9 September 2026

Reading the Markets EUR

Risks for Bunds; Covered bond spreads grind tighter

Macro. The landslide victory for the far-right in Saxony-Anhalt's state election could gradually raise the political risk premium in German Bunds. An AfD-led state government would have limited direct fiscal implications, but the indirect consequences for the Merz government could be significant. The market tail risk is a split within the CDU that ultimately brings down the federal government.

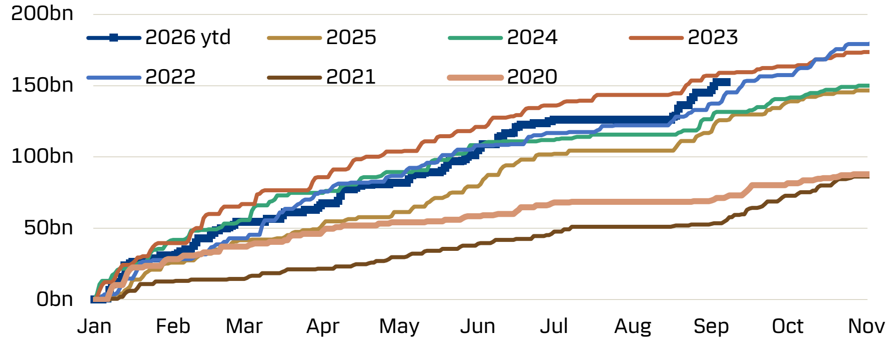
***Rates strategy*.** With long-end yields reaching multi-decade highs and government borrowing set to increase globally, we examine how the German issuance profile has evolved in recent years. We do this in the context of the US Treasury's inclination to issue in the front-end and Bessent's buyback announcement in August.

***Bond strategy*.** We look at the significant supply of covered bonds as well as the spread performance. Looking at just the roll-down on the ASW-spread curve, there is still room for performance. We provide our expectations for syndicated deals in Q3 from the EGB issuers and the EU. We expect more from the periphery such as the 20Y Green bond from Spain this week.

Trade log.

Chart of the week. Accumulated covered bond issuance since 2020 – 2026 looks to be close to a record high over the past five years

EUR covered bond benchmark supply YTD, EUR bn



Note: Past performance is not a reliable indicator of current or future results. Source: Danske Bank

Key views

- **ECB.** We expect the ECB to hike the deposit rate to 2.50% by YE 2026. Risks are skewed towards a final hike in December. We expect the ECB to keep rates unchanged in 2027.
- **Outright.** 3M at 3.00-3.25% for 10Y Bunds.
- **Curve.** 2s10s German curve to re-steepen 50-60bp in the next 3M as we partly scale back expectations for rate hikes.
- **ASW (Schatz/Bobl/Bund).** Range bound spreads but see risk of tighter German ASW spreads due to the issuance (i.e. German government bonds to under-perform swaps).
- **Covereds/SSA.** Spreads to swaps are tightening given strong demand at syndicated deals.
- **EUR/USD.** Recent uptick will prove temporary, structural trend still headed lower towards 1.12 on a 12M horizon.

Chief Analyst, Bond Strategy
Jens Peter Sørensen
jenssr@danskebank.dk

Senior Analyst, Rates Strategy
Kirstine Kundby-Nielsen
kigrn@danskebank.dk

Senior Analyst, Macro
Rune Thyge Johansen
rujo@danskebank.dk

Analyst
August Hyldgaard
auhyl@danskebank.dk

Important disclosures and certifications are contained from page 12 of this report.

Macro

AfD wins big in eastern Germany – Bunds could pay the price

On Sunday, the far-right AfD came within three seats of becoming the first such party to take power in a German state since 1945. Preliminary results put it at 43.8% in Saxony-Anhalt, securing 39 of 83 seats and twice its 2021 share. The conservative CDU's vote, meanwhile, fell by roughly half to 17.2% and 15 seats, see Chart 1.

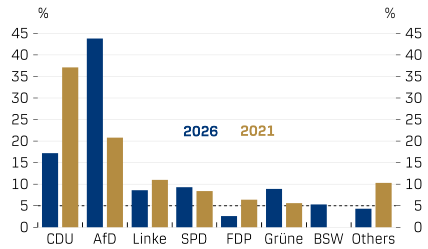
Forming a government will be difficult. The AfD is three seats short of a majority, and the other parties officially refuse to work with it. However, the far-left, anti-immigration BSW has floated case-by-case support for an AfD government, currently the path of least resistance. Defections from other parties also cannot be ruled out. In theory, the non-AfD bloc holds 44 seats, but a coalition looks highly unlikely: the CDU refuses to work with Die Linke, while BSW will not support the CDU's candidate. The new parliament must convene by 6 October, with the current government remaining in a caretaker role until a successor is elected. The Minister-President needs an absolute majority in either of the first two rounds. If neither succeeds, parliament can dissolve itself and call a new election or proceed to a third round decided by a simple majority. That could allow an AfD government to take office if BSW merely abstains.

This is not directly a fiscal story, but it could have indirect consequences for the federal government in Berlin. Saxony-Anhalt is subject to the same 0.35%-of-GDP debt brake as every other state, and most of its revenue comes through a federal formula beyond the control of the state government. An AfD administration would therefore have little scope to alter the budget or credit profile, even if it wanted to. Its main room for manoeuvre lies in schools, culture and local administration. **For markets, the political signal matters more:** either Germany gets its first far-right state government, or the CDU is forced into an unstable coalition with Die Linke. Either outcome would add to Germany's political-risk-premium and increase the pressure on Merz.

The pressure on Merz is substantial. Exit polls showed that 84% of voters blame federal politics for the CDU's collapse, while party officials have openly described the result as a "disaster". Merz's approval rating has fallen to a record-low 16% (see Chart 2), and talk within the party of a "Kanzlertausch" — replacing him — is no longer taboo. **The bigger market risk is a CDU split and a collapse of the federal government.** Parts of the party now openly challenge the "Brandmauer" against the AfD or would rebel if the local CDU becomes dependent on Die Linke. For now, however, a breakdown of the federal coalition still looks unlikely. A snap election would probably strengthen the AfD and make the situation even harder to resolve.

Next, watch 20 September, when Berlin and Mecklenburg-Vorpommern vote. A CDU victory in Berlin and an SPD hold in the north-east would ease the pressure on Merz. A poor result in either state would revive talk of replacing the Chancellor and reinforce the slowly building political-risk-premium narrative.

Landslide victory for far-right AfD in Saxony-Anhalt state election



Source: Landeswahlleitering

Merz approval at record low

Source: ilium.de, Danske Bank

Rates strategy

A German shift towards the front-end

Over the summer, long-end yields reached multi-decade highs globally, with 10-year Bunds trading around 3.35%, 10-year US Treasuries at 4.80% and 10-year JGBs notably rising to 2.90%. Against a backdrop of higher government borrowing, issuers are increasingly reassessing their issuance profiles.

Most recently, the US Treasury modestly raised buyback volumes for 10-30-year Treasuries from USD2bn to at least USD4bn, where it buys back in the off-the-runs while still issuing on-the-runs long-dated bonds, fuelling speculation that it could scale back long-end issuance and instead rely more heavily on T-bill issuance in future. For our take on the announcement see *Reading the Markets USD - Little action, a lot of uncertainty*, 25 August 2026. This raises the question of whether a similar, potentially faster, shift is underway in euro-denominated government issuance and to what extent it is taking place.

The German Finanzagentur has ramped up Bubill issuance over the past year like the US, although the pace has remained in line with Bund issuance, as shown in Chart 3. This has kept the outstanding bill-to-bond ratio anchored around 6%, below its 15-year average of 8.8% and comparable to other large EUR sovereign issuers, as shown in Chart 4. The issuance profile has been concentrated at the front end of the curve, with issuance set to exceed EUR92bn in 2Y Schatz and EUR73bn in 5Y Bobl compared to EUR75bn and EUR66bn in 2025, respectively.

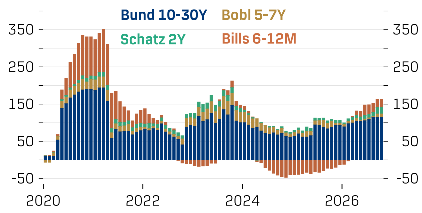
The current weighted average maturity (WAM) of German sovereign 2026 bond and bill issuance is nearly 6.8 years, while the WAM of total outstanding bonds and bills is above 8.3 and near a 15-year high, as shown in Chart 6. By comparison, the WAM of outstanding US Treasuries has declined to 5.9 but remains above its long-term average.

In our view, this leaves room for Finanzagentur to continue issuing in the front end, although the increased refinancing risk should be managed carefully to avoid unsettling markets. As seen following the US Treasury's announcement on increasing long-end buybacks in August, the significant weakening in the USD indicates that the markets are attentive to debt sustainability.

If the Finanzagentur continues to increase issuance at the front end of the curve, we would expect Schatz and to a lesser extent Bobl to cheapen relative to swaps, pressuring front end ASW spreads, leading to a steepening ASW curve. Overall, shifting issuance towards the front-end could act as a buffer against stress in the funding market, which may be what we are starting to see with the increased issuance in the front end.

Bubill issuance has picked up

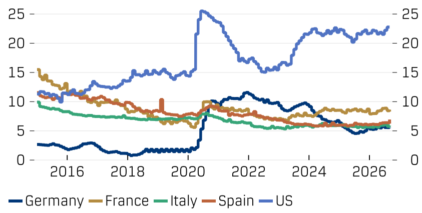
Oustanding German Debt (1Y change in EUR bn)



Source: Bloomberg, Danske Bank

EU bill-to-bond ratios have converged

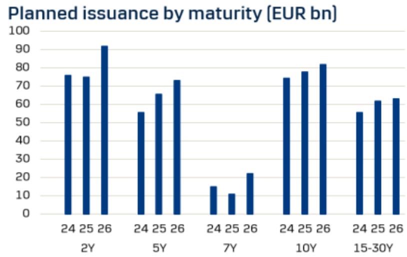
Outstanding bill to bond ratio (%)



Source: Bloomberg, Danske Bank

German issuance to increase

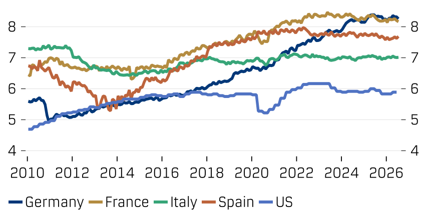
Planned issuance by maturity (EUR bn)



Source: Finanzagentur GmbH, Danske Bank

WAMs have stabilised

WAM of outstanding bonds (y)



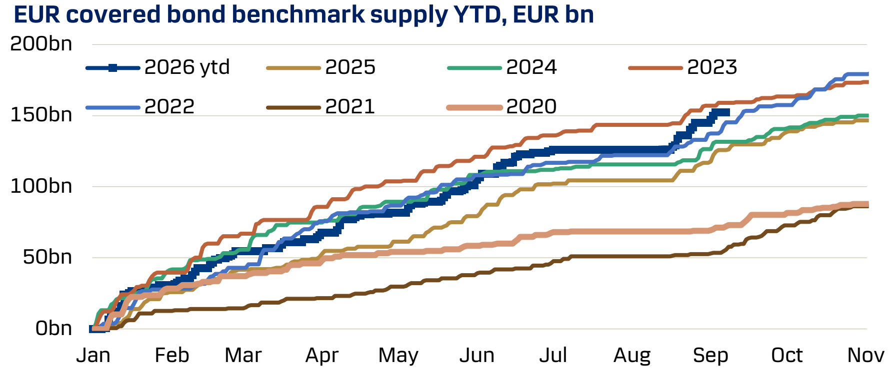
Source: Bloomberg, Danske Bank, ECB

Bond strategy

Issuance in covered bonds continues

It was a very hectic August in the covered bond market with plenty of new deals from both European and non-European issuers, as shown below, where we have the accumulated issuance for the past five years. Hence, we are close to the levels in 2022 and 2023, where the supply ends at around EUR185-200bn.

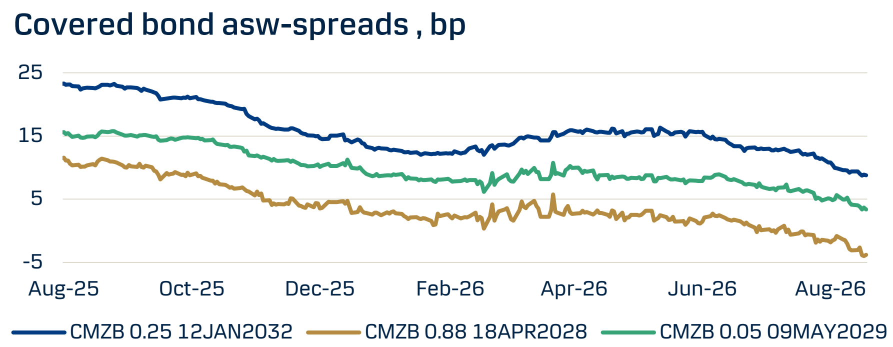
Accumulated covered bond issuance since 2020 – 2026 looks to be close to a record high over the past five years



Source: Danske Bank. Note: Past performance is not a reliable indicator of current or future results.

Our original forecast for supply was some EUR165-175bn, but we expect that we will probably end up at EUR180-190bn like in 2023. However, we have seen very limited impact on spreads both relative to swaps and the underlying government bonds, as shown in the charts on page 8. Furthermore, there is performance in the secondary market as shown in the table on page 9. The performance is seen across the curve and for both core such as Germany and the Nordic banks and non-core issuers such as France, Canada and CEE. Below we show ASW-spreads for 2Y, 3Y and 6Y, where the spreads grind tighter due to the roll-down as well as a general spread tightening.

Covered bond spreads grind tighter

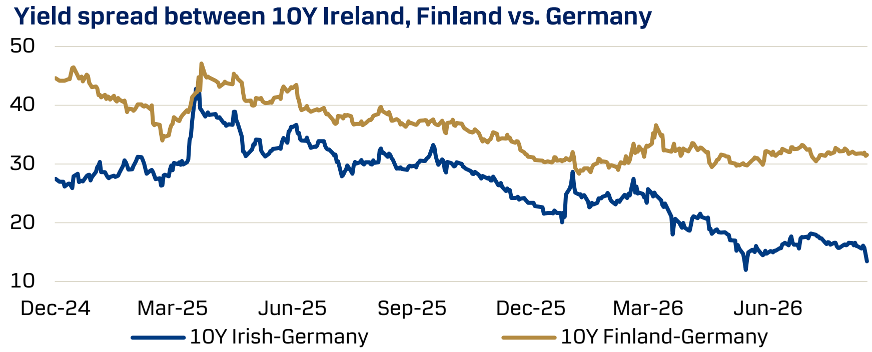


Source: Danske Bank. Note: Past performance is not a reliable indicator of current or future results.

Part of the tightening is just driven by the roll-down on the ASW-spread curve and there is still room for further roll-down.

If we look at our two markets, Ireland and Finland, where there is a very positive macro story in Ireland and a more negative macro story in Finland, then we also continue to see performance in both countries although Finland has not been able to keep up with Ireland as shown by the 10Y spread to Germany.

Keep longs in 10Y Ireland and Finland



Source: Danske Bank. Note: Past performance is not a reliable indicator of current or future results.

Syndicated deals in Q3 from EGB issuers and the EU. Below we give our expectations for upcoming syndications in Q3:

- EU. Here we have a calendar for the syndications: Week 38; September 14-18, Week 42; October 12-16, Week 46; November; 9-13.
- Germany. No more syndications for 2026 as they did their last syndicated deal in August, where they did a syndicated tap in the 30Y benchmark.
- France. Have done the 20Y and 30Y as well as the 10Y Green bond as announced in their funding statement for 2026. Hence, there should be no more syndications in 2026.
- Spain. Announced a 20Y Green bond this week.
- Italy. May come with a long bond at 30Y.
- Netherlands. There should be no more syndications in 2026.
- Finland. Did their last syndication in 2026 in August in a new 7Y benchmark.
- Belgium. There should be no more syndications in 2026.
- Austria. May come with a new 5Y or 7Y in September.
- Ireland. Done for 2026.
- Greece. May come with a new 10Y benchmark.
- Portugal. May come with a 5Y to 7Y in September/October, especially after upgrade to A+ from Fitch last week.

Hence, the syndications should come from the periphery rather than core-EU.

Issuance over the next two weeks

week 38		issuer	type	maturity	coupon	size
Monday	14/09	EU	EU			EUR 10bn
Tuesday	15/09	Finland	RFGB	2Y-30Y		EUR 1-1.5bn
		Germany	Schatz	Sep-2028		EUR 5bn
Wednesday	16/09	Sweden	SGB	2Y-10Y		SEK 5bn
		Denmark	DGB	2Y-10Y		DKK 2-3bn
		Norway	NGB	2Y-20Y		NOK 2-4bn
		Germany	DBR	30Y		EUR 2.5bn
Thursday	17/09	Spain	SPGB	2Y-30Y		EUR 6bn
		France	FRTR	5Y10Y		EUR 10bn
		France	OATei	2Y-20Y		EUR 2bn
		Portugal	PGB	7Y		EUR 3.5bn

week 39		issuer	type	maturity	coupon	size
Tuesday	22/09	Netherlands	Nether	10Y	TBA	EUR 5-6bn
		Germany	Bobl	48137		EUR 5bn
Wednesday	23/09	Norway	NGB	20Y		NOK 5-10bn
		Germany	DBR	15Y/20Y		EUR 2bn
Thursday	24/09	Italy	BTPS short	2Y		EUR 2bn
		Italy	BTPSei	2Y-30Y		EUR 3bn

Source: EU Debt Offices, Bloomberg, Danske Bank

Net cash flow in coming weeks

	Week 38	Week 39	Week 40	Week 41	Week 42
Germany	12.4	-7.0	-5.5	15.3	-7.0
France	-12.0	27.5	-12.0	0.0	-12.0
Italy	30.4	-4.4	-3.2	0.8	-6.3
Spain	-6.0	0.0	-6.0	0.0	-6.0
Portugal	-3.5	0.0	0.0	0.0	-0.8
Belgium	0.0	0.0	-4.0	0.0	0.0
Netherlands	0.0	-6.0	0.0	0.0	-2.5
Austria	0.3	0.0	0.0	-3.0	0.0
Finland	3.7	0.0	0.0	0.0	0.0
Ireland	0.0	0.0	0.0	0.0	-0.4
Slovakia	0.0	0.0	0.0	0.0	0.1
EU	-10.0	0.0	-3.9	15.5	-7.3
EFSF	0.0	0.1	0.0	0.0	4.0
ESM	0.1	0.0	0.0	0.0	0.0
Total - EUR	15.4	10.3	-34.5	28.6	-38.2
Denmark	-3.0	0.0	0.0	-3.0	0.0
Sweden	-5.0	0.0	0.0	-8.0	1.5
Norway	-2.4	-5.0	0.0	-2.2	-3.0

Note: All volumes are in billions, local currency.

Note: Negative means more issuance than coupon and redemption

Source: Bloomberg, Danske Bank

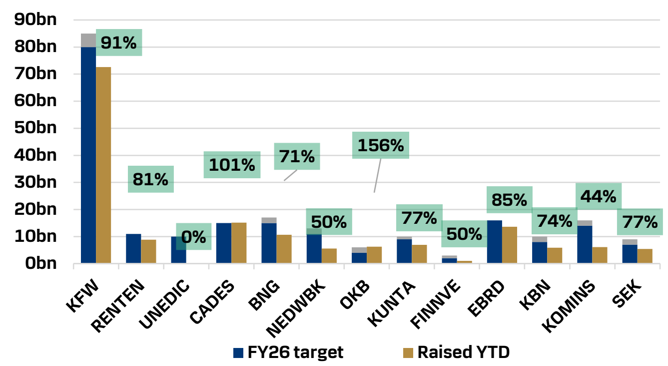
Bond issuance for 2026

Expected issuance (Bn)	Expected gross bond issuance 2026		Gross issuance 2026 YtD	Bonds maturing 2026	Net issuance 2026 YtD	Expected net issuance 2026	% issued YtD of expected gross issuance	
	Official forecast	Danske Bank					Official forecast	Danske Bank
Germany	350.0	*350.0*	245.0	62.0	93.8	288.0	70%	70%
France*	310.0	*310.0*	273.3	60.7	165.6	249.3	88%	88%
Italy	360.0	*360.0*	254.5	60.3	49.4	299.7	71%	71%
Spain	177.0	*177.0*	123.4	28.7	30.9	148.3	70%	70%
Portugal	24.0	*24.0*	17.6	0.0	7.6	24.0	73%	73%
Greece	8.0	*8.0*	7.6	0.5	2.1	7.5	94%	94%
Belgium	52.0	*52.0*	44.6	0.0	18.5	52.0	86%	86%
Netherlands	50.0	*50.0*	36.4	0.0	7.5	50.0	73%	73%
Austria	45.0	*45.0*	31.5	17.2	16.3	27.8	70%	70%
Finland	25.3	*25.3*	21.2	4.0	14.1	21.3	84%	84%
Ireland	12.0	*12.0*	10.9	0.0	-0.7	12.0	91%	91%
Slovakia	10.0	*10.0*	7.5	0.0	3.3	10.0	75%	75%
EU	180.0	*180.0*	123.3	16.3	92.3	163.7	68%	68%
EFSF	18.0	*18.0*	16.5	4.0	-0.5	14.0	92%	92%
ESM	7.0	*7.0*	6.5	4.0	1.0	3.0	93%	93%
Total - EUR	1628.3	*1628.3*	1219.9	257.7	501.2	1370.6	75%	75%
Denmark*	65.0	*65.0*	60.8	19.4	60.8	45.6	93%	93%
Sweden*	222.0	*222.0*	146.8	96.4	113.0	125.6	66%	66%
Norway*	105.0	*105.0*	81.0	0.0	35.8	105.0	77%	77%

***local currency**

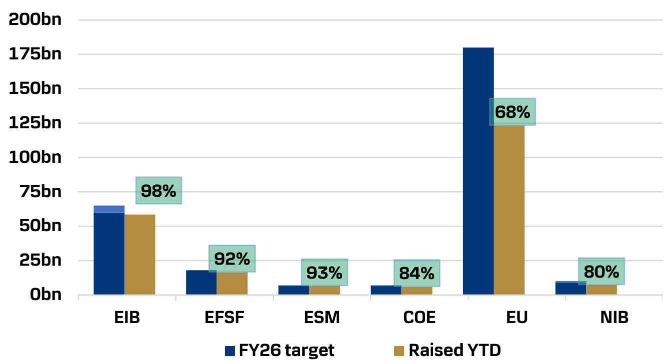
Source: EU Debt Offices, Bloomberg, Danske Bank

How far are the agencies in their funding



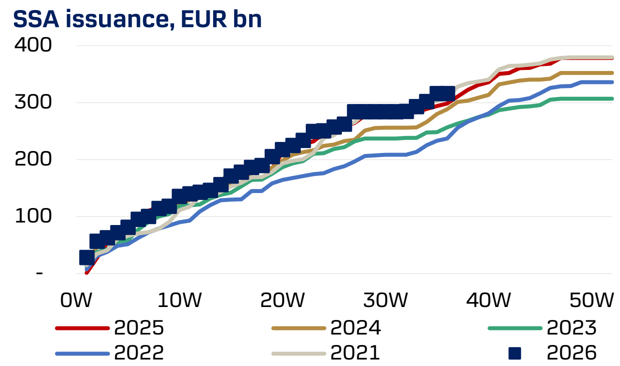
Source: Bloomberg, Danske Bank

How far are the supras in their funding



Source: Bloomberg, Danske Bank

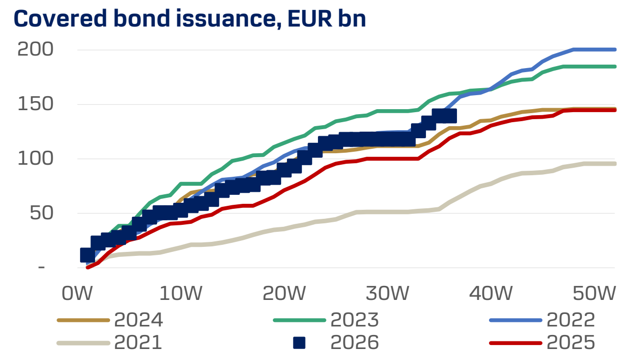
Total supply of SSAs during the past five years



Note: Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

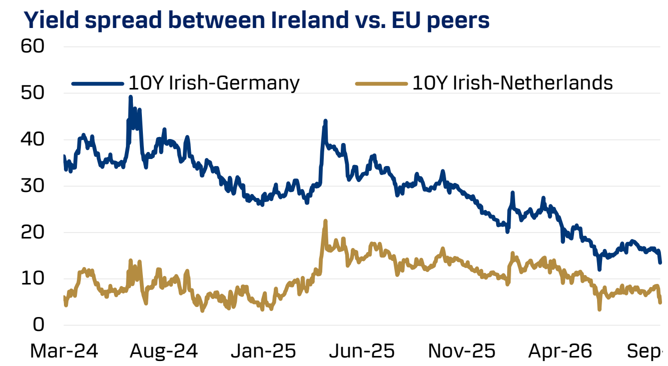
Total supply of covered bonds during the past five years



Note: Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

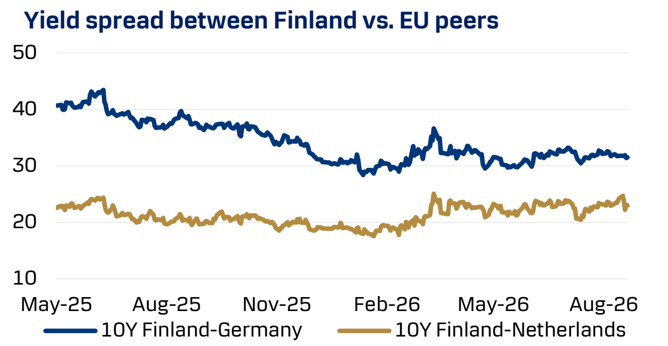
Ireland is rebounding vs peers



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

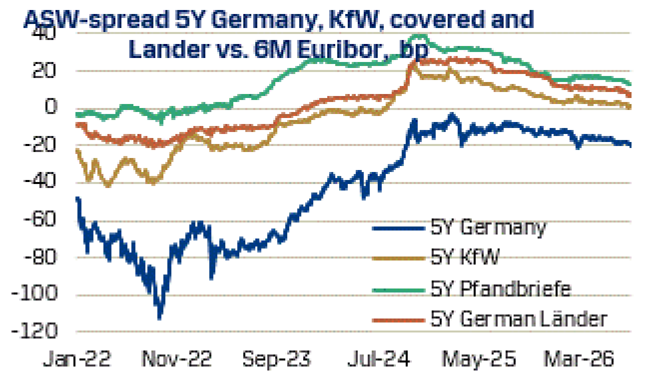
10Y Finland is stabilising vs. EU peers



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

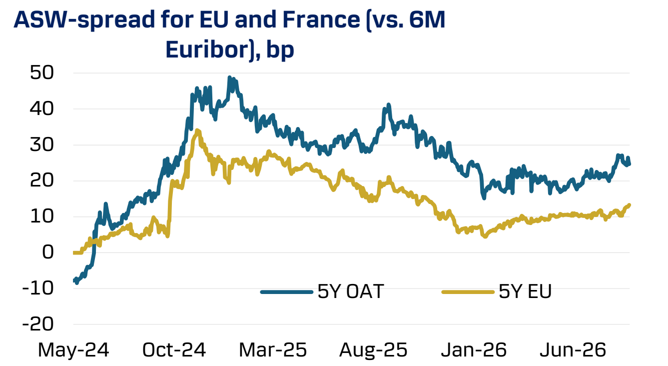
5Y ASW-spreads for KfW, Pfandbriefe, Länder and Bobl



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

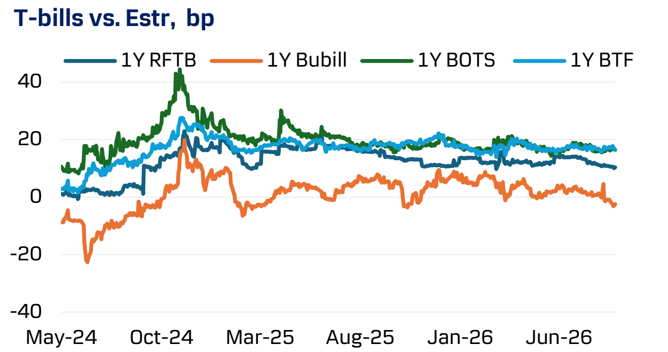
SW-spreads for 5Y France and EU



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

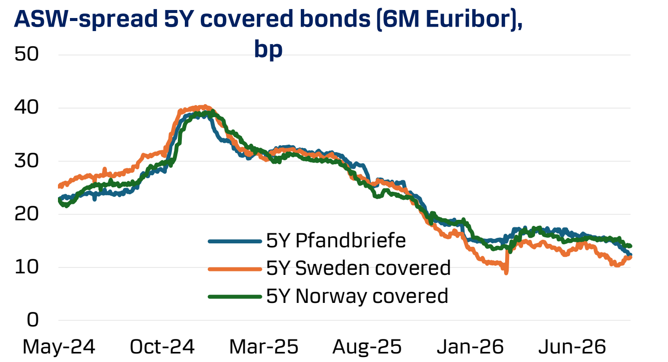
T-bills vs. €str



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

SEK, NOK and German covered bonds



Note: Past performance is not a reliable indicator of current or future results.

Source: Danske Bank

New deals in the covered bond market

	Name (🌳 green, ♥: soc., ✳:sust.)	Cntry	Vol	Mty	Rtg (M/S&P/F)	Book sz.	Guidance	Issue yld	Issue spr	Spr. now	Perf.
03-Sep-26	BCO SABADELL	ES	750	10-Sep-31	Aaa/NR/NR	2,100	28a	3.46%	+22	21	-1
03-Sep-26	DZ HYP	DE	500	30-Jun-31	Aaa/AAA/NR	1,920	20a	3.34%	+13	11	-2
03-Sep-26	CREDIT AGRICOLE PS SCF	FR	500	14-Sep-32	Aaa/AAA/NR	1,300	40a	3.60%	+35	35	0
03-Sep-26	UNICZ	CZ	750	10-Sep-31	Aaa/AAA/NR	2,100	40a	3.56%	+32	31	-1
02-Sep-26	CESSPO	CZ	500	09-Dec-31	Aaa/AAA/NR	1,400	37a	3.57%	+30	28	-2
02-Sep-26	EIKA BOLIGKREDITT	NO	500	09-Sep-36	Aaa/NR/NR	1,200	38a	3.72%	+32	31	-1
02-Sep-26	HAMBURG COMMERCIAL	DE	500	11-Sep-29	Aa3/NR/NR	2,010	33a	3.49%	+25	22	-3
02-Sep-26	NORD LB	DE	750	12-Sep-33	Aaa/NR/NR	1,100	30a	3.56%	+24	23	-1
02-Sep-26	SANTANDER TOTTA	PT	500	09-Sep-29	Aaa/NR/NR	2,400	21a	3.39%	+14	11	-3
01-Sep-26	CFF	FR	1,000	08-Sep-36	Aaa/AAA/NR	1,500	60a	3.92%	+54	53	-1
01-Sep-26	NN GROUP NV	NL	500	08-Sep-31	NR/AAA/NR	2,000	25a	3.41%	+18	17	-1
01-Sep-26	HYPO VORARLBERG	AT	500	08-Sep-33	Aaa/NR/NR	2,280	33a	3.55%	+27	26	-1
26-Aug-26	LUMIIT	IL	750	03-Sep-29	-/-/-	2,000	60a	3.61%	+55	42	-13
26-Aug-26	BANK OF MONTREAL	CA	750	04-Sep-29	Aaa/NR/AAA	4,100	28a		E+22		
26-Aug-26	SPAREBANKEN NORGE BOLIGKREE 🌳	NO	750	02-Sep-33	Aaa/NR/NR	2,900	29a	3.37%	+23	22	-1
26-Aug-26	UNICREDIT BANK GMBH	DE	1,000	02-Sep-32	Aaa/NR/NR	1,095	28a	3.33%	+23	22	-1
25-Aug-26	ANZ BANK NZ	NZ	750	03-Sep-29	Aaa/NR/AAA	2,000	22a	3.21%	+15	13	-2
25-Aug-26	ING-DIBA 🌳	DE	1,000	01-Sep-31	Aaa/NR/NR	2,200	22a	3.25%	+16	15	-1
24-Aug-26	KHFC ♥	KR	800	01-Sep-29	-/-/-	2,400	24a	3.27%	+17	16	-1
24-Aug-26	VUBSK	SK	750	01-Oct-31	Aaa/AAA/NR	2,400	42a	3.46%	+33	31	-2
24-Aug-26	LF HYPOTEK	SE	500	13-Oct-31	Aaa/AAA/NR	1,850	16	3.30%	+16	15	-1
24-Aug-26	COMMERZBANK	DE	1,000	01-Sep-31	Aaa/NR/NR	3,150	23a	3.30%	+17	15	-2
24-Aug-26	BAYERNLB	DE	750	02-Sep-30	Aaa/NR/NR	#N/A	15a	3.20%	+10	8	-2
20-Aug-26	SEB AB	SE	500	27-Aug-29	Aaa/NR/NR	1,300	24a		E+18		
20-Aug-26	SEB AB	SE	1,000	27-Aug-29	Aaa/NR/NR	2,500	14a	3.17%	+8	6	-2
20-Aug-26	CREDIT MUTUEL ARKEA	FR	500	27-Aug-34	Aaa/NR/NR	1,700	50a	3.67%	+44	43	-1
20-Aug-26	RLB STEIERMARK	AT	500	27-Aug-31	Aaa/NR/NR	2,100	27a	3.33%	+19	18	-1
19-Aug-26	TATSK	SK	600	26-Aug-29	Aaa/AAA/NR	2,100	28a	3.29%	+21	16	-5
19-Aug-26	CA HOME LOAN SFH 🌳	FR	1,000	28-Aug-36	Aaa/AAA/AAA	2,100	58a	3.79%	+52	49	-3
19-Aug-26	CA HOME LOAN SFH	FR	500	28-Aug-29	Aaa/AAA/AAA	2,000	33a		E+24		
19-Aug-26	CA HOME LOAN SFH	FR	1,000	28-Aug-29	Aaa/AAA/AAA	3,900	23a	3.22%	+14	12	-2

Note: Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

New deals in the SSA market

Date	Issuer	Type	Country	Vol (EUR m)	Mty	Rtg (M/S/F)	IPT/IPG	Spread	Yield	ASW6M now	Perf.
03/09/2026	TENNET NL	Agency	NETHERLANDS	1000	Sep-41	Aaa / AAA / NR	MS+40a	MS+37	3.859%	32	-5
03/09/2026	TENNET NL	Agency	NETHERLANDS	1500	Sep-33	Aaa / AAA / NR	MS+18a	MS+15	3.431%	13	-2
03/09/2026	MUNICIPALITY FINANCE	Agency	FINLAND	1000	Sep-31	Aa1 / AA+ / NR	MS+11a	MS+8	3.323%	6	-2
02/09/2026	ACOSS	Agency	FRANCE	2000	Sep-28	Aa3 / A+ / A+	OAT+15a	FRTR+15	3.324%	11	-
02/09/2026	EIB	Supra	SNAT	5000	Feb-32	Aaa / AAA / AAA	MS+9a	MS+6	3.335%	3	-3
01/09/2026	KfW	Agency	GERMANY	1000 (tap)	Jun-30	Aaa / AAA / NR		B+21.4		-2	-
01/09/2026	LAND HESSEN	Muni/Local Gov't	GERMANY	1250	Sep-31	NR / AA+ / NR	MS+10a	MS+9	3.318%	8	-1
26/08/2026	CDPQ	Agency	CANADA	1250	Sep-33	Aaa / AAA / AAA	MS+36a	MS+33	3.479%	31	-2
26/08/2026	UNEDIC	This	FRANCE	2000	Sep-28	Aa3 / A+ / NR	OAT+13a	FRTR+10	3.076%	3	-
25/08/2026	IDF MOBILITIES	Agency	FRANCE	1000	Jan-37	Aa3 / NR / A+	OAT+15a	FRTR+12	4.204%	94	-
25/08/2026	WORLD BANK	Supra	SNAT	3000	Sep-36	Aaa / AAA / NR	MS+25a	MS+23	3.477%	23	0
25/08/2026	LAND BERLIN	Muni/Local Gov't	GERMANY	1250	Sep-36	Aa1 / NR / AAA	MS+25a	MS+24	3.490%	23	-1
19/08/2026	LAND NRW	Muni/Local Gov't	GERMANY	1500	Aug-33	Aa1 / AA / AAA	MS+18a	MS+16	3.345%	14	-2
18/08/2026	RENTENBANK	Agency	GERMANY	1250	Aug-33	NR / AAA / AAA	MS+14a	MS+12	3.289%	10	-2
18/08/2026	KfW	Agency	GERMANY	5000	Sep-29	Aaa / AAA / NR	MS-2a	MS-3	3.033%	-6	-3
08/07/2026	IFC	Supra	SNAT	1000	Aug-33	Aaa / AAA / NR	MS+15a	MS+14	3.132%	12	-2
08/07/2026	AFD	Agency	FRANCE	1000	Jul-41	NR / A+ / A+	OAT+21a	FRTR+19	4.428%	118	-
08/07/2026	NRW.BANK	Agency	GERMANY	1000	Jul-36	Aa1 / AA / AAA	MS+28a	MS+27	3.398%	26	-1
08/07/2026	EFSF	Supra	SNAT	2500 (tap)	Jul-30	Aaa / A+ / A+	MS+10a	MS+9	2.998%	3	-6
07/07/2026	ONTARIO	Muni/Local Gov't	CANADA	2000	Jul-36	Aa3 / AA- / AA-	MS+48a	MS+46	3.482%	44	-2
07/07/2026	EUROPEAN UNION	Supra	SNAT	5000 (tap)	Oct-46	Aaa / AA+ / AAA	EU+8a	EU+6	4.018%	75	-
07/07/2026	EUROPEAN UNION	Supra	SNAT	6000	Oct-31	Aaa / AA+ / AAA	EU+12a	EU+10	2.947%	7	-
06/07/2026	BPIFRANCE	Agency	FRANCE	1500	Mar-33	Aa3 / NR / A+	OAT+19a	FRTR+15	3.408%	61	-
01/07/2026	FLEMISH COMMUNITY	Muni/Local Gov't	BELGIUM	1000	Mar-41	NR / NR / AA-	OLO+21a	BGB+19	4.039%	94	-
01/07/2026	JOINT LANDER	Muni/Local Gov't	GERMANY	1000	Jul-31	NR / NR / AAA	MS+13a	MS+13	2.872%	12	-1
25/06/2026	LAND HESSEN	Muni/Local Gov't	GERMANY	1000	Jul-33	NR / AA+ / NR	MS+18a	MS+17	2.974%	15	-2

Note: Past performance is not a reliable indicator of current or future results.

Source: Bloomberg, Danske Bank

Moody's rating calendar

Moody's	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany			13						18			
France				10						23		
Italy			27						25			
Spain			27				17					
Portugal					22						20	
Greece			13						18			
Belgium				17						9		
Netherlands		13						21				
Austria		13						14				
Finland						12						11
Ireland		20						21				
Denmark	16						24					
Sweden		20						21				
Norway				24						23		
Slovakia						19						18
Slovenia		27						28				
EFSF				17						30		
ESM			20						26			
EU			20						26			

Note: Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

S&P rating calendar

S&P	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany				24						23		
France					29						27	
Italy	30				15						13	
Spain			13						11			
Portugal		27						28				
Greece				24						23		
Belgium				24						23		
Netherlands				17						16		
Austria		6						7				
Finland				24						23		
Ireland			20						18			
Denmark		6						7				
Sweden						5						4
Norway					22						20	
Slovakia				24						23		
Slovenia			27						25			
EFSF	30						31					
ESM	30						31					
EU												

Note: Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Fitch rating calendar

Fitch	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany	9				15							
France			6					28				
Italy			13						11			
Spain			13						11			
Portugal			6						4			
Greece					8						6	
Belgium					22						20	
Netherlands	16						10					
Austria						5						4
Finland	23						17					
Ireland					1						7	
Denmark			27						25			
Sweden			20						18			
Norway						12						11
Slovakia					8					30		
Slovenia			27						11			
EFSF						12						11
ESM						12						11
EU												

Note: Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

DBRS rating calendar

DBRS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany					8						6	
France			20						18			
Italy				17						16		
Spain					29					30		
Portugal	16				15						13	
Greece			6						4			
Belgium	23						27					
Netherlands		27						28				
Austria						5						4
Finland			20						18			
Ireland			13						11			
Denmark			27						25			
Sweden	9				22						20	
Norway												
Slovakia		6						7				
Slovenia					22						20	
EFSF	16						17					
ESM	16						17					
EU				17						16		

Note: Past performance is not a reliable indicator of current or future results.

Source: Rating agencies, Danske Bank

Ratings and outlooks

RATINGS

	Fitch	Moody's	S&P	DBRS	Scope
Germany	AAA	Aaau	AAAu	AAA	AAA
Finland	AA	Aa1	AA+u	AAH	AA
Netherlands	AAA	Aaau	AAAu	AAA	AAA
Austria	AA	Aa1	AA+	AAH	AA+
Belgium	A+u	**A1**	AA-u	AA	---
France	A+u	Aa3u	A+u	AA	AA-
Ireland	AA	Aa2	AA+	AA	AA
Italy	BBB+u	Baa2u	BBB+u	AL	BBB+
Spain	Au	A3	A+u	AH	A
Portugal	A+u	A3u	A+u	AH	---
UK	AA-	Aa3u	AAu	AA	WR
Slovenia	A+	A2	AA	AAL	A+
Slovakia	A-	A3	A	AL	A-
Greece	BBB	Baa3	BBB	BBB	BBB
EFSF	A+	Aaa	A+	AAA	WR
ESM	AAA	Aaa	AAA	AAA	AAA
EU	AAA	Aaa	AA+	AAA	AAA
Denmark	AAA	Aaau	AAAu	AAA	AAA
Sweden	AAA	Aaa	AAAu	AAA	AAA
Norway	AAA	Aaa	AAAu	AAA	WR

OUTLOOK

	Fitch	Moody's	S&P	DBRS
Germany	STABLE	STABLE	STABLE	STABLE
Finland	STABLE	STABLE	NEG	STABLE
Netherlands	STABLE	STABLE	STABLE	STABLE
Austria	STABLE	NEG	STABLE	STABLE
Belgium	STABLE	STABLE	STABLE	NEG
France	STABLE	NEG	STABLE	STABLE
Ireland	STABLE	POS	STABLE	STABLE
Italy	STABLE	STABLE	POS	STABLE
Spain	STABLE	STABLE	STABLE	STABLE
Portugal	STABLE	STABLE	POS	POS
UK	STABLE	STABLE	STABLE	STABLE
Slovenia	STABLE	STABLE	STABLE	STABLE
Slovakia	STABLE	STABLE	STABLE	STABLE
Greece	STABLE	STABLE	STABLE	POS
EFSF	---	NEG	STABLE	STABLE
ESM	STABLE	STABLE	STABLE	STABLE
EU	STABLE	STABLE	STABLE	STABLE
Denmark	STABLE	STABLE	STABLE	STABLE
Sweden	STABLE	STABLE	STABLE	STABLE
Norway	STABLE	STABLE	STABLE	STABLE

Note: Past performance is not a reliable indicator of current or future results.
Source: Rating agencies, Danske Bank

Trade overview

Open trades	Opened	Closed	Opening level	Current level	Target	P/L	% of principal
Buy CMCICB 3% 02/31 vs. OAT 02/31	21/08/2026		1	1	-5	0	0.0%
Buy CRH 10/31 vs. OAT 05/31	21/08/2031		0	0	-7	0	0.0%
Buy RFGB 3.3% 04/33 vs. Swaps	21/08/2033		13	13	7	0	0.0%

Note: Past performance is not a reliable indicator of current or future results. Source: Danske Bank

Closed trades

Closed trades	Opened	Closed	Opening level	Current level	Target	P/L	% of principal
Buy EIB 2.875% 06/35 vs. BGB 3.1% 06/35	12/12/2025	06/03/2026	-24	-26	-36	2	0.19%
Buy EU 3.375% 12/35 vs. BGB 3.1% 06/35	12/12/2025	06/03/2026	-12	-9	-25	-3	-0.26%
Buy 5Y Lower Saxony vs. swaps	05/01/2026	06/03/2026	13	11	5	2	0.09%
Buy 10Y Lower Saxony vs. swaps	05/01/2026	06/03/2026	26	24	15	2	0.18%
Buy 5Y KfW vs. swaps	07/01/2026	06/03/2026	3	-1	-5	4	0.18%
Buy 10y KfW vs. swaps	07/01/2026	06/03/2026	17	20	10	-3	-0.32%
Buy 10Y Ireland vs. Swaps	14/01/2026	06/03/2026	26	23	18	3	0.28%
Reiceve 15Y EUR swap vs. 5Y and 30Y EUR swaps(vs. 6M)	14/01/2026	06/03/2026	46	42	28	4	0.42%
Buy 15Y Finland vs. Swaps	21/01/2026	06/03/2026	47	46	40	1	0.07%
Recieve EUR 2Y1Y swap (vs. Estr)	12/02/2026	06/03/2026	2.21	2.35	2.05	-14	-0.49%
Recieve April 2026 ESTR future	19/03/2026	26/03/2026	15.5	15.5	0	0	0.00%
Recieve EUR 2Y1Y swap (vs. Estr)	16/04/2026	17/04/2026	2.55	2.46	2.35	9	0.42%
Buy the Bobl spread	13/03/2026	26/06/2026	13	11	30	-2	-0.07%
Receive 3M ESTR June 27 IMM vs pay June 28 IMM.	12/05/2026	26/06/2026	-15	-7	10	8	0.06%
Pay 2Y SOFR and recieve 2Y ESTR	26/05/2026	26/06/2026	-142	-161	-170	19	0.29%
Recieve 1Y1Y ESTR	26/06/2026	15/07/2026	2.51	2.70	2.30	-19	-0.14%

Note: Past performance is not a reliable indicator of current or future results. Source: Danske Bank

General disclaimer and disclosure

The following disclaimer and disclosure apply to all communication as such, including communication to which it is attached, linked to or otherwise referenced (the "Communication"). For the parts that refer to the term "investment recommendation", the disclaimer and disclosure are only applicable as far as the Communication falls under the definition in Regulation (EU) No 596/2014. The Communication has been prepared by personnel in the LC&I's Sales & Trading departments or non-independent Research departments of Danske Bank A/S. The views set forward in the Communication may differ from views or opinions in other departments of Danske Bank A/S. It constitutes a short-term view and is subject to change and Danske Bank A/S does not undertake to notify any recipient of the Communication of any such change. A list of all previous investment recommendations on any financial instrument made in the past 12 months, including all previous investment recommendations made by the producer is available upon request, free of charge.

The LC&I's Sales & Trading departments' or non-independent Research departments' personnel are not independent research analysts, and the Communication is not intended to constitute "investment research" as that term is defined by applicable regulations. The Communication has as such not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of the communication. The personnel in the LC&I's Sales & Trading departments or non-independent Research departments may be remunerated based on investment banking revenues, and may receive bonuses or other remuneration linked to specific investment banking transactions. Danske Bank A/S or its personnel may hold a position in any financial instrument discussed herein. Personnel is subject to a Personal Account Dealing policies. Further, Danske Bank A/S may act as market maker or have performed other services for the entities mentioned, which could include investment banking or other services, leading to payments or promises of payments. Prices and availability are indicative and may change without notice.

The Communication is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments. Danske Bank A/S is not acting as an advisor, fiduciary or agent. Recipients of the Communication should obtain advice based on their own individual circumstances from their own tax, financial, legal and other advisors about the risks and merits of any transaction before making an investment decision, and only make such decisions on the basis of the investor's own objectives, experience and resources. All investments carry risks. The value of any investment may fluctuate, and investors may get back less than they invested. Past performance is not indicative of future results.

The Communication has been prepared independently and solely on the basis of available information that Danske Bank A/S considers to be reliable, but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, ex press or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness, currentness or reasonableness of the information, opinions and projections contained in the Communication and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on the Communication.

For current disclosures of Danske Bank A/S' interests and potential conflicts of interest regarding issuers and financial instruments subject of investment recommendations please refer to the Danske Bank's Disclosure and disclaimer webpage: https://danskeci.com/ci/research/disclosures-and-disclaimers.

Please note that while information on the great majority of relevant issuers and financial instruments are contained on this website, it may not contain information on all relevant issuers and financial instruments. The absence of information on any relevant issuer or financial instrument should not be seen as an indication that Danske Bank A/S does not have any interests or potential conflicts of interest on the issuer or financial instrument. Please contact your Danske Bank A/S representative for information regarding any issuer subject of investment recommendation that is not mentioned on https://danskeci.com/ci/research/disclosures-and-disclaimers.

Danske Bank A/S is authorised and subject to regulation by the Danish Financial Supervisory Authority and is subject to the rules and regulation of the relevant regulators in all other jurisdictions where it conducts business. Danske Bank A/S is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority (UK). Details on the extent of the regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Danske Bank A/S on request.

Disclaimer related to distribution in the United Kingdom

In the United Kingdom, the Communication is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

Disclaimer related to distribution in the European Economic Area

The Communication is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

Disclaimer related to distribution in the United States

The Communication was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The communication is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this investment recommendation in connection with distribution in the United States solely to 'U.S. institutional investors'. Any U.S. investor recipient of the Communication who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Report completed: 8 September 2026 at 15:00 CET
Report disseminated: 9 September 2026 at 09:00 CET