Interest Rates Weekly

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Breaking down rates

- **Global rates strategy: Front-end fatigue proved fleeting and Middle East re-escalation has pushed terminal rates higher again.**
- **A BoJ hawkish pivot would signal a game changer for JGB belly and JPY duration and JGBs should start a sustained recovery if the BoJ realises market expectations.**
- **We look at the decomposition of 10Y yields between term premium and expected short-term rates and see that expected short-term rates increase outpaced term premium in most jurisdictions.**
- **EUR, CAD, AUD rates offer the cleanest rate relief trade if energy prices eventually subside. Resilient growth should keep long-term rates sticky even in case of a pivot, hinting at limited upside.**
- **EUR rates strategy: At 3.08%, ECB terminal rate pricing looks too firm, opening room for a modest front-end rally, but EGB credit curves have room to steepen.**
- **We decompose EUR nominal swap moves into inflation expectations vs uncertainty components.**
- **Belly sold off more than wings in the 2-5-10Y fly, we see room for the front end to start absorbing a further rise in rates. We remain neutral on German ASW spreads until a dovish catalyst emerges.**
- **Using current deficit forecasts and 2027 redemptions figures, we identify issuers most exposed to refinancing risk in 2027.**
- **Pending further clarity from official budget processes to fine-tune EGB supply estimates, we provide a summary table covering the current state of budget adoption, important upcoming dates and potential risks.**
- **European inflation analysis: We continue to revise our inflation forecasts, courtesy of the never-ending energy crisis. We now have headline approaching 4% in early 2027 with core around 3% in Q127.**
- **Eurozone inflation strategy: The accumulation of strong inflation prints – core and headline – will likely push inflation forwards higher, if energy prices do not move too much. We are still long 5Y Eurozone inflation.**
- **US inflation analysis: All eyes on the US CPI this week, where we expect 0.24% MoM SA for core. Beyond this key data point for the Fed, we expect core CPI to remain within a 2.2-2.6% corridor this year and next.**
- **US rates strategy: Treasuries sold off and curve flattened over the past week, with the intermediate sector further underperforming. Higher oil prices and a strong August payroll report sent yields to new highs and raised the odds of a Fed rate hike next week.**
- **Rates investors will digest refunding supply this week. The August CPI data will likely be the key swing factor in deciding whether the Fed hikes next week. Our inflation strategists forecast a mixed bag (headline firm at 0.4% MoM and core softer at 0.2% MoM).**
- **In rates direction, we expect supply, oil prices and CPI data to dictate rates in the near term. Higher oil prices and stronger inflation data can lead to higher rates.**

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- **In curve, risk/reward favours flatteners with the first upsized buyback looming and the market not fully pricing a rate hike next week. Inflation data would have to be weaker than expected to prevent a hike.**

- **In relative value, 5Y has continued to underperform 2Y and 10Y on the curve and has room to cheapen further if the Fed begins hiking rates, as the 2-5-10Y spread is market directional.**

Trade ideas

Still open or closed in 2026

Rates and inflation trade ideas so far in 2026

Opening	Type	Trade Idea	Entry (bp)	Current (bp)	Carry-Roll* (bp)	P&L (bp)	Target* (bp)	Stop* (bp)	Closing	Author
25-08-2026	Infla	Buy 5Y HICPx	224.0	244.5	-13.4	7.1	20	-12	Open	JFP-ML
09-07-2026	USD	Treasury 10-30Y flattener	51.4	46.7	-0.2	4.5	45	60	Open	AL
25-06-2026	USD	Long 5Y swap spread	-28.3	-27.5	1.5	2.3	-24	-35	Open	AL
25-06-2026	EUR	AI-enhanced SPGB-RFGB tightener	9.5	9.6	0.1	0.0	5.0	14.0	Open	GM-RL-MD
16-06-2026	EUR	10-30Y EUR IRS steepener	19.0	0.2	0.2	-16.0	35.0	-5.0	Open	GM
01-06-2026	Infla	Sell OATei Jul-47 breakeven vs BTPei Feb-46	25.9	23.7	2.1	4.2	10	-6	Open	JFP-ML
15-05-2026	Infla	Sell 5YF5Y HICPx vs buy 10YF20Y	21.7	26.4	0.6	5.3	10	-6	Open	JFP-ML
12-05-2026	USD	Long 20Y swap spread	-70.7	-64.7	2.3	8.3	-60	-83	Open	AL
07-04-2026	USD	Buy UST 3Y vs 2Y & 5Y	-8.0	-1.4	-0.5	-3.8	-12	-4	Open	AL
04-05-2026	EUR	Sell OLO 2.6% 10/30 vs OAT 2.7% 02/31	13	20	1	-6.8	2	20	03/09/2026	RL
22-06-2026	Infla	Sell OATei Jul-36 (RY) vs BTPei	19.4	8.0	0.7	12.0	12	-8	19/08/2026	JFP-ML
16-07-2026	EUR	Buy the belly on OAT 5-10-30Y fly	-28.0	-23.5	0.5	-4.0	-33.0	-23.5	03/09/2026	RL
23-06-2026	EUR	10-20Y OAT-Bund box flattener	3.5	5.5	-0.1	-2.1	0.5	5.5	28-07-2026	RL
04-05-2026	EUR	Sell BTP 2.40% 03/29 vs BTP 2.65% 06/28	-8	-9	3	4.1	-12	-4	28-07-2026	RL
23-03-2026	EUR	BTP 3-10Y steepener in ASW box	59	61	1	2.4	78	45	16/07/2026	GM
17-06-2026	EUR	Pay belly in 2-5-10Y	-17.0	-11.0	-0.1	5.9	-11.0	-21.0	08/07/2026	GM
23-04-2026	EUR	Sell belly in 5-7-10Y BTP fly	2.1	3.3	0.5	-0.6	0.8	3.3	22-06-2026	RL
11-05-2026	Infla	Sell 5YF5Y FRCPIx vs HICPx	5.0	-0.2	0.6	5.8	8	-6	17-06-2026	JFP-ML
08-04-2026	Infla	Sell BTPei May-30 vs BTPei Aug-31	21.5	15.5	-10.9	-4.9	12	-8	09-06-2026	JFP-ML
24-04-2026	EUR	Betting on sticky Bund invoice (derivatives)	23c	19c	23c	19c	n/a	n/a	22-05-2026	GM
26-03-2025	USD	Long 30Y swap spread	-78.8	-73.4	6.0	11.4	-60	-85	11-05-2026	AL
17-03-2026	USD	Buy UST 20Y vs 10Y & 30Y	59.0	55.2	0.3	2.2	50	70	11-05-2026	AL
09-04-2026	Infla	Buy FRCPIx May-26 fixing with oil edge	198.0	238.0	20	30.0	20	-15	30-04-2026	JFP-ML
13-04-2026	EUR	3M6M – 2Y6M OIS flattener	6.9	14.0	0.0	-7.0	0	13	20-04-2026	GM
13-03-2026	Infla	Buy 5Y HICPx with oil hedge	232.6	223.3	6.7	-2.6	20	-15	08-04-2026	JFP-ML
11-02-2026	USD	Long 10Y swap spread	-40.2	-47.3	0.3	-6.8	-34	-45	13-03-2026	AL
13-01-2026	USD	Overweight cheap UST 5Y vs 2Y & 10Y	-20.0	-28.0	0.6	4.6	-35	-10	13-03-2026	AL
09-07-2025	EUR	BTP 5-10Y steepener	57.0	46.3	3.5	-7.2	70	50	09-03-2026	RL
05-02-2026	Infla	Sell 3YF2Y FRCPIx	175.2	193.9	8.7	-10	20	-10	09-03-2026	JFP-ML
22-04-2025	EUR	Buy BTP 4.0% 10/31 vs BTP 3.5% 02/31	6.4	6.2	1.8	2.0	2.0	9	09-03-2026	RL
17-06-2025	Infla	Sell OATi Mar-36 vs OATei Jul-36	-1.3	-28.9	6.2	33.8	40	20	09-03-2026	JFP-ML
28-01-2026	Infla	Sell 2Y HICPx	181.6	201.0	9.4	-10.0	15	-10	03-03-2026	JFP-ML
27-11-1025	Infla	Buy BTPei May-36 breakeven	174.1	185.5	-6.2	5.2	15	-10	28-01-2026	JFP-ML

*Source: Crédit Agricole CIB, Bloomberg. *: for inflation trades, stop and target refer to the P&L, not the actual level of the trade. For inflation, carry-roll also includes the energy hedge (if any). Trade ideas – once closed – ranked by order of closing date.*

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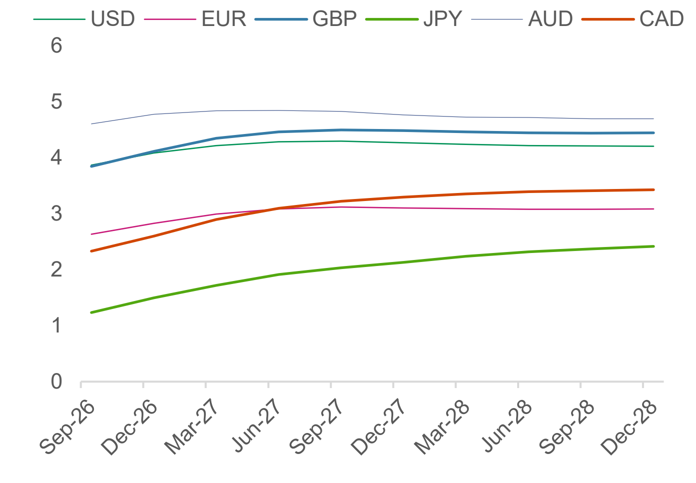
Global rates strategy: decomposing the global yields surge

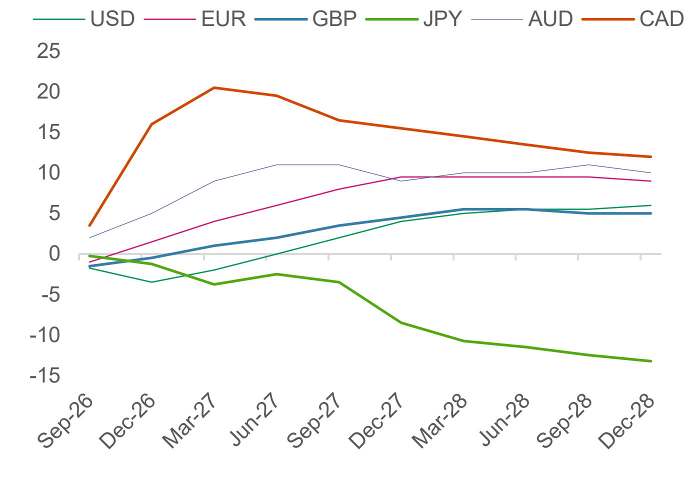
Global front ends' tentative fatigue to relentlessly high energy prices turned out to be short lived, with the most recent bout of re-escalation in the Middle East pushing terminal rates higher after being mostly unchanged for a week (Figures 1 and 2). Several dynamics are worth highlighting. First, TONAR futures have reacted positively to higher anticipation and communication around a hawkish pivot from the BoJ at its next meeting. A BoJ not too far behind the curve would be a clear game changer for the JPY duration outlook allowing the belly of the JGB to start outperforming. Second, we start to see different dynamics between European rates (ESTR and SONIA) and the other jurisdictions.

Fig 1. 3M STIR futures for G6 jurisdictions (%)



Source: Crédit Agricole CIB

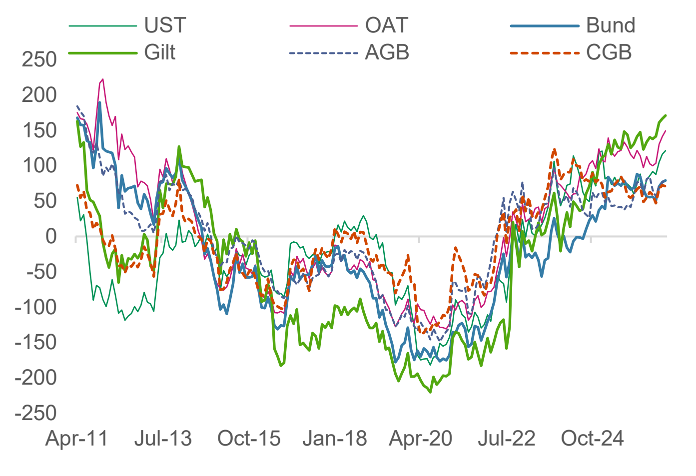
Fig 2. One-week change (bp)



Source: Crédit Agricole CIB

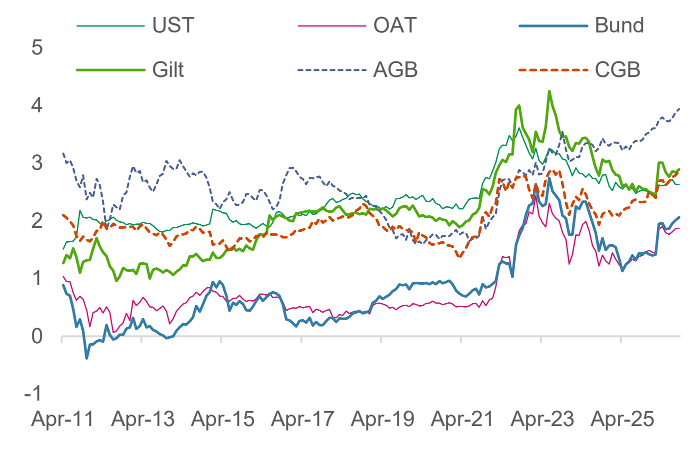
Beyond the various idiosyncrasies and local developments, it is a good opportunity to try and decompose how the adjustment to higher front-end rates has translated into higher yields globally. Is it due to a genuine long-term repricing of neutral rates or to other factors (uncertainty, fiscal impulse) feeding into higher term premia? A first approach is to fit a term premium model. We implemented a five-factor ACM model and applied it to the G6 sovereign rate curves (we dropped JGBs as the QQE/Yield Curve Control era in Japan brings too many calibration challenges). Our calibrating data features smaller tenors than the NY Fed estimate leading to different results and tends to underestimate the expected rates component. Despite these well-identified caveats, we can still look at how the two components (expected rates and term premium) have evolved through time and end up with a rather coherent decomposition (Figures 3 and 4).

Fig 3. 10Y ACM term premia (bp)



Source: Crédit Agricole CIB

Fig 4. 10Y ACM expected short-term rate (%)



Source: Crédit Agricole CIB

This decomposition highlights that the recent rise in global yields is roughly equally distributed between increased expected short-term rates and term premium, except for Gilts (frontloaded change in expected short-term rate) and USTs (disappearance of forward guidance and thin line between holding and embarking in a tightening cycle). OAT dynamics also feature an overpowering rise in term premia but this is mostly an OAT-Bund spread story.

The direct sensitivity of the various central banks to energy prices directly echoes the drivers we discussed last week.

1. For net energy importers like Europe, the **multiplication of energy shocks compounds the risk and magnitude of second-round effects**. Central banks will be forced to monitor these with more scrutiny, thereby making it particularly hard to pinpoint the timing of a potential easing phase, even if the conflict in the Middle East comes to an end. This is extremely potent for central banks with an explicit scenario-based framework.
2. A more global factor is the resilience of growth despite the multiplication of supply shocks and a high steady state of inflation since 2021. **Persistently high fiscal deficits strengthened households' balance sheets** and gave corporates, especially in the technology sector, the breathing room to drive an expansionary cycle. This is not only true for the US and even growth in Europe has held up well despite more direct challenges. This implies the steady state of central bank policy over the coming years is more likely to oscillate between restrictive territory and neutral, a stark contrast to the past decade's oscillation between accommodative and neutral.

The resilient growth aspect allows for a quick passthrough of higher front end into the belly of the curve and 10Y area while applying a steepening pressure on real yield curves. The longer end of the curve is a key exception with 10-30Y segments steepening in most G10 jurisdictions (bringing our EUR 10-30Y steepener closer and closer to its -5bp stop-loss). The resilient growth aspect will also prevent the belly of the curve from undoing too much of the YTD increase in expected short-term rates, leading to sticky long-term rates even if the central bank manages to negotiate a pivot.

As for relative value opportunities within the G6 space, the jurisdictions with the cleanest exposure to expected short-term rates trajectory in the ACM decomposition (EUR, CAD, AUD, see Figure 4) are still the best positioned to benefit in case of lower energy prices, especially the EUR curve given how much is already priced in (with more than three hikes now fully priced by April). Jurisdictions where the rise in long-term yields were primarily driven by the term premium (especially the US, see Figure 3) would also need the end of Middle East conflict as a prerequisite to rally but also a more stable environment for (net) duration demand to see value in monetising these term premia, which is far from our base case.

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EUR rates strategy: two steps forward, one step back

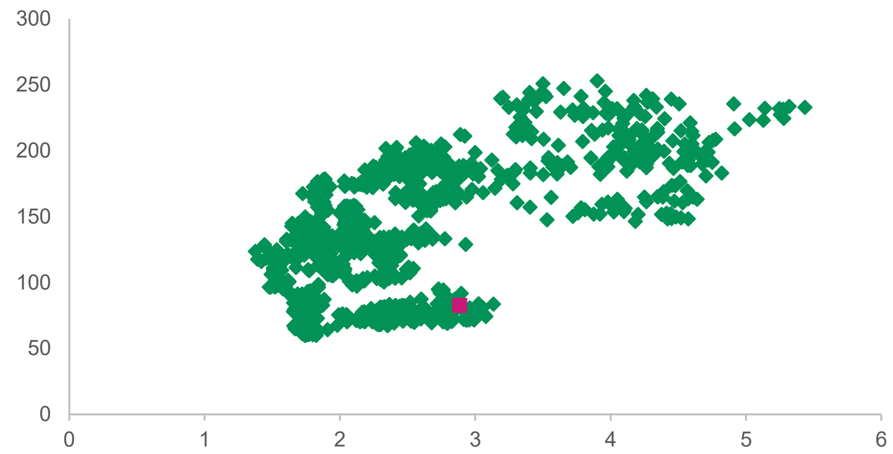
The big picture

A 3.08% ECB terminal rate gives some **leeway for a limited front-end rally**. Given the extent of tightening already priced in and the ECB's proactive stance, we expect the current pricing to prove somewhat too firm for the ECB, the primary focus of which will remain squarely on monitoring whether second-round effects indeed materialise as they would justify tighter financial conditions far more convincingly than a supply-driven shock, however persistent. We see genuine risks of more targeted communication or signs that the ECB might start to express some distance with the scenario-based approach it has taken since the beginning of the conflict in Iran.

So far, European growth has been resilient and **financial conditions have not materially tightened**. The belly has continued to outpace wings in the 2-5-10Y swap fly, with the 5-10Y swap curve flattening to 10bp, limiting the increase in real yields, while term premia and ASW spreads remain extremely resilient. We expect that markets will start to see further rise in front-end yields as too growth adverse, which should **bring back some implied cuts in the ESTR strip in the 2028 segment** and we see room for the front end to start absorbing a further rise in rates. Our 10-30Y steepener has suffered and is at risk of changes in positioning.

EGB spreads remain tight, and we see room for credit curves to steepen from current levels. Regressing the 10Y BTP-Bund spread against the 2Y EUR inflation swap since September 2021 makes the optical richness of Italian credit plainly visible in Figure 5. While improving fundamentals may have played a role, we believe the risk/reward in credit is skewed toward wider spreads: a conviction further reinforced by our inflation team's upward revision to their forecasts yesterday.

Fig 5. 10Y BTP-Bund (bp) vs 2Y EUR Inflation swaps (%)



Source: Crédit Agricole CIB, Bloomberg

Directional open trade ideas recap:

- 10-30Y EUR IRS steepener: we recommended this position to capitalise on the structural imbalance in net duration demand amid a higher neutral rate. The late June/early July flattening provided an opportunity to reinforce our position, and that segment of the curve has since steepened by 8bp. We still believe that the trade would benefit in case of further ECB depricing or a massive term premium creation like 2023's 'higher for longer' episode.

EGB RV open trade ideas recap:

- AI-enhanced SPGB-RFGB tightener: we recommend selling RFGB vs Bono long end on the back of fundamental views, enhanced by our EGB RV AI tool. Spain's economy is projected to outperform growth expectations in 2026 despite the global energy supply shock, while Finland faces fiscal pressures from increased defence spending, rising unemployment and a historically high deficit. The trade level is little-changed from entry and our conviction remains; we continue to favour this move playing out over the summer.

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EUR swap curve decomposition through inflation market

Since the start of the war in Iran, EUR rates have moved from a disinflation narrative to a less stable regime where inflation uncertainty, policy reaction uncertainty and real-rate repricing interact more frequently. In this context, we find it instructive to decompose nominal swap movements through the inflation market.

This topic raises a practical question echoing the term premium decomposition in the global rates section: how much of nominal swap pricing can be explained by inflation expectations vs options-implied uncertainty, and where along the curve does that decomposition provide a better signal for strategy decisions?

Our central message is that EUR nominal swap pricing is transitioning from a pure inflation-expectations story toward a mixed regime where inflation uncertainty and real-rate dynamics matter more, especially around the belly of the curve thanks to resilient growth.

Options-implied distributions still point to persistent upside-tail inflation pricing, with width and skew metrics remaining elevated relative to past behaviour. In our regressions, these uncertainty proxies add the most value in the 3-7Y sector, where they materially improve fit vs models based only on inflation swaps. At the long end, however, uncertainty alone does not explain pricing dynamics: real-rate and duration-premium channels could provide a more meaningful explanation.

Liquidity is an important caveat at the outset: EUR inflation caps/floors are structurally illiquid, and even the relatively more active observations are concentrated in far out-of-the-money strikes that remain thin. For that reason, we treat option-implied metrics as filtered indicators rather than exact point estimates. The analysis relies on quote-quality screens, outlier controls and smoothing to retain common signal while reducing sensitivity to sparse or stale observations.

The framework is intentionally simple so each block has clear economic interpretation and can be challenged independently.

Operationally, we first reconstruct cap/floor smiles by tenor from premium quotes and recover distribution moments. We then map those moments into uncertainty proxies, primarily width (for dispersion) and skew (for tail asymmetry). Nominal swaps are modelled tenor by tenor as a function of an expectations block (inflation swaps) and an uncertainty block. We start with a transparent baseline and then compare richer variants to test whether conclusions are stable or specification dependent.

Fig 6. Simple model by tenor

term	n_obs	r2	beta_inflation_swap	beta_width_90_10	beta_rr_10m1
1	520	0.62	-0.43	0.95	121.2
2	600	0.56	-0.25	0.79	73.6
3	599	0.73	0.33	0.57	35.4
4	628	0.83	0.73	0.35	15.0
5	666	0.86	1.00	0.20	2.2
7	655	0.77	1.22	0.07	-16.8
10	632	0.58	1.27	0.02	-25.4
12	626	0.46	1.21	0.02	-26.5
15	634	0.26	0.98	-0.05	-23.3
20	646	0.09	0.53	0.04	-11.5
30	636	0.12	-0.80	0.56	44.3

Source: Crédit Agricole CIB

In the block specification, we summarise several uncertainty signals into one composite index to avoid overfitting and multicollinearity. For each tenor, we take four inputs from the options-implied distribution: ATM width (a width measure built from near-ATM cap/floor pricing, intended to summarise the local dispersion around the forward), 90-10 width (the difference between the 90th and 10th percentiles of the option-implied inflation distribution), 10M1 risk reversal (the difference between implied vol at the +1.0% strike and implied vol at the -1.0% strike around the forward inflation level), and skew slope around ATM. Each series is standardised through time, then we extract the first principal component as the uncertainty index.

Intuitively, the index captures the common factor that drives these uncertainty measures together. A higher index means the implied inflation distribution is generally wider and/or more asymmetric. In the regression, the beta uncertainty index is the sensitivity of nominal swap levels to this common uncertainty factor: a positive coefficient indicates nominal rates tend to rise when uncertainty broadens, while a negative coefficient indicates the opposite.

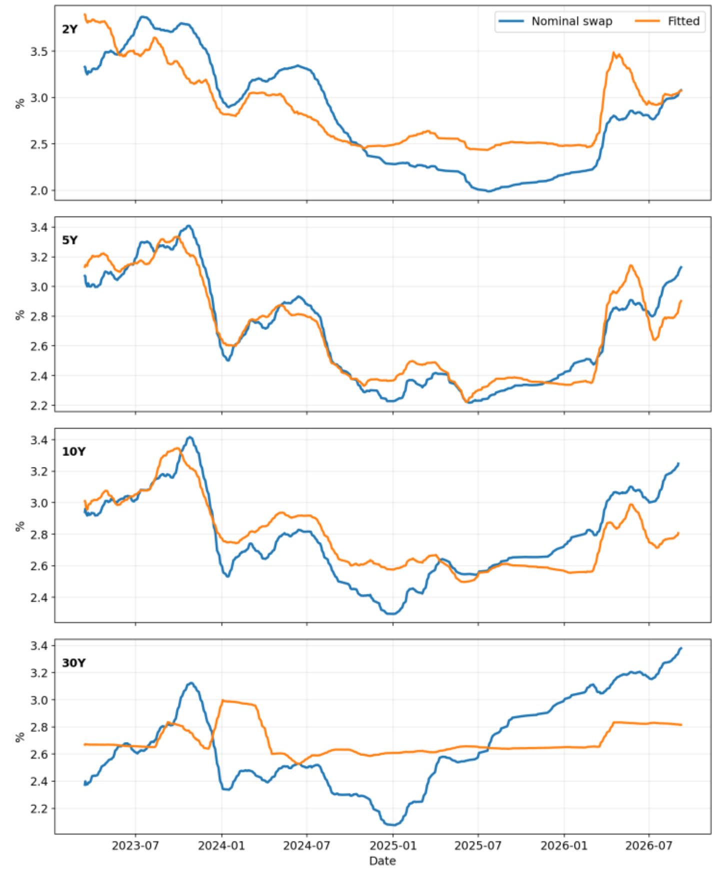
Fig 7. Block model by tenor

term	n_obs	r2	beta_inflation_swap	beta_uncertainty_index
1	520	0.62	-0.15	0.38
2	600	0.61	0.12	0.23
3	599	0.74	0.60	0.12
4	628	0.83	0.88	0.07
5	666	0.85	1.08	0.03
7	655	0.76	1.21	-0.01
10	632	0.57	1.20	-0.02
12	626	0.45	1.11	-0.02
15	634	0.25	0.82	-0.01
20	646	0.08	0.40	0.01
30	636	0.04	-0.50	0.07

Source: Crédit Agricole CIB

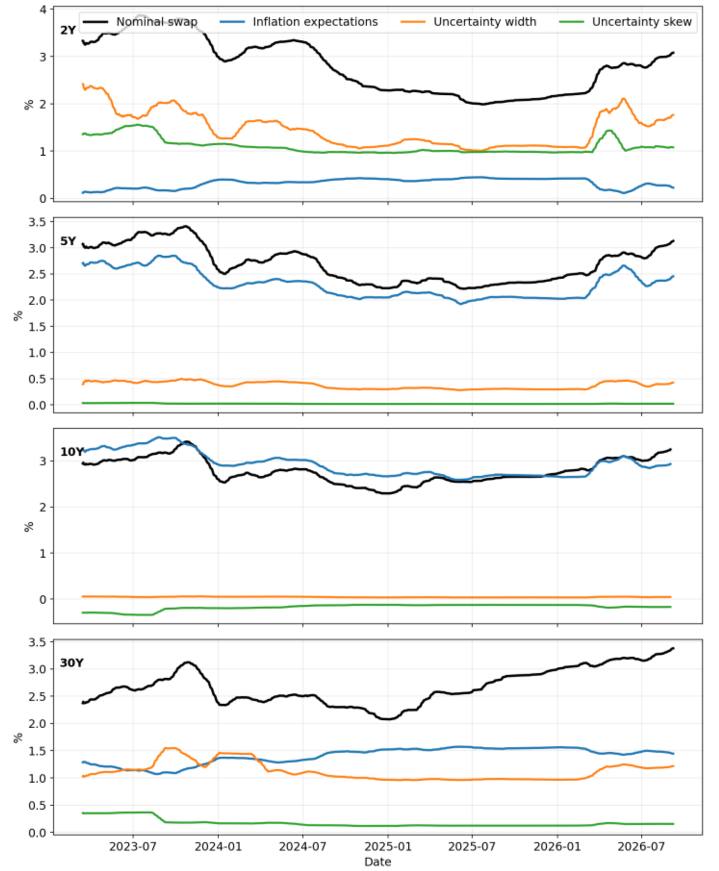
Figure 8 compares observed nominal swaps with the fitted values from the simple model. It is the first check on whether inflation expectations and a compact uncertainty specification can reproduce the level and broad dynamics of nominal rates by tenor. Fit quality is materially stronger in belly tenors than in the long end, consistent with a regime where medium-tenor pricing is still uncertainty-sensitive while long-duration pricing is increasingly driven by other factors.

Fig 8. Nominal swap fit from the simple model



Source: Crédit Agricole CIB, Bloomberg

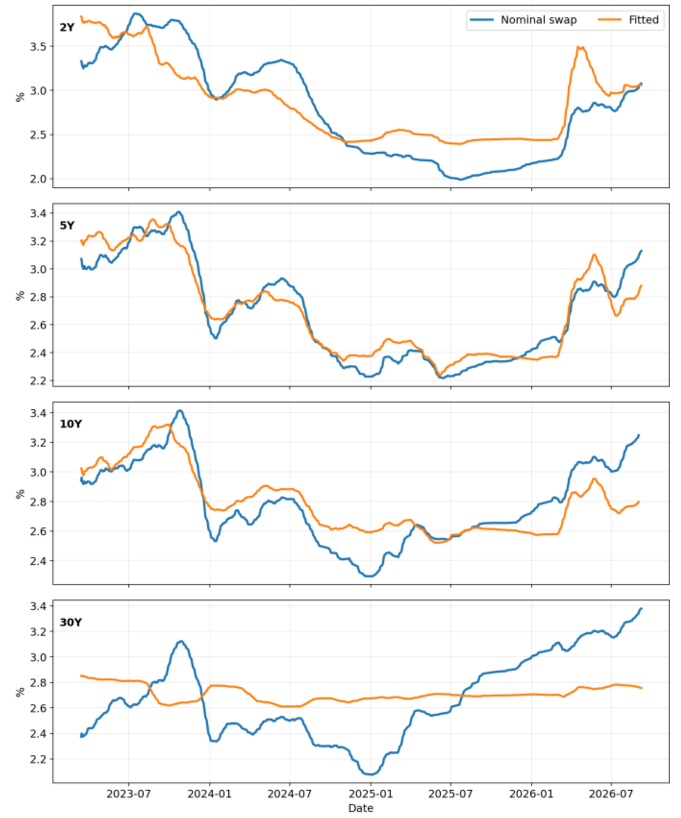
Fig 9. Nominal swap simple decomposition (20D MA)



Source: Crédit Agricole CIB, Bloomberg

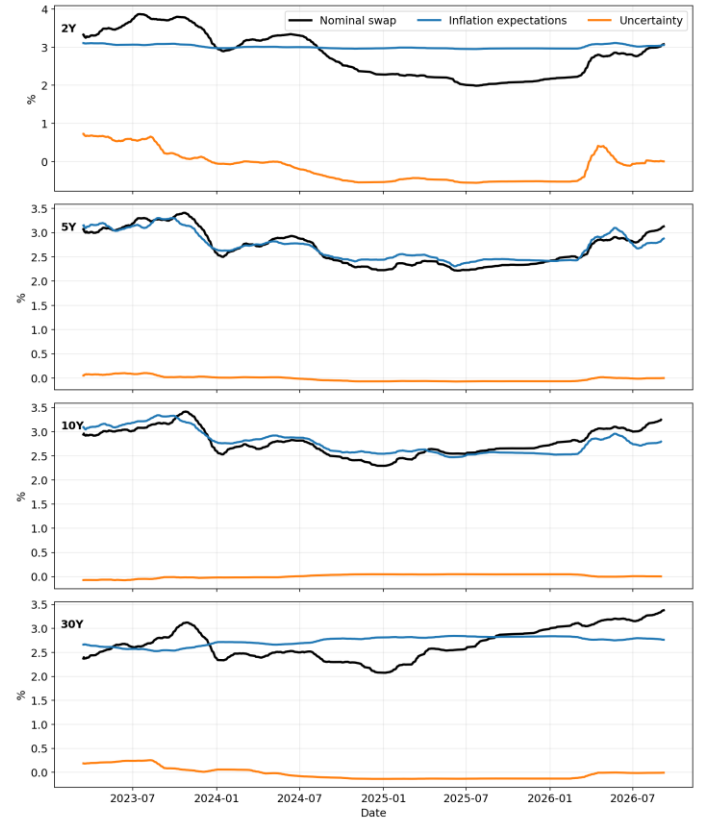
Figure 11 is the main decomposition view. It overlays the observed nominal swap series with the model-implied inflation expectations component and the uncertainty component. When the expectations line tracks the nominal swap closely, the move is mostly about inflation pricing; when the uncertainty component widens or swings materially, it indicates that distribution risk is contributing to the change in nominal rates rather than just the level of expected inflation.

Fig 10. Nominal swap fit from the block model with composite uncertainty index



Source: Crédit Agricole CIB, Bloomberg

Fig 11. Nominal swap decomposition from the block model: inflation expectations and composite uncertainty index contribution



Source: Crédit Agricole CIB, Bloomberg

The main takeaway is that options-implied uncertainty provides investable information, but mostly in intermediate tenors where nominal pricing remains distribution-sensitive. For the long end, other factors such as term-premium and independent real-rate inputs would be needed. The natural extension is to add external real-rate proxies and nominal macro controls, then re-estimate the decomposition by regime and stress window to test stability in periods of market discontinuity.

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Early thoughts on 2027 EGB issuance

As preliminary 2027 budget discussions get underway, we take this opportunity to provide initial estimates of what issuance trends could look like next year, drawing on current deficit forecasts and upcoming redemptions.

Based on figures available so far, Germany stands out as facing the largest 2027 financing requirement among the EGB issuers in our sample. Its investment agenda scale-up points to a wider deficit in 2027, and this is compounded by an increase in redemption volumes (EUR237.75bn next year compared to EUR219bn in 2026). France, despite stated fiscal consolidation aspirations, is similarly confronted with an increase in maturing debt in 2027 (currently there is EUR205bn outstanding of bonds maturing in 2027 vs EUR176bn redemptions in 2026), which could push its overall funding needs higher as well.

The picture is different for Italy: a potentially narrower deficit in 2027, combined with a decline in redemptions (EUR251bn next year vs EUR271bn in 2026), can bring the financing needs lower in 2027 compared to this year. This relative advantage could help temper any deterioration in risk sentiment toward Italy, given the importance of the snowball effect the country faces from its elevated interest expenditure burden.

Fig 12. Current 2027 deficit forecasts and bonds maturing in 2027

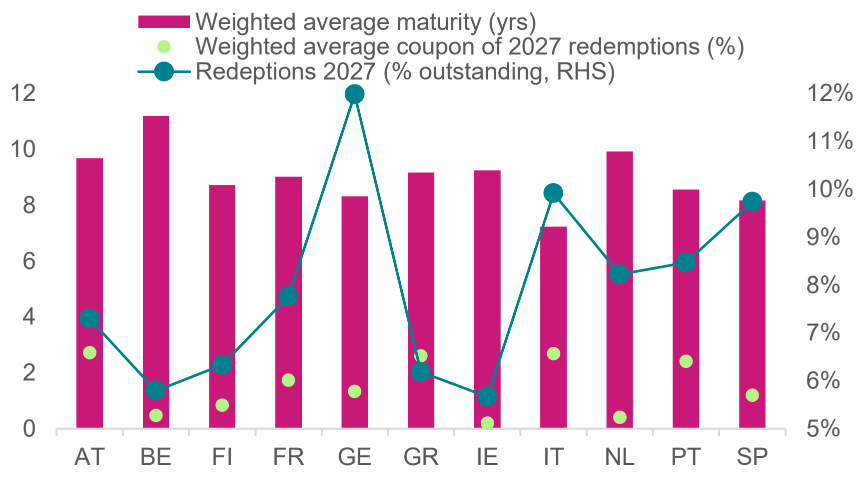
	Deficit (%GDP)			Deficit (EURbn)			Redemptions* (EURbn)			Deficit + Redemptions (EUR bn)			2026 issuance	
	2026	2027	Difference (pp)	2026	2027	Difference	2026	2027	Difference	2026	2027	Difference	Gross	Gross - Redemptions
Germany	3.70	4.10	0.40	166	185	19	219	238	19	385	423	38	**355**	136
France	5.10	5.00	-0.10	154	152	-2	176	205	29	330	357	27	**310**	134
Italy	3.00	2.90	-0.10	68	66	-2	271	251	-20	339	317	-22	**365**	94
Spain	2.50	1.90	-0.60	43	34	-10	121	138	17	164	172	8	**170**	49
Belgium	5.30	5.50	0.20	34	36	2	26	28	2	60	64	3	**50**	24
Netherlands	2.50	1.90	-0.60	30	23	-7	29	33	4	59	56	-3	**40**	11
Austria	4.10	4.10	0.00	21	21	0	32	26	-6	53	47	-6	**45**	13
Portugal	0.10	0.30	0.20	0	1	1	10	15	5	10	16	6	**26**	16
Ireland	0.80	0.10	-0.70	5	1	-5	12	8	-4	17	8	-9	**9**	-3
Greece	0.50	0.20	-0.30	1	1	-1	3	6	3	4	7	2	**8**	5
Finland	4.50	4.60	0.10	13	13	0	11	11	0	24	24	1	**22**	11

Source: Crédit Agricole CIB, Destatis, European Commission, DMOs

**2027 redemptions estimated as volume outstanding as of 09/09/26 of bonds maturing in 2027 not accounting for buybacks by year-end 2026*

In the current high-rate environment with ECB OIS implied rate at 2.96% in July next year, the countries most exposed to a refix risk are those facing large redemptions volumes of bonds with low coupons and large expected financing needs on bonds carrying low coupons. This is the case for Germany: 12% of its outstanding bonds mature in 2027 and the weighted average coupon on that maturing debt stands at just 1.33%, leaving it exposed to the risk of a step-up in debt servicing costs.

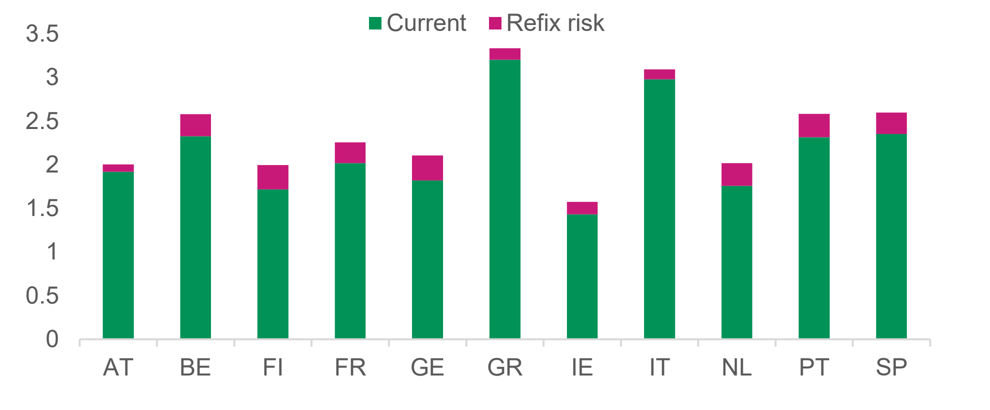
Fig 13. High volumes of bonds maturing in 2027 with low coupons



Source: Crédit Agricole CIB, DMOs

Assuming broadly similar funding instrument mixes and maturity bucket distributions to the 2025 full-year splits and applying our current rates forecasts, we arrive at preliminary estimates of the increase in interest expenditure that the different countries could face next year – Germany and Finland can be expected to be the most exposed to refix risk in 2027. While Italy continues to carry a heavy and persistent interest burden over the medium term, its comparatively lower redemption volumes in 2027 limit its near-term refix risk exposure which could provide some relief to risk sentiment.

Fig 14. Weighted average coupon of outstanding and possible 2027 increase (%)



Source: Crédit Agricole CIB, DMOs

The abovementioned numbers are preliminary estimates, which we will refine as we receive more information on individual country budgets. Below is a summary of where things stand today, the important dates on the horizon, and the principal risks to monitor.

Issuer	2027 budget process stage	Next important date	Main risk
Germany	Official draft is debated in parliament this week. Borrowing permission EUR203.6bn (core EUR118.7bn + EUR30bn defence fund + EUR54.9bn infrastructure fund). Spending EUR555.4bn.	Late Oct/early Nov: tax forecast. Mid-Nov: budget committee	**Low risk on budget process.** Coalition has a majority for the budget. Raising the borrowing ceiling would need two-thirds, which it lacks. Above the EDP 3% threshold but shielded by the EU defence exemption granted in 2025.
France	Not yet published. More in our Macro team's focus.	30 Sep: cabinet	**Political noise pre-2027 election.** No majority in parliament. Under EDP, net spending growth capped at 1.2% in 2027. The finance inspectorate quantified the impact of a late budget at 0.5ppt of GDP. Even if adopted on time, can be amended after 2027 presidential elections.
Italy	Not yet published.	22 Sep: Istat deficit and GDP revisions. Late Sep/early Oct: DPFP due (framework document)	**Low risk on budget process.** This is the last budget of the legislature before the 2027 elections. The 2025 deficit came in at 3.1%, just above 3%, so Italy did not exit the EU deficit procedure early. The 2027 net expenditure expected at 2.2% in 2027 (above the 1.9% ceiling set in the EDP)
Spain	Parliament rejected the 2027 spending plan in July. The council of ministers had previously approved a record spending ceiling of EUR226.0bn, +6.6%.	1 Oct: parliament	**High risk on budget adoption, low on funding plan**. The treasury's January funding plan has historically been unaffected by budget rollover. Spain has not passed a budget since 2023.
Netherlands	Indicative package published last week. On budget day, the cabinet will present a budget draft then negotiate.	15 Sep: Miljoenennota published	**Medium:** the ruling coalition lacks 10 seats for a majority in the lower house and holds less than one-third of the seats in the Senate.
Belgium	Ongoing budget talks, official draft not yet published. Consolidation efforts under discussion.	Mid Oct: de Wever policy speech	**High:** the 2026 budget already adopted late. Under EU deficit procedure, net spending growth capped at 2.5% in 2027.
Austria	Federal Budget for 2027 and 2028 passed in June. Budget balance in 2027 expected at 3.5% GDP.		
Finland	Budget proposal in early September with EUR 12.4bn deficit in 2027.	1 Oct: Government adoption of the Draft Budgetary Plan report	**Risk on medium- and long-term public finance health** despite consolidation efforts.
Portugal	Not yet published.	Mid Oct: budget presented to parliament	**Low:** expected decrease of Debt/GDP, credit upgrade last week. Expected deficit in 2027 at 0.4% vs 0.1% in 2026.

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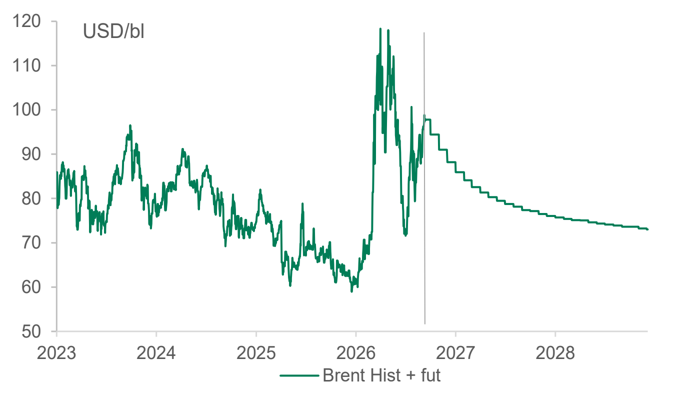
Inflation: the never-ending energy crisis

Eurozone inflation analysis

Global energy prices continue to rise, courtesy of the never-ending conflicts in the Middle East and between Russia and Ukraine. At the time of writing, the first Brent futures contract has broken the symbolic level of USD100/bl again, while European natural gas price is approaching EUR80/MWh, see Figures 15 and 16.

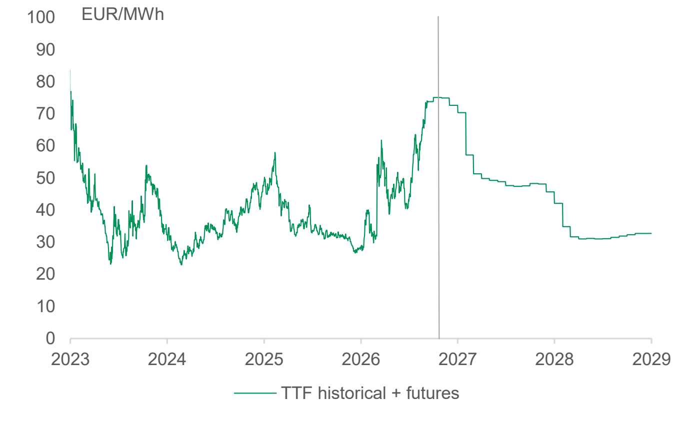
There looks to be no resolution in sight, which probably explains the direction that rates and inflation markets are taking at the moment. For the specific case of natural gas prices, there also remains the problem of **European gas storage** for the winter, with current storage significantly below the usual seasonal pattern.

Fig 15. Brent Crude oil curve, strong backwardation



Source: Crédit Agricole CIB, Bloomberg

Fig 16. Natural gas (TTF) curve



Source: Crédit Agricole CIB, Bloomberg

Quite logically, our inflation forecasts, which are plugged into crude oil and natural gas markets are regularly revised to the upside. Our latest batch came out yesterday afternoon in the Inflation-Linked Weekly Eurozone inflation approaching 4%, and **if we had to revise today, it would be to the upside once again.** We share yesterday's updated forecasts below.

Fig 17. Our near-term inflation forecasts

	Eurozone HICP Ex-tob. Index	Eurozone HICP Ex-tob. MoM	Eurozone HICP Ex-tob. YoY	Eurozone HICP Head. YoY	Eurozone HICP Core MoM	Eurozone HICP Core YoY	France CPI Ex-tob. Index	France CPI Ex-tob. MoM	France CPI Ex-tob. YoY	France CPI Head. YoY	Italy FOI Ex-tob. Index	Italy FOI Ex-tob. MoM	Italy FOI Ex-tob. YoY	Brent USD/bl	TTF (Gas) EUR/MWh	EUR/USD
Jan 2026	100.02	-0.59	1.62	1.68	-1.07	2.19	99.57	-0.38	0.25	0.29	100.4	0.32	0.82	64.6	34.2	1.18
Feb 2026	100.66	0.64	1.83	1.89	0.76	2.41	100.20	0.63	0.88	0.90	100.9	0.50	1.15	69.6	33.3	1.18
Mar 2026	101.95	1.28	2.50	2.55	0.84	2.28	101.18	0.98	1.67	1.69	101.5	0.59	1.50	101.1	53.2	1.17
Apr 2026	103.01	1.04	2.98	3.03	0.94	2.20	102.24	1.05	2.15	2.16	102.5	0.99	2.58	102.0	45.0	1.16
May 2026	103.09	0.08	3.13	3.17	0.32	2.56	102.37	0.13	2.41	2.42	102.8	0.29	2.97	103.3	47.2	1.17
Jun 2026	102.98	-0.11	2.71	2.75	0.19	2.36	102.09	-0.27	1.73	1.76	102.8	0.00	2.88	84.1	44.8	1.15
Jul 2026	103.21	0.22	2.92	2.94	-0.03	2.48	102.67	0.57	2.10	2.12	103.1	0.29	2.76	84.2	54.3	1.15
Aug 2026	103.67	0.45	3.23	3.26	0.23	2.42	103.40	0.71	2.39	2.41	103.7	0.54	3.32	88.4	62.1	1.16
Sep 2026	103.96	0.28	3.42	3.45	0.14	2.42	102.65	-0.73	2.66	2.67	104.0	0.31	3.72	97.4	73.5	1.16
Oct 2026	104.43	0.45	3.66	3.69	0.28	2.41	102.88	0.22	2.81	2.82	104.7	0.71	4.72	94.4	75.2	1.16
Nov 2026	104.02	-0.39	3.57	3.60	-0.54	2.43	102.66	-0.21	2.80	2.79	104.4	-0.30	4.49	91.0	75.0	1.16
Dec 2026	104.33	0.30	3.70	3.73	0.46	2.53	102.87	0.20	2.92	2.92	104.5	0.11	4.43	88.2	72.7	1.16
Jan 2027	103.91	-0.40	3.89	3.92	-0.77	2.84	102.49	-0.37	2.93	2.94	104.7	0.18	4.29	86.0	70.4	1.16
Feb 2027	104.49	0.56	3.80	3.83	0.68	2.75	103.21	0.70	3.00	3.01	105.0	0.25	4.03	84.1	57.2	1.16
Mar 2027	105.43	0.90	3.41	3.44	1.19	3.12	103.67	0.45	2.46	2.47	105.2	0.25	3.68	82.6	51.3	1.16
Apr 2027	105.86	0.41	2.77	2.81	0.60	2.77	104.14	0.45	1.86	1.88	105.2	-0.03	2.63	81.3	49.9	1.16
May 2027	106.18	0.30	3.00	3.04	0.37	2.81	104.26	0.12	1.84	1.87	105.4	0.23	2.57	80.3	49.3	1.16
Jun 2027	106.33	0.14	3.25	3.29	0.22	2.86	104.41	0.14	2.27	2.28	105.4	0.00	2.57	79.5	48.9	1.16
Jul 2027	106.20	-0.12	2.90	2.95	-0.14	2.74	104.64	0.22	1.92	1.94	105.3	-0.10	2.18	78.7	47.7	1.16
Aug 2027	106.38	0.17	2.61	2.67	0.29	2.80	105.24	0.58	1.78	1.80	105.4	0.01	1.63	78.1	47.4	1.16
Sep 2027	106.41	0.03	2.36	2.41	0.08	2.73	104.16	-1.03	1.47	1.49	105.2	-0.17	1.15	77.4	47.6	1.16
Oct 2027	106.66	0.23	2.14	2.19	0.23	2.70	104.27	0.11	1.35	1.38	105.2	0.01	0.45	77.1	48.3	1.16
Nov 2027	106.25	-0.38	2.14	2.19	-0.59	2.63	104.02	-0.23	1.33	1.35	105.2	-0.03	0.72	76.5	48.2	1.16
Dec 2027	106.58	0.31	2.16	2.20	0.41	2.59	104.26	0.23	1.36	1.38	105.4	0.26	0.88	76.1	45.8	1.16
2024			2.24	2.37		2.84			1.85	2.00			0.88	79.9	34.7	1.08
2025			2.05	2.13		2.42			0.89	0.94			1.39	68.3	36.4	1.13
2026			2.94	2.98		2.39			2.06	2.08			2.95	89.0	55.9	1.16
2027			2.87	2.91		2.78			1.96	1.98			2.23	79.8	51.0	1.16
2028			1.93	1.96		2.12			1.24	1.25			1.35	74.3	32.9	1.16

Forecasters: JF Perrin and M. Loise, as of 08 September 2026

Source: Crédit Agricole CIB

Our forecasts show a quick return to inflation around 2.2% in Q427: this is because our energy inflation component becomes significantly negative at this point, **courtesy of the backwardation of the natural gas and crude oil curves**. See again Figures 15 & 16. Should energy prices not abate, headline inflation should not stand far from core inflation at end-2027, by definition.

At Thursday's meeting, the ECB will provide the quarterly update of its macroeconomic forecasts. This is generally when the ECB is more prone to revise its stance and communication.

On its inflation forecasts, we expect it to adjust a few projections, namely the **core inflation forecast (we expect it to raise it to 2.7% for 2027 from 2.5%, back in June).** See Figure 18 below. In any case, its forecasts will unfortunately already be slightly outdated even before the release, as they are based on energy inputs back in August, when natural gas price was almost 20% cheaper than now; see Figure 19.

You can read further details in our Inflation-Linked Focus, ECB HICP forecasts: more pressure for 2027, 3 September.

Fig 18. Our forecasts of the ECB's forecasts

Inflation forecasts	2026	2027	2028
ECB Dec – headline	**2.9%**	**2.6%**	**2.0%**
(difference vs Jun forecasts)	**(-0.1)**	**(+0.3)**	**(=)**
CACIB 1 Sep – headline	2.93%	2.75%	1.98%
ECB Dec – core	**2.5%**	**2.7%**	**2.2%**
(difference vs Jun forecasts)	**(=)**	**(+0.2)**	**(=)**
CACIB 1 Sep – core	2.39%	2.65%	2.10%

Source: Crédit Agricole CIB, ECB

Fig 19. Natural gas price and the ECB's sample period

Source: Crédit Agricole CIB, Bloomberg

Eurozone inflation strategy

The big picture

At this point, a bit of history won't hurt: in the past decade, it took two years – from mid-2014 to mid-2016 – of core inflation around 0.8% to bring the 5YF5Y HICP from 2.1% to 1.4%. **The accumulation of data points matters heavily**, and we think that most inflation forwards – from 2YF2Y to 15YF5Y – will continue to rise as time passes, unless of course energy prices significantly decline.

Long inflation

Two weeks ago, we recommended a long inflation trade: Buy 5Y HICPx, 26 August. We targeted a 20bp profit. The rationale was mostly about the market not reacting – back then – to the much higher natural gas prices, while **we believe natural gas is a more important determinant to core and food inflation than crude oil is**.

Since then, the 5Y HICPx has widened from 224bp to 244bp (+20bp) but the profit of the trade is only 7bp for now, as 7bp have to be removed because of the 1 September inflation swap roll, and around 6bp have to be taken off as well from the oil hedge we included in the trade. **Still, 7bp in two weeks is not too bad.**

We expect the trade to continue to do well, considering (1) the above 3.5% headline inflation numbers to pile up over the coming quarters and (2) the likely upside revisions in inflation by all kind of forecasters in the coming weeks. Last but not least, we think the ECB might be less hawkish than what the market expects (at the margin).

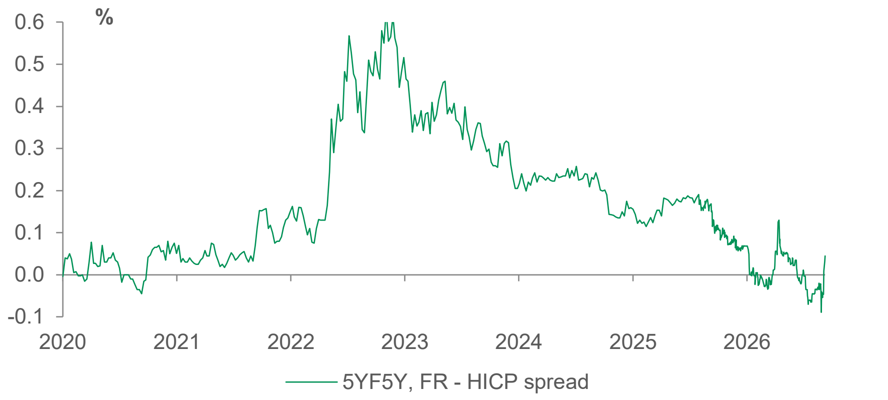
Last few days big move: long-end French inflation, because of Livret A

Over the last few days, French inflation swaps forwards (5YF5Y, 10YF10Y) largely outperformed those of the Eurozone, see Figure 20 below. The main reason was not macro or election-related. It was the announcement by the French Minister for Green Transition about a possible increase in the Livret A ceiling.

We will not spend too much time on this, as it is a technical, regional thing only. Still, we detailed the mechanics and our strategy view regarding this in yesterday's Inflation-Linked Weekly.

Simply put: we closed our short 5YF5Y FRCPIx vs HICPx three months ago (6bp gain), and we stay on the sidelines for now.

Fig 20. French CPI ex-tobacco, 5YF5Y vs Eurozone HICPx 5YF5Y



Source: Crédit Agricole CIB, Bloomberg

US inflation

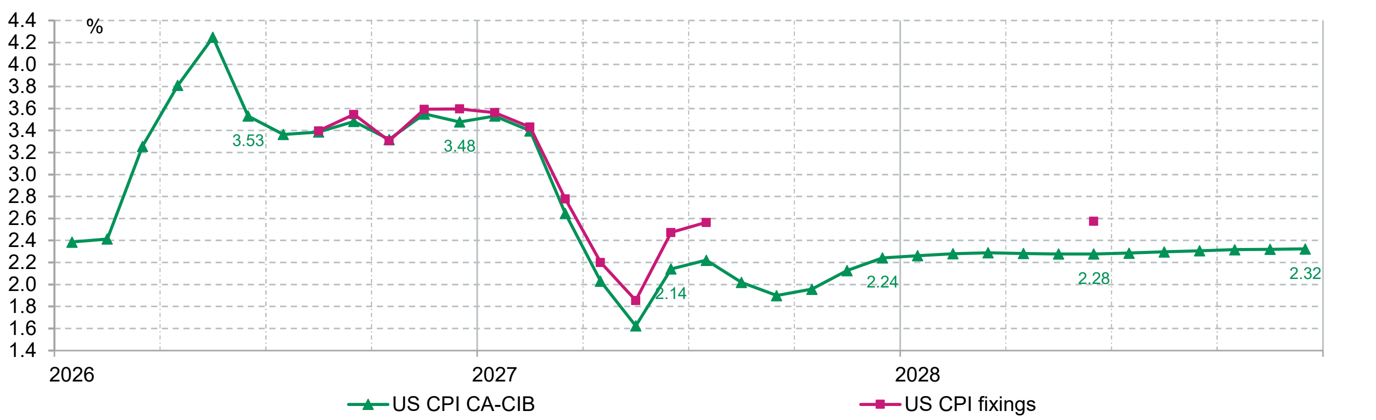
This week, all eyes are on the key US CPI report (the last one before the FOMC meeting this week). We will have the PPI report the day before. We expect headline CPI at 3.4% YoY and **core at 0.24% MoM SA, taking YoY core to 2.4% YoY, down from 2.5% YoY in July**. Our take for core is relatively benign and close to the 0.21% MoM consensus, but a rounding to 0.3% is just a matter of basis points.

You can read further details on the preview (and our take on the Fed) in the US CPI preview published last Friday.

You can also find more analysis on the US CPI outlook for 2026-28 in a detailed Inflation-Linked Focus which we published two weeks ago. Bear in mind the negative base effects on core CPI over the coming quarters: (1) last year's tariffs and (2) the abnormally strong MoM number of April 2026 (rents) leaving the YoY sample respectively later this year and in April 2027.

For now our CPI path is in line with the market until Q127, before standing significantly below from Q227 to end-2028.

Fig 21. Our forecasts vs what the market prices in (8 September 2026)



Source: Crédit Agricole CIB, Bloomberg

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US rates strategy

The big picture

Treasuries sold off and curve flattened over the **past week**, with the intermediate sector further underperforming. Higher oil prices and a strong August payroll report sent yields to new highs and raised the odds of a Fed rate hike next week.

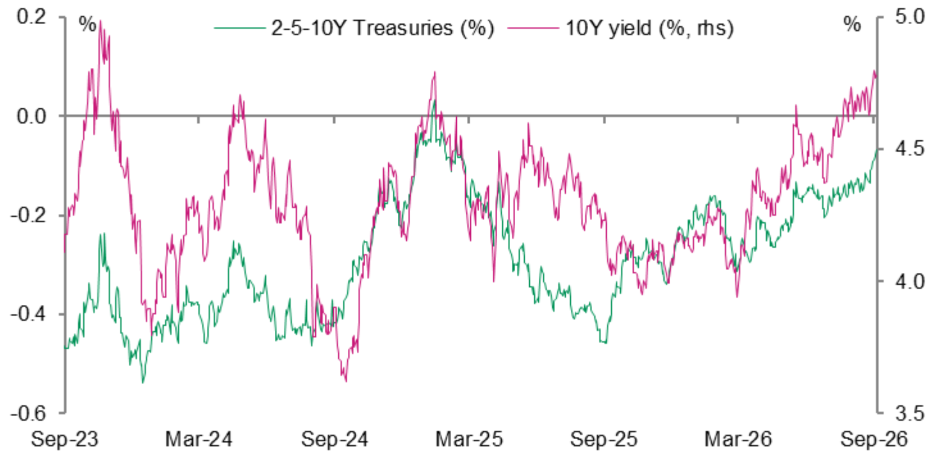
Rates investors will digest refunding supply **this week**. The August CPI data will likely be the key swing factor in deciding whether the Fed hikes next week. Our inflation strategists forecast a mixed bag (headline firm at 0.4% MoM and core softer at 0.2% MoM).

In rates **direction**, we expect supply, oil prices and CPI data to dictate rates near term. Higher oil prices and stronger inflation data can lead to higher rates.

In **curve**, risk/reward favours flatteners with the first upsized buyback looming and the market not fully pricing a rate hike next week. Inflation data would have to be weaker than expected to prevent a hike.

In **relative value**, 5Y has continued to underperform 2Y and 10Y on the curve and has room to cheapen further if the Fed begins hiking rates, as the 2-5-10Y spread is market directional (Figure 22).

Fig 22. Belly further underperforms vs wings



Source: Credit Agricole CIB, Bloomberg

Inflation data to drive rates ahead of FOMC

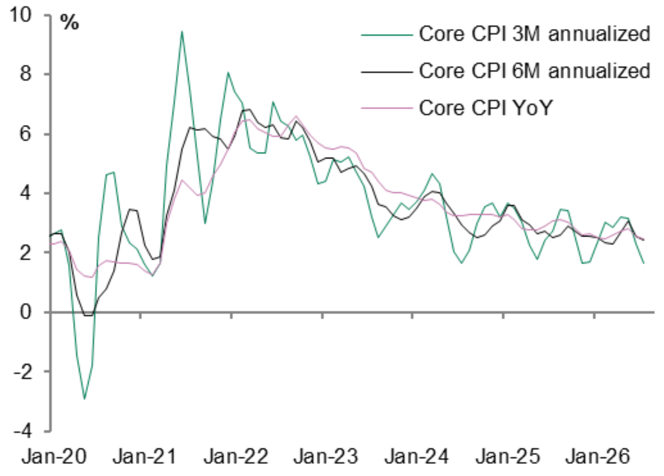
Treasuries sold off and curve flattened over the past week, with the intermediate sector further underperforming. Higher oil prices and a strong August payroll report sent yields to new highs and raised the odds of a Fed rate hike next week. 5Y has continued to underperform 2Y and 10Y on the curve and has room to cheapen further if the Fed begins hiking rates, as the 2-5-10Y spread is market directional (Figure 22).

Treasury curve twist flattened on Friday after a stronger-than-expected +162k headline August payroll (vs +55k consensus). Curve flattening was consistent with the market raising the odds of a September Fed rate hike, up to 15bp from 13bp pre-NFP. Employment increased in food services and drinking places and in local government education in August, while the information industry lost jobs. The July headline was revised up from -23k to +21k. The unemployment rate stayed unchanged at 4.1%, despite a rising labour force participation rate by 0.2% to 61.6%.

This week brings a number of key events and heavy Treasury and corporate supply in holiday-shortened trading. The August CPI data will likely be the key swing factor in deciding whether the Fed hikes next week (Figure 23). Our inflation strategists forecast a mixed bag (headline firm at 0.4% MoM and core softer at 0.2% MoM).

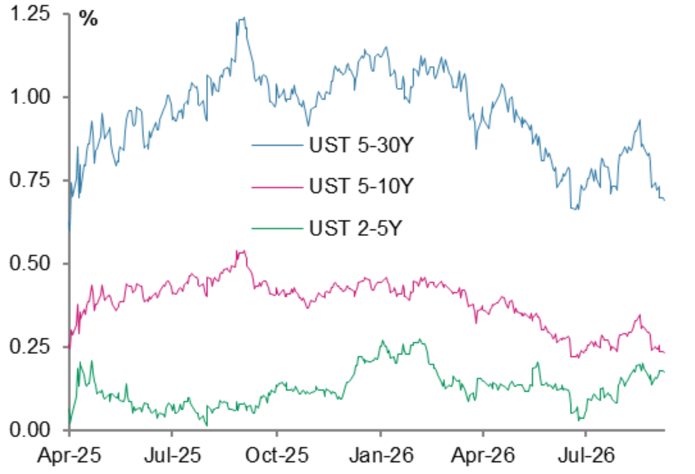
Fed Governor Christopher Waller indicated recently that his vote at the meeting would be "heavily influenced" by August CPI data due on 11 September, and a rate hike should be considered if the data comes in strong, while continued progress toward the 2% goal would support rates on hold.

Fig 23. August CPI data are the key swing factor in deciding whether the Fed hikes next week



Source: Bloomberg, Crédit Agricole CIB

Fig 24. Curve has room to flatten



Source: Bloomberg, Crédit Agricole CIB

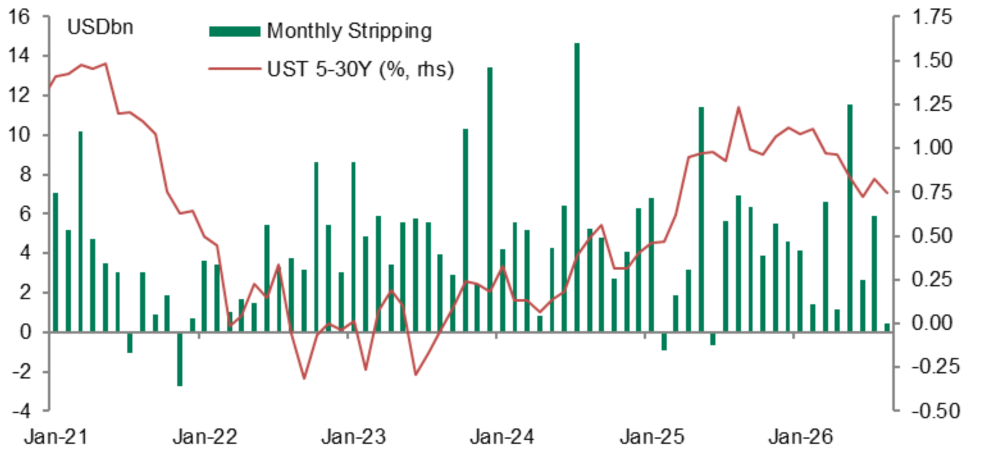
The Treasury will announce the much-anticipated upsized long-end nominal coupon buyback on 9 September with the operation on the following day. To impress the market, the Treasury may have to purchase more than USD4bn, which will depend on a number of factors, eg, market conditions, dealer inventory and offers submitted, etc.

In rates direction, we expect supply, oil prices and CPI data to dictate rates in the near term. Higher oil prices and stronger inflation data can lead to higher rates. Risk/reward favours flatteners with the first upsized buyback looming and the market not fully pricing a 25bp Fed rate hike at the September meeting. While the curve has flattened, it still has room to go (Figure 24), eg, 2-10Y still at its 50-day moving average.

Low stripping volume in August

USD0.4bn Treasury notes and bonds were net stripped in August, the lowest since June 2025, with the 2026 YTD monthly average at USD4.8bn (Figure 25). The massive curve flattening following the Treasury's upsized long-end buyback announcement and volatility in rates may have curbed demand for stripping.

Fig 25. Low stripping volume in August



Source: Credit Agricole CIB, Bloomberg

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Appendix 1: Positioning & momentum

Here we highlight a few of our **positioning** and **momentum** indices. You can find them, updated daily, in this dashboard at Red Mount Analytics.

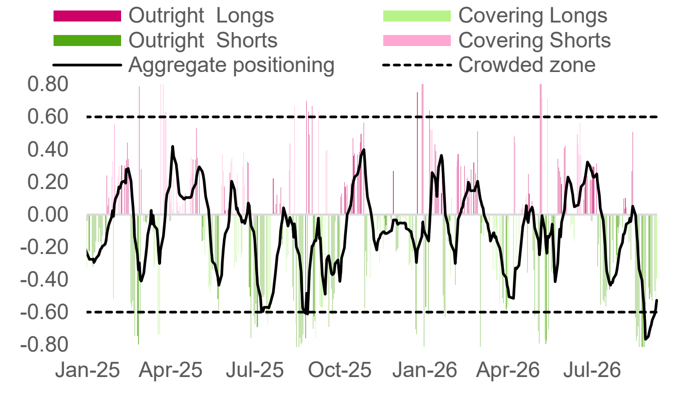
Our open-interest positioning indicator focuses on the relationship between daily changes in price and open interest in order to determine the gauge in bullish and bearish exposure over a given period of time.

Within this bullish/bearish framework, there are four possible positioning indications:

- Outright longs: price and OI increases (bullish exposure)
- Outright shorts: price decreases, OI increases (bearish exposure)
- Reducing longs: price and OI decreases (bearish exposure)
- Reducing shorts: price increases, OI decreases (bullish exposure)

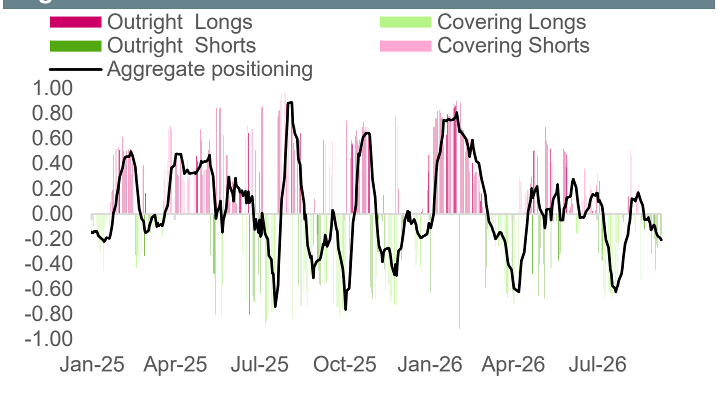
To get the magnitude of the positioning indications, we use the correlation of the daily changes of open interest and futures prices. More precisely, we use the weighted average price/open interest of the two future contracts being traded to limit the impact from futures contracts rolling over. The correlation has the advantage of keeping the index scaled between -1 and +1.

Fig 26. 10Y Bund



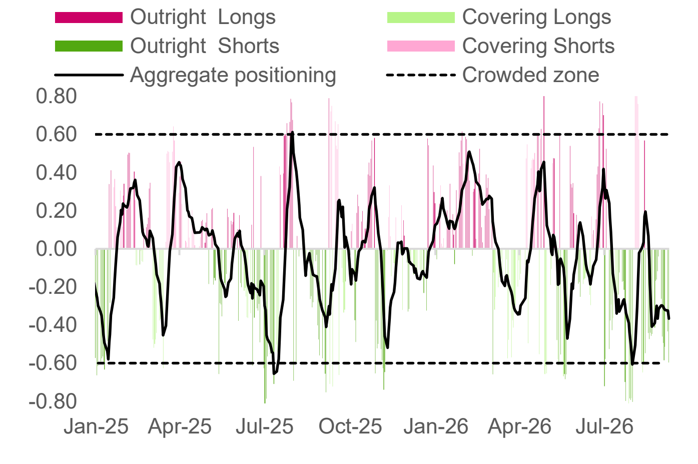
Source: RMA by Crédit Agricole CIB

Fig 27. 10Y BTP



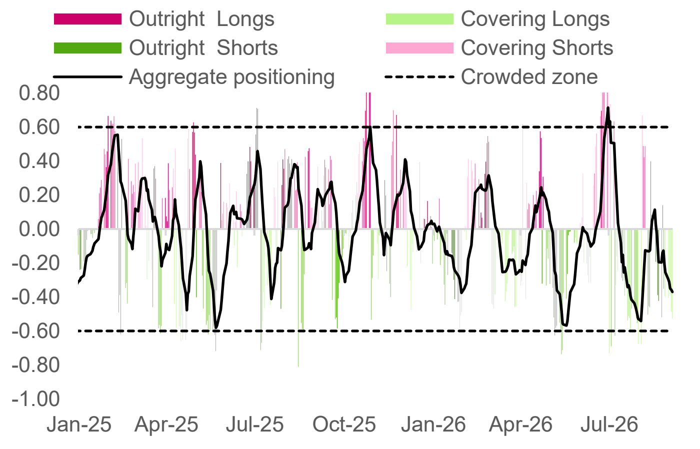
Source: RMA by Crédit Agricole CIB

Fig 28. 10Y OAT



Source: RMA by Crédit Agricole CIB

Fig 29. 10Y UST



Source: RMA by Crédit Agricole CIB

Our momentum indicator gauges the strength of a trend and indicates when a trend has slowed and is possibly ready for a change. In this sense, our momentum positioning index can help us capture market turnarounds, especially for actors like CTAs:

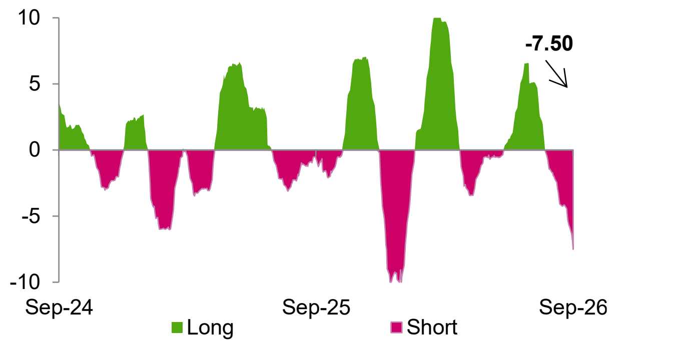
If the index shows a stretched long positioning, then:

- the larger the long position, the more any further rally could face headwinds or/and it will need strong signals for the rally to continue
- in case of negative developments, investors unwinding their positions could trigger a sharp sell-off

If the momentum positioning index shows a close-to-neutral positioning, then:

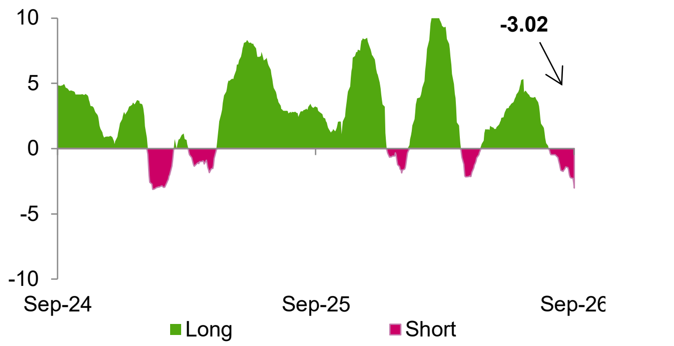
- it reflects a lack of conviction or a wait-and-see mode by market participants

Fig 30. 10Y Bund



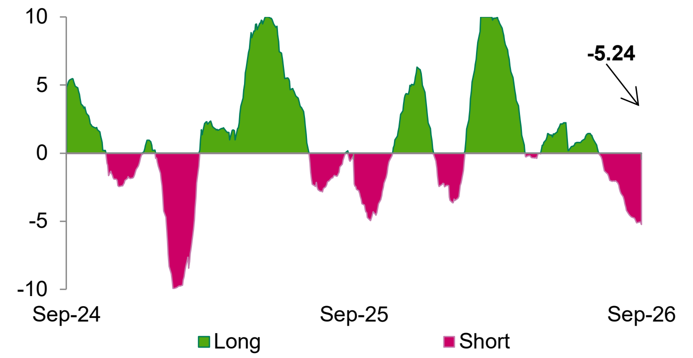
Source: RMA by Crédit Agricole CIB

Fig 31. 10Y BTP



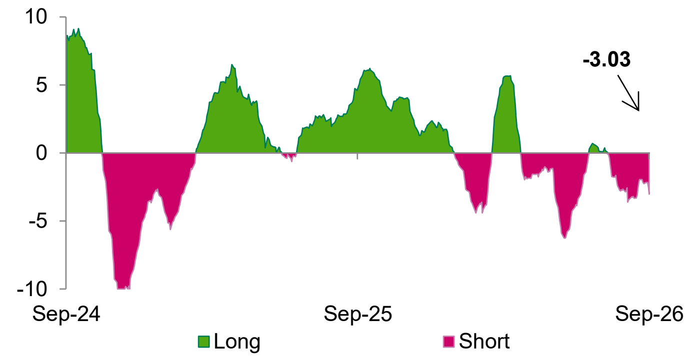
Source: RMA by Crédit Agricole CIB

Fig 32. 10Y OAT



Source: RMA by Crédit Agricole CIB

Fig 33. 10Y UST



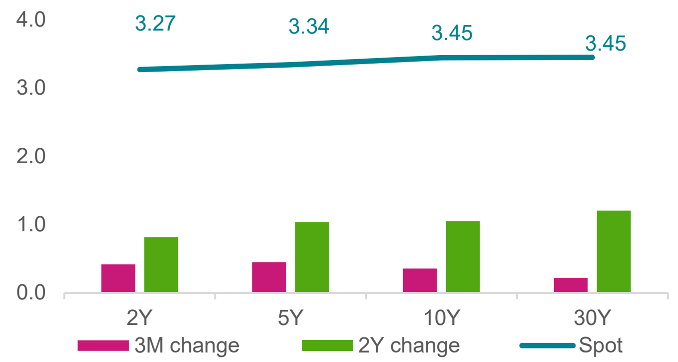
Source: RMA by Crédit Agricole CIB

Appendix 2: EUR Dashboard

Spreads and their three-month change vs Bunds (bp)

	2Y	3M ▲	5Y	3M ▲	10Y	3M ▲	30Y	3M ▲
Swap*	-21	-2	-16	-2	-3	1	39	4
OAT	18	1	53	5	89	12	118	20
BTP	17	1	49	5	84	8	112	7
Bono	1	-4	17	-4	45	1	63	-1
UST	136	-10	140	-8	139	-8	140	-1
Gilt	160	-6	157	-14	181	-5	199	-1
JGB	-123	3	-96	-13	-53	-17	11	-18

EUR Swap* (%)



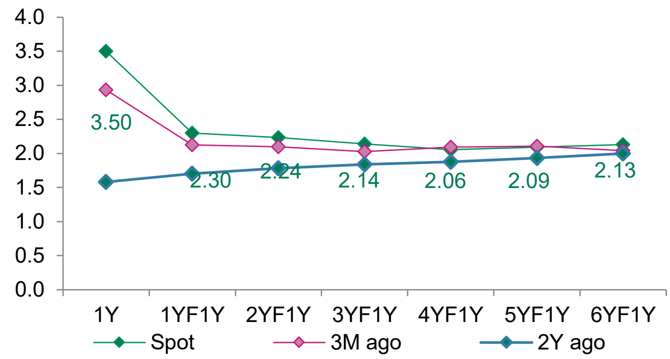
EUR Swap Curve (bp)

Slope	Spot	3M ▲	2Y ▲
2-5Y	7	3	22
2-10Y	17	-6	24
5-10Y	10	-9	2
10-30Y	0	-14	15
5-30Y	11	-23	17
2-30Y	18	-20	39

EUR Swaption Normal Implied (bp)

Straddles	Spot	3M ▲	2Y ▲
3M10Y	68	5	-5
1Y1Y	86	12	4
2Y2Y	84	10	-1
5Y5Y	77	6	-3
10Y10Y	70	3	-2
20Y20Y	60	2	5

EUR ZC Inflation (%)



References (%)

ECB Depo	ESTR Fixing	3M Euribor	6M Euribor	RX1	EURUSD	HICP YoY
2.25	2.19	2.63	2.80	121.48	1.16	3.30

** Swaps vs 6M Euribor.*

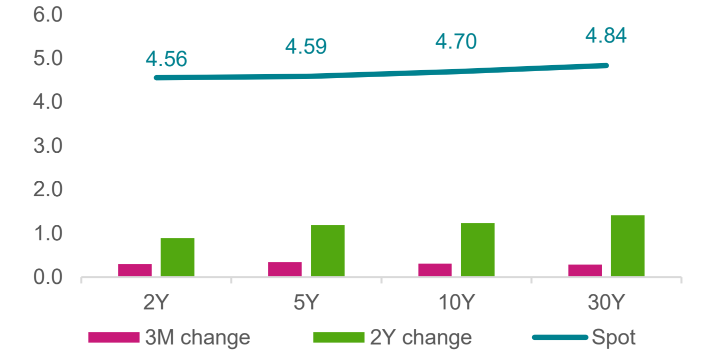
Source: Bloomberg, Crédit Agricole CIB

Appendix 3: USD Dashboard

Spreads and their three-month change vs Treasuries (bp)

	2Y	3M ▲	5Y	3M ▲	10Y	3M ▲	30Y	3M ▲
Swap*	13	-1	27	-1	38	-3	68	-4
DBR	135	-10	140	-9	139	-9	140	-1
OAT	117	-11	87	-14	50	-21	23	-20
Gilt	-25	-4	-17	5	-42	-4	-59	0
CAN	126	-2	112	1	98	-6	106	-7
ACGB	-43	4	-27	8	-40	0	-43	-2
JGB	259	-12	237	5	193	8	130	-60

USD Swap* (%)



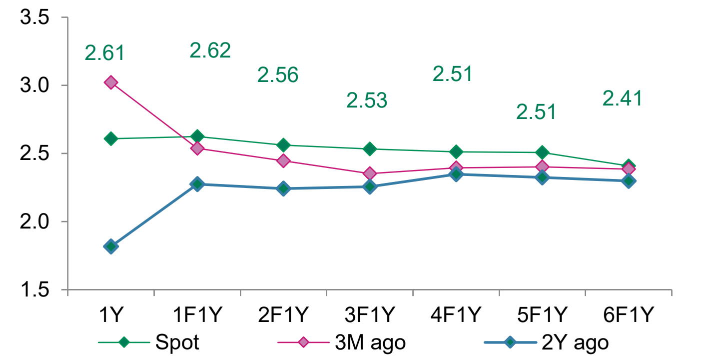
USD Swap Curve (bp)

Slope	Spot	3M ▲	2Y ▲
2-5Y	3	4	30
2-10Y	14	1	35
5-10Y	11	-3	5
5-30Y	25	-6	23
10-30Y	14	-3	18
2-30Y	28	-1	52

USD Swaption Normal Implied (bp)

Straddles	Spot	3M ▲	2Y ▲
3M10Y	75	-3	-33
1Y1Y	100	-6	-26
2Y2Y	95	-2	-17
5Y5Y	88	1	-8
10Y10Y	84	2	2
20Y20Y	75	3	12

USD ZC Inflation (%)



References (%)

IOER	Fed Funds	SOFR	GCF Repo	3M Libor	TY1	DXY	CPI YoY	Core PCE YoY
3.65	3.63	3.64	3.67	4.85	107.52	98.65	3.40	3.34

** Swaps vs 3M Libor.*

Source: Bloomberg, Crédit Agricole CIB

Appendix 4: Forecasts

Yields and Rates forecasts

		Current	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
EUR	Refi	2.40	2.90	2.90	2.90	2.90	2.65	2.65
	Depo	2.25	2.50	2.75	2.75	2.75	2.50	2.50
	ESTR	2.19	2.44	2.70	2.70	2.70	2.45	2.45
	3M Euribor	2.63	2.75	2.85	2.85	2.65	2.50	2.30
Germany	2Y	3.07	2.68	2.79	2.73	2.59	2.55	2.52
	5Y	3.19	2.87	2.93	2.91	2.80	2.77	2.76
	10Y	3.42	3.18	3.21	3.23	3.19	3.22	3.27
	30Y	3.85	3.75	3.71	3.83	3.83	3.85	3.91
France	2Y	3.26	2.87	2.96	2.89	2.69	2.65	2.60
	5Y	3.73	3.28	3.32	3.30	3.05	3.01	2.97
	10Y	4.31	3.87	3.95	3.99	3.78	3.80	3.83
	30Y	5.03	4.75	4.75	4.89	4.75	4.77	4.81
Italy	2Y	3.25	2.89	2.95	2.87	2.71	2.66	2.61
	5Y	3.68	3.38	3.34	3.27	3.12	3.08	3.02
	10Y	4.26	4.03	3.96	3.93	3.85	3.92	3.88
	30Y	4.97	4.86	4.74	4.82	4.79	4.84	4.83
Spain	2Y	3.09	2.75	2.85	2.78	2.64	2.60	2.56
	5Y	3.36	3.12	3.14	3.10	2.97	2.94	2.91
	10Y	3.86	3.65	3.65	3.65	3.59	3.62	3.66
	30Y	4.48	4.44	4.35	4.45	4.43	4.44	4.48
Belgium	10Y	4.00	3.79	3.80	3.77	3.72	3.75	3.79
Finland	10Y	3.73	3.61	3.60	3.61	3.56	3.58	3.62
Greece	10Y	4.12	3.99	3.95	3.93	3.85	3.88	3.90
Ireland	10Y	3.53	3.38	3.40	3.42	3.38	3.40	3.45
Portugal	10Y	3.76	3.60	3.59	3.59	3.54	3.56	3.60
EUR IRS*	2Y	3.28	2.88	2.93	2.85	2.70	2.65	2.60
	5Y	3.35	3.00	3.02	2.97	2.85	2.80	2.78
	10Y	3.45	3.20	3.18	3.16	3.08	3.10	3.13
	30Y	3.45	3.30	3.30	3.35	3.30	3.30	3.35
		Current	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
USD	FF Target	3.75	3.75	3.75	3.75	3.50	3.50	3.50
	FF Eff	3.62	3.61	3.61	3.61	3.36	3.36	3.36
	SOFR	3.64	3.63	3.63	3.63	3.38	3.38	3.38
UST	2Y	4.42	4.10	4.05	4.00	3.85	3.95	4.00
	5Y	4.59	4.25	4.20	4.15	4.05	4.15	4.20
	10Y	4.81	4.60	4.55	4.55	4.45	4.50	4.50
	30Y	5.25	5.15	5.10	5.10	5.05	5.05	5.00
USD IRS**	2Y	4.29	3.96	3.92	3.87	3.72	3.82	3.87
	5Y	4.31	3.98	3.94	3.89	3.80	3.90	3.96
	10Y	4.42	4.20	4.16	4.17	4.08	4.14	4.15
	30Y	4.57	4.43	4.39	4.40	4.36	4.37	4.33

** EUR swap vs 6M Euribor, ** USD swap vs SOFR.*

Source: Crédit Agricole CIB

Appendix 5: Supply calendar

For more details, please have a look at our Primary EGB supply dashboard or our latest EGB Market Essentials.

Fig 34. Supply calendar

Date	Country	Bond	Amount in EURbn	Event
08-Sep	Austria	RAGB 3.45% 10/30	1.44	Auction
08-Sep	Austria	RAGB 3.20% 02/36		Auction
08-Sep	Germany	Bund (G) 2.3% 02/33	0.75	Auction
08-Sep	Germany	Bund (G) 2.60% 05/41	0.75	Auction
08-Sep	Netherlands	DSL 2.75% 07/36	3.00	Auction
08-Sep	Spain	Bono 4.25% 07/47	4.00	Syndication
08-Sep	US	UST 4.375% 09/29	58.00	Auction
09-Sep	US	UST 4.625% 08/36	39.00	Auction
09-Sep	Germany	Bund 3.0% 08/36	5.50	Auction
09-Sep	Portugal	PGB 3.875% 02/30	1.75	Auction
09-Sep	Portugal	PGB 2.875% 10/34		Auction
09-Sep	Portugal	PGB 3.00% 06/35		Auction
10-Sep	Italy	BTP 2.15% 03/72	0.75	Auction
10-Sep	Italy	BTP 3.00% 09/29	3.50	Auction
10-Sep	Italy	BTP 3.35% 09/33	3.50	Auction
10-Sep	US	UST 5.125% 08/56	22.00	Auction

Source: Crédit Agricole CIB, DMOs

Appendix 6: Recent rates publications

Inflation-linked Weekly – Eurozone inflation approaching 4%, 8 September

Inflation-linked Focus – US CPI: August 2026 preview, 4 September

EGB Market Essentials - No end in sight, 4 September

Interest Rates Weekly – Peace, recession… or more of the same, 3 September

Inflation-linked Focus – ECB HICP forecasts: more pressure for 2027, 3 September

Interest Rates Trade Idea - Stops hit, 3 September

Inflation-Linked Weekly - Energy, elections, Livret A: a strategy Q&A, 1 September

EGB Market Essentials - Déjà-vu, 28 August

Inflation-linked Focus – August HICP preview: expected to be the highest print in three years, 27 August

Inflation-linked Focus – Inflation slide deck at Red Mount Analytics, 26 August

Inflation-Linked Weekly – The energy crisis is worsening, 25 August

Inflation-Linked Trade idea – Buy 5Y HICPx, 25 August

Inflation-linked Focus – US CPI outlook update, adding 2028, 21 August

Inflation-linked Focus – Back to work: HICP update, 21 August

Interest Rates Focus – Increased buybacks flatten the curve, 19 August

Inflation-linked Trade Idea - Sell OATei Jul-36 vs BTPei May-36, target reached, 19 August

Inflation Linked Focus – US July CPI: a relatively benign month, 12 August

Interest Rates Weekly –Tide came in early, 06 August

Inflation Linked Focus – US CPI: July 2026 preview, 06 August

Interest Rates Focus – From twist steepening to flattening, 05 August

Inflation Linked Focus - July HICP debrief and summer break, 03 August

EGB Markets Essentials – Runaway, 30 July

Interest Rates Focus – Stable Fed policy twist-steepens curve, 30 July

Interest Rates Weekly – Natural reflections, 29 July

Interest Rates Focus – Rates scenarios for the Fed meeting, 28 July

Inflation-linked Weekly – Up and down, 28 July

Interest Rates Trade Idea - Take profit BTP 2-3Y steepener and stop hit on 10-20Y OAT-Bund box flattener, 28 July

Inflation Linked Focus – Eurozone HICP preview, 24 July

EGB Markets Essentials – The undifferentiated common drive, 24 July

Interest Rates Weekly – Let's get real, 22 July

Inflation Linked Focus - Adding 2028 to our HICP path, 21 July

Inflation-linked Weekly – Looking ahead, beyond the double energy crisis, 21 July

EGB Markets Essentials – Bund testing highs, 17 July

Interest Rates Trade Idea - Buy the belly on OAT 5-10-30Y fly, 16 July

Interest Rates Trade Idea - Closing our BTP 3-10Y ASW box, 16 July

Inflation-linked Weekly – Threat, deal, break, repeat, 15 July

Interest Rates Focus – Warsh: "no tolerance for persistently elevated inflation", 15 July

Inflation Linked Focus - US CPI: June 2026 preview, 10 July

EGB Markets Essentials – It's coming home?, 10 July

Interest Rates Trade Idea - 10-30Y curve flattener ahead of auction, 09 July

Interest Rates Trade Idea - Target hit: pay belly in EUR 2-5-10Y IRS fly, 08 July

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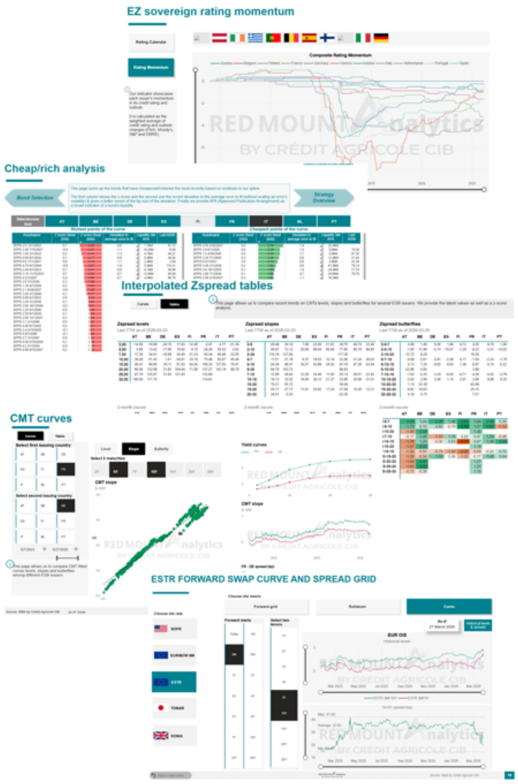

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