



# Bond Market Outlook

ECB Bond Market Contact Group

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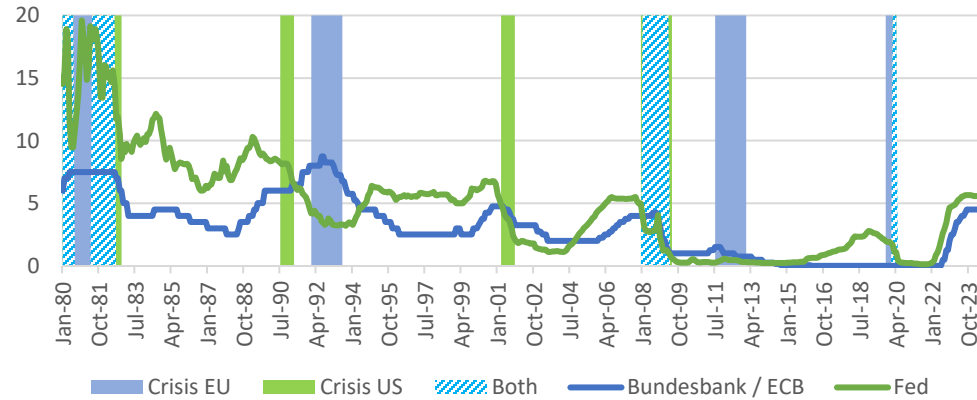
26<sup>th</sup> June 2024



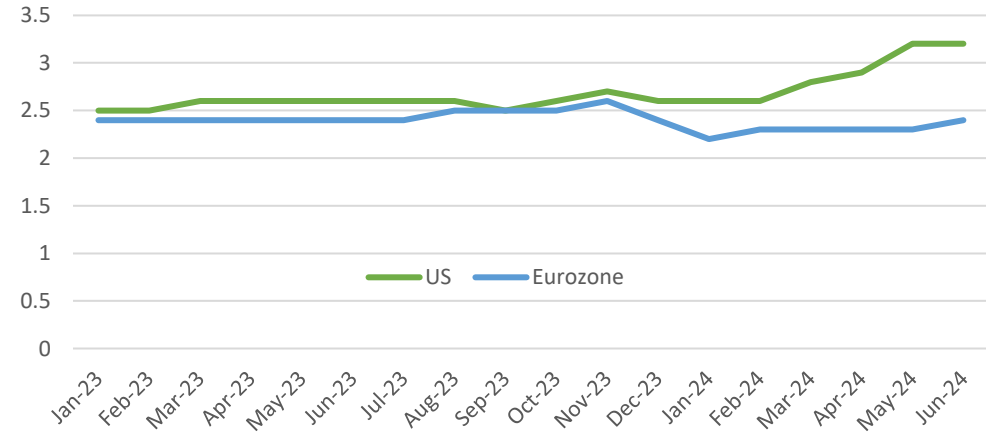
European  
Investment Bank

# Data-dependent, not Fed dependent

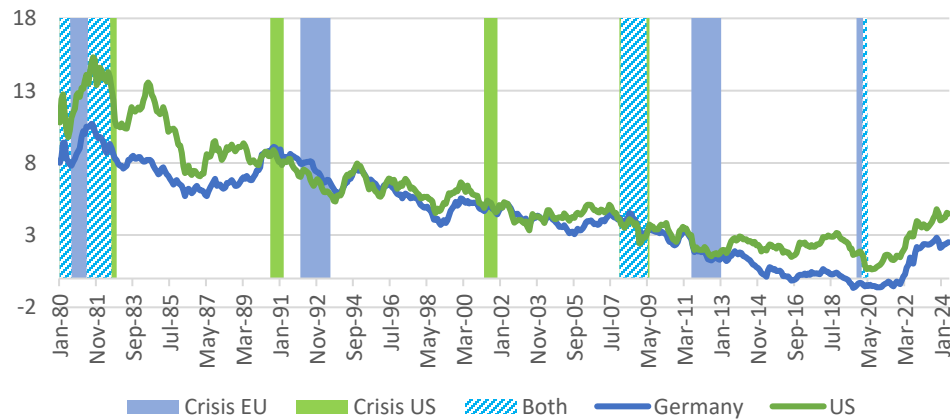
## Short Term (Policy) Rates (%)



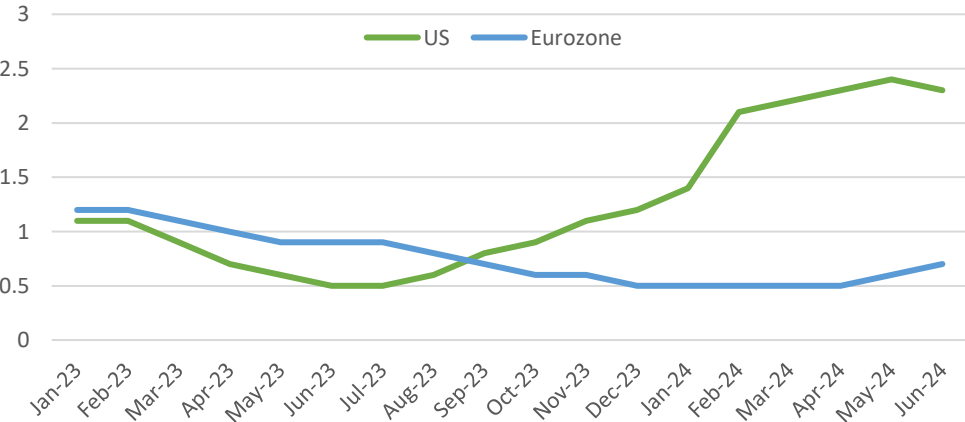
## CPI Inflation Consensus Forecasts (%)



## 10-year Government Bond Yields (%)

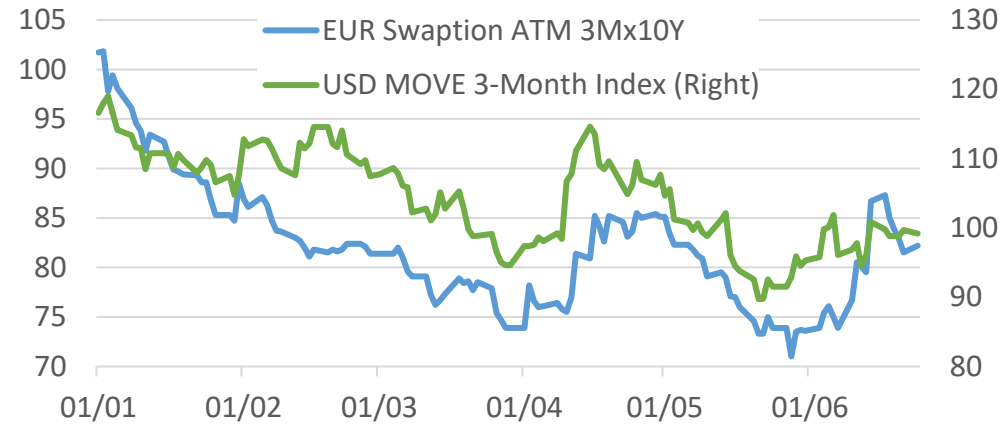


## GDP Consensus Forecasts (%)

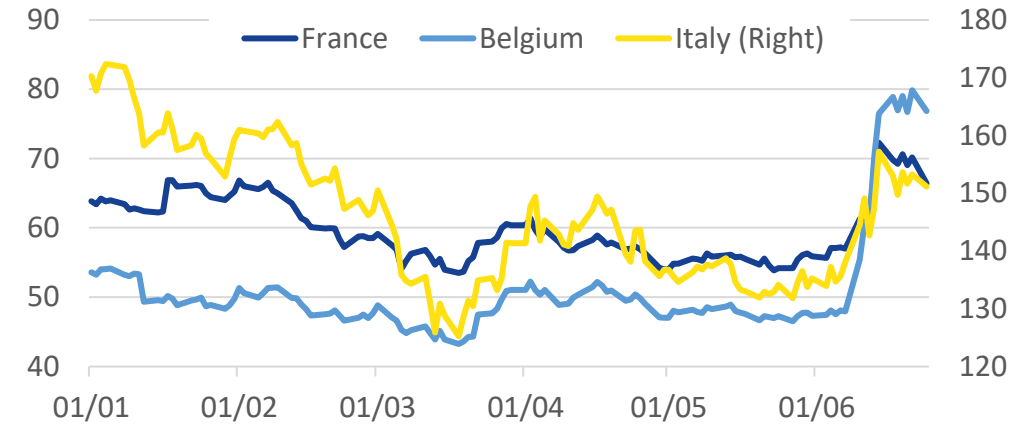


# Repricing - Volatility and Spreads

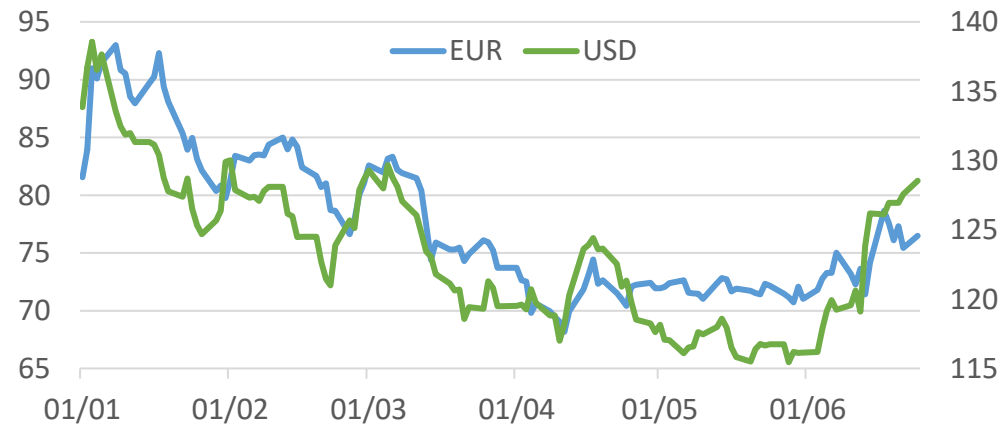
## Interest Rate Volatility



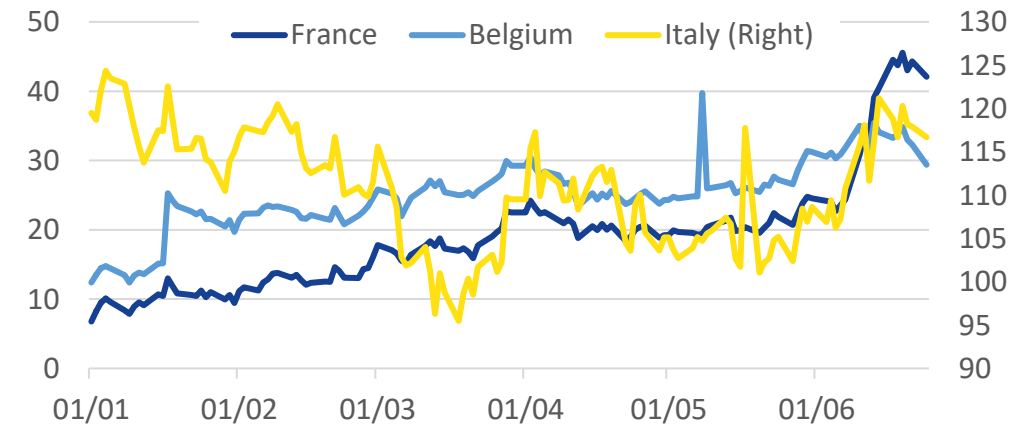
## 10 year Government Bonds vs. Bund (bps)



## Investment Grade Cash Bonds – Spreads (bps)

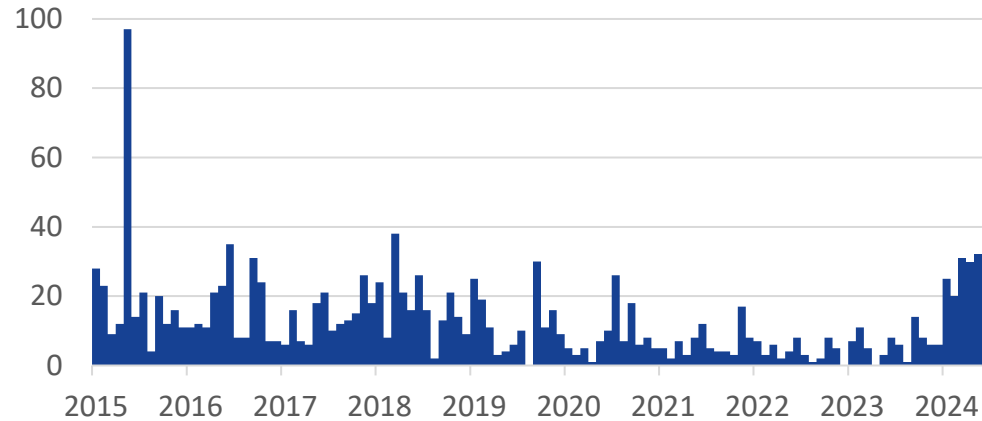


## 10 year Government Bonds vs. Swap (bps)

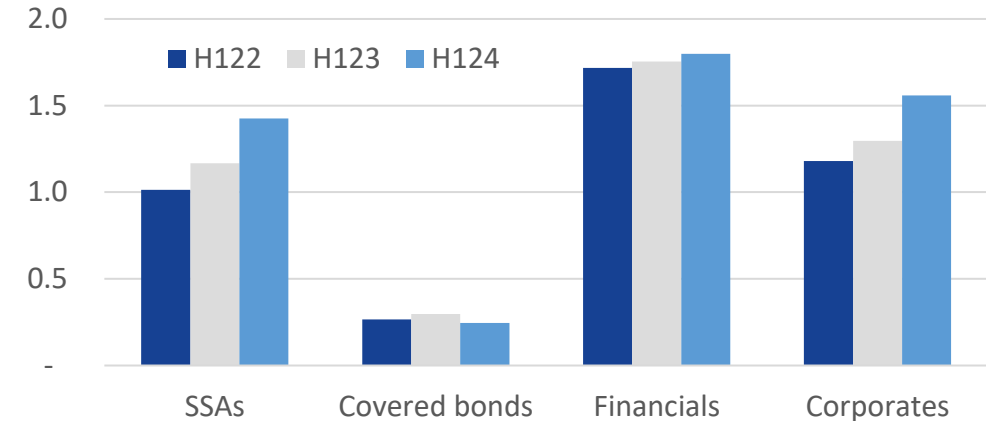


# Foreign Participation & Solid Primary Supply

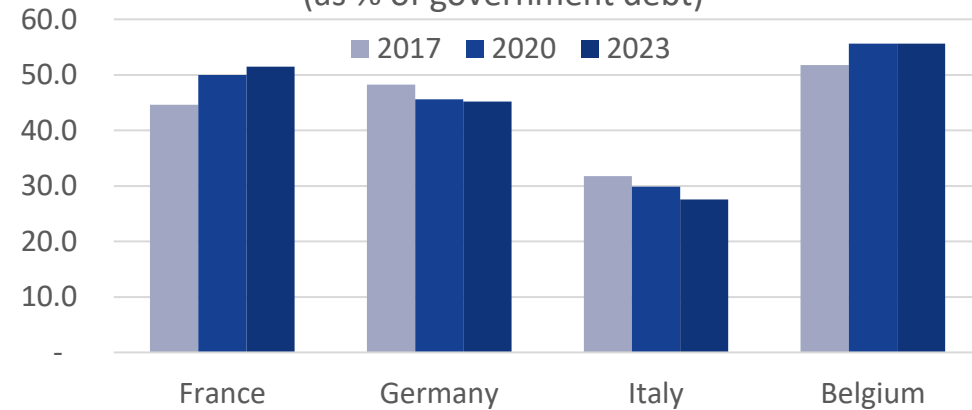
## Capital Market Union - News Count



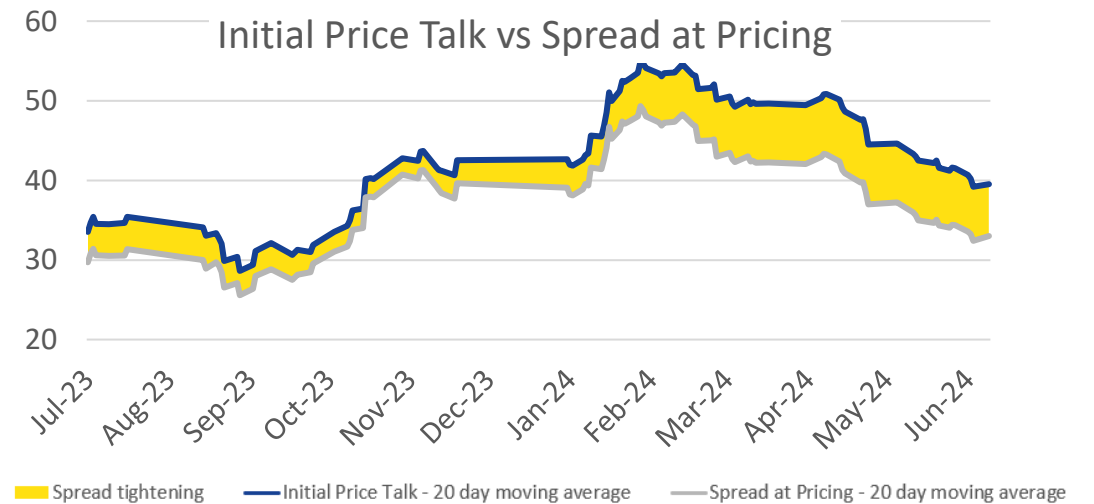
## H1 Global Bond Issuance (\$ trn)



## Government debt held by non-residents (as % of government debt)



## EUR Covered Bond New Issues Initial Price Talk vs Spread at Pricing



Source: Bloomberg, ECB, EIB

# Discussion Points

1. Do you perceive a risk of market tantrum in European government bonds similar to the UK mini-budget disruptions?
2. Are there risks of contagion of a country specific situation?  
Through which channels?
3. Have liquidity conditions changed in bond and repo markets?

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