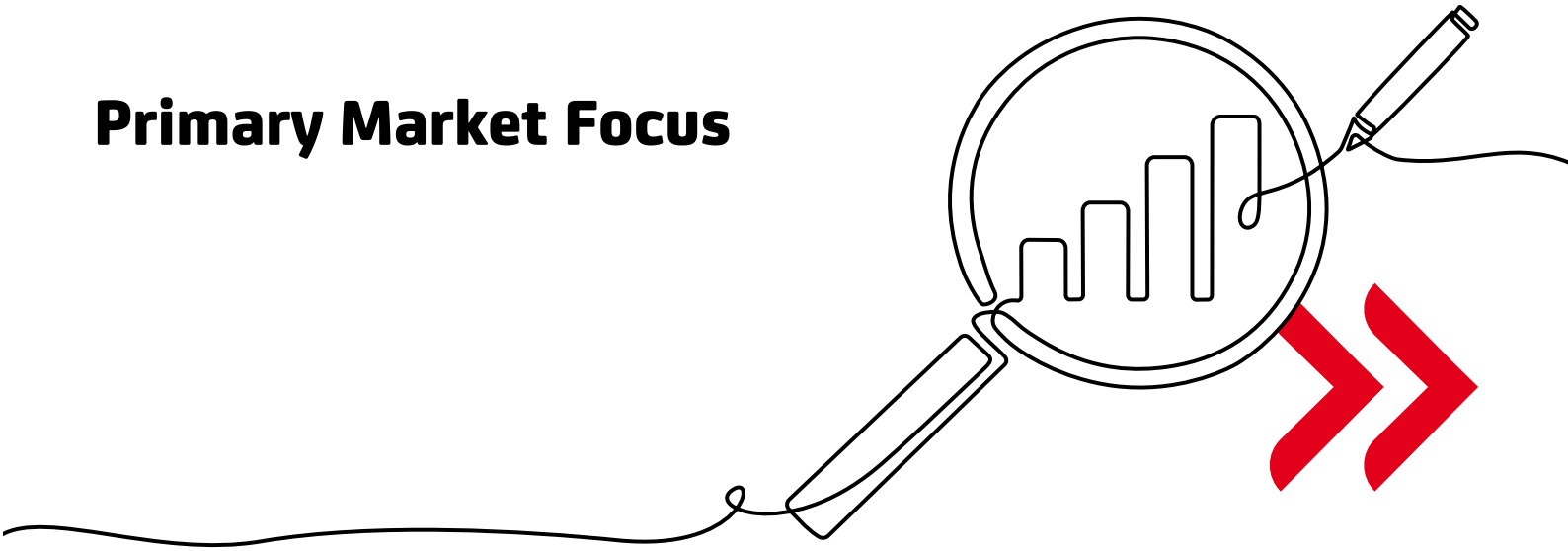
Primary Market Focus



Our *Primary Market Focus* is a deep dive into bond issuance activity, highlighting trading opportunities for new and existing bonds.

Weekly Supply Preview – 2Y and 10Y areas in the spotlight

26 October 2026

Last week
EGB issuance activity was very subdued, with Finland and Germany selling only EUR 2.5bn of bonds. In addition, Italy sold EUR 12bn of BTP Valore Oct31 and EUR 4.5bn of BTP Valore Insieme Oct31 to retail investors. Redemptions amounted to EUR 17bn.

This week
Conventional EGB issuance activity will recover this week, as we expect Italy, Germany and Belgium to sell around EUR 25bn of bonds. By contrast, the Netherlands will not hold an optional auction originally scheduled for this week. Primary market activity, which will include inflation-linked and floating-rate bonds from Italy, will be heavier in the 2Y and 10Y sectors. Net supply will be positive due to a lack of redemptions. In addition to EGB supply, the EU will hold a bond auction worth EUR 7bn.

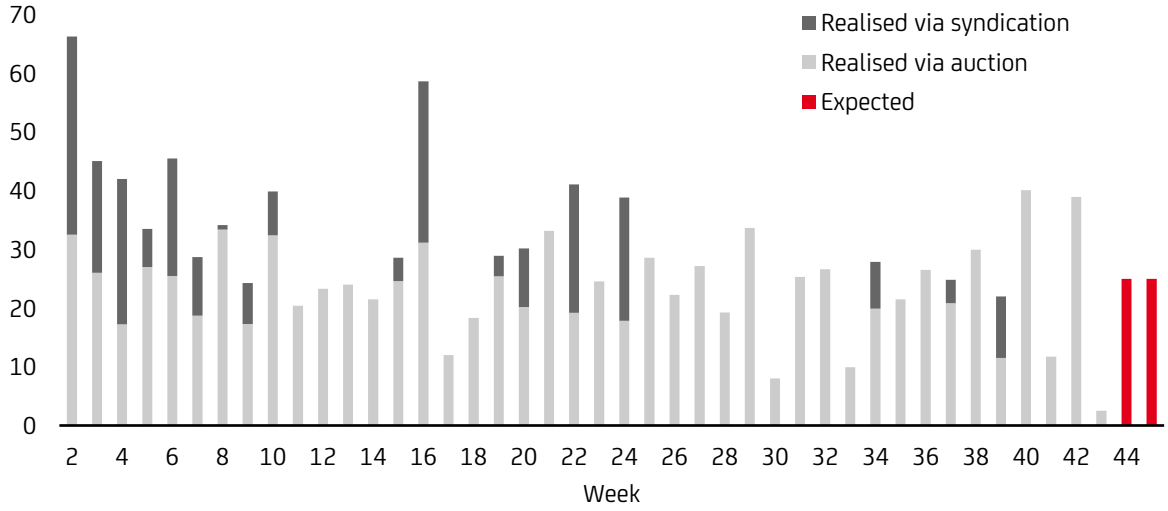
EU

Today, the EU will tap EU 2.375% Jul29 for up to EUR 2.5bn, EU 3.25% Dec36 for up to EUR 2.5bn and EU 0.7% Jul51 for up to EUR 2bn. Non-competitive allocation will amount to up to EUR 500mn for EU Jul29 and EU Dec36 and up to EUR 400mn for EU Jul51. The auction size is in line with recent auctions. The EU plans to launch a syndicated transaction in the second week of November, when we expect it to reopen EU 2.875% Oct31 and EU 4% Oct46.

BELGIUM

Today, Belgium will reopen OLO 3% Jun33, OLO 3.4% Jun36 and OLO 0.4% Jun40 for EUR 2-2.8bn.

EGB SUPPLY (EUR BN)



Note: Reopenings for specialists are not included.
Source: eurozone debt agencies, The Investment Institute by UniCredit

ITALY

Last week, the Italian Treasury launched its third retail transaction of the year, via which it sold EUR 12bn of the new BTP Valore Oct31 and EUR 4.6bn of the inaugural BTP Valore Insieme Oct31. The total size of the transaction (EUR 16.6bn) was in line with previous BTP Valore deals. Investor reception was positive considering the market volatility. Following the recent increase in BTP yields, the Italian Treasury decided to raise the coupon rates of both bonds. For BTP Valore, coupons were raised from 3.7% to 3.75% for the first two years, from 4.1% to 4.2% for the third and fourth years and from 4.7% to 4.75% for the last year. For BTP Valore Insieme, the single coupon rate paid at maturity was raised from 22.25% to 22.7%. The average contract was EUR 31,276 for BTP Valore and EUR 26,146 for BTP Valore Insieme.

Tomorrow, Italy will reopen BTP Short Term 3% Oct28 for EUR 1.5-2bn, BTPei 1.25% Sep32 for EUR 0.5-0.75bn and BTPei 2.35% Sep35 for EUR 0.5-0.75bn. The size of the auction is small (EUR 2.5-3.5bn), reflecting debt agency's already advanced funding position and a cautious stance following the recent BTP underperformance. For further information regarding the upcoming auction see our Primary Market Focus – Italy holds small BTP Short Term/BTPei auction amid elevated market volatility.

On Wednesday, the Italian Treasury will reopen BOT 12Mar27 for EUR 2bn and BOT 14Dec26 for EUR 2.5bn. There will be no upcoming redemptions.

On Thursday, Italy will hold its end-of-month medium/long-term auction, the details of which will be announced later today. We expect Italy to reopen BTP 3.95% Feb32 for EUR 2.5-3bn, BTP 4% Oct36 for EUR 2.5-3bn and CCTeu Apr36 for EUR 1.5-2bn.

GERMANY

Tomorrow, Germany will sell EUR 5bn of Schatz 3% Dec28. This will be the first reopening of this 2Y benchmark, which was sold at an average yield of 3.10% at the beginning of October. Demand was weak, with the auction going uncovered – the bid-to-offer ratio was 0.81x. Its yield has slightly declined in the past few weeks. The 2Y Bund-OIS spread is currently below 5bp, half its level before mid-September, as the recent flight to quality has led to an outperformance of German paper relative to swaps and OIS.
On Wednesday, the German Finanzagentur will reopen Bund 3% Aug36 for EUR 5.5bn. This Bund was last tapped at the end of September, receiving tepid demand, as indicated by the bid-to-offer ratio of 0.88x. Back then, its auction yield was 3.58%, the highest level for a 10Y Bund auction since 2008. Bund Aug36 is currently trading at around 3.4% in light of renewed investor demand for core paper. The move has mostly been due to a decline in the real-rate component, whereas market-based inflation expectations have been rather stable in the 10Y tenor.

NEXT FOUR WEEKS

We expect EGB issuance activity to amount to EUR 75bn. Redemptions will total around EUR 40bn. Hence, net supply is set to be positive.

SUPPLY AND REDEMPTION CALENDAR

Date	Day	Country	Bonds on offer	Size (up to)	Tenor	Country	Redemptions	Size	Cpns
26-Oct	Mon	BE	OLO 3% Jun33, 3.4% Jun36 & 0.4% Jun40	2.80	7Y, 10Y & 15Y	FR	-	-	4.90
-	-	EU	EU 2.375% Jul29, 3.25% Dec36 & 0.7% Jul51	7.00	3Y, 10Y & 25Y	IT	-	-	1.22
27-Oct	Tue	IT	BTP Short Term 3% Oct28	2.00	2Y	-	-	-	-
-	-	IT	BTPei 1.25% Sep32 & 2.35% Sep35	1.50	ILB	-	-	-	-
-	-	GE	Schatz 3% Dec28	5.00	2Y	-	-	-	-
28-Oct	Wed	IT	BOT 12Mar27 & 14Dec26	4.50	MM	-	-	-	-
-	-	GE	Bund 3% Aug36	5.50	10Y	-	-	-	-
29-Oct	Thu	IT	*BTP 3.95% Feb32*	*3.00*	5Y	-	-	-	-
-	-	IT	*BTP 4% Oct36*	*3.00*	10Y	-	-	-	-
-	-	IT	*CCTeu Apr36*	*2.00*	CCTeu	-	-	-	-
Weekly	total	-	-	25.30	-	-	-	0.00	6.11
2-Nov	Mon	-	-	-	-	IT	BTP 7.25% Nov26	12.42	4.64
-	-	-	-	-	-	SP	SPGB 1.3% Oct26	28.68	11.00
-	-	-	-	-	-	AT			0.05
3-Nov	Tue	AT	*RAGB*	-	-	-	-	-	-
-	-	GE	Obl 2.9% Oct31	5.00	5Y	-	-	-	-
4-Nov	Wed	GE	Bund 2.6% May41 & EL Bund	2.00	15Y	-	-	-	-
5-Nov	Thu	SP	*SPGB*	*6.00*	-	-	-	-	-
-	-	SP	*SPGBei*	*0.75*	-	-	-	-	-
-	-	FR	*OAT*	*12.00*	8Y+	-	-	-	-
6-Nov	Fri	BE	*OLO (ORI)*	-	-	-	-	-	-
Weekly	total	-	-	25.75	-	-	-	41.10	15.69
9-Nov	Mon	-	-	-	-	-	-	-	-
10-Nov	Tue	EU	*Syndicated deal*	-	-	-	-	-	-
-	-	NL	*DSL*	2.50	-	-	-	-	-
11-Nov	Wed	IT	*BOT*	-	MM	-	-	-	-
-	-	GE	*Bund 2.9% Aug56 & EL Bunds*	2.50	30Y	-	-	-	-
12-Nov	Thu	IT	*BTP 3% Sep29*	3.00	3Y	-	-	-	-
-	-	IT	*BTP 3.35% Sep33*	3.00	7Y	-	-	-	-
-	-	IT	*BTP*	1.50	EL	-	-	-	-
Weekly	total	-	-	12.50	-	-	-	0.00	0.00

Bonds expiring on Saturdays and Sundays are indicated on the following Mondays. Auctions and amounts that have already been announced appear in black. Auctions and amounts in *Italic black* denote our expectations.
Source: eurozone debt agencies, The Investment Institute by UniCredit

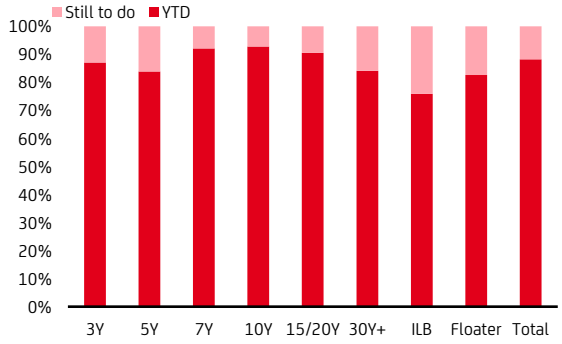
EGB primary market monitor

MEDIUM- AND LONG-TERM DOMESTIC INSTRUMENTS: PROGRESS OF FUNDING BY MATURITY AND BY COUNTRY

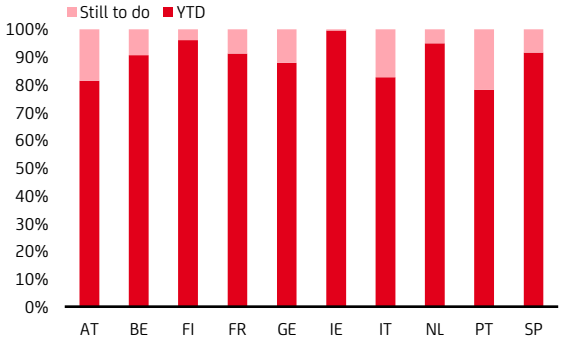
Country	AT		BE		FI		FR		GE		IT		NL		PT		SP		TOTAL	
Maturity	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp	YTD	Exp
3Y	3	3	0	0	2	2	46	50	81	92	57	72	0	0	1	2	26	26	215	247
5Y	12	13	11	12	2	2	70	77	64	80	31	47	16	16	3	5	27	30	235	281
7Y	2	4	7	7	5	5	29	31	21	22	51	56	0	0	0	0	22	24	138	149
10Y	11	14	17	19	8	9	101	104	75	84	54	57	18	20	11	11	52	58	356	384
15Y	3	5	2	3	6	7	44	47	31	32	27	31	10	10	5	7	17	19	147	163
30Y	5	7	8	9	0	0	12	17	36	40	7	11	4	4	1	1	10	11	84	99
ILBs	0	0	0	0	0	0	17	25	0	0	21	26	0	0	0	0	7	9	45	60
Floater	0	0	0	0	0	0	0	0	0	0	25	30	0	0	0	0	0	0	25	30
Gross Total '26	37	45	45	50	23	24	319	350	308	350	273	330	47	50	20	25	162	177	1246	1413
Buyback	0	0	0	-3	0	0	-31	-40	0	0	-10	-15	0	0	0	-1	0	0	-41	-59
Total ex buyback	37	45	45	47	23	24	288	310	308	350	263	315	47	50	20	24	162	177	1205	1354
Red. '26	-	32	-	28	-	11	-	176	-	219	-	253	-	29	-	10	-	121	-	892
Net supply '26	-	13	-	20	-	13	-	134	-	131	-	62	-	21	-	14	-	56	-	463
Progress of funding	-	81%	-	96%	-	96%	-	93%	-	88%	-	84%	-	95%	-	82%	-	92%	-	89%
Total '25	-	43	-	38	-	24	-	308	-	291	-	309	-	37	-	20	-	176	-	1253
Red. '25	-	22	-	23	-	11	-	175	-	191	-	233	-	20	-	15	-	115	-	816
Net supply '25	-	20	-	15	-	12	-	133	-	100	-	76	-	17	-	6	-	61	-	437

For Italy, "IL" also includes BTP Italia, while BTPs Futura, Valore and Più are not included in the table.
Progress of funding is calculated as YTD total (ex. buybacks)/total (ex. buybacks).

ISSUANCE BY BUCKET



ISSUANCE BY COUNTRY



THIS YEAR'S SYNDICATED DEALS (EUR bn)

	5/7Y	10Y	15Y	20Y	30Y+	ILB
AT	1(G);3.5	5.5	2	1.25(G)	2.5	-
BE	8	8	-	-	6	-
FI	4	4	3	-		-
FR	-	10(G)	-	10	8	-
GE	-	-	4(G)	6.5	3.5;4	-
GR	-	4,3	-	-	-	-
IE	-	5	2(G)	-	-	-
IT	15;13	14	14;8(G)	5(G)	5	3.5
NL	-	7	P	-	-	-
PT	E	4	-	-	3	-
SL	-	1.75; 0.75	-	-	-	-
SK	-	2; 2.5	-	-	-	-
SP	-	15; 13	-	4(G)	7	-

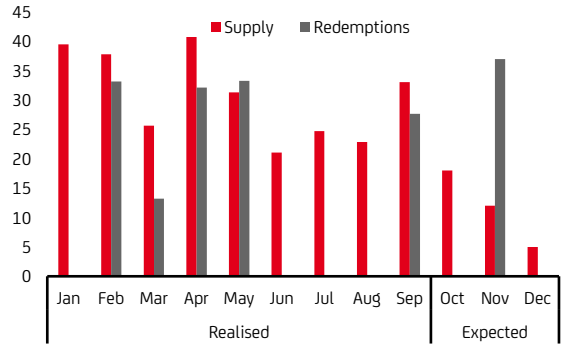
GREEN EGB SUPPLY (EUR bn)

	Bonds	Tenors	Total	YTD supply
AT	1	3Y & 23Y	9.4	1.3
BE	2	7Y & 13Y	22.3	0.0
FR	5	11Y, 13Y, 18Y, 12Y(i) & 23Y	107.7	20.4
GE	9	1Y, 2Y, 4Y, 5Y, 6Y, 8Y, 15Y, 24Y & 27Y	96.3	17.0
IE	2	4Y & 17Y	13.7	2.0
IT	6	5Y, 9Y, 12Y, 11Y, 19Y & 20Y	73.1	13.0
NL	2	13Y & 17Y	29.1	2.2
SP	2	16Y & 21Y	22.4	4.0
TOTAL	29	-	373.9	59.8

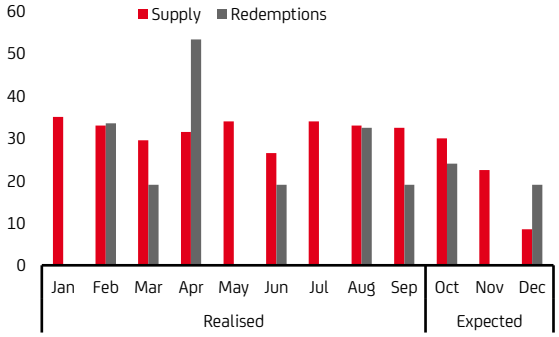
E: expected; P: planned; G: green; S: sustainable; The presence of two letters indicates two deals. For NL, Dutch Direct Auctions are included.
Source: eurozone debt agencies, Bloomberg, The Investment Institute by UniCredit

EGB/EU primary market monitor

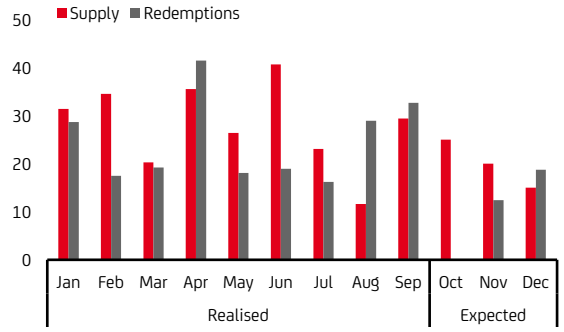
SUPPLY/REDEMPTIONS IN FRANCE (EUR BN)



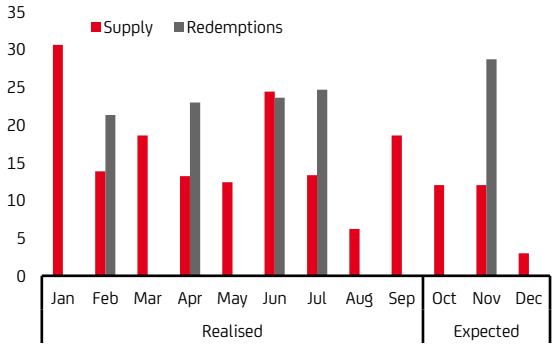
SUPPLY/REDEMPTIONS IN GERMANY (EUR BN)



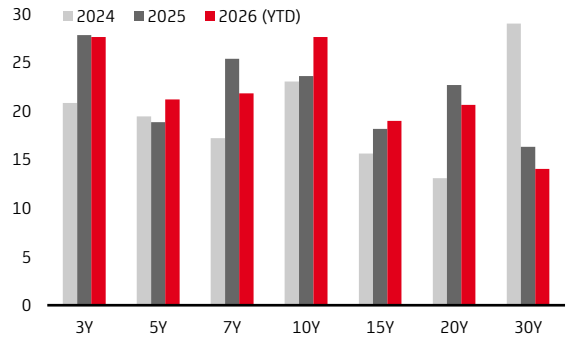
SUPPLY/REDEMPTIONS IN ITALY (EUR BN)



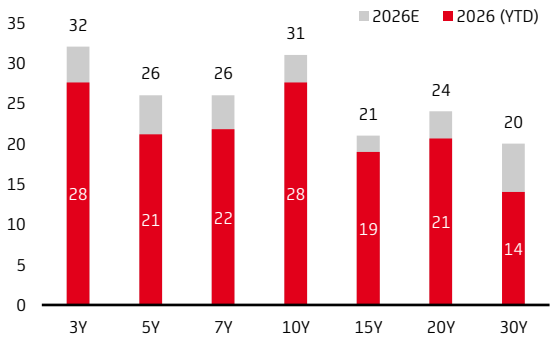
SUPPLY/REDEMPTIONS IN SPAIN (EUR BN)



EU SUPPLY THROUGH THE YEARS (EUR BN)



EU PROGRESS OF FUNDING (EUR BN)



Source: eurozone debt agencies, European Commission, The Investment Institute by UniCredit

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