

Weekly Supply Monitor

Euro, US and UK Supply Outlook

- **Europe:** Next week's supply comes from Germany (€4bn) and Spain (around €3.5bn). There will be large redemptions from Germany (€17bn) and Italy (€19bn) in the week commencing 10 December.
- **US:** The US Treasury will re-open \$13bn of 10-year TIPS next week. There are minimal coupon payments over the next four weeks.
- **UK:** Next week's issuance comes in the form of a 5yr conventional (gilt 1% 2017). There are minimal coupon payments over the next two weeks. However, there will be very large coupon payments in week commencing 3 December (£7bn).

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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 1. Provisional Auction Calendar for the Next Four Weeks, Gross Issuance (Billions), DV01 (USD Millions)

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ2 (UST)	G Z2 (Gilt)	RXZ2 (Bund)
19 Nov (Mon)	US	7 - 8	Outright Treasury Coupon Sales: 31/7/2015 - 15/11/2015		25k		
20 Nov (Tue)	UK	4.5	1% Treasury Gilt 2017 (issue and size confirmed)			23k	
20 Nov (Tue)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-55k		
21 Nov (Wed)	Germany	4.0	Bund 1.5% Sep22 reopening (issue and size confirmed)				33k
21 Nov (Wed)	US	13.0	10-Year TIPS (re-opening)		156k		
21 Nov (Wed)	US	7 - 8	Outright Treasury Coupon Sales : 30/11/2015 - 31/1/2016		25k		
22 Nov (Thu)	Spain	3.5	Obligaciones 2yr, 5yr and 10yr (estimated tenors and size)				16k
Weekly \$DV01 of Issuance				22.7			
Total Number of Futures Contracts					151k	23k	49k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ2 (UST)	G Z2 (Gilt)	RXZ2 (Bund)
26 Nov (Mon)	Belgium	3.0	OLO 5yr, 10yr and 15yr (estimated tenors and size)				26k
26 Nov (Mon)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-55k		
27 Nov (Tue)	Netherlands	2.5	DSL Apr15 reopening (issue confirmed, size €2-3bn)				5k
27 Nov (Tue)	Italy	3.0	CTZ (estimated size)				5k
27 Nov (Tue)	UK	3.7	Syndicated re-opening of 0¼% Index-linked Gilt 2044 (second half of November)			116k	
27 Nov (Tue)	US	35.0	2-Year		86k		
27 Nov (Tue)	US	1.5 - 2	Outright Treasury Coupon Purchases: 15/2/2023 - 15/2/2031		-34k		
28 Nov (Wed)	Germany	3.0	Bobl-164 0.5% Oct17 reopening (issue and size confirmed)				13k
28 Nov (Wed)	US	35.0	5-Year		205k		
28 Nov (Wed)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-55k		
28 Nov (Wed)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 30/11/2018 - 15/11/2020		-48k		
29 Nov (Thu)	Italy	7.0	BTP 5yr and 10yr (estimated tenors and size)				44k
29 Nov (Thu)	Italy	2.0	CCTeu (estimated size)				4k
29 Nov (Thu)	US	29.0	7-Year		234k		
29 Nov (Thu)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 15/2/2021 - 15/11/2022		-49k		
30 Nov (Fri)	US	1.75 - 2.25	Outright Treasury Coupon Purchases : 15/2/2036 - 15/11/2042		-55k		
Weekly \$DV01 of Issuance				49.3			
Total Number of Futures Contracts					229k	116k	97k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ2 (UST)	G Z2 (Gilt)	RXZ2 (Bund)
05 Dec (Wed)	Germany	4.0	Schatz Dec14 reopening (issue and size confirmed)				7k
05 Dec (Wed)	Spain	3.0	Bono 2yr, 5yr, obligaciones 10yr (estimated tenors and size)				13k
06 Dec (Thu)	France	5.1	OAT 5yr, 10yr and 15yr (estimated tenors and size)				51k
Weekly \$DV01 of Issuance				9.9			
Total Number of Futures Contracts					0k	0k	70k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TYZ2 (UST)	G Z2 (Gilt)	RXZ2 (Bund)
11 Dec (Tue)	Austria	1.3	RAGB 5yr and 10yr (estimated tenors and size)				8k
11 Dec (Tue)	UK	3.2	1¼% Treasury Gilt 2022 (issue confirmed, estimated size)			31k	
11 Dec (Tue)	US	32.0	3-Year		78k		
12 Dec (Wed)	US	21.0	10-Year (re-opening)		228k		
13 Dec (Thu)	Italy	7.0	BTP 3yr, 5yr and 10yr (estimated tenors and size)				27k
13 Dec (Thu)	Spain	3.0	Obligaciones 2yr, 5yr and 10yr (estimated tenors and size)				13k
13 Dec (Thu)	UK	1.3	Re-opening of index-linked gilt 2024 (issue confirmed, estimated size)			17k	
13 Dec (Thu)	US	13.0	30-year (re-opening)		313k		
Weekly \$DV01 of Issuance				64.4			
Total Number of Futures Contracts					620k	48k	48k

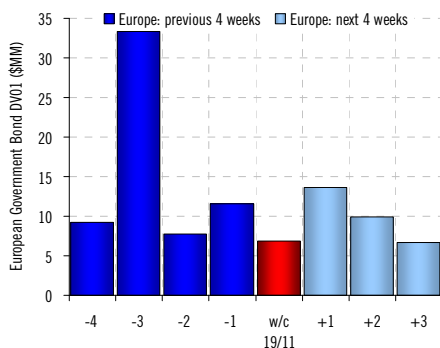
The next release of the approximate purchase and sale amounts and tentative Outright operation schedule will be at 1400 (NY Time) on 30 November 2012

Source: DMOs, Citi estimates

Historical and projected DV01 of EUR, USD and GBP issuance (weekly)

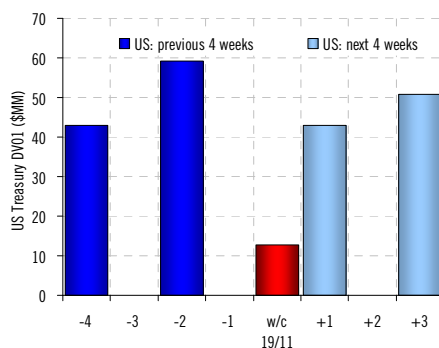
Figure 2 to Figure 4 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the week commencing 19 November is shown in red. The DV01 of next week's issuance is light across all the three markets.

Figure 2. Estimated \$DV01 of Euro Bond Issuance (Previous 4 and Next 4 Weeks)



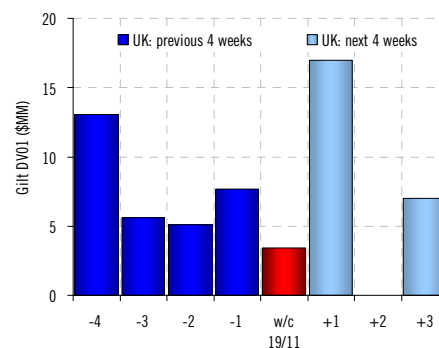
Source: DMOs, Citi estimates

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



Source: US Treasury, Citi estimates

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



Source: DMO, Citi estimates

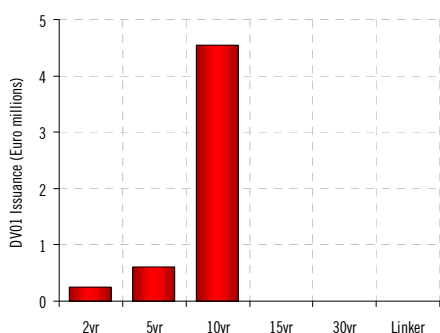
DV01 of expected EUR, USD and GBP issuance split by maturity (week beginning 19 November)

The DV01 of next week's euro issuance is light at only €5.5million/bp (Figure 5). 84% of total issuance (in DV01 terms) is expected to come in the 10-year sector (from Germany and Spain).

The US Treasury will re-open 10-year TIPS next week at approximately \$13million/bp (Figure 6).

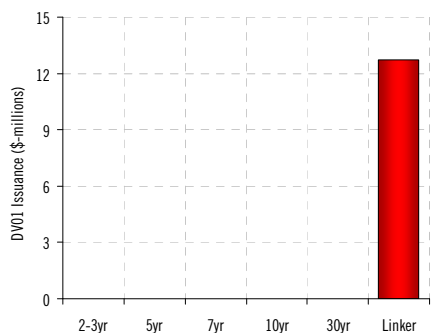
Next week's UK issuance comes in the form of a short-end conventional gilt (1% 2017) - Figure 7.

Figure 5. EUR DV01: Split by Maturity (19 Nov–25 Nov)



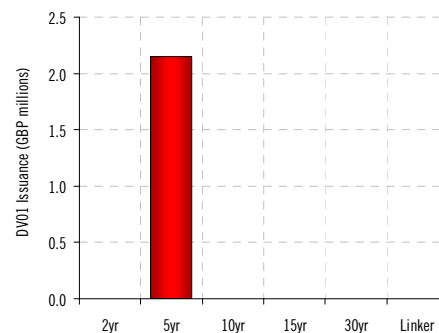
Source: DMOs, Citi estimates

Figure 6. USD DV01: Split by Maturity (19 Nov–25 Nov)



Source: US Treasury, Citi estimates

Figure 7. GBP DV01 Split by Maturity (19 Nov–25 Nov)

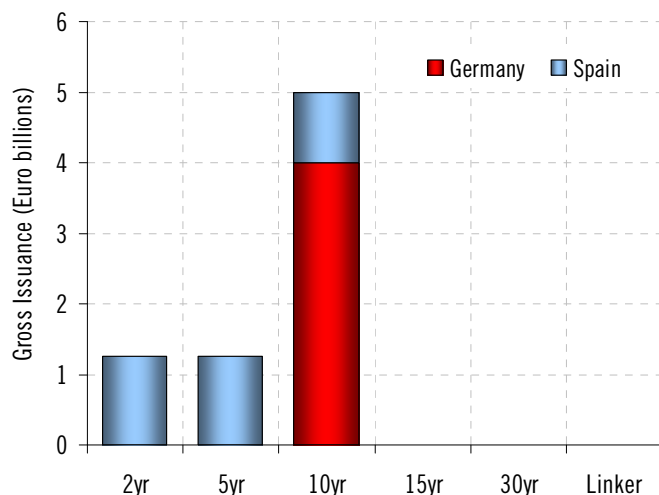


Source: DMO, Citi estimates

Expected euro gross and DV01 split by country and maturity (week beginning 19 November)

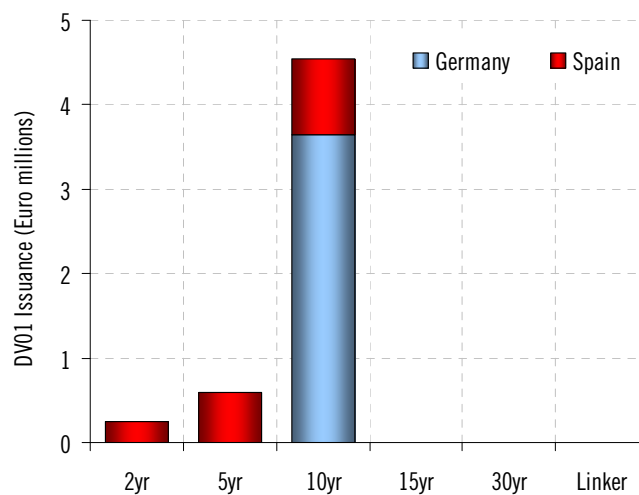
In Europe, supply comes from Germany (€4bn) and Spain (around €3.5bn) - Figure 8. In DV01 terms, two-thirds of total issuance is expected to come from Germany (Figure 9).

Figure 8. Euro Gross Issuance Next Week: France Is the Biggest Issuer



Source: DMOs, Citi estimates, Bloomberg

Figure 9. Euro DV01 Issuance Next Week



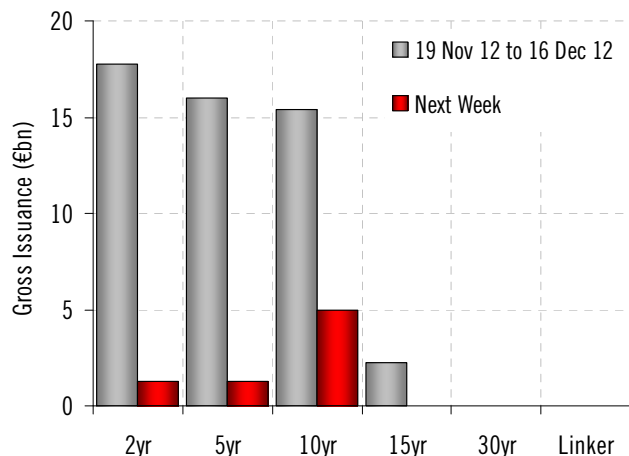
Source: DMOs, Citi estimates, Bloomberg

Expected euro issuance (gross and DV01) by maturity for the next four-weeks (19 November – 16 December)

Over the next four weeks, 35% of total issuance falls in the 2-year sector (Figure 10).

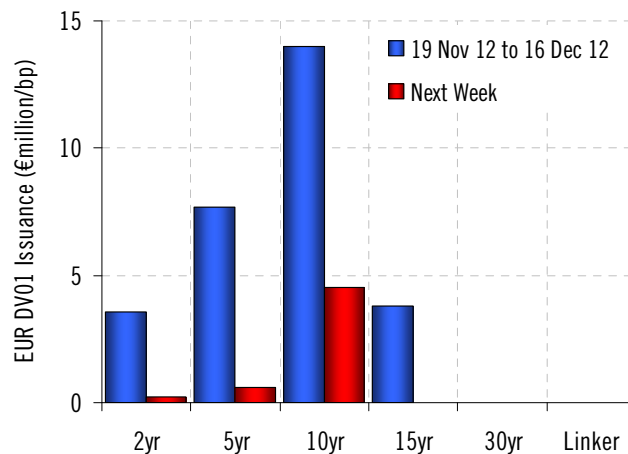
In DV01 terms, the 10yr sector accounts for approximately half of total issuance at around €14million/bp (Figure 11).

Figure 10. Euro Gross Issuance over the Next Four Weeks



Source: DMOs, CITI estimates, Bloomberg

Figure 11. Euro DV01 Issuance over the Next Four Weeks



Source: DMOs, CITI estimates, Bloomberg

Euro coupons for the next four weeks – maturity split

Euro coupon payments are light over the next four weeks. Week 4 sees large redemptions from Germany (€17bn) and Italy (€19bn) - Figure 12 and Figure 15.

Figure 12. Maturity Split of Euro Coupon Payments over the Next Four Weeks (EUR-Billions)*

Week Commencing	2yr	5yr	10yr	15yr	30yr	Linker	Total
19 Nov			0.2				0.2
26 Nov	0.7	0.4					1.0
03 Dec							
10 Dec	1.0						1.2
Total	1.7	0.5	0.2				2.4

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

US coupons for the next four weeks – maturity split

The week commencing 26 November sees \$4.4bn of coupon payments from 2-7year maturities. Thereafter the coupon payments will remain light (Figure 13).

Figure 13. Maturity Split of UST Coupon Payments over the Next Four Weeks (USD-Billions)*

Week Commencing	2-3yr	5yr	7yr	10yr	30yr	Linker	Total
19 Nov							
26 Nov	2.3	1.7	0.4				4.4
03 Dec							
10 Dec	0.7						0.7
Total	3.1	1.7	0.4				5.1

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

UK coupons for the next four weeks – maturity split

There are minimal coupon payments over the next two weeks. There will be very large gilt coupon payments on 7 December (£6.9bn). The majority of these fall in the 30yr sector. All things being equal, this should be supportive for long-end gilts (particularly against swaps) - Figure 14.

Figure 14. Maturity Split of Gilt Coupon Payments over the Next Four Weeks (GBP-Billions)*

Week Commencing	2yr	5yr	10yr	15yr	30yr	Linker	Total
19 Nov						0.7	0.7
26 Nov							
03 Dec		0.4	0.9	1.8	3.7		6.9
10 Dec							
Total		0.4	0.9	1.8	3.7	0.7	7.6

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

Euro coupons and redemptions split by maturity and country

Figure 15 below shows a weekly breakdown of euro coupons and redemptions, split by sector and country over the next four weeks.

Figure 15. Euro Coupons and Redemptions by Maturity and Country for the Next 4 weeks (EUR Billions)

WEEK 1	Week Beginning 19 Nov (Mon)		Coupons	Redemptions	WEEK 2	Week Beginning 26 Nov (Mon)		Coupons	Redemptions
		Austria	0.2				Austria		
		Belgium					Belgium		
		Germany					Germany		
		Finland					Finland		
	Coupons	France				Coupons	France		
2yr		Greece			2yr	0.7	Greece		
5yr		Ireland			5yr	0.4	Ireland		
10yr	0.2	Italy			10yr		Italy	1.0	
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal			30yr		Portugal		
Linker		Spain			Linker		Spain		
	0.2		0.2	0.0		1.0		1.0	0.0
WEEK 3	Week Beginning 03 Dec (Mon)		Coupons	Redemptions	WEEK 4	Week Beginning 10 Dec (Mon)		Coupons	Redemptions
		Austria					Austria		
		Belgium					Belgium		
		Germany					Germany	0.2	17.0
		Finland					Finland		
	Coupons	France				Coupons	France		
2yr		Greece			2yr	1.0	Greece		
5yr		Ireland			5yr	0.2	Ireland		
10yr		Italy			10yr		Italy	1.0	18.7
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal			30yr		Portugal		
Linker		Spain			Linker		Spain		
	0.0		0.0	0.0		1.2		1.2	35.7

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

The three figures on this page show the upcoming profile gross and net supply, coupons and redemptions, and the resultant NCR, for each of the next four weeks.

These are calculated on a *settlement date* basis.

Euro cash-flow profile over the next four weeks

The euro NCR is strongly positive in each of the next three weeks as gross supply easily offsets minimal coupon payments and zero redemptions. The NCR turns sharply from positive (week 1 to 3) to negative in week 4 (-€22.5bn) due to large redemptions from Germany and Italy falling in this week (Figure 16).

Figure 16. 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
19 Nov	18.5	0.2	18.3		18.3
26 Nov	16.0		16.0		16.0
03 Dec	12.0	1.0	11.0		11.0
10 Dec	13.4	0.2	13.2	35.7	-22.5
Total	59.9	1.4	58.5	35.7	22.8
Average	15.0	0.4	14.6	8.9	5.7
YTD Average	16.4	4.3	12.1	11.2	0.9

Source: DMOs, Citi estimates, Bloomberg

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

The NCR profile in week 2 might weigh on UST yields as \$112bn of UST supply outweighs \$54bn of coupons & redemptions and \$15bn of buybacks during this week (Figure 17).

Figure 17. 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
19 Nov					-8.3	8.3
26 Nov	112.0	2.2	109.8	52.2	15.3	42.3
03 Dec		2.2	-2.2		0.6	-2.8
10 Dec					0.6	-0.6
Total	112.0	4.4	107.6	52.2	8.2	47.2
Average	28.0	1.1	26.9	13.1	2.0	11.8
YTD Average	42.6	3.3	39.4	25.4	0.7	13.2

Source: US Treasury, Citi estimates, Bloomberg

UK cash-flow profile over the next four weeks

The NCR is positive until the week beginning 3 December. In this week, the NCR is strongly supportive for gilts due to the settlement of sizeable coupon payments (£6.9bn) and the absence of gross supply (Figure 18).

Figure 18. Estimated UK Weekly Cash Flow Profile for Next Four 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
19 Nov	4.5	0.7	3.8			3.8
26 Nov	3.7		3.7			3.7
03 Dec		6.9	-6.9			-6.9
10 Dec	4.5		4.5			4.5
Total	12.7	7.6	5.0			5.0
Average	3.2	1.9	1.3			1.3
YTD Average	3.3	0.8	2.4	1.1	2.8	-1.5

Source: DMO, Citi estimates, Bloomberg

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 5th March, for example, it would be allocated to the previous week (the week commencing 27 February) as that would be when you would trade to use the money you know is coming in on Monday 5th 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 16, Figure 17, Figure 18) 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 February the money would leave your account during the w/c 13 February. In addition, TIPS often settle during a different week from conventional supply.

EUR: Coupons & Redemptions (next 3mths)

Figure 19. EMU-11 Redemptions over the next three months (€bn)

Redemptions = €158bn											
Redemptions	DEU 41	FRA 30	NLD 16	ITA 51	ESP 14	BEL 6	AUT 0	FIN 0	PRT 0	GRC 0	IRL 0
(Fri) 14-Dec-12	17.0										
(Sat) 15-Dec-12				18.7							
(Mon) 24-Dec-12						5.9					
(Wed) 26-Dec-12		5.5									
(Mon) 31-Dec-12				11.5							
(Fri) 04-Jan-13	24.0										
(Sat) 12-Jan-13		24.7									
(Tue) 15-Jan-13			15.5								
(Thu) 31-Jan-13					14.3						
(Fri) 01-Feb-13				21.0							

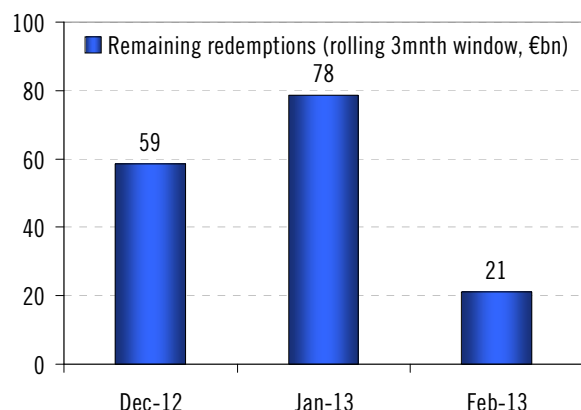
Source: DMOs, Bloomberg, Citi estimates

Figure 20. EMU-11 Coupon Payments over the next three months (€bn)

Coupons = €40bn											
Coupons	DEU 12	FRA 3	NLD 4	ITA 13	ESP 7	BEL 0	AUT 1	FIN 0	PRT 0	GRC 0	IRL 0
(Thu) 15-Nov-12				0.4							
(Thu) 22-Nov-12							0.2				
(Sat) 01-Dec-12				1.0							
(Thu) 13-Dec-12	0.04										
(Fri) 14-Dec-12	0.2										
(Sat) 15-Dec-12				1.0							
(Sat) 22-Dec-12				0.1							
(Mon) 24-Dec-12						0.5					
(Wed) 26-Dec-12		0.5									
(Tue) 01-Jan-13				0.8							
(Fri) 04-Jan-13	11.7										
(Sat) 12-Jan-13		1.7									
(Tue) 15-Jan-13		0.6	3.9	0.3			0.6				0.3
(Sun) 20-Jan-13											0.02
(Sat) 26-Jan-13							0.1				
(Thu) 31-Jan-13					7.2						
(Fri) 01-Feb-13				9.4							

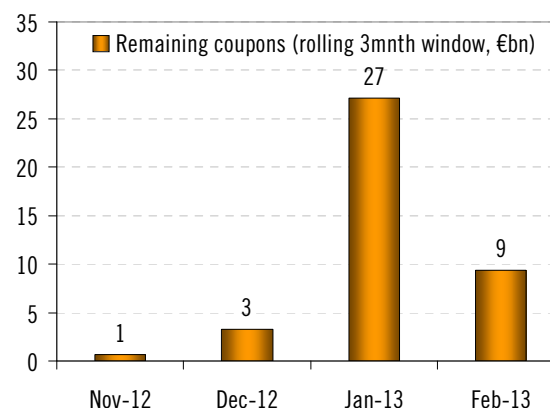
Source: DMOs, Bloomberg, Citi estimates

Figure 21. EMU-11 remaining redemptions over the next 3months (€bn)



Source: DMOs, Bloomberg, Citi estimates

Figure 22. EMU-11 remaining coupons over the next 3months (€bn)



Source: DMOs, Bloomberg, Citi estimates

Appendix – Global Supply Forecasts

Figure 23. UK, US and EMU-11 Gross Supply – Citi forecasts

2012 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-12	4.5	4.1	2.4	1.5	5.1			18		17		17	
May-12	4.9	3.8	2.7	1.4		4.7	1.7	19	1	19		3	16
Jun-12	4.8	3.5	1.9	1.4				12	8	4	26		-22
Jul-12	4.6	3.9	4.6	1.2		4.0		18	2	16		11	5
Aug-12	5.0		2.1	1.4			1.7	10	1	9		12	-3
Sep-12	5.0	3.8	2.3	1.6		3.8		16	11	5		12	-7
Oct-12	4.5	3.8	2.2	1.8	4.2		1.7	18		18		15	3
Nov-12	4.3	3.6	1.6	1.2	0.0	3.5	0.0	14	1	13	0	0	13
Dec-12		2.7		1.2				4	7	-3			-3
Jan-13	4.3	2.7	1.6	1.2	4.2			14	2	12			12
Feb-13	4.3	2.7		1.2		3.5	1.5	13	1	12			12
Mar-13	4.3		1.6	1.2				7	11	-4	35		-39
Total	50.4	34.5	23.1	16.3	13.5	19.5	6.5	164	45	118	60	70	-12

Gross Supply (\$bn nominal)													
US								A	B	C Fed	D = A - B - C	E	F = D - E
	2yr	3yr	5yr	7yr	10yr	30yr	TIPS	Gross Supply	Coupons	Purchases	Net Supply	Redemptions	NCR
Apr-12	35	32	35	29	21	13	16	181	6	-1	176	116	59
May-12	35	32	35	29	24	16	13	184	27	0	157	100	56
Jun-12	35	32	35	29	21	13	7	172	4	1	167	92	75
Jul-12	35	32	35	29	21	13	15	180	13	5	162	120	42
Aug-12	35	32	35	29	24	16	14	185	27	13	145	116	29
Sep-12	35	32	35	29	21	13	13	178	3	12	162	90	72
Oct-12	35	32	35	29	21	13	7	172	10	4	159	91	68
Nov-12	35	32	35	29	24	16	13	184	22	0	162	115	47
Dec-12	35	32	35	29	21	13	14	179	7		172	92	79
Jan-13	35	32	35	29	21	13	16	181	10		171	93	78
Feb-13	35	32	35	29	24	16	10	181	23		158	118	40
Mar-13	35	32	35	29	21	13	14	179	8		171	98	74
Total	420	384	420	348	264	168	152	2156	160	34	1961	1243	719

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

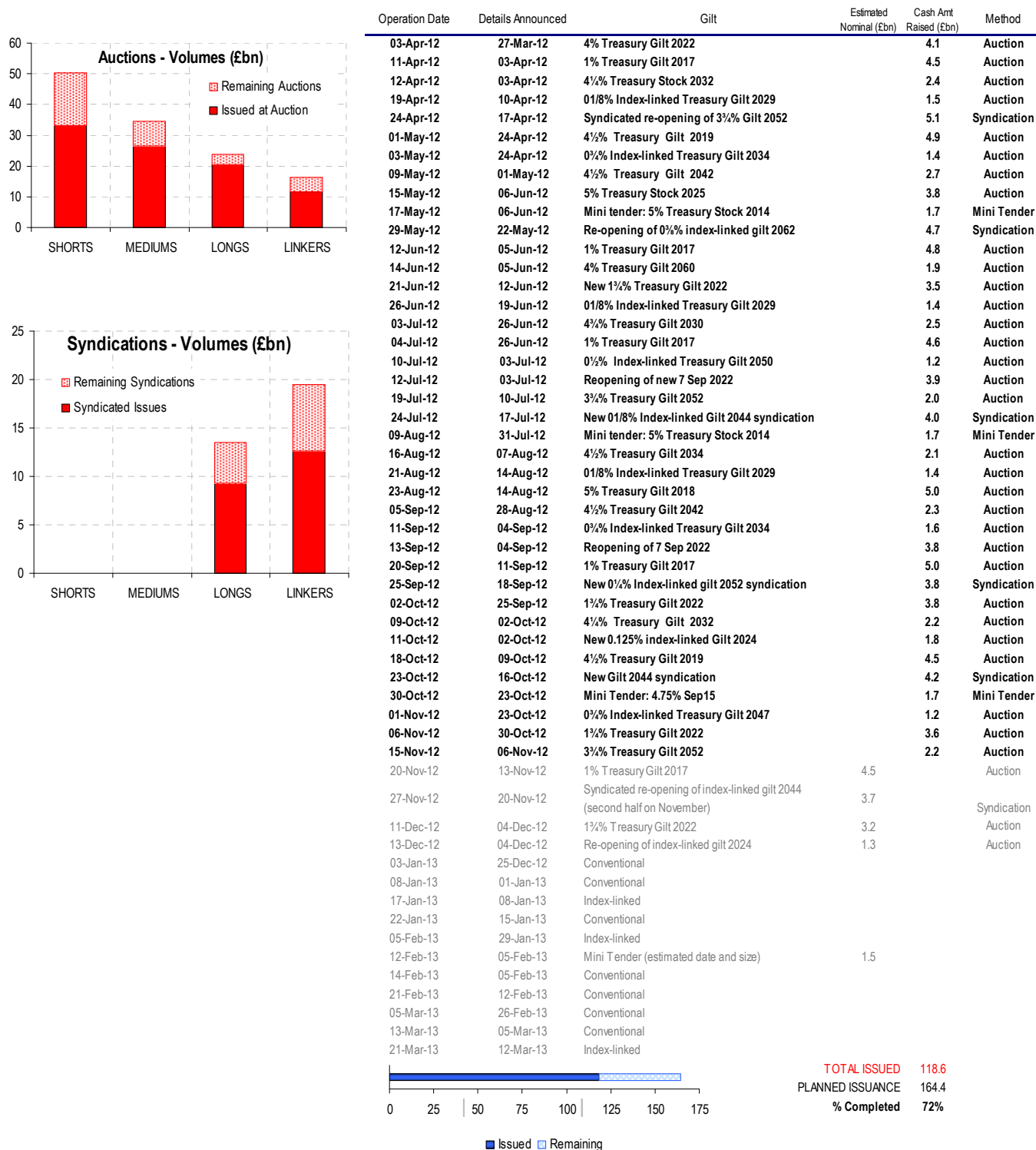
Gross Supply	2012	2013	Gross Supply (€bn)	2012	2013	Tickers used in our supply estimates
EMU-11 (€bn)	821	662	Germany	183	183	Schatz, Bobl, Bund, Bundeil, Boblei
- excluding GRC, IRE and PRT			France	201	188	OAT, BTAN, BTANI, OATi, OATei
Gross Supply	2012	2013	Italy	206	164	BTP, BTPei, CCT, CTZ
US (\$bn)	2156	2035	Spain	96	90-107*	SPGB
Gross Supply *	11/12	12/13	Netherlands	60	59	DSL
UK (€bn)	179	164	Belgium	42	37	OLO
			Austria	21	21	RAGB
			Finland	11	10	RFGB
			Total	821	760	

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

*The provisional 2013 estimate for gross issuance by the Spanish Treasury is €90bn. Citi's budget deficit forecast is €17bn higher than baseline assumption used by the Spanish Treasury. However, this does not necessarily translate into €17bn of more bond issuance as the funding requirement can be met by private placements, state lottery funds and credit lines by banks to regional governments.

Source: DMOs, Citi estimates, Bloomberg

Figure 24. UK Gilt Remit and Progress for FY2012/13



Source: Citi Research

Figure 25. 2012 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

EMU-11	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	26.6	22.6	26.8	3.1	10.5	2.3	92	29	63	54	9
Feb	22.2	22.6	34.9		1.5	3.2	85	13	72	38	34
Mar	24.5	17.8	15.6	2.3	8.2	4.6	73	17	56	56	
Apr	19.6	16.8	17.3	1.7	5.4	3.6	64	30	34	75	-41
May	22.0	21.3	19.6	3.8		3.6	70	5	66		66
Jun	18.4	20.9	19.4	2.7	6.3	3.1	71	5	66	29	37
Jul	20.2	26.8	22.9	2.1	3.0	2.3	77	40	37	112	-74
Aug	9.7	9.0	13.6		1.0	0.8	34	9	25	12	13
Sep	23.2	20.5	26.3	5.5	2.9	4.5	83	17	66	56	10
Oct	20.4	27.1	22.8	1.6	8.6	4.6	85	28	57	69	-12
Nov	20.9	20.6	14.1	2.2		1.3	59	5	54	13	41
Dec	12.5	10.8	8.7	1.5			33	3	30	59	-29
Total	240	237	242	27	47	34	827	201	626	572	53

GERMANY	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.0	4.0	5.0		3.0		16	13	3	25	-22
Feb	5.0	4.0	9.0				18	1	17		17
Mar	5.0	4.0				2.0	11	0	11	19	-8
Apr	5.0	4.0	5.0		3.0		17	3	14	16	-2
May	5.0	5.0	5.0			1.5	17		17		17
Jun	5.0	5.0	5.0			1.0	16	1	15	19	-4
Jul	5.0	4.0	5.0		3.0	1.0	18	13	5	27	-22
Aug	5.0	4.0	4.0				13		13		13
Sep	5.0	5.0	10.0			1.0	21	1	20	18	2
Oct	5.0	4.0	4.0		2.0	1.5	17	2	14	16	-2
Nov	5.0	7.0	4.0				16		16		16
Dec	4.0						4		4	17	-13
Total	58.0	50.0	56.0		11.0	8.0	183	35	148	157	-9

FRANCE	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.9	4.3	4.8		3.6	1.7	19	3	16	15	2
Feb	3.4	6.7	8.5			1.7	20	1	19		19
Mar	4.0	5.5	6.1	2.3		1.6	20		20		20
Apr	5.3	4.0	4.7	1.7	1.2	2.5	19	18	2	20	-18
May	4.1	6.6	5.9	1.9		1.4	20		20		20
Jun	4.3	7.5	3.5	2.0	0.7	1.4	19		19		19
Jul	1.8	7.1	9.4			1.3	20	8	12	29	-17
Aug											
Sep	3.3	7.0	3.9	3.8		2.0	20		19	12	7
Oct	2.5	10.2	10.6		4.4	2.1	30	16	14	20	-6
Nov	4.7	2.8				1.3	9		9		9
Dec		0.6	3.0	1.5			5		5	5	-1
Total	38.2	62.4	60.4	13.1	9.9	17.0	201	46	155	102	54

ITALY	CTZ/3yr	5yr/CCT	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	9.4	6.4	3.5			0.6	20	1	19		19
Feb	7.6	4.9	4.7			1.5	19	10	9	36	-28
Mar	8.7	4.8	4.4			1.0	19	8	11	27	-16
Apr	5.9	3.6	5.1			1.0	16	2	14	27	-14
May	7.0	4.4	3.9	0.6		0.8	17	5	12		12
Jun	6.4	2.9	5.9			0.6	16	2	14		14
Jul	8.0	2.5	4.1				15	1	14	17	-3
Aug	3.5	3.8	4.5			0.8	13	9	3	12	-8
Sep	8.2	5.3	3.4	1.7		1.5	20	8	12	10	2
Oct	7.3	6.9	3.4	0.8		1.0	19	2	18	18	-1
Nov	6.5	5.5	4.3	0.7			17	5	12	13	-1
Dec	6.5	6.5	4.0				17	2	15	30	-15
Total	85.1	57.5	51.3	3.8		8.8	206	54	152	192	-40

Source: DMOs, Citi estimates, Bloomberg

Figure 26. 2012 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

SPAIN	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.3	7.2	5.3				17	7	10		10
Feb	6.2	2.0	5.3				14		13	1	12
Mar	4.0	3.5					8		8		8
Apr	2.2	1.0	1.9				5	4	1	12	-11
May	2.6	2.9					5		5		5
Jun	2.6	1.6	0.6				5		5		5
Jul	2.6	2.1	1.3				6	8	-2	13	-15
Aug	1.3	1.2	1.0				4		4		4
Sep	6.7	1.6	0.9				9		9		9
Oct	5.7	2.5	1.9				10	4	6	15	-9
Nov	2.2	4.3	1.0	0.7			8		8		8
Dec	2.0	3.0	1.0				6		6		6
Total	42.4	33.0	20.2	0.7			96	24	72	41	31

*Spain has completed its official 2012 funding requirement. We expect Spain to pre-fund for 2013 this year.

NETHERLANDS	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan	4.1				1.5		6	4	2	14	-13
Feb		4.0	6.0				10		10		10
Mar	2.8				4.2		7		7		7
Apr	1.1	3.5			1.1		6		6		6
May	3.3		2.9				6		6		6
Jun			2.2		1.7		4		4		4
Jul	3.8	6.0		0.9			11	6	4	15	-11
Aug											
Sep			2.1		2.2		4		4		4
Oct		2.6					3		3		3
Nov	2.5		2.1				5		5		5
Dec											
Total	17.6	16.0	15.3	0.9	10.7		60	10	50	30	21

BELGIUM*	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan			4.5				5		5		5
Feb		1.0	1.4		1.5		4		4		4
Mar			4.0		4.0		8	7	1	4	-3
Apr											
May		0.7	1.4	1.3			3		3		3
Jun		0.9	1.5	0.8			3		3		3
Jul		1.3	1.7	1.2			4		4		4
Aug											
Sep		1.0	5.5		0.7		7	5	2	9	-7
Oct		0.9	1.4	0.8	1.0		4		4		4
Nov		1.0	1.3	0.8			3		3		3
Dec										6	-6
Total		6.7	22.6	5.2	7.5		42	12	29	19	10

*Belgium has completed its 2012 funding requirement in our view. Given favourable market conditions we would expect the sovereign to pre-fund (in Nov 12) for next year

GREECE	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan											
Feb											
Mar											
Apr											
May											
Jun											
Jul											
Aug											
Sep											
Oct											
Nov											
Dec											
Total								0	0	0	-0

Source: DMOs, Citi estimates, Bloomberg

Figure 27. 2012 Euro Government Bond Supply – Citi Forecasts (Euro in Billions)

AUSTRIA	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan		0.7	3.7		2.0		6	1	6		6
Feb											
Mar			1.1				1	1			
Apr		0.7	0.6				1		1		1
May		0.7	0.6				1		1		1
Jun		3.0	0.7		2.4		6		6		6
Jul								2	-2	10	-13
Aug											
Sep		0.6	0.7				1	1			
Oct			0.6		0.8		1	1			
Nov			1.4				1		1		1
Dec		0.7	0.7				1		1		1
Total		6.3	9.9		5.2		21	7	14	10	4

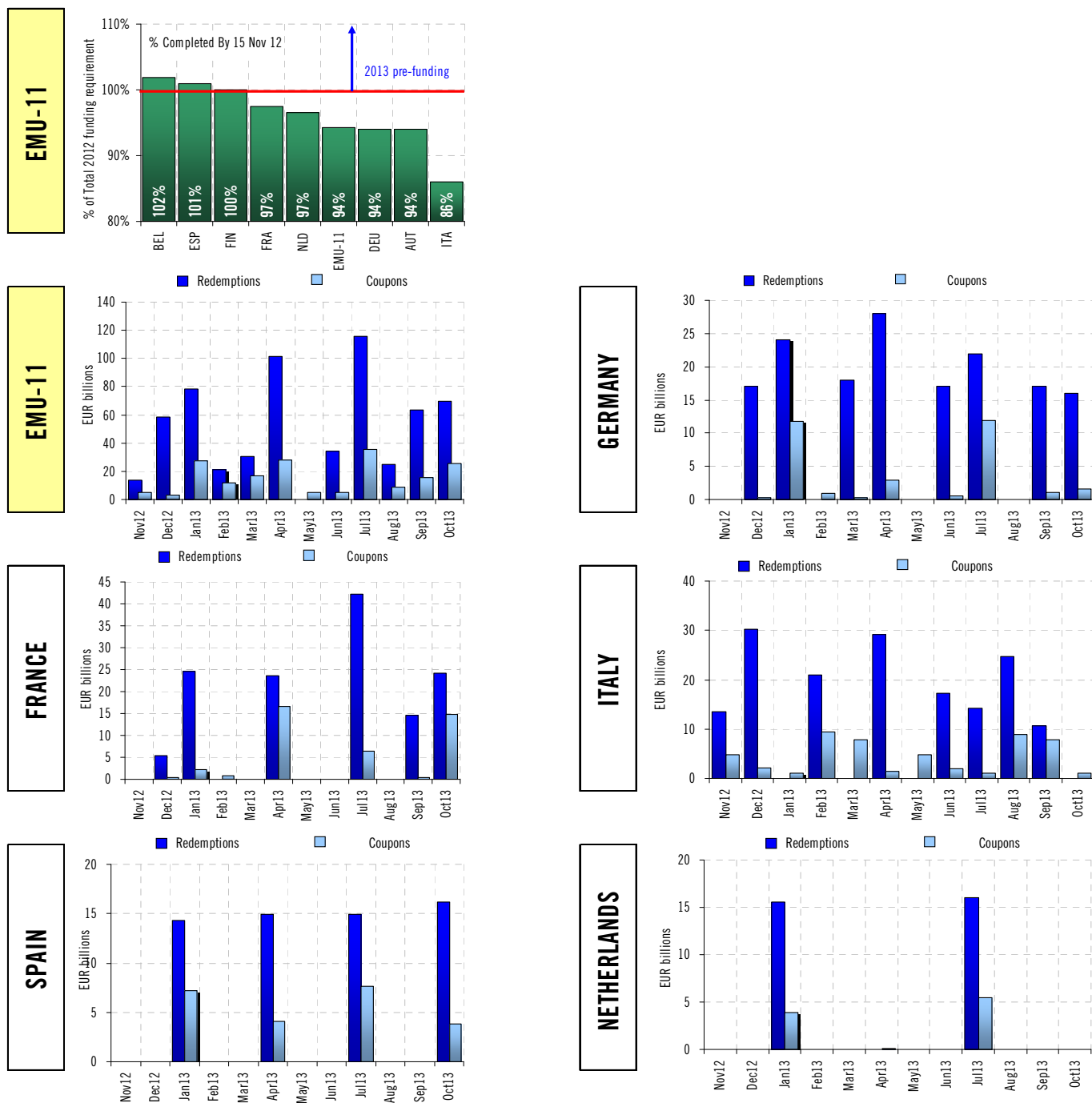
FINLAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan				3.0			3		3		3
Feb											
Mar											
Apr								1	-1		-1
May		1.0					1		1		1
Jun					1.5		2		2		2
Jul								1	-1		-1
Aug			4.0				4		4		4
Sep								1	-1	6	-7
Oct			1.0		0.5		2		2		2
Nov											
Dec											
Total		1.0	5.0	3.0	2.0		11	2	9	6	3

PORTUGAL	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan											
Feb											
Mar											
Apr								1	-1		-1
May											
Jun								2	-2	10	-12
Jul											
Aug											
Sep											
Oct								2	-2		-2
Nov											
Dec											
Total								5	-5	10	-15

IRELAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan											
Feb											
Mar								1	-1	6	-6
Apr								1	-1		-1
May											
Jun											
Jul	-1.0	3.9	1.3				4		4		4
Aug					1.0		1		1		1
Sep											
Oct								1	-1		-1
Nov											
Dec											
Total	-1.0	3.9	1.3	0.1	1.0		5	4	1	6	-5

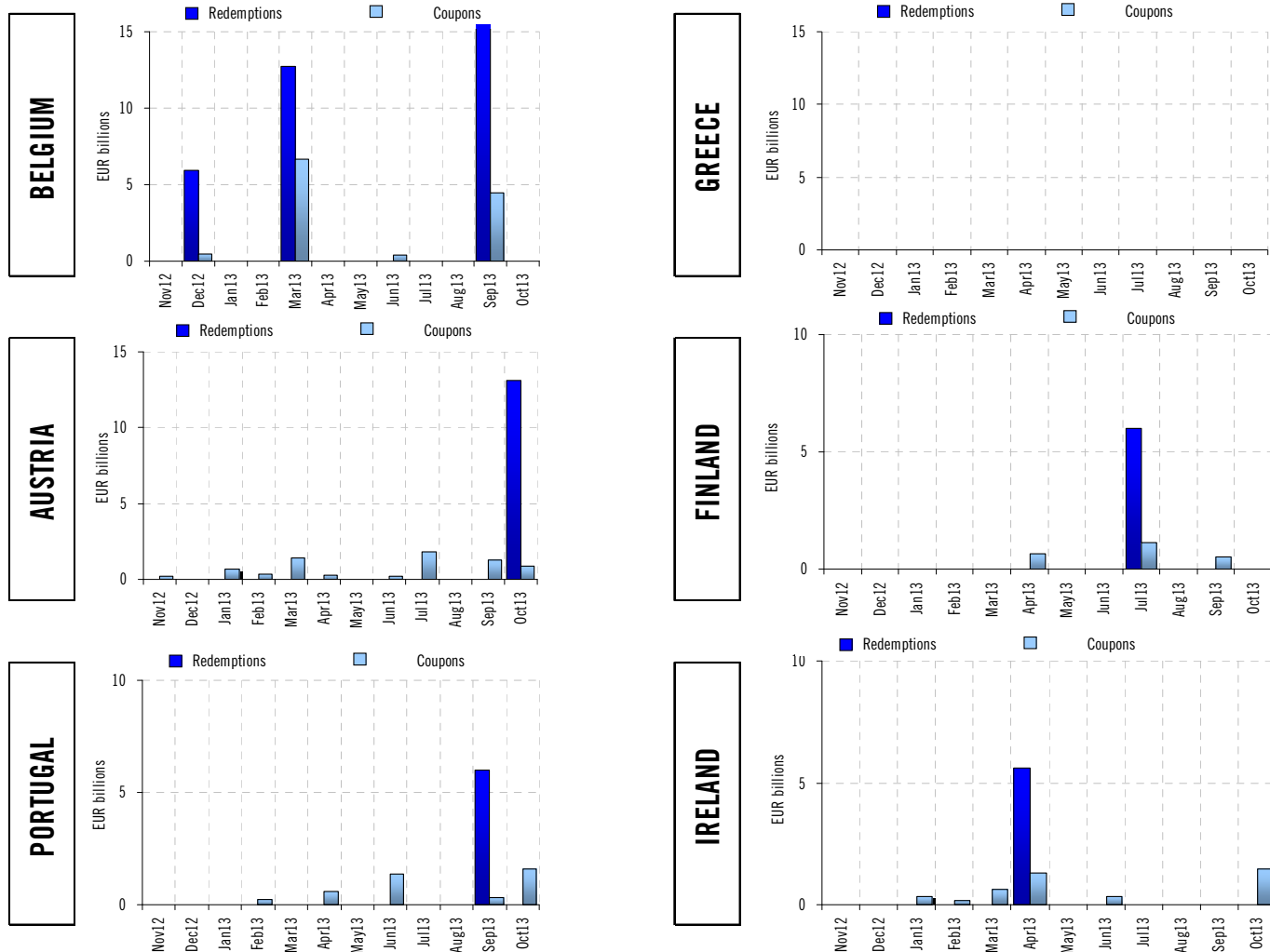
Source: DMOs, Citi estimates, Bloomberg

Figure 28. 2012 EMU Issuance Progress and Cash flow profile – Citi Forecasts (Euro in Billions)



Source: DMOs, Citi estimates, Bloomberg

Figure 29. 2012 EMU Issuance Progress and Cash flow profile – Citi Forecasts (Euro in Billions)



Size of bond market (fixed rate bonds and linkers)	Sector						Credit Rating (LT local currency)	S&P		Moody's		Fitch	
	2yr	5yr	10yr	15yr	30yr	Total		Rating	Outlook	Rating	Outlook	Rating	Outlook
Germany	395	293	200	63	88	1039	Germany	AAA	Stable	Aaa	-ve	AAA	Stable
France	376	346	247	121	76	1166	France	AA+	-ve	Aaa	-ve	AAA	-ve
Netherlands	106	81	58	13	33	290	Netherlands	AAA	-ve	Aaa	-ve	AAA	Stable
Italy	437	300	261	136	120	1254	Italy	BBB+	-ve	Baa2	-ve	A-	-ve
Spain	194	152	89	53	39	527	Spain	BBB-	-ve	Baa3	-ve	BBB	-ve
Belgium	87	80	57	27	29	280	Belgium	AA	-ve	Aa3	-ve	AA	-ve
Austria	48	55	40	15	12	171	Austria	AA+	-ve	Aaa	-ve	AAA	Stable
Finland	18	23	17	9	2	67	Finland	AAA	-ve	Aaa	Stable	AAA	Stable
Ireland	17	38	21	12	0	88	Ireland	BBB+	-ve	Ba1	-ve	BBB+	Stable
Portugal	33	30	23	0	7	94	Portugal	BB	-ve	Ba3	-ve	WD	-ve
Greece	0	0	0	0	0	0	Greece	CCC	-ve	C	-ve	CCC	-ve

Source: DMOs, Citi estimates, Bloomberg

Appendix A-1

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