

Euro wrap-up

Overview

- Longer-dated Bunds followed the global trend lower, while the final November German inflation data showed that the jump in the headline rate related to likely temporary factors.
- Shorter-dated Gilts made gains after UK GDP fell in October raising risks of a contraction in Q4 and reinforcing the likelihood of a December Bank Rate cut.
- The coming week will bring ECB and BoE monetary policy decisions, flash December PMIs and the latest UK CPI and labour market reports.

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Daily bond market movements

Bond	Yield	Change
BKO 2 12/27	2.150	-0.002
OBL 2.2 10/30	2.465	+0.004
DBR 2.6 08/35	2.856	+0.016
UKT 3% 03/27	3.736	-0.020
UKT 4% 03/30	3.953	-0.002
UKT 4½ 03/35	4.517	+0.035

*Change from close as at 4:45pm GMT.
Source: Bloomberg

Euro area

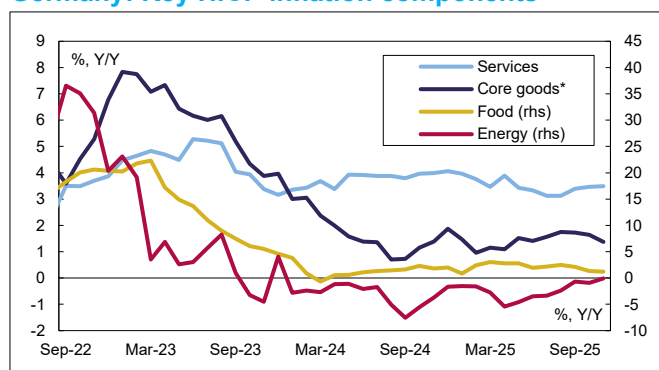
Rise in German inflation in November due to energy, package holidays & rail fares

Although November's flash euro area inflation data aligned with our projection of an above-consensus 2.2%Y/Y, in part that reflected a surprisingly firm uptick in the German EU-harmonised HICP rate. And today's final German estimates confirmed the 0.3ppt increase in that measure to a nine-month high of 2.6%Y/Y. As suggested by the flash release, energy prices provided less of a drag – falling just 0.1%Y/Y, the least in nearly two years – principally owing to higher petrol and heating oil prices. And strikingly, the services HICP rate jumped 0.6ppt to a seven-month high of 4.2%Y/Y. As we initially suspected, however, that partly reflected package holidays, for which a smaller decline in prices than a year earlier pushed the HICP rate up a substantive 3.1ppts to 6.7%Y/Y, also a seven-month high. We expect that spike to reverse in due course. Meanwhile, rail fares encountered a similar phenomenon, rising 5.8ppts to a record high of 12.2%Y/Y on account of a policy change. But besides the recreation and transport categories, other services had a negligible or negative effect on the German headline rate. Food inflation steadied, having eased considerably (0.7ppt) the prior month to a ten-month low of 1.4%Y/Y. And while core inflation edged up to a seven-month high (3.0%Y/Y), that was despite renewed weakness in core goods inflation (1.0%Y/Y). Among the other large member states, today's French detail showed that November's moderation (to 0.8%Y/Y) was led by core components, with core inflation moderating to 1.3%Y/Y, its weakest since August 2021. But despite a drop in electricity inflation, Spanish HICP inflation was revised up a touch to 3.2%Y/Y. Nevertheless, that merely left it unchanged from October, and the revision itself should have no bearing on the November's final euro area figure.

ECB to leave policy unchanged as case for a rate cut weakens further

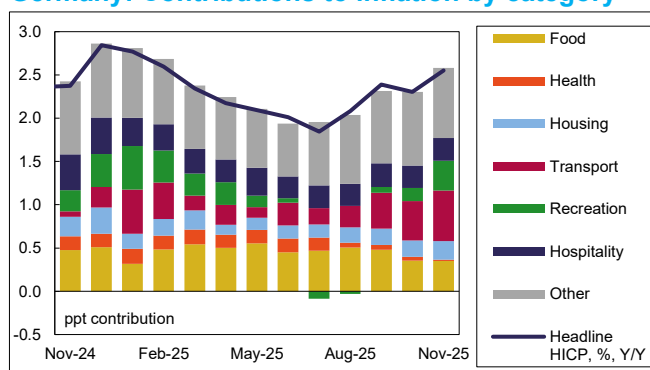
While it's set to be a congested week for new economic data before the customary Christmas lull, Thursday's monetary policy announcements from the ECB and BoE (see below) will be the principal focus. In the ECB's case, while it will be accompanied by an updated set of macroeconomic projections, the rate decision is predictable. The Governing Council seems bound to keep policy unchanged for a fourth consecutive meeting, leaving the deposit rate at 2.00%. It will also maintain its forward guidance that future decisions will be data dependent and taken on a meeting-by-meeting basis. But President Lagarde already acknowledged after October's meeting that the downside risks to the outlook had become less pronounced. And while ongoing shifts in global goods trade and a stronger euro might weigh further on inflation over coming quarters, the continued resilience of euro area economic activity will likely lead her again to strike a cautiously upbeat tone this month. Many influential Governing Council members have recently echoed similar sentiment, seeing little justification for the ECB to shift rates from its current settings any time soon. Market pricing also suggests that investors see diminished likelihood of easier policy over the coming year, with a hike more likely than a cut by the end of 2026. And notably perhaps, influential hawk Isabel Schnabel – a possible candidate to succeed Lagarde as next ECB President despite an obstacle

Germany: Key HICP inflation components



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: Contributions to inflation by category



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

posed by the wording of the EU Treaty – said this week that she is ‘rather comfortable’ with market expectations that the ECB’s next move will be a rate hike, a profile which tallies with our own baseline forecast.

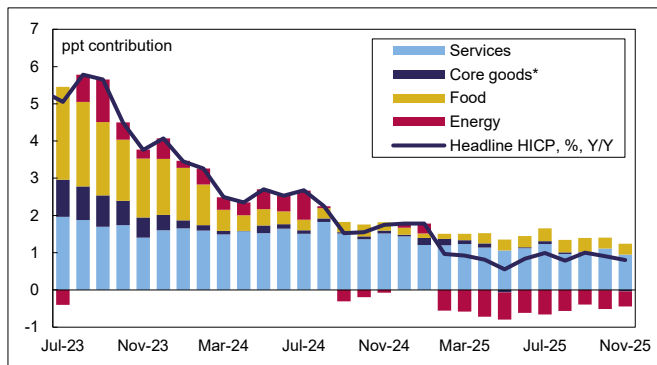
Policy delays & gas prices add to downside risks, but inflation to converge back to target in 2028

The predictability of Thursday’s decision suggests that Lagarde’s press conference and the Eurosystem’s updated macroeconomic projections will be of most interest. However, any revisions to the inflation projections are unlikely to provoke a shift in the ECB’s messaging. Today’s member state data suggest that the final euro area November inflation data (due Wednesday) will confirm the slight uptick in the flash headline rate to 2.2%Y/Y. As such, the headline and core inflation rates will be judged to be tracking slightly above the September forecasts for the current quarter. The policymakers will continue to expect inflation to take a step down from January and trend below the 2% inflation target throughout 2026. Lower oil and gas price assumptions – the latter down more than 10% from its last forecast period – risk accentuating the undershoot. And the postponement of the EU’s ETS2 levy from 2027 to 2028 will dampen one small upwards impulse to inflation out in 2027, probably maintaining a sub-2% projection for that year too. But the ECB has signalled that it is willing to tolerate short-term deviations from the inflation target. And with the updated projections drawing 2028 into the forecast horizon for the first time, the effects of higher infrastructure and defence spending, as well as the aforementioned carbon levy, should continue to support a return of inflation target by the end of the horizon.

Stronger GDP growth forecast to provide additional reassurance

The ECB’s attempt to look through the temporary softness in inflation should be made easier by a slightly more favourable picture for GDP growth. Indeed, Lagarde hinted as much this week, citing the surprising strength of economic activity and sentiment despite headwinds from US tariffs. Contrasting the ECB’s previous expectation of a stagnant quarter for economic output, GDP growth sped up to ¼%Q/Q in Q3 thanks to firmer domestic demand. Encouragingly, survey indicators point to firmer underlying growth momentum in Q4. The week ahead will bring a host of December business surveys that might reinforce that impression, with the flash euro area PMIs (Tuesday) taking precedent. The inbound activity data should also confirm those suspicions, anticipating a healthier pickup in October’s IP (Monday), of around 1%M/M, and support to construction (Thursday) from Germany’s infrastructure push. Euro area goods trade data (Tuesday) are also due, while an improvement in consumer sentiment (Friday) could indicate a pickup in private consumption over the near term too. So, we expect the ECB to bump up its GDP forecast for 2025 again, from 1.2%Y/Y. And we expect its growth projections for 2026 and 2027 – respectively 1.0%Y/Y and 1.3%Y/Y – also to be nudged slightly higher.

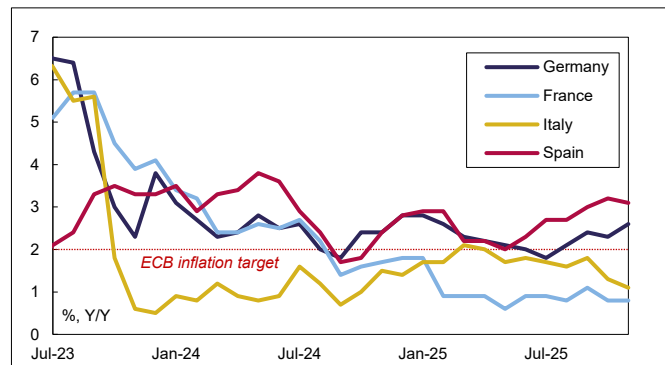
France: Contributions to inflation



*Non-energy industrial goods.

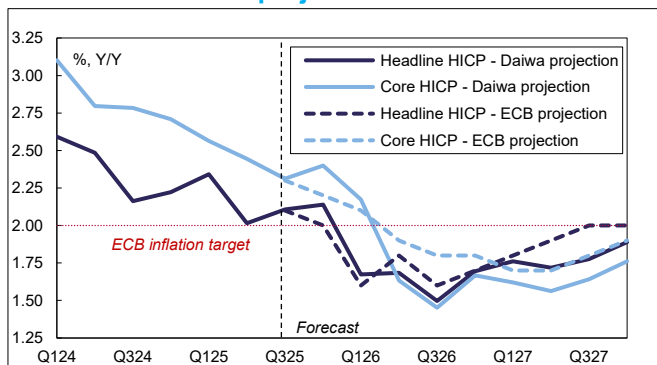
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area member states: HICP inflation



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

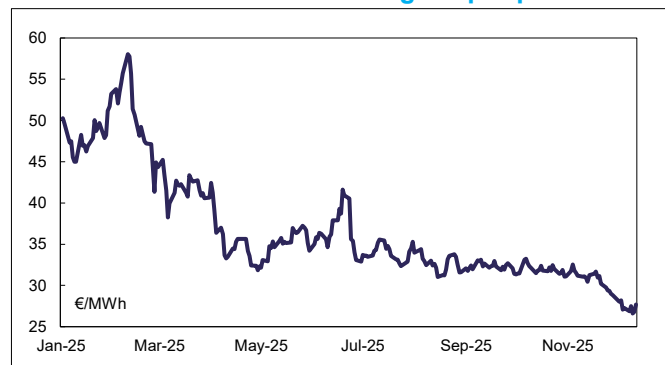
Euro area: Inflation projections*



*ECB Sep-25 projections

Source: ECB, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Benchmark natural gas spot price



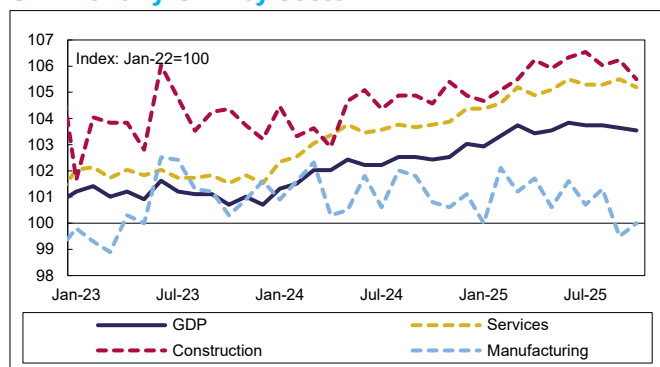
Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

UK

GDP falls back in October raising risks of Q4 contraction as Budget uncertainty weighs on spending

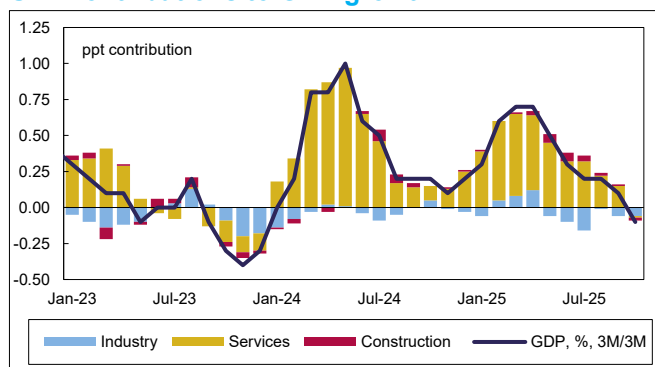
GDP unexpectedly fell slightly in October (-0.1% M/M) and for the third month in four to the lowest level since May. As a result, it has now grown in only one month since March. And while it was down 'just' 0.1% 3M/3M, it was also 0.2% below the Q3 average to be at clear risk of a negative print over Q4. Indeed, the contraction in October bore the scars of Budget-related uncertainty, which persisted and seemingly weighed on spending throughout the lion's share of November too. And not least given the eventual substantive increase in taxation, albeit backloaded, announced by Chancellor Reeves at the end of last month, as well as inclement weather at the start of this month, a vigorous rebound in December seems unlikely. So, we have revised down our Q4 GDP forecast to a contraction of 0.1% Q/Q, which would mark the first quarterly drop in economic output in two years. Importantly, it would also represent a material undershoot of the BoE's projection made just last month. In the November Monetary Policy Report, the BoE suggested that GDP was likely to rise 0.3% Q/Q this quarter, up 0.1ppt from Q3 and 0.1ppt firmer than its assessment of underlying growth.

UK: Monthly GDP by sector



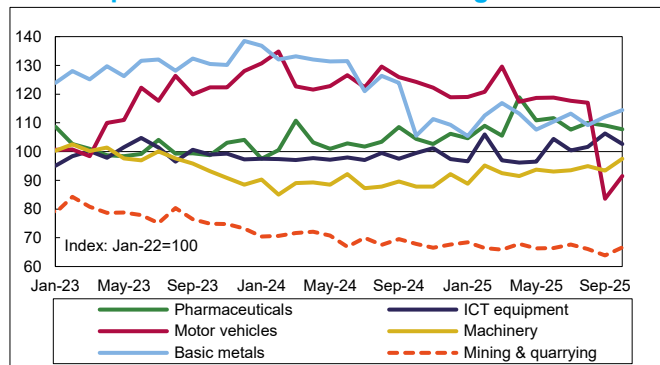
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Contributions to GDP growth



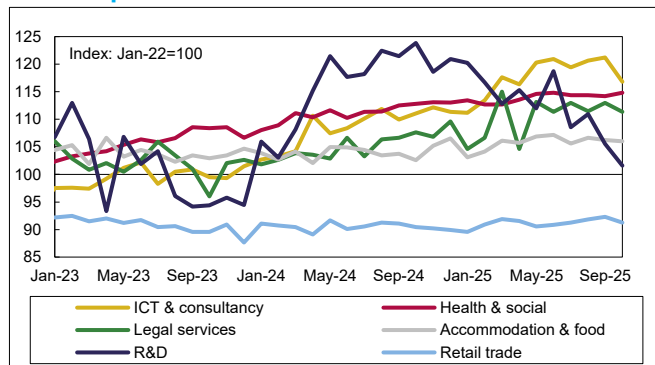
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Output in selected manufacturing subsectors



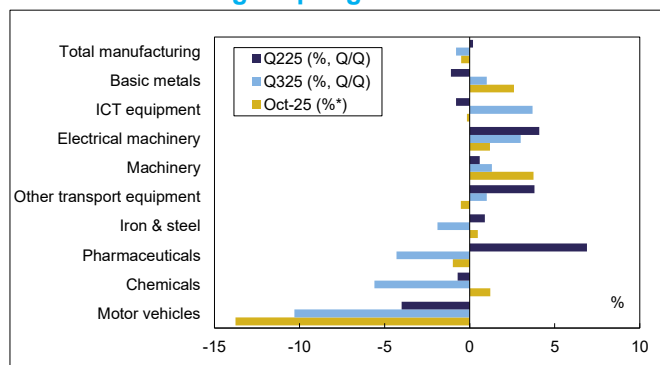
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Output in selected services subsectors



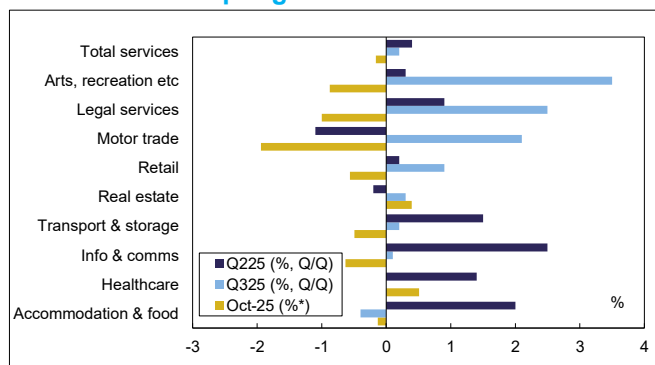
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Manufacturing output growth



*October figures reflect level compared with Q3 average.
 Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Services output growth



*October figures reflect level compared with Q3 average.
 Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Weakness in services and construction more than offset the boost from JLR restart

Contrary to the reported decline, a small increase in GDP in October had been expected thanks to the restart of car production at JLR following the cyberattack-related shutdown from late August. But the size of the rebound in auto output of a little less than 10%M/M was somewhat disappointing after the decline of almost three times that amount in September. And manufacturing production rose just 0.5%M/M compared to the drop of 1.7%M/M in September. Nevertheless, thanks to the biggest increase in mining and quarrying for more than a year (4.3%M/M), total industrial production rose 1.1%M/M, the most in eight months. Unfortunately, that failed fully to offset the impact on GDP of the biggest drop in services activity in six months (-0.3%M/M) and the steepest fall in construction output in more than a year (-0.6%M/M). The decline in the all-important services sector was the third in the past four months and related principally to weakening in business-related activities such as ICT services, consultancy and R&D. But due to a drop in retail and wholesale activity, including in autos, consumer-facing services also fell. In construction, repair and maintenance and new work all fell back in October, principally to a drop of more than 2%M/M in new private housing to the lowest level in a year. Looking through the month-to-month volatility, the three-month growth rate in services fell to zero in October, while manufacturing (-0.7%3M/3M) and construction (-0.6%3M/3M) were firmly in reverse. And the levels of output in each of the major sectors were below their Q3 averages.

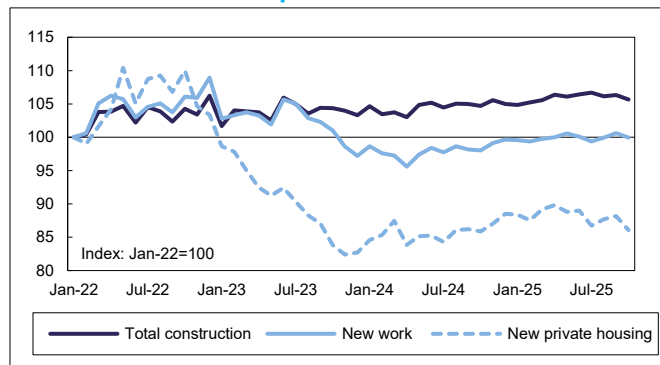
Trade performance remains weak despite partial recovery in exports of cars & pharma to the US

Today's headline trade data were distorted by a significant swing in the often-volatile precious metals component. But the underlying performance remained weak, suggesting that net trade provided a sizeable drag on GDP growth at the start of Q4. While the total value of exports fell just 0.3%M/M in October, a sharp jump in the value of imports (4.5%M/M) caused the trade deficit to widen more than £3.5bn to £4.8bn, the largest for eight months. Price effects exacerbated the weakness in value terms, with export volumes posting a modest rise (0.5%M/M) but import volumes up 2.8%M/M, still leaving the real-terms deficit at a 3½-year high. Nevertheless, excluding precious metals, real-terms goods exports fared better than of late, jumping almost 5%M/M to largely reverse the decline in September. That reflected a partial recovery in shipments of cars and pharmaceuticals to the US. But while goods export volumes to the US rose some 15%M/M, they were still unchanged from the Q3 level and roughly one quarter below the March peak. Moreover, total goods shipments were tracking some 1½% below the Q3 average while services export volumes – which account for roughly 60% of total exports – moved broadly sideways, tallying with the broader absence of growth in the sector in October.

Bailey to pivot to deliver a majority for a rate cut on Thursday

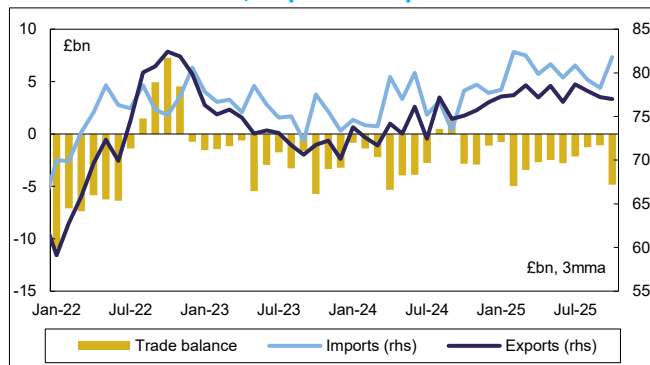
The strong likelihood that GDP will significantly undershoot the BoE's projection for Q4 reinforces our expectation that the MPC will vote for a rate cut on Thursday. While it foresaw GDP growth of at least 0.3%Q/Q in Q4 and each quarter over the

UK: Construction output



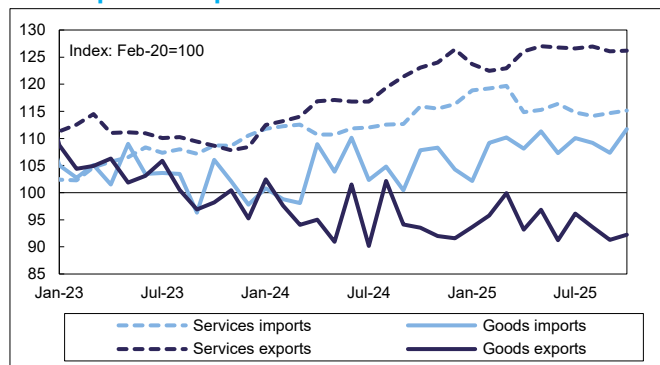
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Trade balance, export & import values



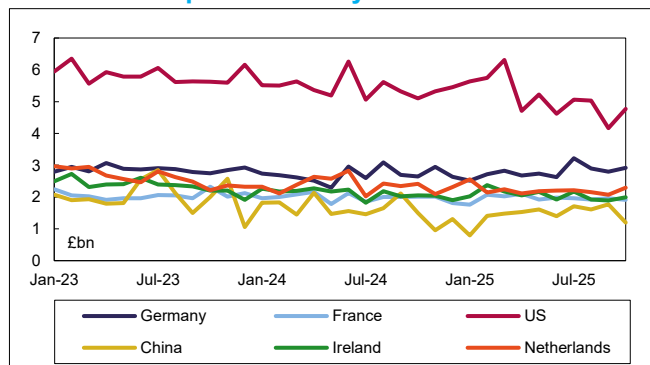
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Export & import volumes



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Goods export values by destination



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

horizon, the Bank judged last month that slack would increase a little further over coming quarters, allowing disinflation to continue. So, after peaking at 3.8%Y/Y between July and September, the BoE's central projection saw the headline CPI rate declining gradually from October on and returning to target around the middle of 2027. For four members of the MPC – Ramsden, Breeden, Taylor and Dhingra – the increased probability that inflation might undershoot the target over the medium term already merited a 25bps rate cut. Given today's data, as well as the BoE's assessment that the Government's Budget will subtract up to ½ppt off inflation for twelve months from April but add little to growth, they will vote for a cut again this month. Indeed, at least one of them might favour a 50bp move. Of the five who voted last month to hold Bank Rate at 4.0%, four were highly concerned about the risks of inflation persistence. That hawkish four will have been unimpressed by either the Budget or the slight drop in household inflation expectations reported in today's BoE survey. They might also blame the weak GDP data on structural factors. So, we expect them again to vote for no change. But last month Governor Bailey appeared ready to flip to vote for a cut this month if subsequent evidence confirmed that the risks to the inflation outlook had become more balanced. And while new data on the labour market (Tuesday) and inflation (Wednesday) might yet surprise, the lack of significant new inflationary impulse from the Budget coupled with today's GDP report should encourage him to pivot and deliver a 5-4 majority in favour of a 25bps cut to Bank Rate on Thursday.










The data week ahead in the UK: November CPI & labour market update to frame Thursday's cut

We expect the UK dataflow in the days leading up to Thursday's announcement to reinforce the case for a rate cut. Starting with Tuesday's labour market data, we note that their previous release – which came after the MPC's last meeting – already called for easier policy. Private regular pay slowed to its weakest pace in almost four years in September (4.2%3M/Y) against the backdrop of a further pickup in joblessness, pushing the unemployment rate up to a near-five-year high (5.0%3M). While there have been some signals of stabilisation in the labour market more recently, surveys have remained broadly downbeat. Not least given the weakness of today's GDP release, the UK flash PMIs (also due Tuesday) will provide a signal as to whether firms continued to reduce headcount in December. But in any case, we expect the main labour market data, on balance, to remain consistent with further gradual loosening in the jobs market. And perhaps most notably, private sector pay should slow to below 4%3M/Y for the first time since the end of 2020, consistent with a further moderation in underlying price pressures ahead.

Of course, the other key consideration for the BoE will be November's CPI inflation report (on Wednesday). Headline inflation predictably eased in October (to 3.6%Y/Y), stepping down from its peak of 3.8%Y/Y in Q3. And the BoE expects it to moderate further in November, to 3.4%Y/Y, which is more optimistic than our own forecast of 3.5%Y/Y (with upside risks). Indeed, energy inflation should tick slightly higher again owing to a rise in petrol prices last month. But favourable base effects relating to last year's extra tobacco duty increases, as well as some additional softness in food prices, should provide some offset. The core rate should hold relatively steady, remaining at 3.4%Y/Y. But as it is likely to moderate throughout the first half of 2026, we don't expect minor stubbornness in Q4 to provide Bailey with a reason not to vote for a cut.











November's retail sales figures (due Friday) will arrive too late for consideration by the MPC. But the weakness of the BRC's retail survey suggests that elevated pre-Budget uncertainty continued to provide a notable headwind to consumer spending. The annual rates may benefit slightly from additional sampling (albeit one day) around the Black Friday weekend. But we expect positive payback for October's weak retail figures, if any, to be limited in scope. And given the evolving influence of Black Friday on spending habits, it might be best to interpret the sales data for November and December together. But December's GfK survey (also Friday) will be watched for signs of any impact of the Budget announcement on consumer sentiment.

Daiwa economic forecast

		2025			2026					
		Q2	Q3	Q4	Q1	Q2	Q3	2025	2026	2027
GDP		%, Q/Q						%, Y/Y		
Euro area		0.1	0.3	0.3	0.3	0.3	0.3	1.4	1.1	1.3
UK		0.3	0.1	-0.1	0.3	0.3	0.3	1.3	0.9	1.3
Inflation, %, Y/Y										
Euro area										
Headline HICP		2.0	2.1	2.1	1.7	1.7	1.5	2.2	1.6	1.8
Core HICP		2.4	2.3	2.4	2.2	1.6	1.5	2.4	1.7	1.6
UK										
Headline CPI		3.5	3.8	3.6	3.1	2.2	2.0	3.4	2.3	2.0
Core CPI		3.7	3.6	3.4	3.2	2.5	2.2	3.6	2.5	1.9
Monetary policy, %										
ECB										
Deposit Rate		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Refi Rate		2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
BoE										
Bank Rate		4.25	4.00	3.75	3.75	3.50	3.25	3.75	3.25	3.00

Source: Bloomberg, ECB, BoE and Daiwa Capital Markets Europe Ltd.












































European calendar

Today's results							
Economic data							
Country	Release		Period	Actual	Market consensus/ <i>Daiwa forecast</i>	Previous	Revised
Germany		Final HICP (CPI) Y/Y%	Nov	2.6 (2.3)	<u>2.6 (2.3)</u>	2.3 (2.3)	-
France		Final HICP (CPI) Y/Y%	Nov	0.8 (0.9)	<u>0.8 (0.9)</u>	0.8 (0.9)	-
		Final wages Q/Q%	Q3	0.3	<u>0.3</u>	0.5	-
Spain		Final HICP (CPI) Y/Y%	Nov	3.2 (3.0)	<u>3.1 (3.0)</u>	3.2 (3.1)	-
UK		Monthly GDP M/M% (3M/3M%)	Oct	-0.1 (-0.1)	0.1 (0.0)	-0.1 (0.1)	-
		Services output M/M% (3M/3M%)	Oct	-0.3 (0.0)	0.0 (0.1)	0.2 (0.2)	-
		Industrial output M/M% (Y/Y%)	Oct	1.1 (-0.8)	1.0 (-1.2)	-2.0 (-2.5)	-
		Construction output M/M% (Y/Y%)	Oct	-0.6 (0.9)	-0.1 (1.5)	0.2 (1.3)	-
		Trade (goods trade) balance £bn	Oct	-4.8 (-22.5)	-1.2 (-19.1)	-1.1 (-18.9)	-
		BoE/Ipsos inflation attitudes survey – 1Y ahead CPI Y/Y%	Q4	3.5	-	3.6	-
Auctions							
Country	Auction						
- Nothing to report -							

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.







The coming week's data calendar

The coming week's key data releases

Country	GMT	Release	Period	Market consensus/ <i>Daiwa forecast</i>	Previous
Monday 15 December 2025					
Euro area		10.00 Industrial production M/M% (Y/Y%)	Oct	<u>0.8 (2.1)</u>	0.2 (1.2)
Tuesday 16 December 2025					
Euro area		09.00 Preliminary services (manufacturing) PMI	Dec	53.3 (49.9)	53.6 (49.6)
		09.00 Preliminary composite PMI	Dec	52.7	52.8
		10.00 Trade balance €bn	Oct	-	18.7
		10.00 Final job vacancy rate %	Q3	<u>2.2</u>	2.3
Germany		08.30 Preliminary services (manufacturing) PMI	Dec	53.0 (48.7)	53.1 (48.2)
		08.30 Preliminary composite PMI	Dec	52.5	52.4
		10.00 ZEW current situation (expectations) balance	Dec	-80.0 (39.0)	-78.7 (38.5)
France		08.15 Preliminary services (manufacturing) PMI	Dec	51.2 (48.1)	51.4 (47.8)
		08.15 Preliminary composite PMI	Dec	50.5	50.4
Italy		09.00 Final HICP (CPI) Y/Y%	Nov	<u>1.1 (1.2)</u>	1.3 (1.2)
UK		07.00 Average wages (excluding bonuses) 3M/Y%	Oct	4.4 (4.5)	4.8 (4.6)
		07.00 Private sector regular wages 3M/Y%	Oct	3.8	4.2
		07.00 Unemployment rate 3M%	Oct	5.1	5.0
		07.00 Employment 3M/3M change 000s	Oct	-60	-22
		07.00 Payrolled employees M/M change 000s	Nov	-20	-32
		07.00 Claimant count rate % (change 000s)	Nov	-	4.4 (29.0)
		09.30 Preliminary services (manufacturing) PMI	Dec	51.7 (50.4)	51.3 (50.2)
		09.30 Preliminary composite PMI	Dec	51.7	51.2
Wednesday 17 December 2025					
Euro area		10.00 Final headline (core) HICP Y/Y%	Nov	<u>2.1 (2.4)</u>	2.1 (2.4)
		10.00 Final labour costs Y/Y%	Q3	<u>3.5</u>	3.6
Germany		09.00 ifo business climate indicator	Dec	88.3	88.1
		09.00 ifo current assessment (expectations) indicator	Dec	85.8 (90.5)	85.6 (90.6)
UK		07.00 Headline (core) CPI Y/Y%	Nov	<u>3.5 (3.4)</u>	3.6 (3.4)
		07.00 PPI – output (input) prices Y/Y%	Nov	3.2 (0.6)	3.6 (0.5)
		09.30 House price index Y/Y%	Oct	-	2.6
		11.00 CBI industrial trends survey – total orders (selling prices) balance %	Dec	-35 (9)	-37 (7)
Thursday 18 December 2025					
Euro area		10.00 Construction output M/M% (Y/Y%)	Oct	-	-0.5 (-0.3)
		13.15 ECB Deposit (Refinancing) Rate %	Dec	<u>2.00 (2.15)</u>	2.00 (2.15)
France		07.45 INSEE business (manufacturing) confidence indicator	Dec	-	98 (98)
UK		12.00 BoE Bank Rate %	Dec	<u>3.75</u>	4.00
Friday 19 December 2025					
Euro area		09.00 ECB current account €bn	Oct	-	23.1
		15.00 Preliminary Commission consumer confidence indicator	Dec	-14.1	-14.2
Germany		07.00 GfK consumer confidence indicator	Jan	-23.0	-23.2
		07.00 PPI Y/Y%	Nov	-2.2	-1.8
France		07.45 PPI Y/Y%	Nov	-	-0.8
Italy		09.00 ISTAT consumer confidence indicator	Dec	96.0	95.0
		09.00 ISTAT business (manufacturing) confidence indicator	Dec	-	96.1 (89.6)
UK		00.01 GfK consumer confidence indicator	Dec	-18	-19
		07.00 Retail sales – incl. auto fuels M/M% (Y/Y%)	Nov	0.4 (1.0)	-1.1 (0.2)
		07.00 Retail sales – excl. auto fuels M/M% (Y/Y%)	Nov	0.2 (1.6)	-1.0 (1.2)
		07.00 Public sector net borrowing £bn	Nov	10.3	17.4
		11.00 CBI distributive trades survey – reported retail sales balance %	Dec	-	-32



Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's key events & auctions

Country	GMT	Event / Auction
Monday 15-16 December 2025		
- Nothing scheduled -		
Wednesday 17 December 2025		
UK		10.00 Auction: to sell £4.25bn of 4.125% 2031 bonds
Thursday 18 December 2025		
Euro area		13.15 ECB monetary policy announcement
		13.45 ECB President Lagarde to hold post-Governing Council meeting press conference, Frankfurt
		14.45 ECB to publish updated macroeconomic projections
UK		12.00 BoE monetary policy announcement and minutes to be published
		12.00 BoE to publish quarterly Agents' summary of business conditions (Q425)
Friday 19 December 2025		
Euro area		08.30 ECB to publish updated wage tracker





Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

Wednesday's results

Economic data						
Country	Release	Period	Actual	Market consensus/ <i>Daiwa forecast</i>	Previous	Revised
Italy	 Industrial production M/M% (Y/Y%)	Oct	-1.0 (-0.3)	-0.2 (0.3)	2.8 (1.5)	2.7 (1.4)
Auctions						
Country	Auction					
UK		sold £4.5bn of 4.75% 2035 bonds at an average yield of 4.613%				

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

Thursday's results

Economic data						
Country	Release	Period	Actual	Market consensus/ <i>Daiwa forecast</i>	Previous	Revised
UK	 RICS house price balance %	Nov	-16	-21	-19	-
Auctions						
Country	Auction					
Italy		sold €3bn of 2.35% 2029 bonds at an average yield of 2.58%				
		sold €1bn of 3% 2029 bonds at an average yield of 2.7%				
		sold €1bn of 2.7% 2030 bonds at an average yield of 2.87%				

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

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