DGB auction preview:
2Y 2.0% DGB 2028
10Y 2.25% DGB 2035

August 2026

Auction Preview

DGB'28 and DGB'35

- Wednesday, August 19, 2026, the Danish Central Bank will offer
  - 2Y 2.0% DGB 2028 (992526)
  - 10Y 2.25% DGB 2035 (992496)
- Bids can be submitted from the opening of MTS Denmark until 10.15 CET

- **General:**
  - Wednesday the Danish Central bank will offer DGB'28 and DGB'35 at the auction.
  - Target for DGB issuance is set at DKK 65 bn in 2026, which is unchanged compared to 2022-2025.
  - Prior to Wednesday's auction YTD issuance amounts to 62.9% of the annual target.
  - Current implied FX EURDKK-hedge provides a pickup of 41.9 bps pa. in 3M vs. EGBs.
  - DKK is still trading to the weak side vs EUR. In July there was no intervention from the Danish Central Bank, but in June they intervened in the FX-market with a net sale of foreign exchange for DKK 0.7 bn.

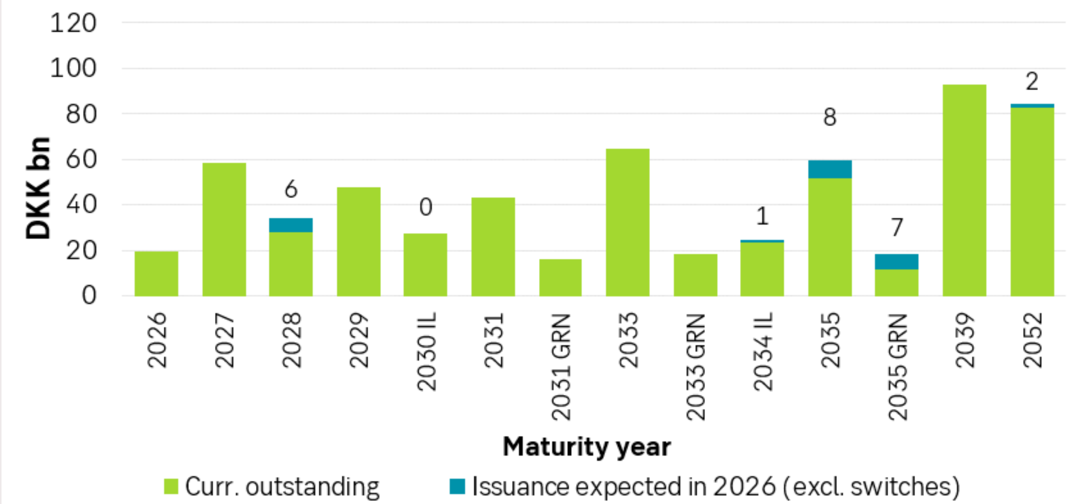
- **DGB'28:**
  - DGB'28 trades at -24.4 bps vs the German curve which is 1.9 bps tighter than at the last auction on August 5.
  - The FX hedged excess yield vs Germany is 14.5 bps which is 3.9 bps tighter than at the last auction.
  - Since the last auction DGB'28 is 2.6 bps tighter vs DESTR at 8.2 bps.
  - New issuance premium for DGB'28 is 2.7 bps vs Germany and 2.1 bps vs DESTR.
  - **We see current pricing of DGB'28 as fair to expensive**

- **DGB'35:**
  - DGB'35 trades at -15.4 bps vs the German curve which 2.3 bps tighter than at the last auction.
  - DGB'35 is 2.2 bps tighter since the last auction vs DESTR with a spread of 24.2 bps.
  - The 10Y FX hedged excess yield in DGB vs core EGBs is now 23.8 bps vs Germany which is 4.5 bps tighter than at the last auction, and 15.4 bps vs the Netherlands which is 4.1 bps tighter than at the last auction.
  - DGB'35 new issuance premium is 6.1 bps vs Germany, 0.7 bps tighter than at the last auction, and 3.7 bps vs DESTR which is 0.4 bps tighter than at the last auction.
  - **We see current pricing of DGB'35 as cheap**

DGBs – Funding in 2026

Issuance target unchanged at DKK 65 bn

- Target for DGB issuance is set at DKK 65 bn for 2026, which is unchanged compared to 2022-2025, based on sound surpluses on public finances.
- DGB issuance is concentrated in the 2Y and 10Y nominal bonds, supplemented by sales in the 10Y green DGB'35 of up to DKK 10 bn and 30Y DGB'52. In addition, the inflation-linked DGBi'30 and DGBi'34 will be issued in limited amounts.
- On January 21 the new DGB'28 was opened with 6 bn tap as 2Y on-the-run. We expect to see DGB'28 on auction frequently hereafter to secure liquidity. This will result in increased 2Y issuance compared to last year, while we expect the 10Y issuance will decline with the corresponding amount.
- A new inflation-linked government bond is not planned to be issued as the inflation-linked government bond programme has been built up to DKK 50 bn, which is in the target range of DKK 40-60 bn.

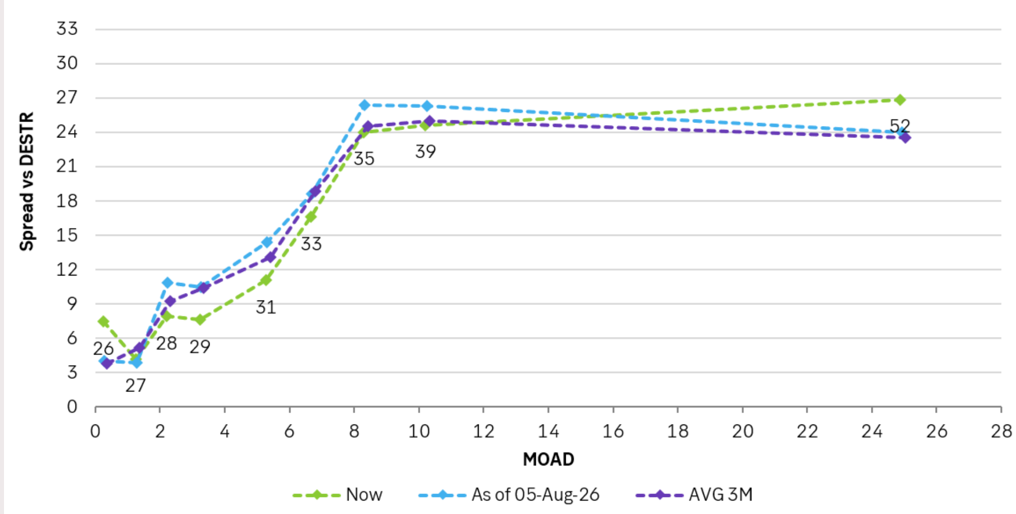


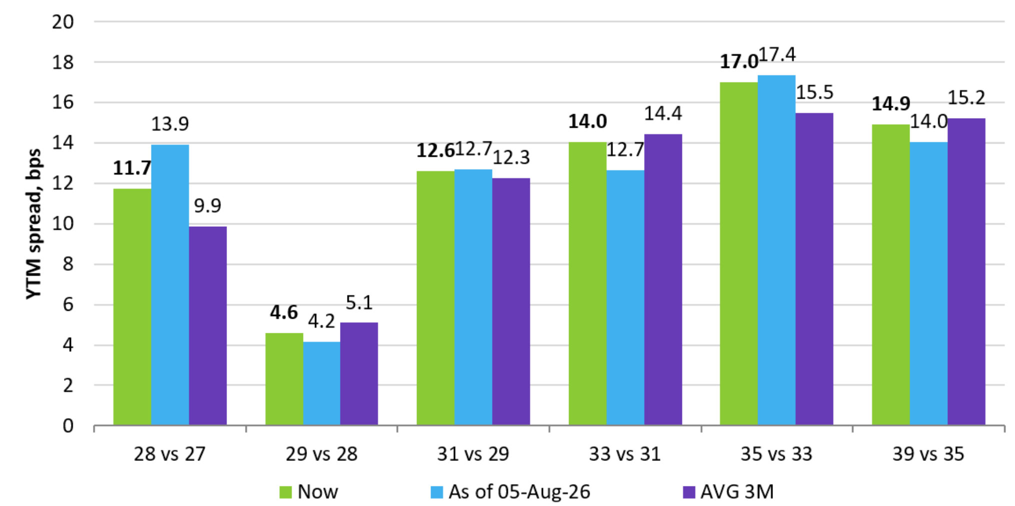
DGB Issuance in 2026 - actual year-to-date and expected

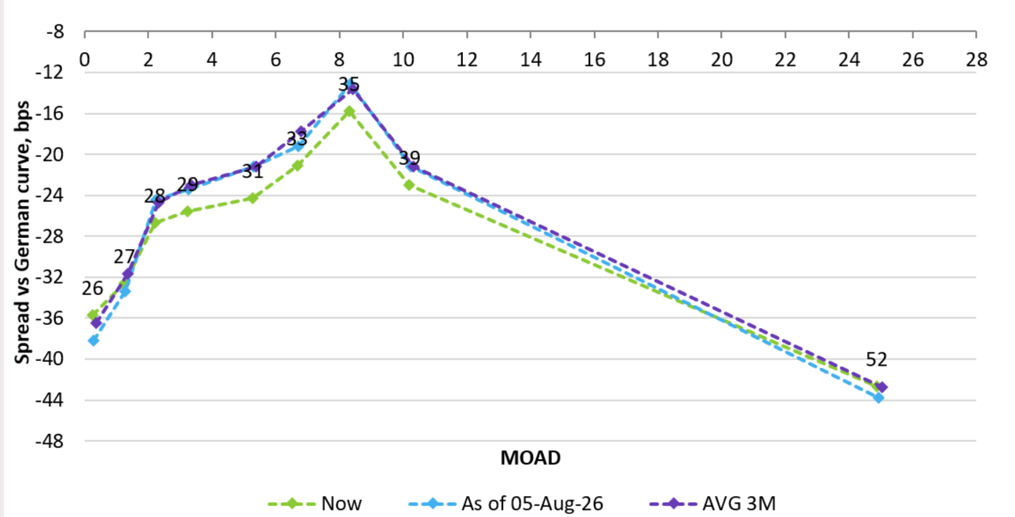
Bonds	Issuance in 2026 (DKK bn)	%-distribution YTD	Expected %-distribution	Remaining issuance in 2026
DGB'27	0.1	0%	0%	0.0
DGB'28	22.9	35%	45%	6.3
DGB'35	12.0	18%	31%	8.2
DGB'35 GRN	3.2	5%	15%	6.6
DGB'52	1.3	2%	5%	2.0
DGBi'30	0.0	0%	0%	0.0
DGBi'34	1.5	2%	4%	1.1
Market value	**40.9**	**63%**	**100%**	**24.1**
% of target	**62.9%**			
Sales target	**65.0**			**65.0**

DGB - relative value vs. DBR and swaps

- Since the last auction on August 5 DGB'28 is 2.6 bps tighter vs DESTR at 8.2 bps. DGB'35 is in the same period 2.2 bps tighter vs DESTR at 24.2 bps.
- DGB'28 trades at -24.4 bps vs the German curve which is 1.9 bps tighter than at the last auction. DGB'35 trades at -15.4 bps vs the German curve which is 2.3 bps tighter than at the last auction.
- The YTM roll from DGB'28 to DGB'27 is 11.7 bps. The YTM roll from DGB'35 to DGB'33 is 17.0 bps.



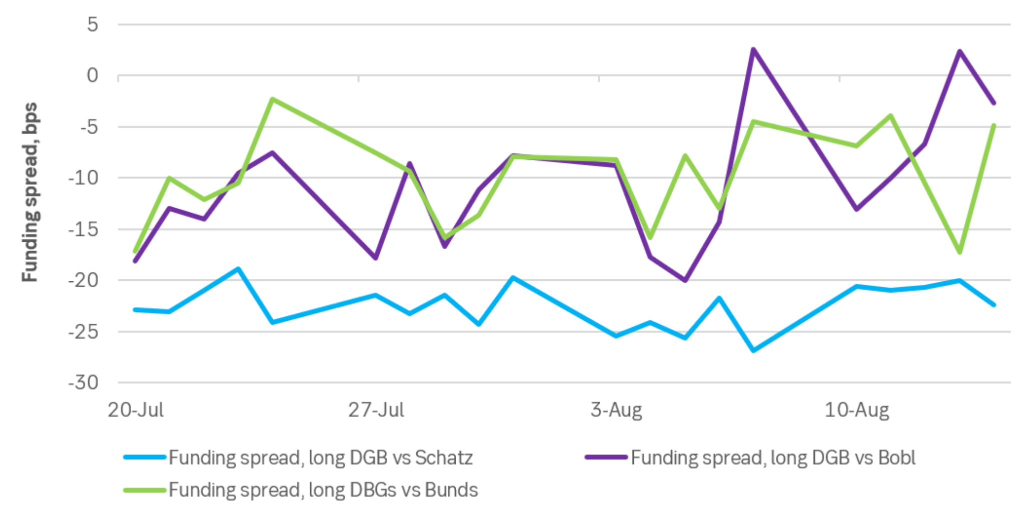


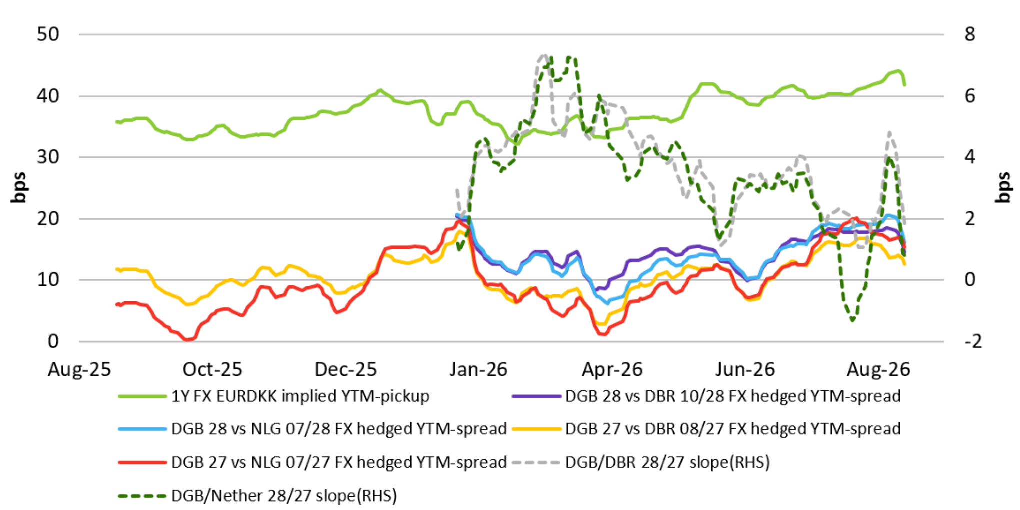


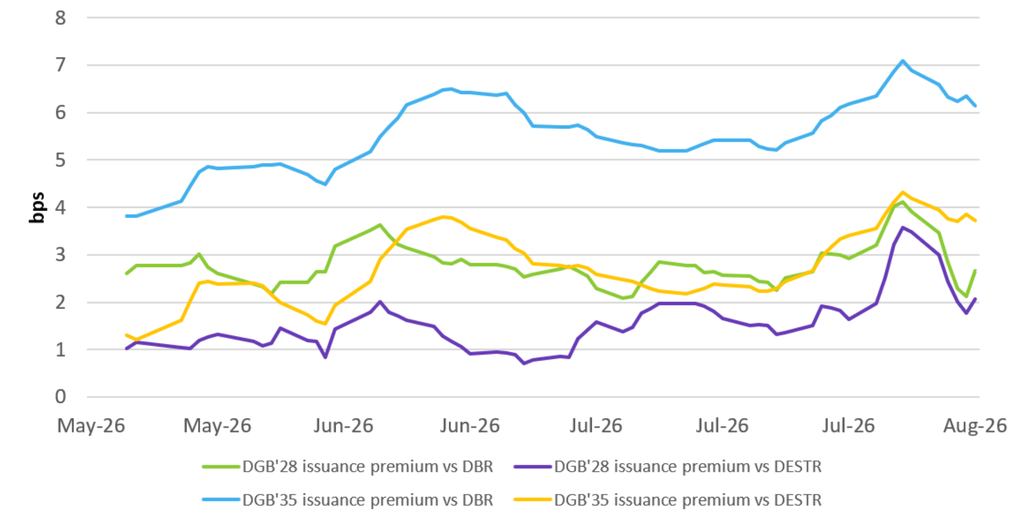
2Y DGB vs Germany and EUR cores

YTM-spreads vs DBRs and core EGBs including FX-hedge

- The implied YTM from 3M FX-hedging to EUR is 1.0 bps lower than at the last auction at 41.9 bps.
- DGB'28 vs. DBR Oct-28 trades at -27.4 bps in YTM. The FX-hedged excess yield is 14.5 bps which is 3.9 bps tighter than at the last auction.
- Spread between DGB repo funding and Bund implied is -4.9 bps in 10Y and -22.4 bps in 2Y, while 3M DESTR/€STR trades at -37.9 bps.
- New issuance premium for DGB'28 is 1.4 bps tighter since the last auction at 2.7 bps vs Germany and 1.1 bps tighter vs DESTR at 2.1 bps. For DGB'35 new issuance premium is 6.1 bps vs Germany, 0.7 bps tighter than at last auction, and 3.7 bps vs DESTR which is 0.4 bps tighter than at the last auction.



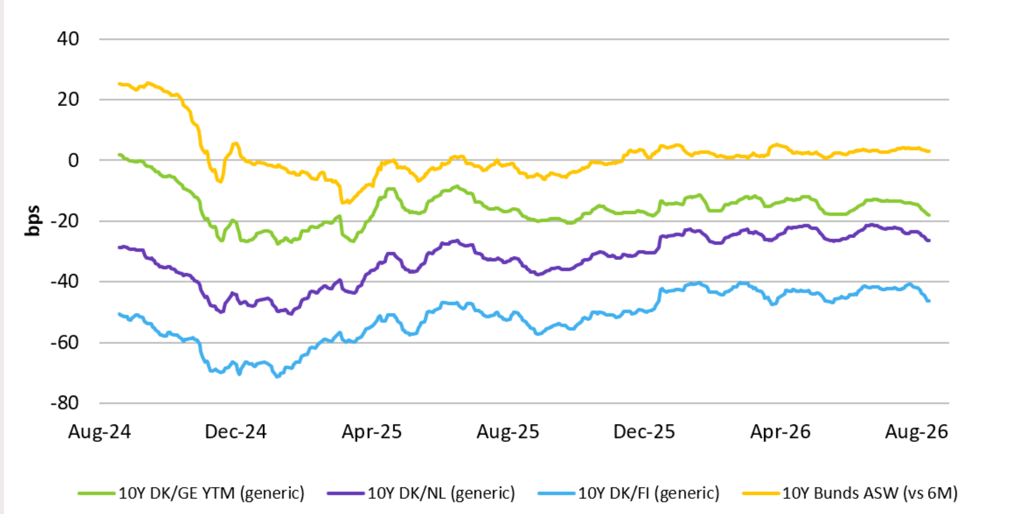


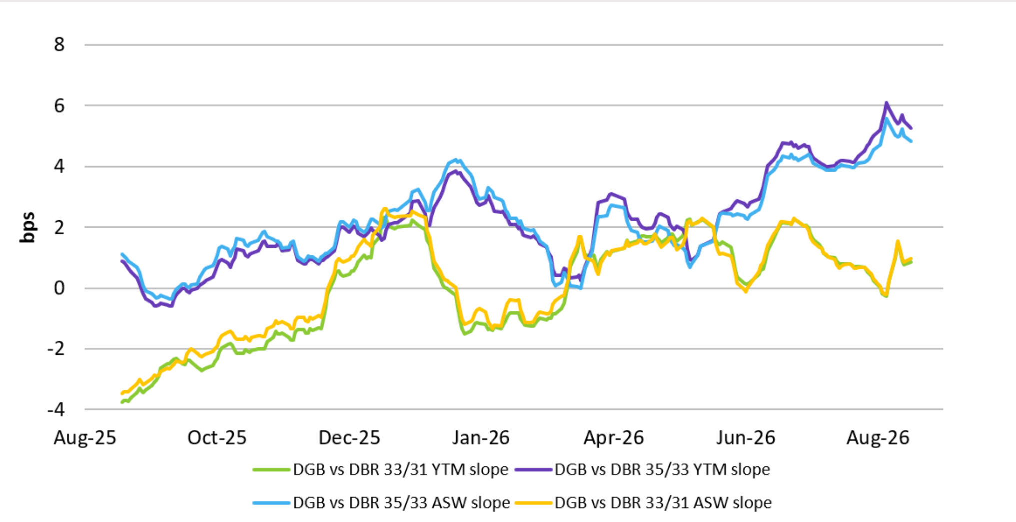


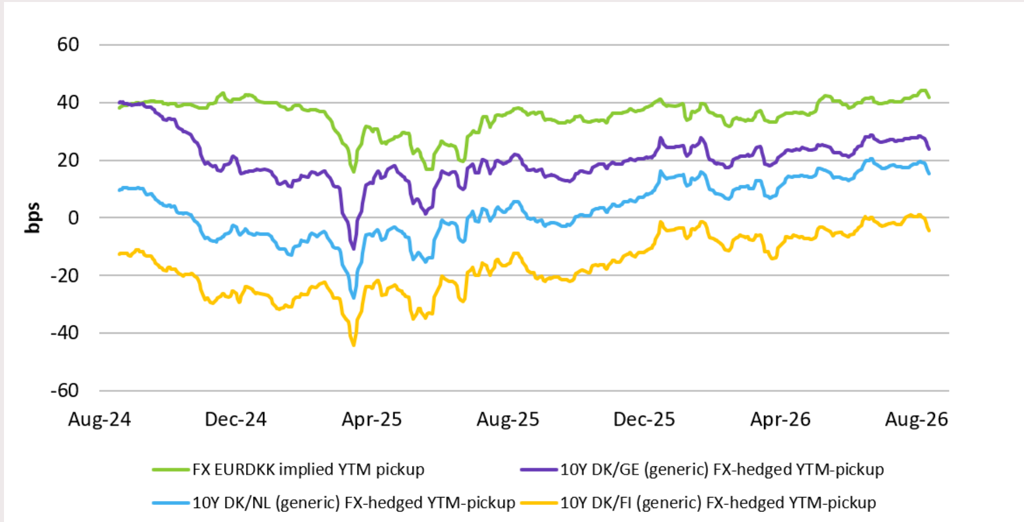
10Y DGB vs Germany and EUR cores

YTM-spreads vs DBRs and core EGBs including FX-hedge

- Generic 10Y YTM vs Germany has tightened 3.2 bps since the last auction to -18.1 bps, and vs the Netherlands it has tightened 2.8 bps to -26.5 bps.
- The 10Y FX hedged excess yield in DGB vs. core EGBs is now 23.8 bps vs. Germany which is 4.5 bps tighter than at the last auction, and 15.4 bps vs. the Netherlands which is 4.1 bps tighter than at the last auction.
- DGB vs DBR 35/33 YTM slope trades at 5.3 bps which is 0.5 bps tighter than at the last auction, while in ASW-terms it trades at 4.8 bps which is also 0.5 bps tighter than at the last auction.



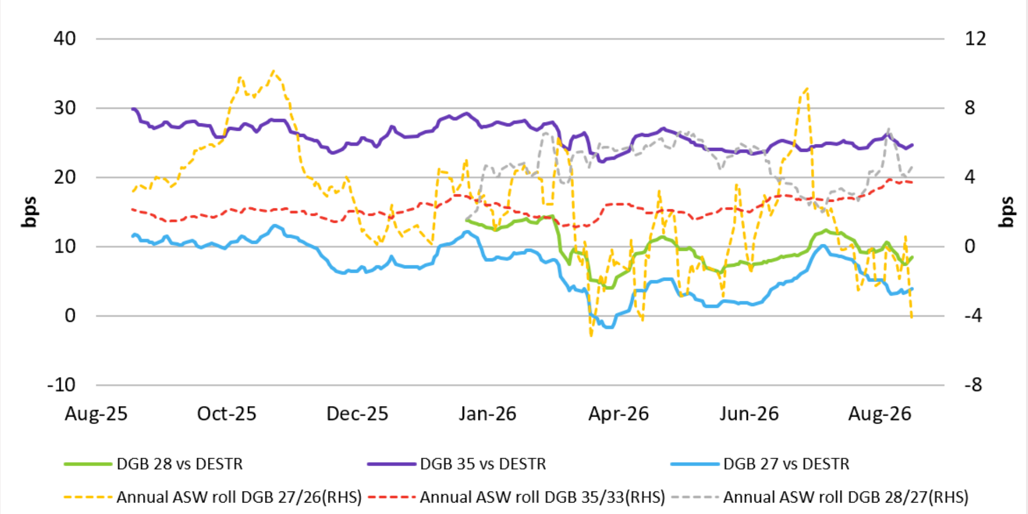


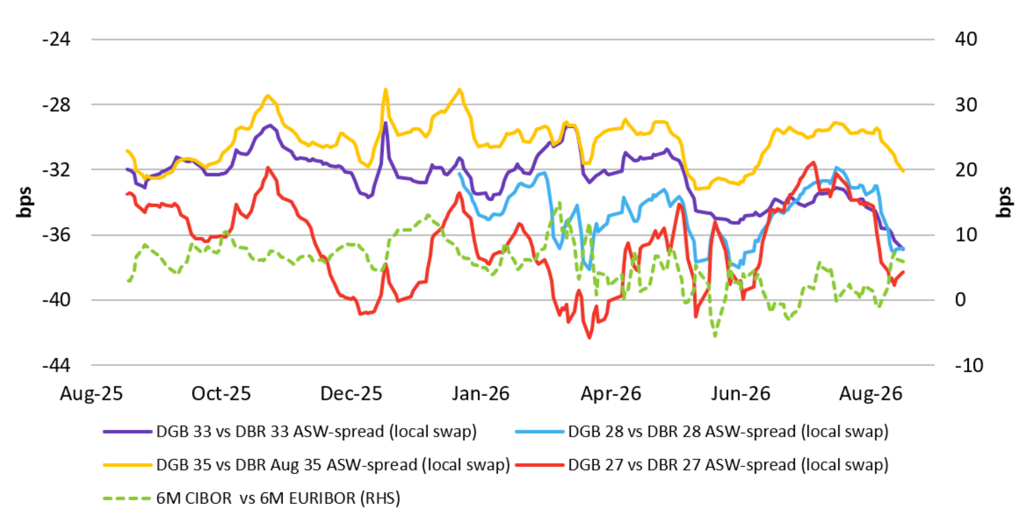


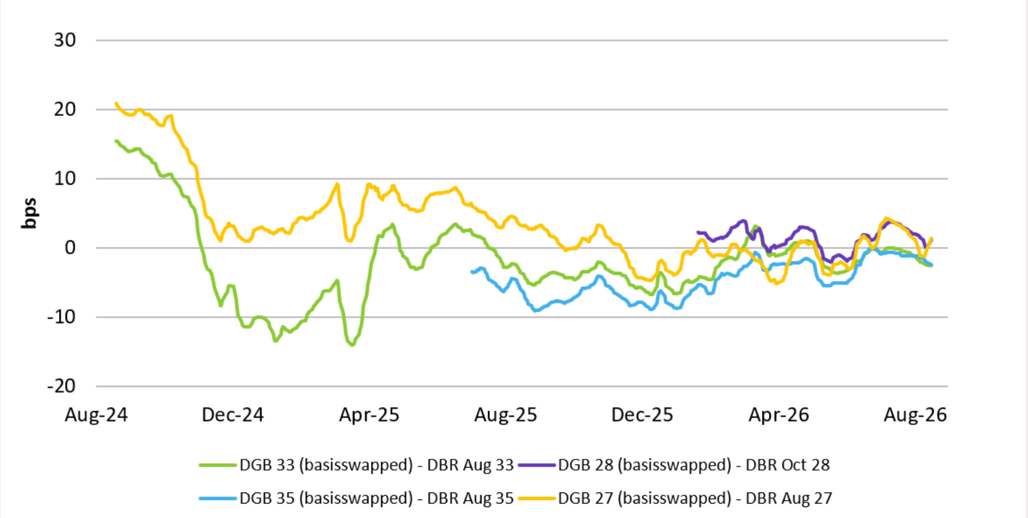
DGB ASW carry and roll

Local ASW spreads and XCCY ASW pickup vs German comparables

- The DGB'35 1Y ASW-roll (OIS) to DGB'33 is unchanged since the last auction at 3.7 bps. For DGB'28 the 1Y ASW-roll (OIS) is 4.6 bps, which is 1.7 bps tighter than at the last auction.
- The ASW-box (vs 6M) between DGB'35 and DBR Aug-35 has tightened 2.6 bps since the last auction to -32.1 bps. The ASW-box between DGB'28 and DBR'28 has tightened 3.9 bps since the last auction to -36.9 bps.
- DGB'35 has -2.4 bps ASW-pickup (vs. 3M Euribor) vs. DBR Aug-35 which is 1.3 bps tighter than at the last auction, while DGB'28 has 1.1 bps pickup, which is 0.7 bps tighter than at the last auction.







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