

Weekly Supply Monitor

Euro, US and UK supply outlook

- **Europe:** Next week is light in terms of euro issuance, with only €5million/bp of issuance coming from Germany, Austria and Spain. We expect the focus of next week's supply to be on Thursday's Bono auction.
- There are no coupon payments or redemptions next week. After heavy cash flows in October, there will be minimal coupons and redemptions over the next four weeks.
- **US:** There will be €72bn of UST issuance next week in 3s, 10s and 30s.
- **UK:** The only gilt supply next week will be a £3.25bn reopening of conventional 1.75% 22s. There are no gilt coupons or redemptions next week. The APF program ended this week and the decision on an extension to the programme will be taken at the next week's MPC meeting

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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		
					TY22 (UST)	G 22 (Gilt)	RX22 (Bund)
05 Nov (Mon)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/8/2042		-53k		
06 Nov (Tue)	Austria	1.3	RAGB 2019 and 2022 (issue confirmed, size €1.3bn)				11k
06 Nov (Tue)	UK	3.3	1¾% Treasury Gilt 2022 (issue and size confirmed)			32k	
06 Nov (Tue)	US	32.0	3-Year		78k		
06 Nov (Tue)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 15/11/2018 - 15/8/2020		-48k		
07 Nov (Wed)	Germany	4.0	Bobl-164 0.5% Oct17 reopening (issue and size confirmed)				18k
07 Nov (Wed)	US	24.0	10-Year		262k		
07 Nov (Wed)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/8/2042		-53k		
07 Nov (Wed)	US	7 - 8	Outright Treasury Coupon Sales: 31/5/2014 - 30/4/2015		16k		
08 Nov (Thu)	Spain	3.5	Bono 2yr, 5yr and 10yr (estimated tenor and size)				16k
08 Nov (Thu)	US	16.0	30-Year		387k		
08 Nov (Thu)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 15/11/2020 - 15/8/2022		-49k		
09 Nov (Fri)	US	1 - 1.5	Outright TIPS Purchases: 15/1/2019 - 15/2/2042		-29k		
Weekly \$DV01 of Issuance				52.7			
Total Number of Futures Contracts					511k	32k	45k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TY22 (UST)	G 22 (Gilt)	RX22 (Bund)
13 Nov (Tue)	Netherlands	2.5	DSL Jul22 reopening (issue confirmed, size €2-3bn)				21k
13 Nov (Tue)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 15/11/2018 - 15/8/2020		-48k		
14 Nov (Wed)	Germany	5.0	New Schatz Dec14 (issue and size confirmed)				9k
14 Nov (Wed)	Italy	5.8	BTP 3yr, 5yr and 10yr (estimated tenor and size)				20k
14 Nov (Wed)	US	7 - 8	Outright Treasury Coupon Sales: 15/5/2015 - 30/6/2015		26k		
15 Nov (Thu)	France	8.5	BTAN/Index-linked OAT (estimated size)				37k
15 Nov (Thu)	UK	1.8	3¾% Treasury Gilt 2052 (issue confirmed, estimated size)			47k	
15 Nov (Thu)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-53k		
16 Nov (Fri)	US	4.25 - 5.25	Outright Treasury Coupon Purchases: 15/2/2021 - 15/11/2022		-49k		
Weekly \$DV01 of Issuance				9.0			
Total Number of Futures Contracts					-124k	47k	87k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TY22 (UST)	G 22 (Gilt)	RX22 (Bund)
19 Nov (Mon)	US	7 - 8	Outright Treasury Coupon Sales: 31/7/2015 - 15/11/2015		26k		
20 Nov (Tue)	UK	3.7	Syndicated re-opening of 0¾% Index-linked Gilt 2044 in second half of November (further details to be announced)			59k	
20 Nov (Tue)	UK	4.4	1% Treasury Gilt 2017 (issue confirmed, estimated size)			23k	
20 Nov (Tue)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-53k		
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		26k		
22 Nov (Thu)	Spain	3.5	Obligaciones 2yr, 5yr and 10yr (estimated tenor and size)				16k
Weekly \$DV01 of Issuance				31.6			
Total Number of Futures Contracts					154k	81k	50k

Date	Country	Estimated Size (Local Ccy)	Issue Details (Estimated)	DV01 \$million/bp	Approx. Number 10yr Futures		
					TY22 (UST)	G 22 (Gilt)	RX22 (Bund)
26 Nov (Mon)	Belgium	3.0	OLO 5yr, 10yr and 15yr (estimated tenor and size)				26k
26 Nov (Mon)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-53k		
27 Nov (Tue)	Netherlands	2.5	DSL Apr15 reopening (issue confirmed, size €2-3bn)				5k
27 Nov (Tue)	Italy	3.0	CTZ (estimated size)				6k
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		206k		
28 Nov (Wed)	US	1.75 - 2.25	Outright Treasury Coupon Purchases: 15/2/2036 - 15/11/2042		-53k		
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 size)				45k
29 Nov (Thu)	Italy	2.0	CCTeu (estimated size)				4k
29 Nov (Thu)	US	29.0	7-Year		235k		
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		-53k		
Weekly \$DV01 of Issuance				33.1			
Total Number of Futures Contracts					237k	0k	98k

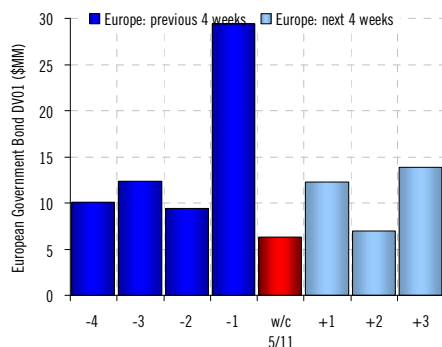
The next release of the approximate purchase and sale amounts and tentative Outright operation schedule will be at 1400 (NY Time) on 30 November 2012

Source: DMOs, Citi Research

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

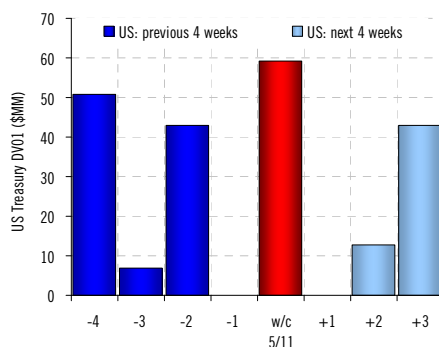
Figure 2 to Figure 4 show the \$DV01 of projected issuance over the next four weeks and the previous four weeks. The DV01 of issuance in the week commencing 5 November is shown in red. The DV01 of euro issuance is the lowest in an eight week period (Figure 4). On the other hand, UST issuance will be heaviest in DV01 terms over the same period (Figure 3).

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



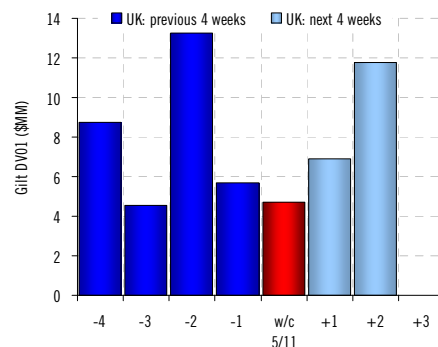
Source: DMOs, Citi Research

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



Source: US Treasury, Citi Research

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



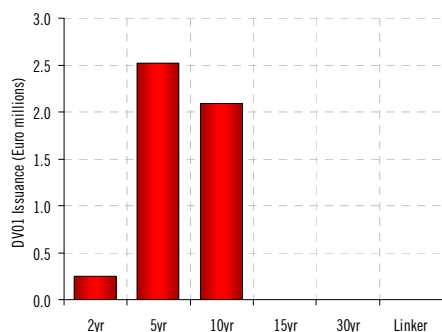
Source: DMO, Citi Research

DV01 of expected EUR, USD and GBP issuance split by maturity (week beginning 5 November)

The DV01 of next week's euro issuance is small (€5million/bp) - Figure 5. The 5-10year sector accounts for 95% of total issuance.

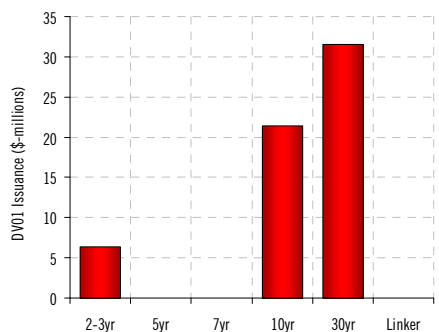
The only gilt issuance next week is a £3million/bp reopening of conventional 1.75% 22s (Figure 7).

Figure 5. EUR DV01: Split by Maturity (5 Nov–11 Nov)



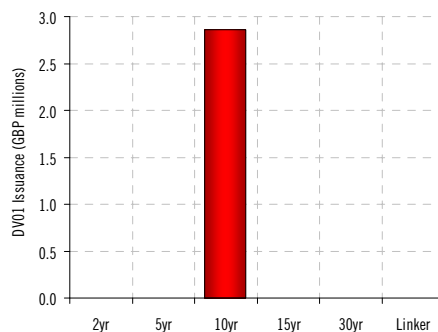
Source: DMOs, Citi Research

Figure 6. USD DV01: Split by Maturity (5 Nov–11 Nov)



Source: US Treasury, Citi Research

Figure 7. GBP DV01 Split by Maturity (5 Nov–11 Nov)

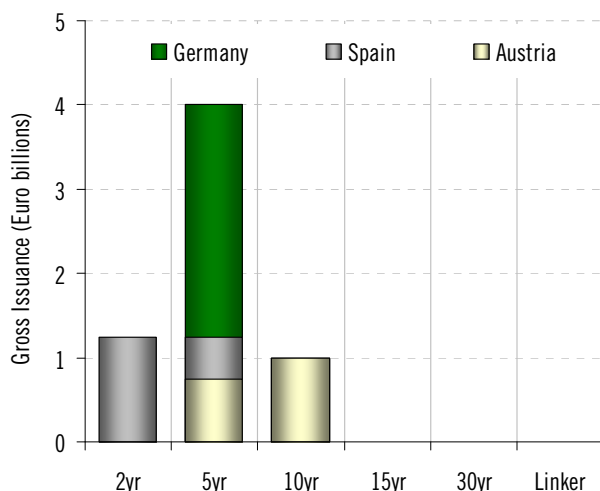


Source: DMO, Citi Research

Expected euro gross and DV01 split by country and maturity (week beginning 5 November)

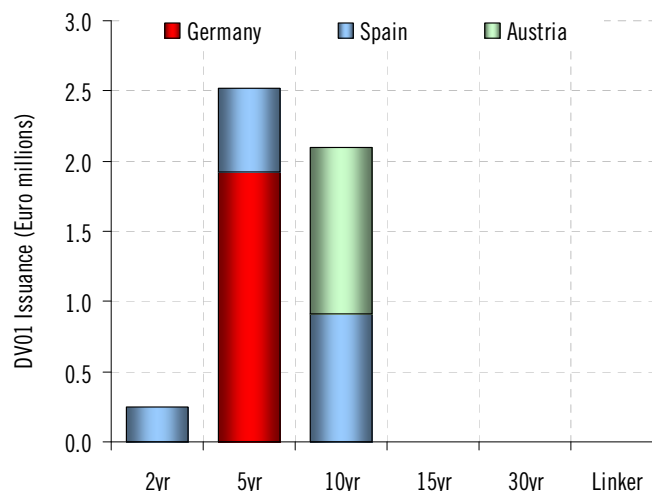
In Europe, supply comes from Austria (€1.32bn), Germany (€4bn) and Spain (estimated €3.5bn) - Figure 8. In DV01 terms, Germany and Spain each account for around 40% of total issuance (Figure 9).

Figure 8. Euro Gross Issuance next week



Source: DMOs, Citi Research, Bloomberg

Figure 9. Euro DV01 Issuance next week



Source: DMOs, Citi Research, Bloomberg

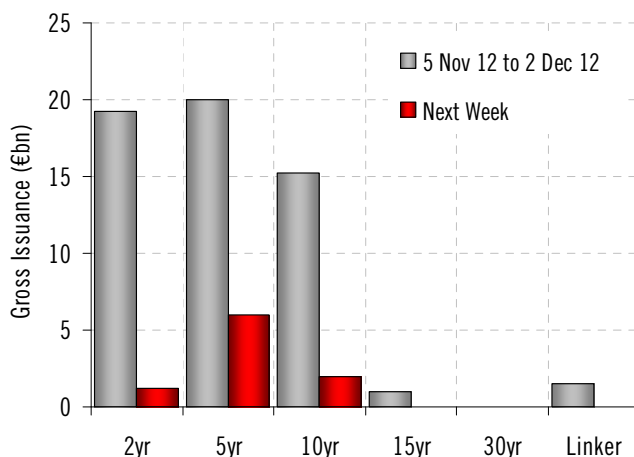
Expected euro issuance (gross and DV01) by maturity for the next four-weeks (5 November – 2 December)

Next week only sees issuance in the 2-10year sector, with a majority coming in 5s.

The 2- and 5-year sectors account for 36% and 33% of total issuance for the next four weeks respectively (Figure 10).

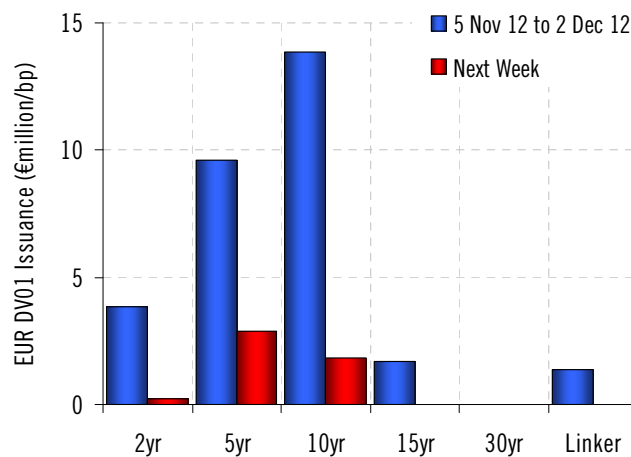
In DV01 terms, the 10year sector accounts for 47% of total four week issuance at around €14million/bp (Figure 11).

Figure 10. Euro Gross Issuance over the Next Four Weeks



Source: DMOs, Citi Research, Bloomberg

Figure 11. Euro DV01 Issuance over the Next Four Weeks



Source: DMOs, Citi Research, Bloomberg

Euro coupons for the next four weeks – maturity split

Euro coupon payments are light over the next four weeks (Figure 12).

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

Week Commencing	2yr	5yr	10yr	15yr	30yr	Linker	Total
05 Nov							
12 Nov	0.4						0.4
19 Nov			0.2				0.2
26 Nov	0.7						1.0
Total	1.1	0.4	0.2				1.7

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

US coupons for the next four weeks – maturity split

There are no US Treasury coupon payments next week. The following week sees €20bn of coupon payments across all conventional maturities (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
05 Nov							
12 Nov	4.0	3.3	2.3	4.3	5.8		19.7
19 Nov							
26 Nov	2.3	1.7	0.4				4.4
Total	6.3	5.0	2.7	4.3	5.8		24.1

Source: Citi Research, Bloomberg

*This table is on a trade-date basis

UK coupons for the next four weeks – maturity split

There are minimal gilt coupon payments over the next four weeks (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
05 Nov							
12 Nov							
19 Nov						0.7	0.7
26 Nov							
Total						0.7	0.7

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 05 Nov (Mon)		Coupons	Redemptions	WEEK 2	Week Beginning 12 Nov (Mon)		Coupons	Redemptions
		Austria					Austria		
		Belgium					Belgium		
		Germany					Germany		
		Finland					Finland		
	Coupons	France				Coupons	France		
2yr		Greece			2yr	0.4	Greece		
5yr		Ireland			5yr		Ireland		
10yr		Italy			10yr		Italy	0.4	
15yr		Netherlands			15yr		Netherlands		
30yr		Portugal			30yr		Portugal		
Linker		Spain			Linker		Spain		
	0.0		0.0	0.0		0.4		0.4	0.0
WEEK 3	Week Beginning 19 Nov (Mon)		Coupons	Redemptions	WEEK 4	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

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 turns positive next week after being supportive for yields during October. An average €14bn of weekly supply easily offsets minimal coupon payments over the next four weeks (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
05 Nov	10.8		10.8		10.8
12 Nov	10.0	0.4	9.6		9.6
19 Nov	19.3	0.2	19.0		19.0
26 Nov	16.0		16.0		16.0
Total	56.0	0.6	55.4		55.4
Average	14.0	0.2	13.9		13.9
YTD Average	16.6	4.5	12.1	11.7	0.4

Source: DMOs, Citi Research, Bloomberg

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

The net cash flow profile remains supportive for USTs over the next two weeks as \$72bn of supply is easily offset by \$20bn of coupons and \$63bn of redemptions. During week 4, the NCR profile might weigh on UST yields due to heavy supply of \$112bn and cash flows of only \$70bn (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
05 Nov					-0.6	0.6
12 Nov	72.0	19.7	52.3	63.1	0.5	-11.3
19 Nov					-8.3	8.3
26 Nov	112.0	2.2	109.8	52.2	15.3	42.3
Total	184.0	21.9	162.1	115.3	6.9	39.9
Average	46.0	5.5	40.5	28.8	1.7	10.0
YTD Average	42.9	3.0	40.0	25.1	0.7	14.2

Source: US Treasury, Citi Research, Bloomberg

UK cash-flow profile over the next four weeks

The NCR is negative for gilts over the next four weeks due to minimal coupons and no redemptions (Figure 18). The APF program ended this week and the decision on an extension will be taken at the next week's MPC meeting. Citi economists do not expect an extension to the program this month ([UK Economics Weekly](#)).

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
05 Nov	3.3		3.3			3.3
12 Nov	1.8		1.8			1.8
19 Nov	7.9	0.7	7.2			7.2
26 Nov						
Total	13.0	0.7	12.2			12.2
Average	3.2	0.2	3.1			3.1
YTD Average	3.3	0.9	2.4	1.2	2.8	-1.6

Source: DMO, Citi Research, 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 (to end-2012)

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

Redemptions = €72bn											
Redemptions	DEU	FRA	NLD	ITA	ESP	BEL	AUT	FIN	PRT	GRC	IRL
	17	5	0	44	0	6	0	0	0	0	0
(Thu) 01-Nov-12				13.5							
(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							

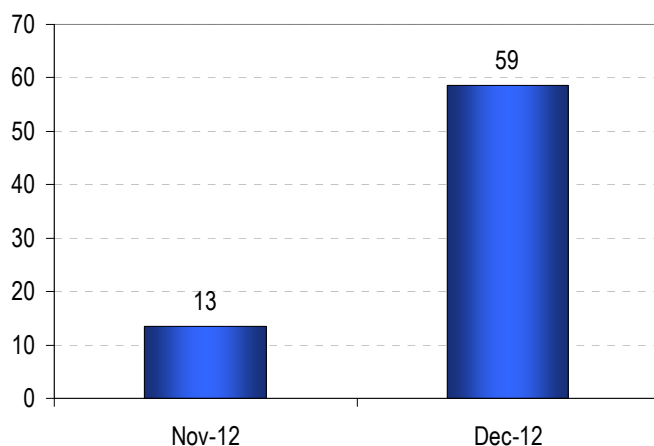
Source: DMOs, Bloomberg, Citi Research

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

Coupons = €8bn											
Coupons	DEU	FRA	NLD	ITA	ESP	BEL	AUT	FIN	PRT	GRC	IRL
	0	0	0	7	0	0	0	0	0	0	0
(Thu) 01-Nov-12				4.4							
(Thu) 15-Nov-12				0.4							
(Thu) 22-Nov-12							0.2				
(Sat) 01-Dec-12				1.0							
(Thu) 13-Dec-12	0.0										
(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									

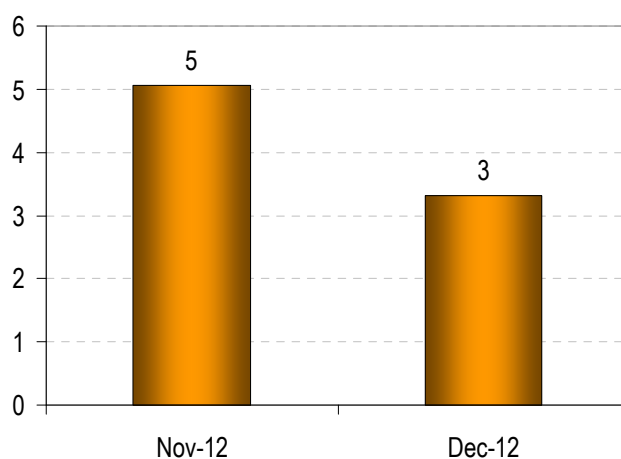
Source: DMOs, Bloomberg, Citi Research

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



Source: DMOs, Bloomberg, Citi Research

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



Source: DMOs, Bloomberg, Citi Research

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
Jan-12	9.0	3.8		1.1	5.4			19	2	17		19	-2
Feb-12	4.1	3.6	2.1	1.3		4.3		15	1	15		13	2
Mar-12	4.0	3.2	2.6	2.4				12	12	1	27	15	-42
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	2.9	1.8	1.2	0.0	3.5	0.0	14	1	13	0	0	13
Dec-12		2.9		1.2				4	7	-3			-3
Total	54.6	39.2	24.8	17.6	14.6	20.4	5.0	176	46	130	53		-39

Gross Supply (\$bn nominal)								A	B	C	D = A - B - C	E	F = D - E
US	2yr	3yr	5yr	7yr	10yr	30yr	TIPS	Gross Supply	Coupons	Fed Purchases	Net Supply	Redemptions	NCR
Jan-12	35	32	35	29	21	13	15	180	12	-1	169	100	70
Feb-12	35	32	35	29	24	16	9	180	26	1	153	120	33
Mar-12	35	32	35	29	21	13	13	178	9	0	169	96	73
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		162	91	72
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
Total	420	384	420	348	264	168	149	2153	166	30	1956	1250	706

Gross issuance forecasts for 2012 to 2013

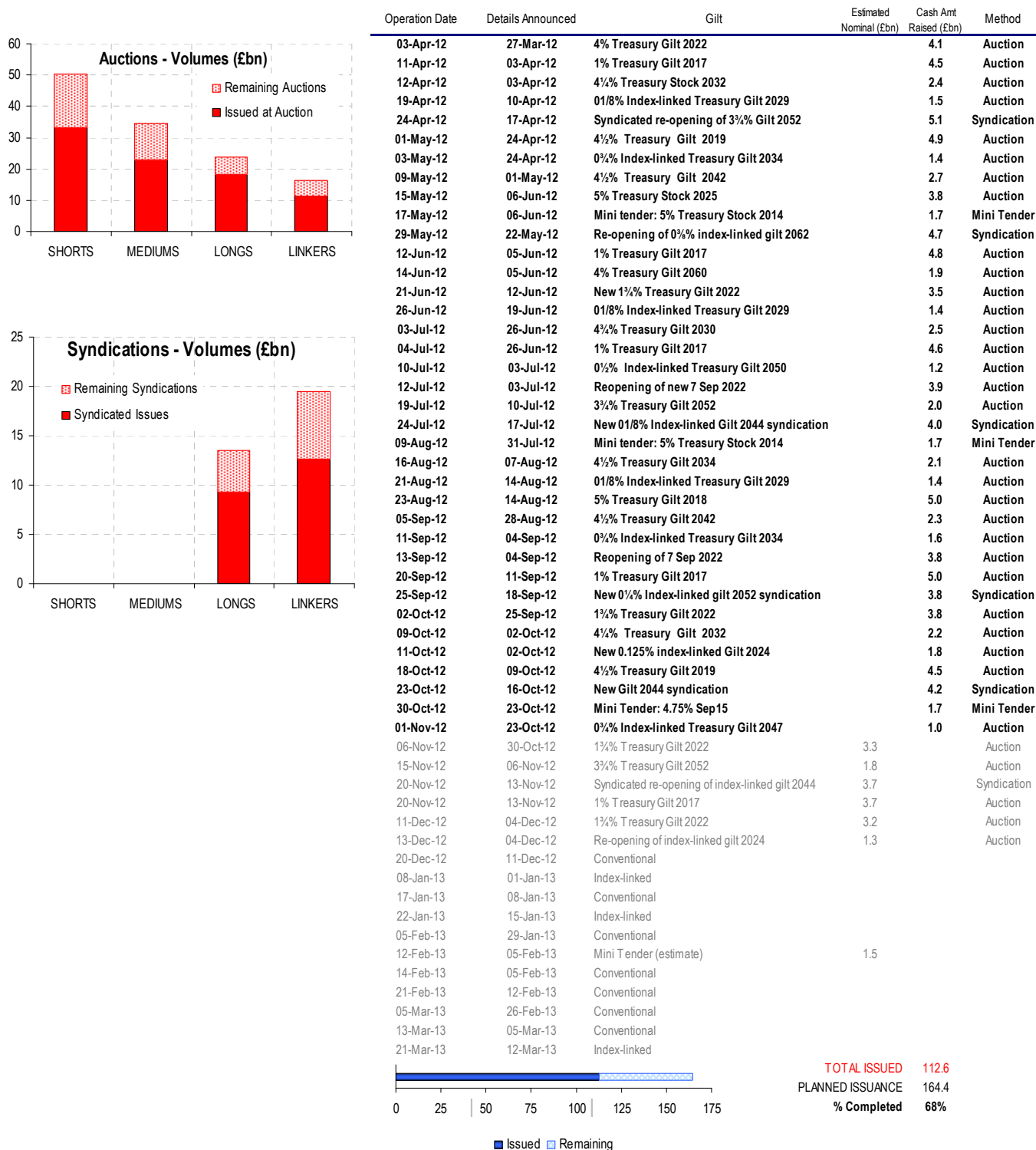
(for fixed rate government bonds and index-linked notes)

Gross Supply	2012	2013	Gross Supply (€bn)	2012	2013	Tickers used in our supply estimates
EMU-11 (€bn)	817	756	Germany	183	183	Schatz, Bobl, Bund, Bundeis, Boblei
- excluding GRC, IRE and PRT			France	199	190	OAT, BTAN, BTANI, OATi, OATei
Gross Supply	2012	2013	Italy	206	164	BTP, BTPei, CCT, CTZ
US (\$bn)	2153	2035	Spain	94	92	SPGB
Gross Supply *	11/12	12/13	Netherlands	61	59	DSL
UK (€bn)	179	164	Belgium	41	37	OLO
			Austria	21	21	RAGB
			Finland	11	10	RFGB
			Total	817	756	

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

Source: DMOs, Citi Research, 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	22.3	26.9	26.8	3.1	10.5	2.3	92	29	63	54	9
Feb	19.7	25.1	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	25.7	21.7	1.5	8.0	4.6	82	28	54	69	-16
Nov	19.3	21.5	16.1	1.8		1.5	60	5	55	13	42
Dec	12.5	9.3	9.2	1.5			32	3	29	59	-30
Total	232	242	243	26	47	34	823	201	622	572	50

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	10.0	10.1		3.9	2.1	29	16	13	20	-7
Nov	2.5	4.5				1.5	9		9		9
Dec		0.6	3.0	1.5			5		5	5	-1
Total	36.0	63.8	59.8	13.1	9.5	17.1	199	46	154	102	52

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	5.8	3.0	0.8		1.0	18	2	16	18	-2
Nov	6.8	6.5	4.5				18	5	13	13	-1
Dec	6.5	6.5	4.0				17	2	15	30	-15
Total	85.3	57.3	51.0	3.1		8.8	206	54	151	192	-41

Source: DMOs, Citi Research, 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		11.5	5.3				17	7	10		10
Feb	3.6	4.6	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	2.5	2.5	2.0				7		7		7
Dec	2.0	1.5	1.5				5		5		5
Total	35.9	36.5	21.7				94	24	70	41	29

*Spain will complete its official 2012 funding requirement in November, in our view. 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		2.5				5		5		5
Dec											
Total	17.6	16.0	15.6	0.9	10.7		61	10	51	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	1.3	0.7	0.8		4		4		4
Nov		1.0	1.3	0.8			3		3		3
Dec										6	-6
Total		6.7	22.4	5.0	7.3		41	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 Research, 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			1.3				1		1		1
Dec		0.7	0.7				1		1		1
Total		6.3	9.8		5.2		21	7	14	10	4

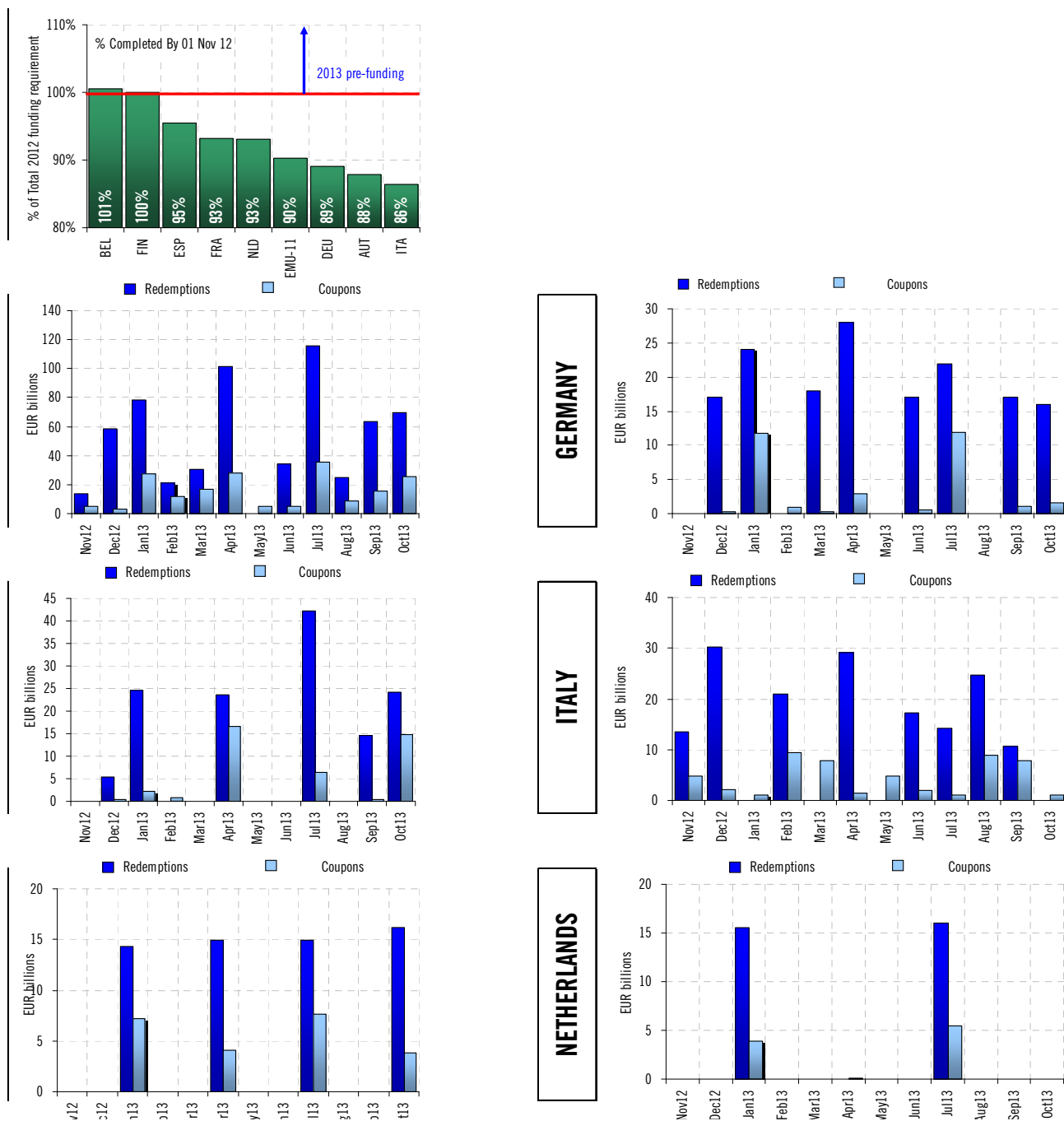
FINLAND	2yr/3yr	5yr	10yr	15yr	30yr	Linkers	Gross Supply	Coupons	Net Supply	Redemptions	NCR
Jan				3.0			3		3		3
Feb											
Mar											
Apr								1	-1		-1
May		1.0					1		1		1
Jun					1.5		2		2		2
Jul								1	-1		-1
Aug			4.0				4		4		4
Sep								1	-1	6	-7
Oct			1.0		0.5		2		2		2
Nov							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

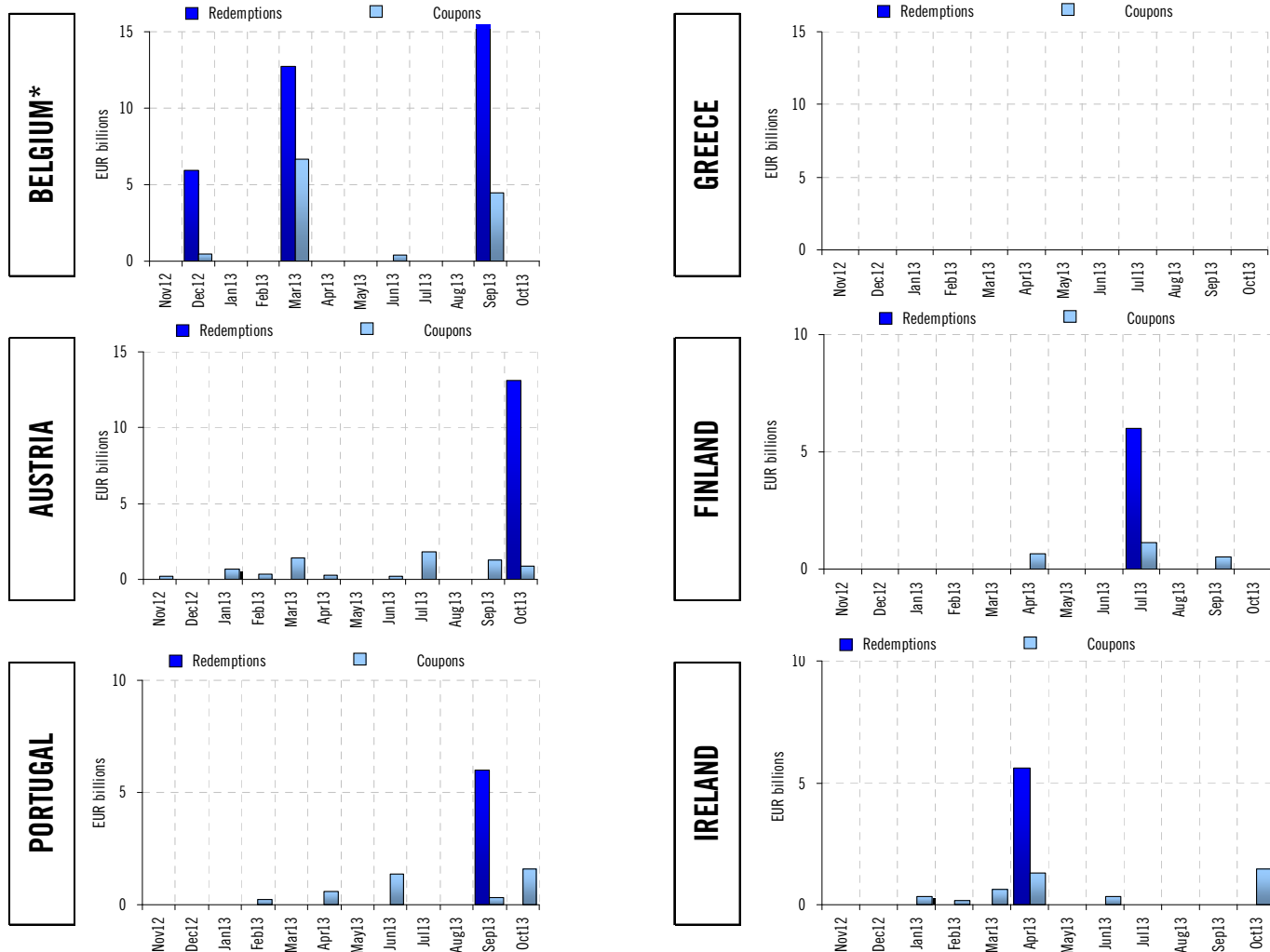
Source: DMOs, Citi Research, Bloomberg

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



Source: DMOs, Citi Research, 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+	-ve
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		CCC	

Source: DMOs, Citi Research, Bloomberg

Appendix A-1

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