

# Market Outlook

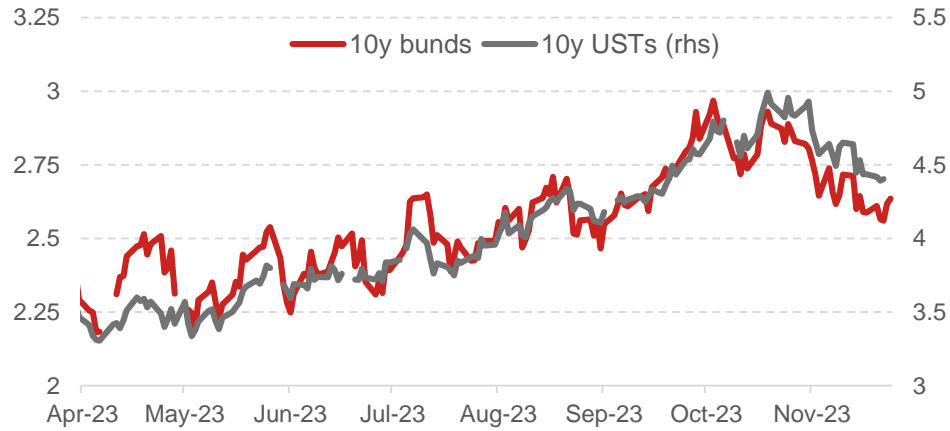
## *ECB Bond Market Contact Group*

Marco Brancolini

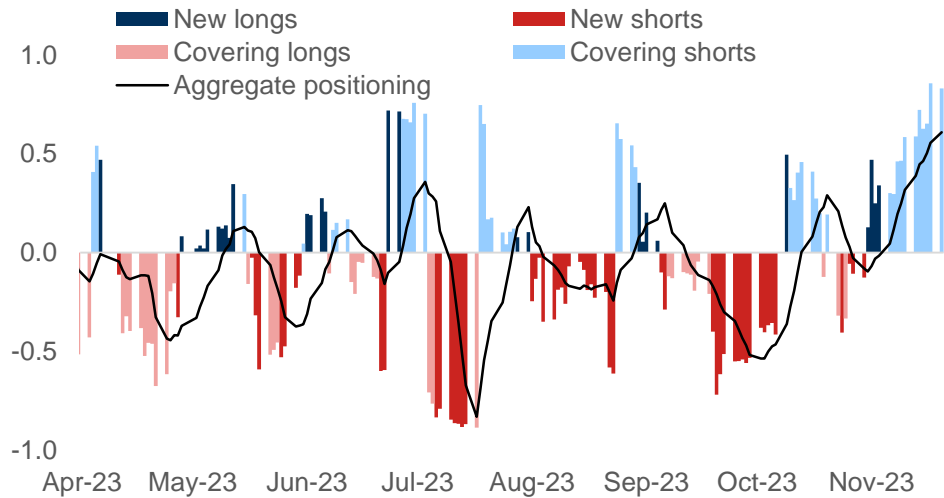
28 November 2023

# Up And Down the Peak

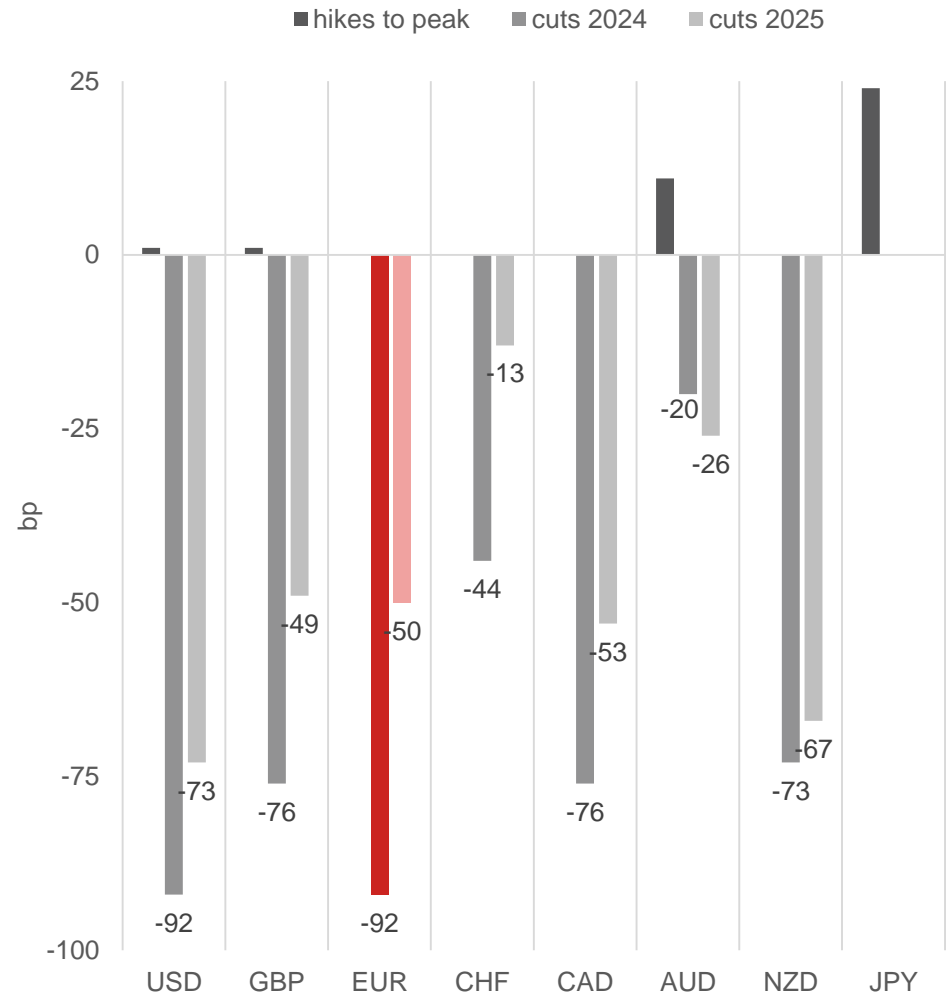
## Bunds and treasuries broke their upward yield trend



## Open interest positioning for RX futures

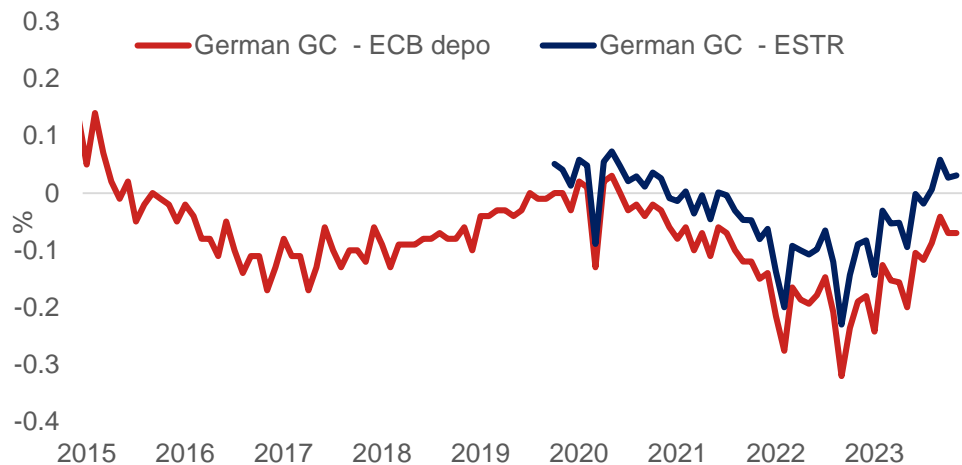


## Market-based Central Bank Expectations

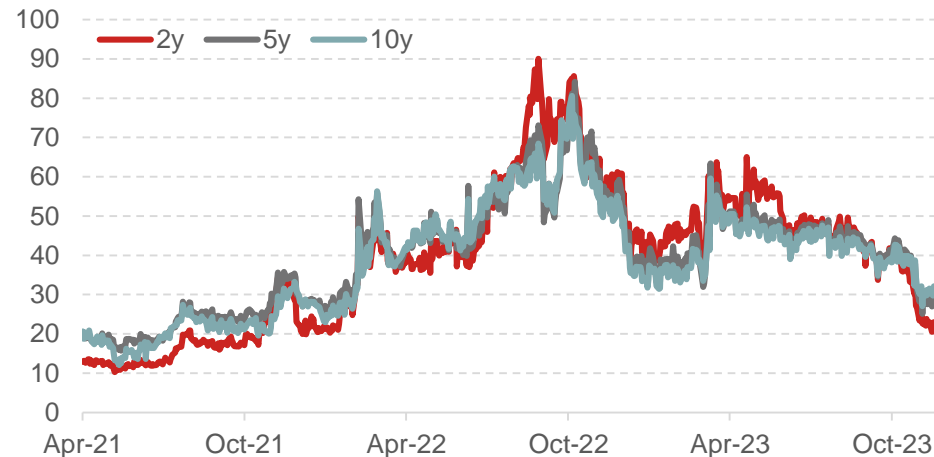


# 2023: Happy Ending?

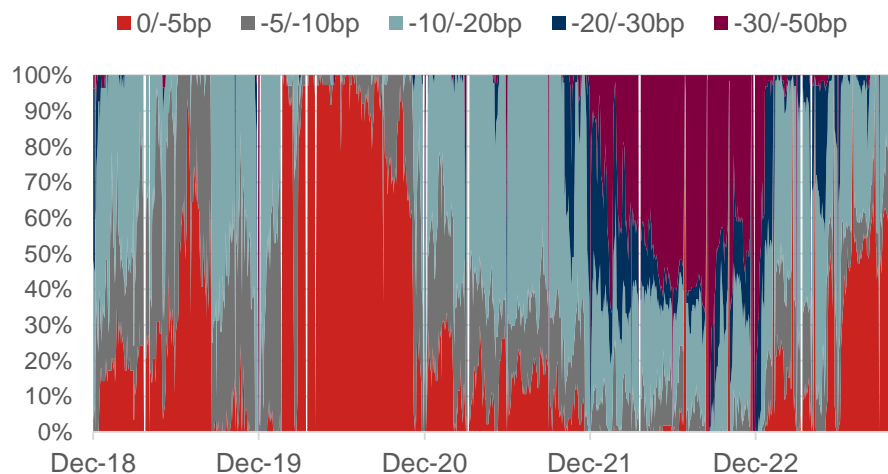
German Repo vs ECB deposit rate and €STR



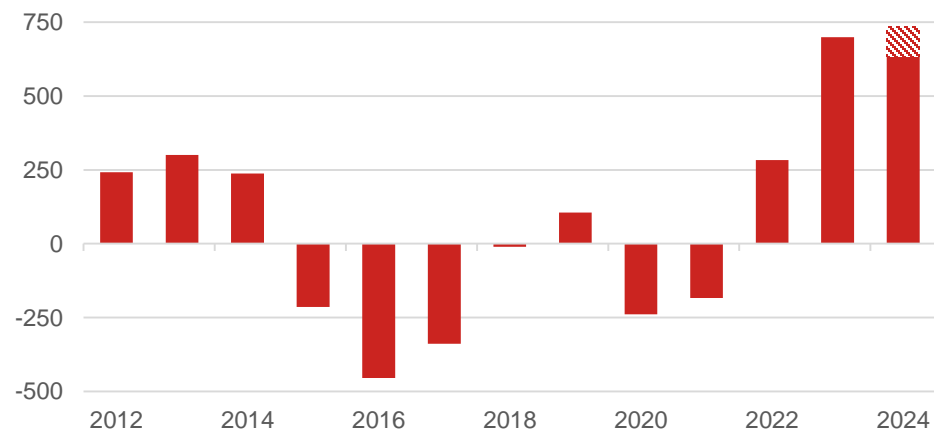
€STR Invoices of German Futures



Share of German bonds with a repo rates below €STR

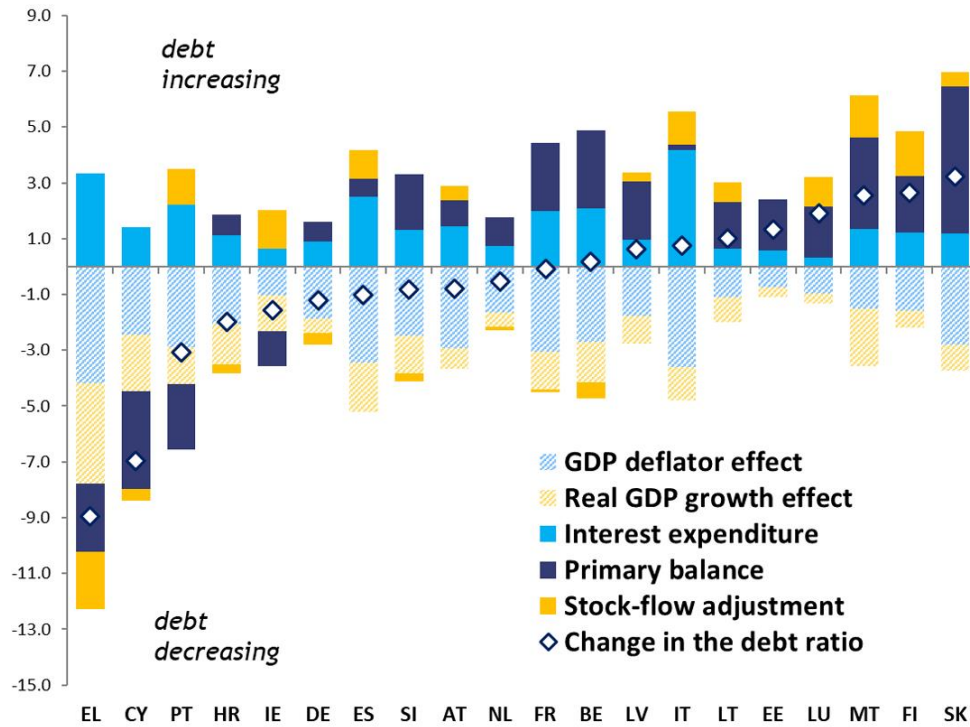


Eurozone Supply Net of Redemptions and QT

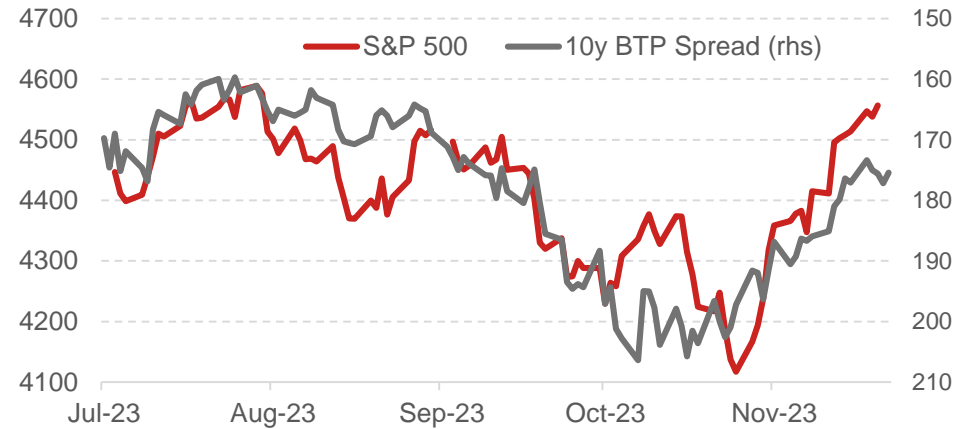


# Debt Sustainability vs Global Risk Factors

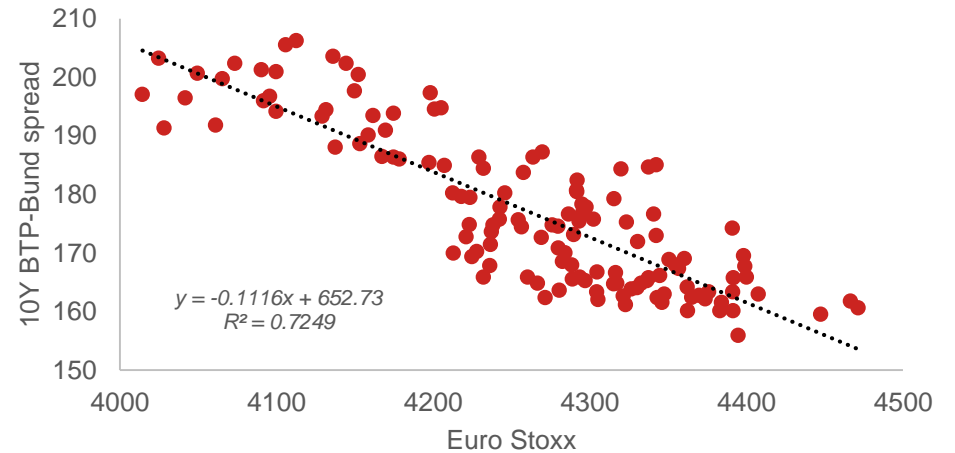
2024 Decomposition of Debt/GDP Ratios



10y BTPs vs S&P 500



10y BTP spreads vs Euro Stoxx over the last six months



- Have we seen the peak in rates for this cycle?
- Is the pricing of rate cuts appropriate or has the market gotten ahead of itself?
- What do you think the trigger for a rate cut could be? Will the ECB or the Fed cut first/more?
- Do you expect any market ructions into year-end?
- Are Q1 supply and/or debt sustainability a concern for market participants?
- Do you expect sovereign spreads to decouple from risk assets?

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