

# The Next Generation of European Suprationals & Agencies

## HIGHLIGHTS

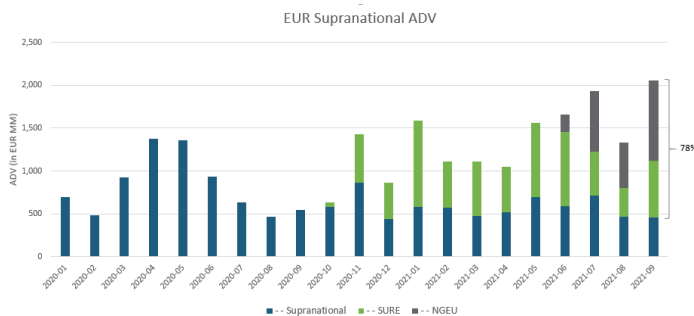
- The European Commission’s Support to mitigate **Unemployment Risks in an Emergency (SURE)** and **NextGenerationEU (NGEU)** pandemic recovery bonds have significantly increased volumes in the European Supranational bond market.
- Prior to the issue of the inaugural SURE bonds in October 2021, the Average Daily Volume (ADV) for EUR denominated Supranational bonds was just 547MM - compared to 2BN in September 2021.
- EU SURE and NGEU bonds now make up a combined 78% of EUR denominated Supranational ADV and trade in volumes comparable to safe assets such as EGBs.

## Deeper insights with TraX® data

TraX data from MarketAxess aggregates bond market activity executed by European banks, asset managers and trading firms across both voice and electronic trading methods that is validated in near real-time through a post-trade regulatory reporting and trade confirmation engine.

## EGB comparison

EU SURE and NGEU bonds now trade in volumes traditionally limited to top traded EGBs. When ranked against EGBs in ADV, the combined SURE and NGEU issuance ranks 7<sup>th</sup>.



Rank	Eurozone Govts	Sep-21			
		ADV (in BN)	Outstanding (in BN)	SIN Count	Turnover
1	ITALY	16.67	2122.72	154	0.79%
2	GERMANY	12.84	1254.77	75	1.02%
3	FRANCE	12.65	2015.78	84	0.63%
4	SPAIN	5.49	1010.39	69	0.54%
5	AUSTRIA	2.66	229.99	26	1.16%
6	BELGIUM	2.42	398.73	74	0.61%
7	<b>SURE / NGEU</b>	<b>1.60</b>	<b>146.13</b>	<b>16</b>	<b>1.09%</b>
8	NETHERLANDS	1.12	328.69	26	0.34%
9	GREECE	0.82	187.59	36	0.44%
10	PORTUGAL	0.72	154.18	22	0.47%

## Supranational and Agencies trends

The EUR Supranational and Agencies markets have traditionally followed similar trends but the launch of the SURE and NGEU programmes in October 2020 and June 2021 caused a boost in the Supranational market and a noticeable divergence.

## EGB Benchmark comparison

Ticker NGEU is very active in the 5YR. This contrasts with the other EGBs, with the exception of Italy and Greece, where the 10YR benchmark bond trades significantly more than the 5YR benchmark bond.

