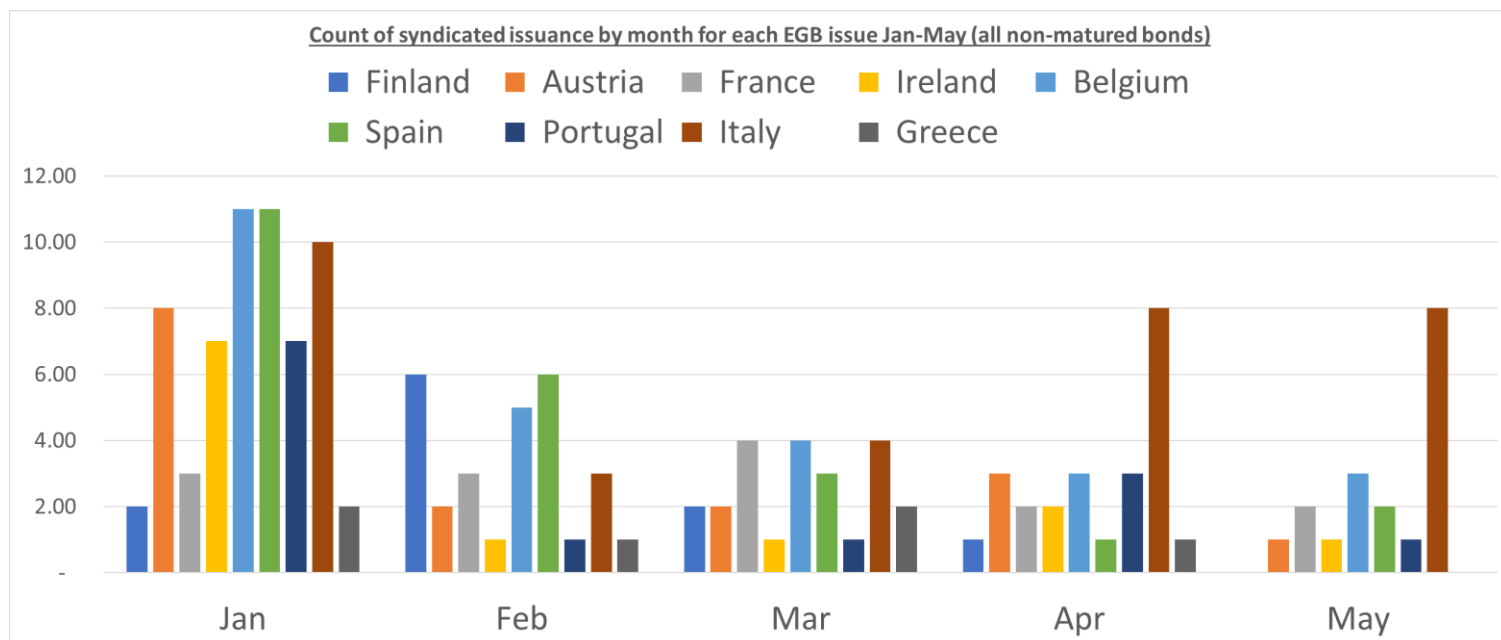


# Syndication Best Guesses for Jan/Feb 2021

Will & James @ 

- We had a look at the distribution of syndicated issuance for European Issuers to try and find a pattern for 2021
- The timings and issues are guesswork, so thoughts and feedback always welcome
- The dataset is unexpired bonds across all maturities
- Germany has been excluded as their syndications are sporadic
- Holland has been excluded as they do not syndicate
- Some issuers have detailed their funding plans and links are provided where possible



- Further syndication statistics [here](#)
- Summary Table below - [Click hyperlinks for the rationale](#)

Issuer	January	February
<a href="#">Finland</a>		New 30y April-2051 in 3bn
<a href="#">Austria</a>	New 10y Feb-2031 in 4bn	
<a href="#">France</a>	New 50y April-2071 in 3bn	
<a href="#">Ireland</a>	New 20y Mar-41 in 4bn	
<a href="#">Belgium</a>	New 10y Mar-31 in 6bn	New 50y 3bn / Possibly combined with new 7y
<a href="#">Spain</a>	New 10y Apr-2031 in 10bn	New 15y July-2037 in 6bn
<a href="#">Portugal</a>	New 10y Apr-2031 in 4bn	
<a href="#">Italy</a>	New 15y Jun-2036 in 10bn	New 20y Green bond in 6bn

In summary:

- Heavy long end supply to be taken down at low yield levels
- Current funding levels highly dependent on ECB delivering at December meeting
- 30y/50y curve likely under some pressure until at least the French 50y is taken down

## Syndication statistics for unexpired bonds

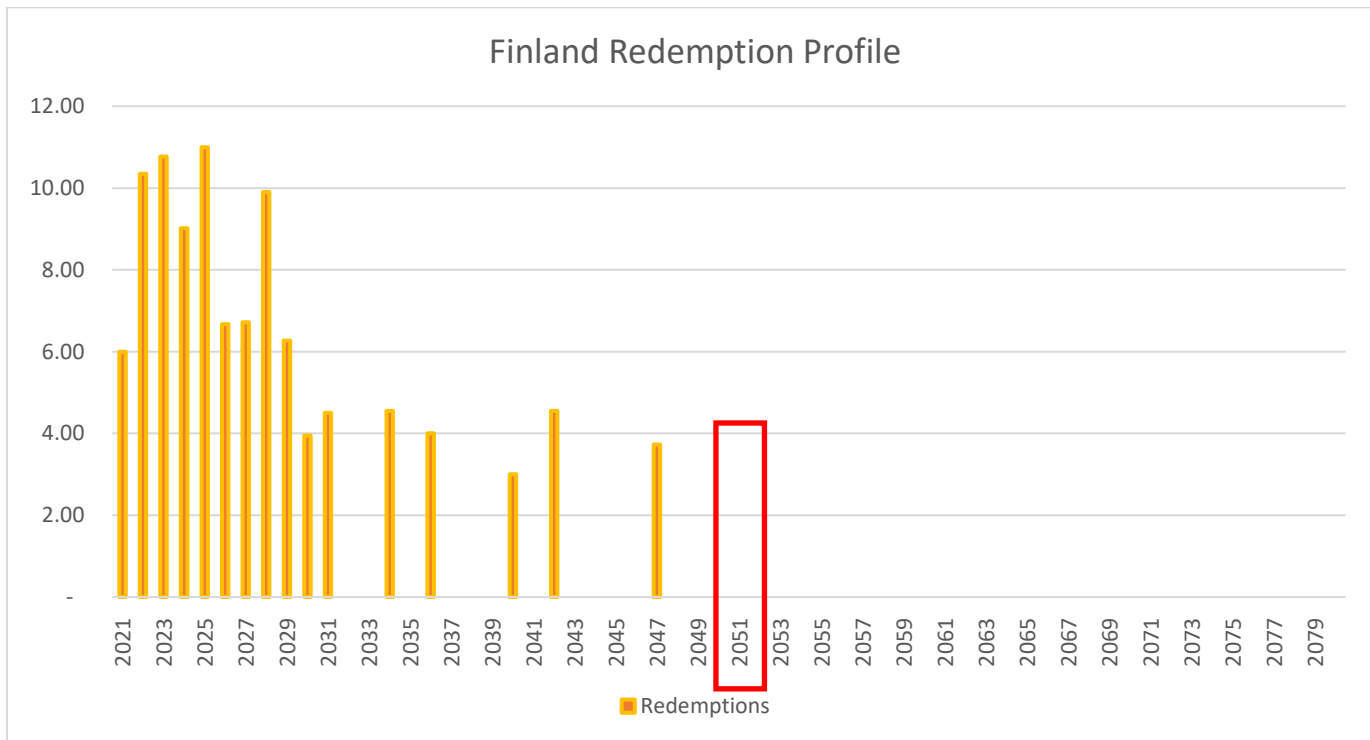
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Count of syndications	Germany	-	-	-	-	1.00	1.00	-	-	1.00	-	-	-
	Netherlands	-	-	-	-	-	-	-	-	-	-	-	-
	Finland	2.00	6.00	2.00	1.00	-	2.00	-	7.00	-	1.00	-	-
	Austria	8.00	2.00	2.00	3.00	1.00	4.00	-	-	1.00	3.00	-	-
	France	3.00	3.00	4.00	2.00	2.00	2.00	1.00	-	1.00	1.00	-	-
	Ireland	7.00	1.00	1.00	2.00	1.00	1.00	-	-	-	3.00	1.00	-
	Belgium	11.00	5.00	4.00	3.00	3.00	1.00	-	-	2.00	-	-	-
	Spain	11.00	6.00	3.00	1.00	2.00	7.00	2.00	-	3.00	1.00	-	-
	Portugal	7.00	1.00	1.00	3.00	1.00	1.00	3.00	1.00	2.00	-	2.00	-
	Italy	10.00	3.00	4.00	8.00	8.00	7.00	2.00	-	5.00	11.00	3.00	-
	Greece	2.00	1.00	2.00	1.00	-	1.00	2.00	-	-	-	-	-
Average maturity	Germany					15	31			10			
	Netherlands												
	Finland	13	15	13	10		25		9		16		
	Austria	19	21	17	14	10	16			5	32		
	France	28	32	33	35	26	24	16		31	30		
	Ireland	12	30	10	11	31	10				11	16	
	Belgium	12	20	20	29	22	15			28			
	Spain	14	21	18	11	30	15	13		32	31		
	Portugal	13	16	31	10	11	15	9	5	11		5	
	Italy	23	26	12	13	9	20	13		21	24	18	
	Greece	10	7	30	7		10	6					
Average Size	Germany					8	3			7			
	Netherlands												
	Finland	4	3	4	4		2		3		3		
	Austria	4	3	4	3	4	3			4	3		
	France	5	5	4	5	7	5	3		4	4		
	Ireland	4	4	5	5	4	6				5	4	
	Belgium	5	4	5	3	4	4			4			
	Spain	8	6	6	15	5	7	5		3	4		
	Portugal	4	3	3	3	3	3	2	1	3		1	
	Italy	5	9	6	5	6	5	6		7	5	3	
	Greece	3	3	2	2		3	3					

# Finland



## Guess: New 3bn 30y 4/2051 in February

- **Finland already has an 4/31** and given the propensity for April and September coupons it seems unlikely that they would want to have a double redemption on that date
- In addition, the RFGB 9/30 that was syndicated last August is only at 3.95 bn
- As such it can still be tapped twice if not more before it outgrows the old 10y RFGB Sep-29 which is 6.2bn
- **We think it more likely that we will end up with a syndicated Sep-31 later in the year.**
- Given the richness of the Finland of the RFGB 7/2042 there will no doubt be dealer demand to take some pressure off that sector, but **for choice we think the lack of anything like a current 30y benchmark may prove too tempting**



# Austria

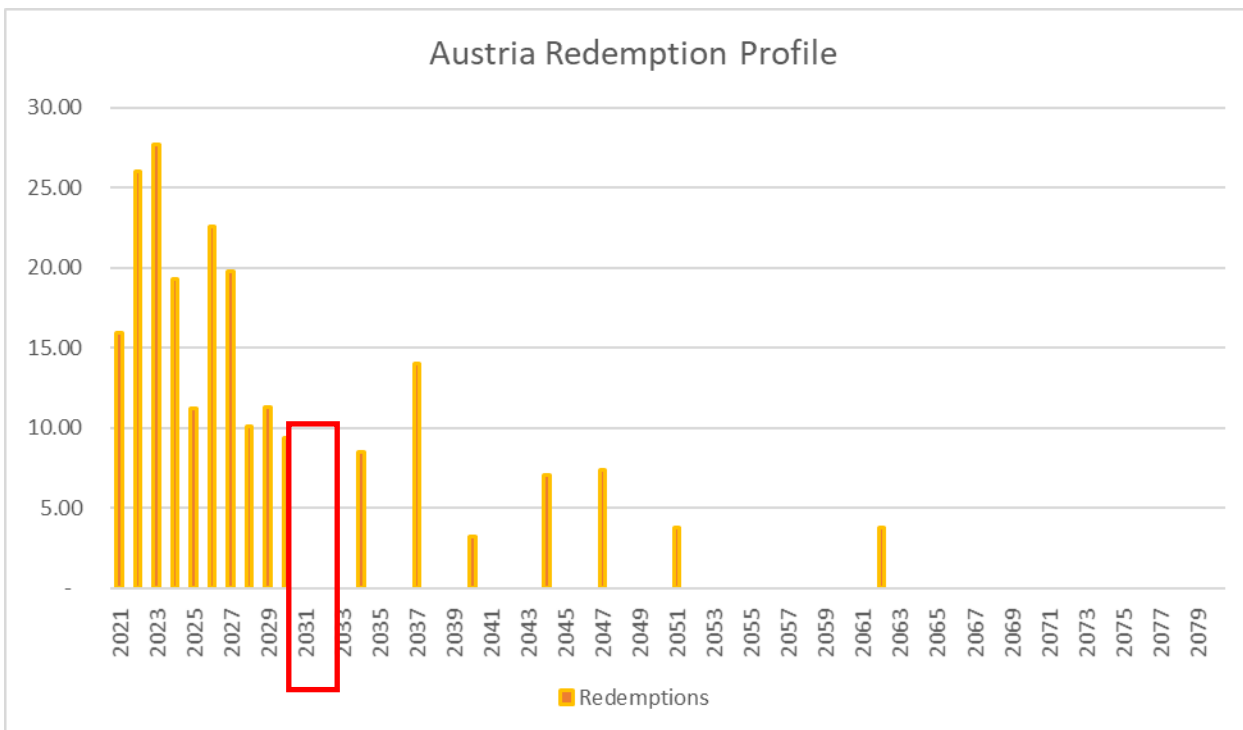


**Guess: New 4bn 10y 2/2031 in January**

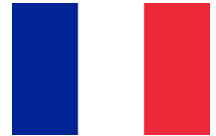
- Austria has issued a new 10y every January for the past 3 years, and we see no reason for this to change

COUNT	CPN	MATURIT	CPN_TY	INFLAT	AMT_ISSUED	ORIGINAL_AMOUNT_SOLD	CPN_FREQ	SECURITY_PRICING_DAT	Issue Month	Original Maturity
AUSTRIA	3.5	15/09/2021	FIXED	FALSE	15,922,082,000.00	4,000,000,000.00	1	11/01/2006	Jan	16
AUSTRIA	4.15	15/03/2037	FIXED	FALSE	14,046,012,000.00	3,000,000,000.00	1	10/01/2007	Jan	30
AUSTRIA	3.65	20/04/2022	FIXED	FALSE	8,535,171,000.00	4,000,000,000.00	1	12/01/2011	Jan	11
AUSTRIA	3.4	22/11/2022	FIXED	FALSE	10,546,375,000.00	3,000,000,000.00	1	19/01/2012	Jan	11
AUSTRIA	3.8	26/01/2062	FIXED	FALSE	3,773,666,000.00	2,000,000,000.00	1	19/01/2012	Jan	50
AUSTRIA	0.75	20/02/2028	FIXED	FALSE	10,120,917,000.00	4,000,000,000.00	1	18/01/2018	Jan	10
AUSTRIA	0.5	20/02/2029	FIXED	FALSE	11,279,077,000.00	5,000,000,000.00	1	29/01/2019	Jan	10
AUSTRIA	0	20/02/2030	FIXED	FALSE	9,386,348,000.00	3,000,000,000.00	1	29/01/2020	Jan	10

- In addition, Austria currently has no 2031 maturities
- Austria syndicated 5y,10y,20y,30y & 100y in2020



# France

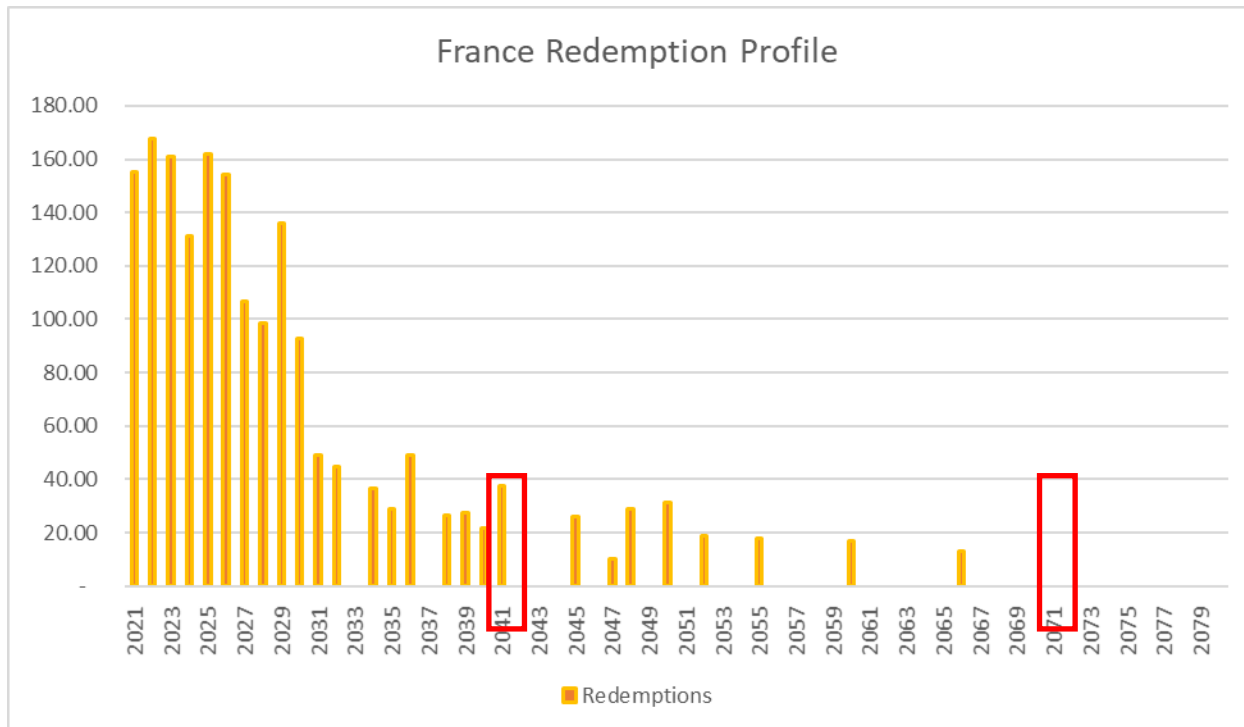


## Guess: New 5bn 50y 4/2071 in January

- France just published their financing programme for 2021:  
<https://www.aft.gouv.fr/en/publications/communiqués-presse/20201209-State-financing-programme-2021>
- **Possible new 20y (Green) and 50y in Q1**
- Excerpt from the communique:

“Nominal bonds:

- AFT will auction one new 3-year benchmark, one new 5-year benchmark and one new 10-year benchmark.
  - AFT will also examine, together with the primary dealers, the prospect of a syndicated issue of a new 50-year bond depending on market conditions.
  - AFT will carry out the syndicated launch of a second green bond with a maturity of around 20 years, depending on market conditions. AFT will also continue to tap the first green bond issued in January 2017 to meet market demand. These operations will take place up to the limit of eligible green expenditure for 2021 whose amount will be communicated in January.
  - **In the second half of the year, AFT will examine, together with the primary dealers, the prospect of a syndicated issue of a new 30-year bond depending on market conditions.”**
- 
- No clear trend as to which months to syndicate in, but given current low yields and without any immediate competition for a 50y we are penciling in 50y In January with the Green 20y in Q2
  - Also, **now that the potential 50y is in the market it would seem natural to price sooner rather than later**



# Spain



**Guess: New 10bn 10y 4/2031 in January**

**New 6bn 15y 7/2037 in February**

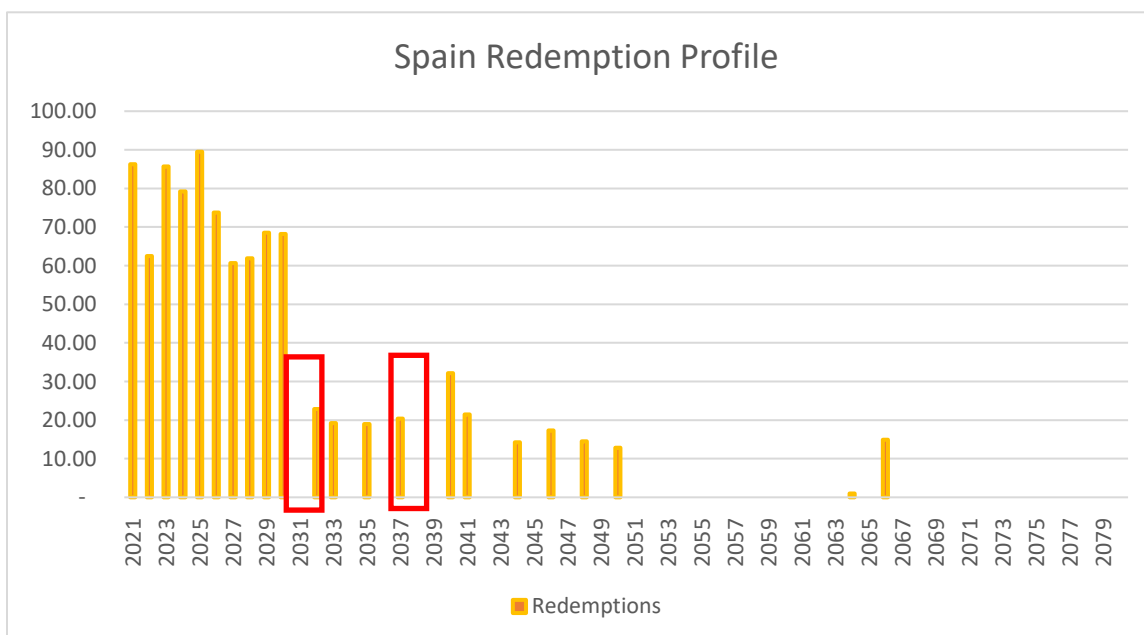
Spain reliably taps a new 10y every January, so we are confident that this will continue

=@BQL("FILT"	groups	COUNT	CPN	MATURIT	CPN_T	INFLAT	AMT_ISSUED	ORIGINAL_AMOUNT_SOLD	CPN_FREQ	SECURITY_PRICING_DAT	Issue Mont	Original Maturity
ED773772 Corp	SPGB	SPAIN	4.2	31/01/2037	FIXED	FALSE	20,422,314,000.00	6,000,000,000.00	01/01/1900	12/01/2005	Jan	32
EI542126 Corp	SPGB	SPAIN	5.5	30/04/2021	FIXED	FALSE	24,001,924,000.00	6,000,000,000.00	01/01/1900	17/01/2011	Jan	10
EJ525879 Corp	SPGB	SPAIN	5.4	31/01/2023	FIXED	FALSE	21,666,652,000.00	7,000,000,000.00	01/01/1900	22/01/2013	Jan	10
EK040749 Corp	SPGB	SPAIN	3.8	30/04/2024	FIXED	FALSE	21,185,840,000.00	10,000,000,000.00	01/01/1900	22/01/2014	Jan	10
EK708195 Corp	SPGB	SPAIN	1.6	30/04/2025	FIXED	FALSE	21,746,575,000.00	9,000,000,000.00	01/01/1900	19/01/2015	Jan	10
JV610853 Corp	SPGB	SPAIN	1.95	30/04/2026	FIXED	FALSE	21,487,418,000.00	9,000,000,000.00	01/01/1900	12/01/2016	Jan	10
AM261137 Corp	SPGB	SPAIN	1.5	30/04/2027	FIXED	FALSE	20,204,037,000.00	9,000,000,000.00	01/01/1900	24/01/2017	Jan	10
AQ890751 Corp	SPGB	SPAIN	1.4	30/04/2028	FIXED	FALSE	22,004,943,000.00	10,000,000,000.00	01/01/1900	23/01/2018	Jan	10
AW832428 Corp	SPGB	SPAIN	1.45	30/04/2029	FIXED	FALSE	21,314,197,000.00	10,000,000,000.00	01/01/1900	22/01/2019	Jan	10
ZP482028 Corp	SPGB	SPAIN	0.5	30/04/2030	FIXED	FALSE	21,058,084,000.00	10,000,000,000.00	01/01/1900	14/01/2020	Jan	10

- Spain also just published their financing programme for 2021: [https://www.thespanisheconomy.com/stfls/tse/ficheros/2014/20201202\\_kingdom\\_of\\_spain.pdf](https://www.thespanisheconomy.com/stfls/tse/ficheros/2014/20201202_kingdom_of_spain.pdf)
- Little in the way of hints in terms of funding maturities
- Whilst issuers seem to be leaning towards the long end, the market is due a 15y, given that 2020 gave us a 20y & 30y
- We are ruling out a 50y given the perpetual steepness of the Spanish 30/50 this year

**€52bn have been issued through 5 syndications in 2020**

	Reference	Date	Amount Bid (million Euro)	Allotted (million Euro)	% Non-residents	% 10+ Pens/Insur.	% FM + Treasuries
0.50% Apr. 2030	10 years	14/01/2020	52,147	10,000	73.4%	27.7%	63.7%
1.00% Oct. 2050	30 years	25/02/2020	17,936	5,000	90.7%	59.7%	37.6%
0.80% Jul. 2027	7 years	24/03/2020	36,651	10,000	61.7%	23.2%	65.2%
1.25% Oct. 2030	10 years	22/04/2020	96,593	15,000	79.2%	19.1%	70.8%
1.20% Oct. 2040	20 years	09/06/2020	78,300	12,000	83.3%	20.5%	70.0%



# Ireland

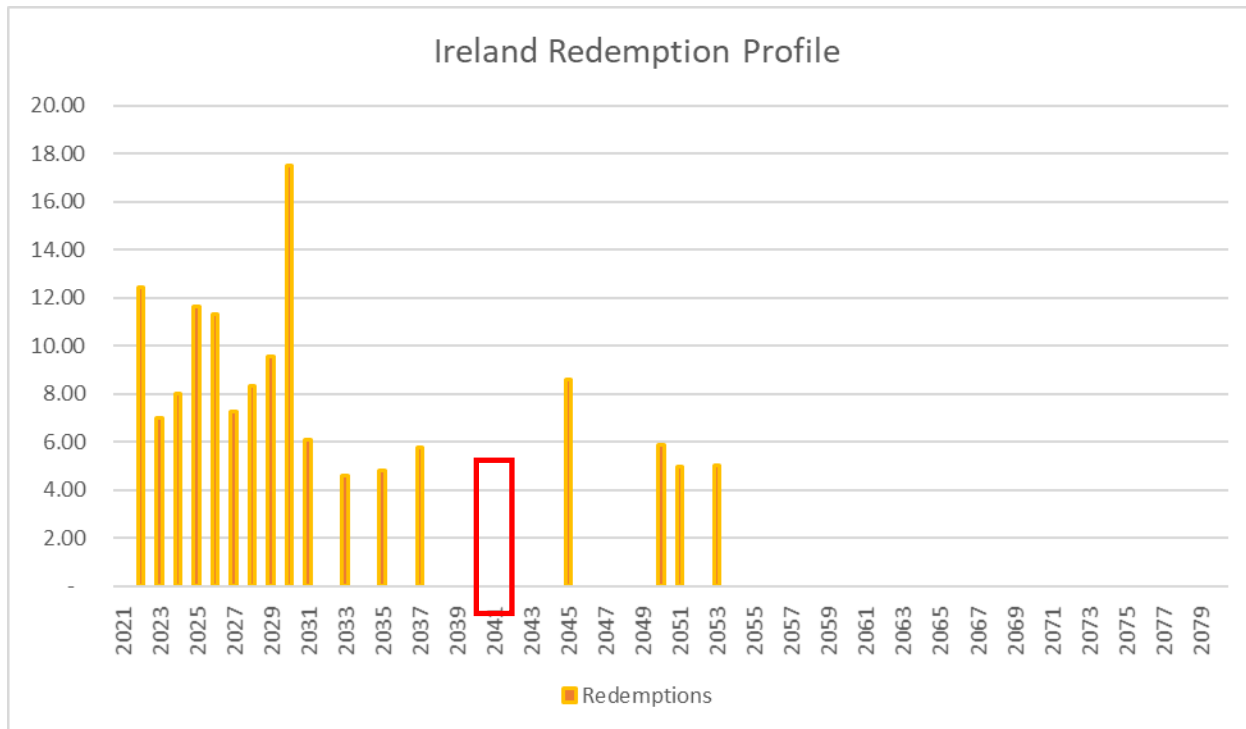


## Guess: New 4bn 20Y 3/2041 in January

- No Irish redemptions in 2021 give the issuer an opportunity to extend duration
- Ireland usually one of the first to syndicate in January
- Whilst the January syndication tends to be a 10y, we are guessing that the lack of redemptions may tempt the issuer to issue longer than normal, especially given that the current Oct-30 has room for a couple of small taps

Link to funding statement:

<https://www.ntma.ie/news/ntma-publishes-annual-funding-statement-for-2021>



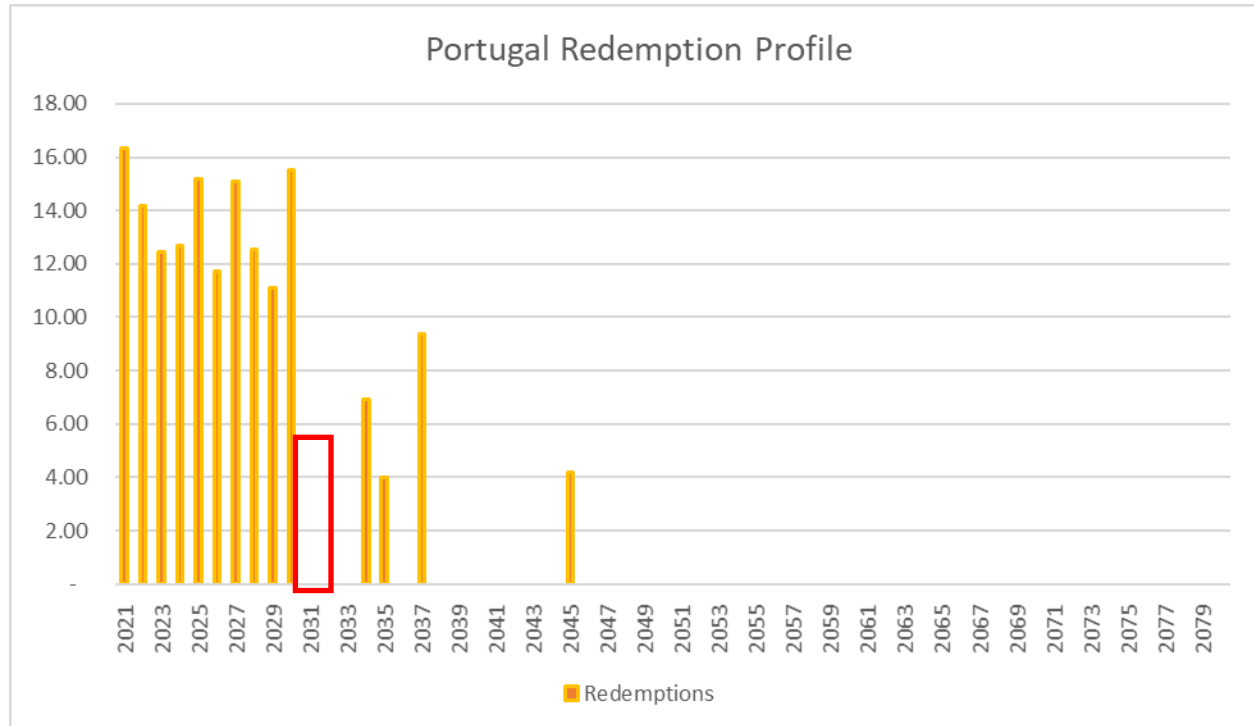
# Portugal



## Guess: New 4bn 10Y 4/31 in January

- Portugal has issued a 10y in January for the past 5y, and given the lack of 2031 redemptions we see no reason for that to change

=@BQL("FILT	groups	COUNT	CPN	MATURIT	CPN_T	INFLAT	AMT_ISSUED	ORIGINAL_AMOUNT_SOLD	CPN_FREQ	SECURITY_PRICING_DAT	Issue Mont	Original Maturity	Belgium
EK694341 Corp	PGB	PORTUGA	2.875	15/10/2025	FIXED	FALSE	14,181,749,527.00	3,500,000,000.00	1	13/01/2015	Jan	11	PORTUGAL
EK694347 Corp	PGB	PORTUGA	4.1	15/02/2045	FIXED	FALSE	4,191,316,000.00	2,000,000,000.00	1	13/01/2015	Jan	30	PORTUGAL
JV651374 Corp	PGB	PORTUGA	2.875	21/07/2026	FIXED	FALSE	11,703,946,000.00	4,000,000,000.00	1	14/01/2016	Jan	11	PORTUGAL
AM105004 Corp	PGB	PORTUGA	4.125	14/04/2027	FIXED	FALSE	9,566,841,000.00	3,000,000,000.00	1	11/01/2017	Jan	10	PORTUGAL
AQ703194 Corp	PGB	PORTUGA	2.125	17/10/2028	FIXED	FALSE	12,522,387,000.00	4,000,000,000.00	1	10/01/2018	Jan	11	PORTUGAL
AW598631 Corp	PGB	PORTUGA	1.95	15/06/2029	FIXED	FALSE	11,105,520,000.00	4,000,000,000.00	1	09/01/2019	Jan	10	PORTUGAL
ZP353815 Corp	PGB	PORTUGA	0.475	18/10/2030	FIXED	FALSE	8,341,933,000.00	4,000,000,000.00	1	08/01/2020	Jan	11	PORTUGAL





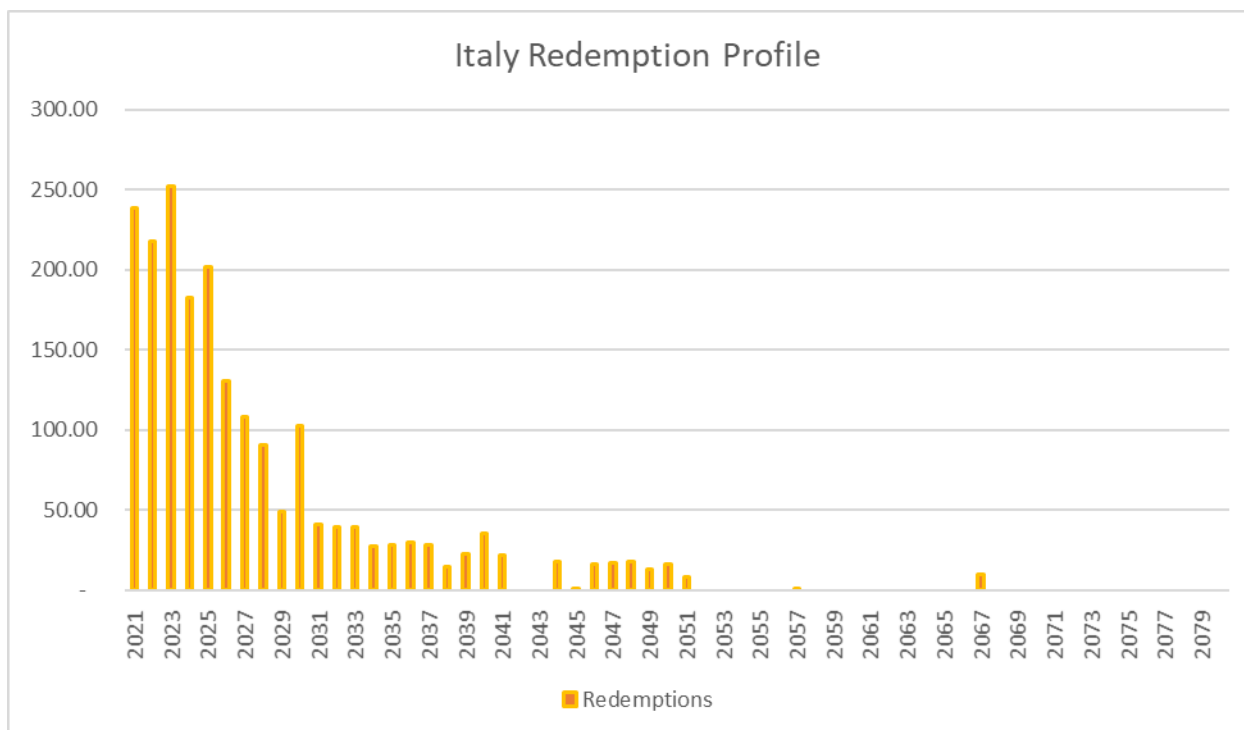
# Italy



**Guess: New 10bn 15Y 6/36 in January**

**New 6bn 20y Green bond in February**

- Italy to finalise Green Bond issuance, which could see more front loading than expected, but few details on this yet
- Likely to continue to term out debt wherever possible given the large front end expiries
- Given the amount of issuance in the long end in 2020 it is difficult to pick an on-the-run gap for a new issue, but **given that the 3/41 and 9/51 have plenty of room to grow we think a 15y is more likely**
- Granted, there could be room for a new 50y line later in the year, but it would seem like an overly aggressive start to the year to be included in Q1
- It also **seems likely that we see a Green bond issue in the long end** as that would overlap more comfortably with other 20y or 30y non-Green maturities



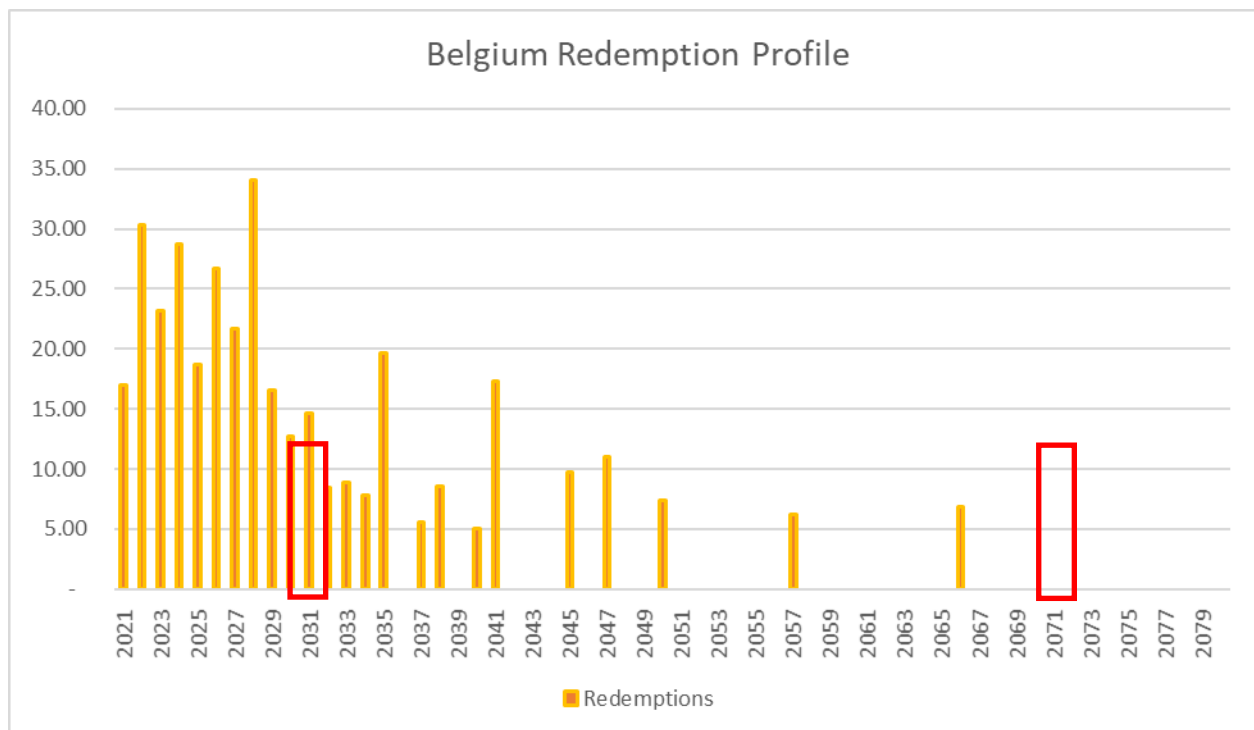
# Belgium



**Guess: New 6bn 10Y 3/31 in January**

**New 3bn 2071 February**

- Belgium has already announced their funding plan for 2021:
- [Borrowing requirements and funding plan 2021 | News.belgium](#)
- Borrowing needs are lower due to smaller redemptions
- Expect 2 new benchmark syndications:
  - “The Belgian Debt Agency expects to launch up to three new fixed-rate OLO benchmarks in two syndications. **The Agency wishes to examine the possibility of a new very long OLO, though not longer than 2071.**”
  - The current BGB 2066 was issued as a 50y in 2016 alongside the 10/23, which was a 7y, so we could see a similar pattern
- The rhetoric in the presentation alludes to us that a new 10y will be issued first, followed by a combined 7y & 50y in February subject to how the French 50y is received.
- Note that the Belgium 2066 was issued a few weeks AFTER the French 2066 in 2016





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