.0	2.6	+16	+33
Net Supply	-0.4	1.9	-0.3	1.7			3.0	3.9	+24	+49
Number of RX Futures (x1000)	-3	+16	-2	+14						
Number of TY Futures (x1000)	-6	+31	-4	+28						

Source: DMOs, Bloomberg, Citi Research

This table is on a trade-date basis

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	2.8					1.3	4.0
Coupons							
Net Supply	2.8					1.3	4.0

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	RXZ4	TYZ4
DV01 of issuance	0.6					1.2	1.7	2.2	+14	+28
Coupons										
Net Supply	0.6					1.2	1.7	2.2	+14	+28
Number of RX Futures (x1000)	+5					+9				
Number of TY Futures (x1000)	+9					+19				

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	42.0	35.0	29.0				106.0
Coupons							
Net Supply	42.0	35.0	29.0				106.0

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	RXZ4	TYZ4
DV01 of issuance	10.5	14.7	17.4				33.1	42.6	+271	+540
Coupons										
Net Supply	10.5	14.7	17.4				33.1	42.6	+271	+540
Number of RX Futures (x1000)	+67	+93	+111							
Number of TY Futures (x1000)	+133	+186	+221							

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	RXZ4	TYZ4
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													
UK	Gross Supply (£bn cash)							A	B	C = A - B	D	E	F = C - D - E
	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		1.6	5.0			14	7	7			7
Jul-14	3.9	3.6	2.2	1.8		5.4		17	4	13			13
Aug-14		6.6		3.1				10	0	9			9
Sep-14	4.2	0.0	2.3	1.1	0.0	0.0	2.0	10	11	-1	41	8	-50
Oct-14	4.0	3.3	2.4	1.4	4.0			15	0	15		6.4	8
Nov-14			4.9	2.9				8	1	7			7
Dec-14	4.0			1.4				5	7	-2			-2
Jan-15	4.0	3.3	2.4	1.4		3.6		15	4	11	29		-18
Feb-15			2.4	1.4			2.0	6	0	5			5
Mar-15	4.0	3.3	2.4	1.4				11	10	1			1
Total	32.0	26.7	24.4	22.1	9.0	9.0	4.0	127	46	81	69	14.4	-3

US	Gross Supply (\$bn nominal)								A	B	C	D = A - B - C	E	F = D - E
	FRN	2yr	3yr	5yr	7yr	10yr	30yr	TIPS	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	35	145	103	41
Apr-14	15	32	30	35	29	21	13	18	193	7	30	156	123	33
May-14	13	31	29	35	29	24	16	13	190	25	25	140	130	10
Jun-14	13	30	28	35	29	21	13	7	176	6	25	145	105	39
Jul-14	15	29	27	35	29	21	13	15	184	11	20	153	131	22
Aug-14	13	29	27	35	29	24	16	16	189	27	15	147	133	14
Sep-14	13	29	27	35	29	21	13	13	180	6	15	159	108	52
Oct-14	15	29	27	35	29	21	13	7	176	7	10	159	109	50
Nov-14	13	29	27	35	29	24	16	13	186	23		163	138	25
Dec-14	13	29	27	35	29	21	13	16	183	6		177	111	66
Total	164	363	339	420	348	264	168	155	2221	160	250	1810	1448	362

Gross issuance forecasts for 2014 vs 2012 and 2013
(for fixed rate government bonds and index-linked notes)

Gross Supply	2012	2013	2014	Gross Supply (£bn)	2012	2013	2014	Tickers used in our supply estimates
EMU-11 (£bn)	829	853	890	Germany	184	183	173	Schatz, Bobl, Bund, Bundel, Boblei
				France	201	192	199	OAT, BTAN, BTANI, OATi, OATei
				Italy	205	213	248	BTP, BTPei, CCT, CTZ
				Spain	98	126	129	Bono, Obligaciones
				Netherlands	60	52	50	DSL
				Belgium	43	40	30	OLO
				Austria	21	22	24	RAGB
				Finland	11	12	11	RFGB
				Ireland	5	8	8	IRLD
				Portugal		6	12	OT
				Greece			6	HELR
				Total	829	853	890	

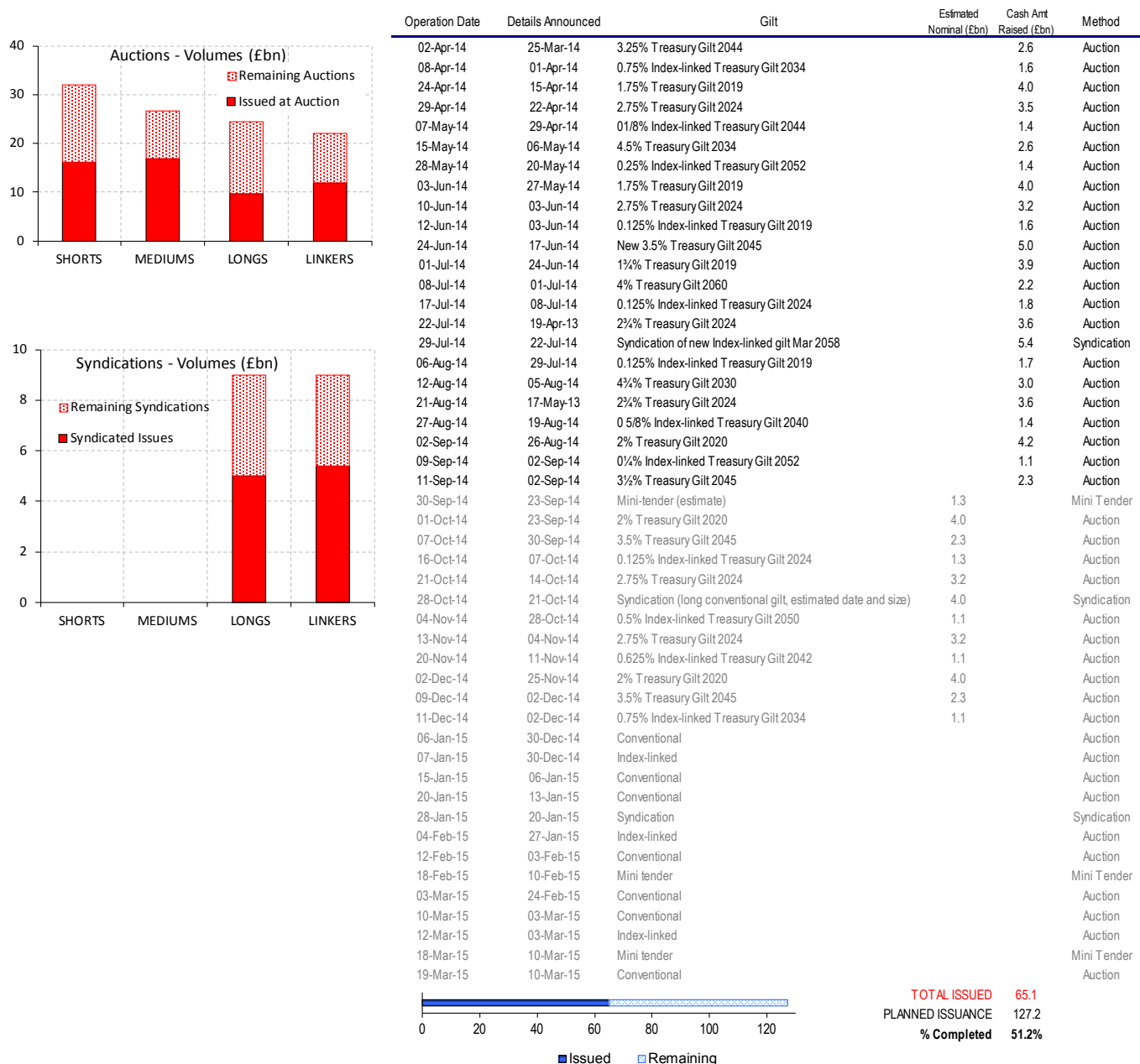
*UK supply forecasts on financial year basis (cash amt)

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	24.4	22.4	8.8	3.6	8.6	84	5	79	32	47
Jun	16.4	19.3	33.9	3.5	2.9	5.7	82	5	77	33	43
Jul	16.0	18.2	20.7	10.2	1.6	4.7	71	42	29	116	-87
Aug	8.1	13.6	11.4				33	8	25		25
Sep	16.1	21.3	21.5	11.2	3.0	3.7	77	9	68	79	-12
Oct	17.6	21.0	26.2	4.2	6.0	7.8	83	34	48	76	-28
Nov	16.0	20.5	21.8	2.5	3.2	3.8	68	3	64	27	37
Dec	8.0	10.0	8.4	1.5			28	1	27	29	-2
Total	190	250	283	75	39	55	892	199	693	581	112

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	2.0	21	1	20	17	3
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	7	3		4	22		22		22
Jul	3.2	5.3	3.6	6.6		1.6	20	5	15	26	-11
Aug											
Sep	2.7	5.3	5.4	4.2	1.2	1.5	20		20	15	5
Oct	3.5	4.5	5.3	2.7		1.6	18	16	2	21	-20
Nov	3.5	4.0	4.3		2.3	1.6	16	1	15		15
Dec		1.5	2.0	1.5			5		5		5
Total	34.1	53.7	53.0	32.4	7.6	18.2	199	43	156	104	52

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	10	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	6.0	4.5	6.4	2.3		1.2	20	9	12	27	-16
Aug	3.1	4.6	4.5				12	8	4		4
Sep	5.2	5.0	5.0	2.0		1.2	18	2	16	33	-16
Oct	6.0	5.0	5.0		1.0	1.2	18	7	12		12
Nov	6.0	6.5	7.0	1.8		1.2	22	2	20	27	-7
Dec	4.0	2.5	4.0				11	1	10	15	-5
Total	67.2	68.6	72.7	16.7	7.1	15.3	248	57	191	192	-2

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	4.9	2.4	1.3		5.0	15		15		15
Jun		4.5	9.0				14		14		14
Jul	1.3	4.4	1.3	1.3	1.0	1.0	10	8	2	16	-15
Aug		1.4	2.4				4		4		4
Sep	3.6		2.8		1.9		8		8		8
Oct	1.5	2.0	2.5	1.5		3.0	11	7	4	22	-18
Nov	1.5	3.0	2.5				7		7		7
Dec		2.0	1.5				4		4		4
Total	19.0	41.6	43.1	12.8	3.7	9.0	129	29	100	52	47

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			2.3				2	5	-3	13	-16
Aug											
Sep		5.0	1.6				7		7		7
Oct	2.6						3		3		3
Nov		2.0	2.0				4		4		4
Dec											
Total	15.9	14.0	14.9		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	1		1
Jul			2.0				2		2		2
Aug											
Sep			1.0	1.0			2	4	-2	10	-12
Oct		1.0	1.0				2		2		2
Nov		1.0	1.0				2		2		2
Dec											
Total		4.5	15.6	7.7	2.3		30	12	18	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			0.6		0.5		1	2	-1	10	-10
Aug		0.6	0.5				1		1		1
Sep			0.7	0.6			1	1			
Oct		3.5	0.9		2.5		7	1	6	11	-5
Nov			1.0		0.9		2		2		2
Dec		1.0	0.9				2		2		2
Total		7.2	10.5	1.0	5.4		24	7	17	22	-5

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

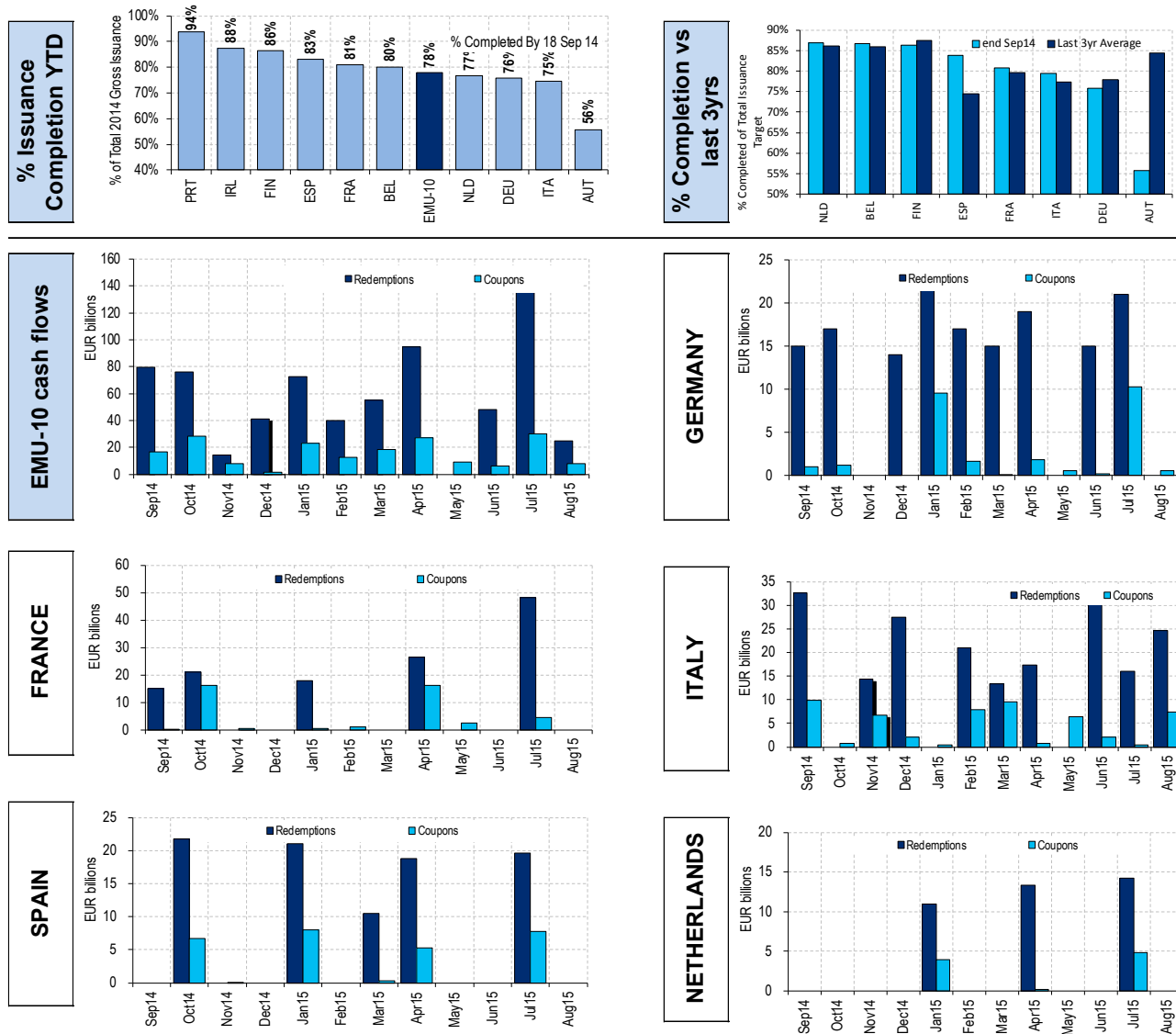
PORTUGAL	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan		3.3					3		3		3
Feb			3.0				3	1	2		2
Mar											
Apr			0.8				1	1			
May											
Jun			1.0				1	2	-1	4	-5
Jul											
Aug											
Sep				3.5			4		4		4
Oct								2	-2	5	-7
Nov				0.8			1		1		1
Dec											
Total		3.3	4.7	4.3			12	4	8	10	-2

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											
Jul	1.5						2		2		2
Aug											
Sep	0.6	1.0					2		2		2
Oct			1.5				2		2		2
Nov											
Dec											
Total	2.1	4.0	1.5				8	1	7		7

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

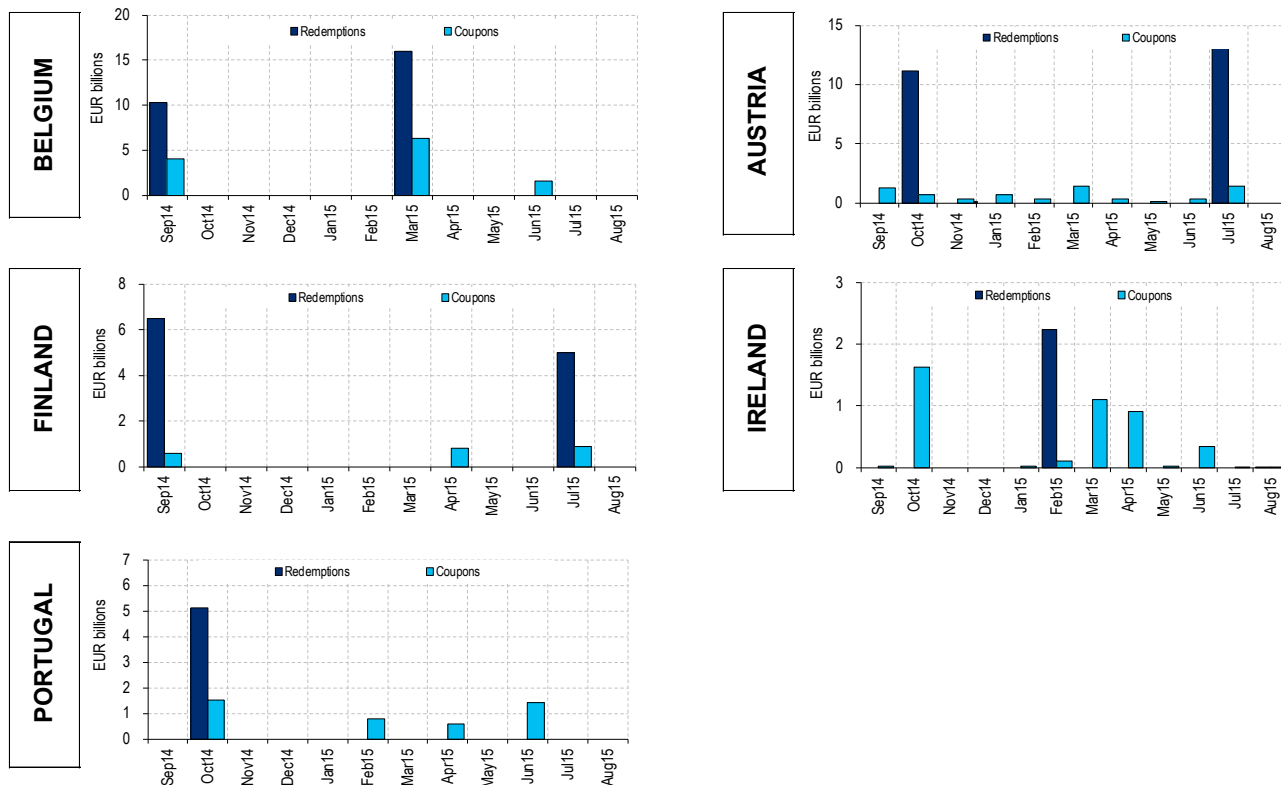
Figure 48. 2014 EMU Issuance Progress and Cash flow profile – Citi Forecasts (EUR Billions)



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	465	286	183	86	89	1109
France	462	360	297	154	96	1369
Netherlands	127	76	58	23	33	317
Italy	582	420	248	176	86	1512
Spain	269	169	139	45	49	669
Belgium	93	63	79	50	19	303
Austria	66	52	40	11	21	191
Finland	23	27	21	4	4	78
Ireland	17	45	24	0	1	87
Portugal	33	38	15	4	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	Stable
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	A-	Stable
Portugal	BB	Stable	Ba1	Stable	WD	+ve

Source: DMOs, Bloomberg, Citi Research

This table is on a calendar-date basis

Appendix A-1

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