Global Rates Weekly

Deal or no ideal

02 May 2025

Rates Research
Global

The View: Central banks in the dark

After today's EA inflation and US NFP print, focus shifts to next week's central banks and updated communication in light of "Liberation Day" tariffs. We stay bullish EUR rates and UK front-end, and bearish US front-end.

Rates: Signal miss => cheaper long end USTs

US: Bad news is well priced, good news is underpriced. We look to re-engage soft duration long & curve steepeners on any rate rise. Sell 30Y spreads with refunding signal miss.

EU: We examine latest data sets & syndication results to assess foreign demand for EGBs. We expect an acceleration of that demand, as FX hedged pick-ups vs UST improve.

UK: Next week's MPC shouldn't cause sharp repricing but could help front-end receivers. We buy 30y Gilts on ASW and will be on lookout for slower QT hints.

AU: AU basis is a cheap risk hedge – we recommend paying 1y1y BOB. We also close AU 2s5s flattener boxed vs CAD as BofA RBA Sentiment Indicator shifts more dovish.

JP: Lifers to reduce JGB holdings in FY25, mixed on foreign bonds, likely to increase alternative investment.

Front end: More bills, earlier X-date

US: Treasury quarterly refunding results in more bill supply & slightly earlier X-date vs prior projections.

Technicals: Signals remain bullish USTs into June

US 10Y yield declined in April which historically favors a lower bias into YE25. Since 1963, yield tended to move lower from a May peak to a June trough.

Volatility: Potential for curve to underperform fwds

We close our tactical 1m fwd 2s10s bull flatteners, stay in 9-12m fwd 5s30s bear steepeners, enter 6m fwd 2s10s floor ladder & long 18m1y vs 6m 1y receivers.

– R. Preusser, M. Cabana, M. Swiber, B. Braizinha, R. Axel, S. Salim, A. Stengeryte, M. Capleton, O. Levingston, T. Yamashita, S. Yamada, K. Craig, S. Punhani, R. Segura-Cayuela, P. Ciana, E. Davidsson

Table of Contents

Global Rates Research
MLI (UK)

Ralf Preusser, CFA
Rates Strategist
MLI (UK)
+44 20 7995 7331
ralf.preusser@bofa.com

Mark Cabana, CFA
Rates Strategist
BofAS
mark.cabana@bofa.com

Sphia Salim
Rates Strategist
MLI (UK)
sphia.salim@bofa.com

See Team Page for List of Analysts

Timestamp: 02 May 2025 06:00AM EDT

Our medium term views

Exhibit 1: Our medium-term views
Global views

Rationale	
Duration	• US: slight constructive duration bias, trade 4-5% range in 10y and fade extremes • EU: We turned tactically neutral on the very front-end following the significant rally. We expect lower rates (terminal of 1.25 vs market pricing of 1.55), but believe risk-reward for a long position is more balanced near term. For now, we favour a long position in 15y OATs to express our bullish duration bias. • UK: We are broadly neutral Sonia relative to the forwards in the 10y, forecasting Sonia at 4.10% by end-2025 and 4.20% by end-2026. We are constructive Gilts at current levels. • JP: We expect the 10yr JGB yields to rise to 1.5% at end-2025. The BoJ is expected to keep its de facto QT at least until March 2026. • AU: bullish 3-5y sector as prices converge with our expected terminal cash rates/ neutral rate. Risk of overshoot in global equity market sell-off.
Front end	• US: Mar / Sept '25 SOFR/FF curve flattener with (1) 1H '25 TGA drop & funding stability (2) TGA snapback in 2H '25 • EU: Bank demand for excess liquidity may outstrip supply. Wholesale funding cost to rise: Euribor-€str widening, repo to stay cheap vs €str. • UK: Growth risks, a potentially disinflationary tariff impact, and lower energy prices imply risks shifting to faster cuts than our baseline quarterly path. We receive Nov MPC. • JP: We believe the next rate hike will be delivered more likely in April 2026 rather than our prior base case of June 2025. TONA is likely to remain slightly below IOER in 2025. • AU: We recommend Mar '25/ Sep '25 BOB steepeners to position for tighter funding market spreads and uneven global liquidity dynamics in H1/H2 '25
Curve	• US: We favor 5s30s steepeners on potential for pricing of Fed cuts to pressure the belly and supply concerns to pressure the backend • EU: We expect a repricing of the terminal rate lower over time, This should come with slightly more steepening than forwards are pricing in 2H25. We look for a shift in P&I duration demand from the 30y to shorter maturities, leading to additional steepening pressures on 10s30s from mid year. • UK: We maintain our short in 3s5s7s Sonia fly which is directional with 2s10s Sonia curve steepeners. • JP: We expect the JGB curve to remain steep due to a lack of demand and potential for the Japanese government to draw up a supplementary budget. • AU: The 3s10s curve should steepen to around 100bps over the next 12 months.
Inflation	• US: Short 1y inflation on expectation for narrowing tariff upside risk premium and long 2y3y on higher realized inflation medium term • EU: We favor receiving the forward real yield between BTPei 2033 and BTPei 2039, BTPei 2039 iota narrowers, and US-Euro 2y3y inflation spread wideners. • UK: We recommend a UKTi 2032/2036/2047 cash-and-duration neutral barbell to express a forward real curve flattening view. • JP: 10y BEI should increase in 2025, given supports from the BoJ and MoF.
Spreads	• US: Short 30Y spreads on dual disappointment of de-regs and deficit – also bearish long end spreads on market structure and flight to safety events. • EU: we are neutral on periphery spreads. We see risks of a widening near term, but believe medium to long term outlook is more positive, We turn bullish on OATs for the very near term. We expect stable 5-10y swap spreads near term, but see scope for some cheapening in 2-10y spreads in 2H25 and 2026, vs some richening in 30y Buxl spreads. • UK: We expect low coupon UKT 0.125% 2028s to perform relative to UKT 4.375% 2028s on ASW. We are also long 30y Gilts on ASW. • JP: Given (1) the potential for additional BoJ rate hikes and (2) BoJ's QT, JGBs are likely to be cheaper vs matched maturity swaps. • AU: We see wider swap spreads, especially in the front end given elevated funding risks, but flatter swap EFP box given bond supply is typically concentrated around 10y sector.
Vol	• US: Vol supported by uncertainty. '25 targets: 100-115bp 1y10y in 1H & 85-100bp in 2H; 1y1y c.110-120bp, Gamma flat vs intermediates • EU: We expect implied vols to come lower with 1y10y around 70bp range and LHS cheapening vs RHS. Gamma to stay well supported (1y10y vs 1m10y at 0-5bp). • AU: Lower vol with 1y10y c.70bpbp and left side likely to underperform the right side in'25

Source: BofA Global Research

BofA GLOBAL RESEARCH

Our key forecasts

Exhibit 2: Our key forecasts
Global forecasts

% EoP	2023	2024	Q2 25	Q3 25	YE 25	Q1 26	Q2 26	YE 26
Fed Funds	5.25-5.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	3.25-3.50
10-year Treasuries	3.88	4.57	4.35	4.40	4.50	4.55	4.60	4.75
ECB refi rate	4.50	3.15	2.15	1.65	1.40	1.40	1.40	1.65
10y Bunds	2.02	2.36	2.45	2.40	2.50	2.60	2.70	2.75
BoJ	-0.10	0.25	0.50	0.50	0.50	0.50	0.75	1.00
10y JGBs	0.61	1.09	1.35	1.43	1.50	1.53	1.60	1.75
BoE base rate	5.25	4.75	4.25	3.75	3.50	3.50	3.50	3.50
10y Gilts	3.53	4.56	4.45	4.45	4.45	4.45	4.50	4.55
RBA cash rate	4.35	4.35	3.85	3.85	3.60	3.60	3.60	3.60
10y ACGBs	3.96	4.36	4.05	3.90	3.75	3.80	3.85	4.00

Source: BofA Global Research

BofA GLOBAL RESEARCH

What we like right now

Exhibit 3: What we like right now
Global views

AMRS :	Constructive duration, short 30Y spreads, long 1y4y inflation, long fwd vol
EMEA :	We are long 15y OATs and in 2y3y US-EUR inflation spread wideners.
APAC:	Buy 3y bond futures (YM), pay Aug '25 RBA as hedge. Spreads: Mar/ Sep bills OIS basis steepener.

Source: BofA Global Research. For a complete list of our open trade recommendations and trade recommendations closed in the past 12 months, please see below.

BofA GLOBAL RESEARCH

The View

Ralf Preusser, CFA
MLI (UK)
ralf.preusser@bofa.com

The week that will be

The main data prints of the week have yet to come at the time of writing: EA inflation and US non-farm payrolls. Our economists are looking for 2.6% in core HICP and 165k in NFP. Both numbers are likely to be somewhat discounted by the market. Inflation data is distorted by Easter seasonality and the US labor market is unlikely to show any signs of the tariff effect yet.

Markets are likely to pay more attention to next week's central banks. We expect the FOMC and Norges to stay on hold, the BoE to cut and the Riksbank to wait until June to cut again. More interesting than the decisions is likely to be the communication around them, especially the BoE's forecast updates, given the dovish forecast revisions by the BoJ (see below).

We remain received Nov MPC Sonia and are now paid June FOMC OIS. We stick with our US inflation steepeners (1y vs 2y3y) and breakeven longs vs EUR. We return to spread shorts in US 30y after the refunding announcement and would enter 5s30s steepeners on any flattening (see US Rates Watch 30 Apr 25). We closed our front-end US curve flattener (Jul FOMC vs 5y) and our AU flattener vs CAD given the pricing out of emergency cuts by the RBA (see Liquid Insight 1 May 25). We stay long spread duration in EUR rates (15y France).

Finally, the new German government is expected to be sworn in. With the heavy lifting on the debt brake done, the main immediate question for the incoming administration is whether to trigger the escape clause in the 2025 budget to provide more meaningful near-term support. Since this is unlikely to happen without a further deterioration in the outlook, we do not consider it a major risk to our bullish bias in EUR rates.

The week that was

There is an interesting contrast between US and EA inflation and activity data this week.

US core PCE 3m/3m is annualizing at 3.4%, US core services CPI at 4.3%. Both of those before the main impact of tariffs will show up in the data. GDP was weak, but domestic demand strong, with final sales to private domestic purchasers still at 3.0% annualized.

EA core inflation data is likely to come in somewhat higher than expected by consensus, following the national prints. However, the underlying details suggest we could already be seeing the disinflationary effects of tariffs in goods inflation. GDP data was also stronger than expected, but underlying details and correcting for noise from Ireland paint a weaker picture, again before any impact from the trade war.

This asymmetry of risks was also reflected in the latest BoJ forecast revisions. These invalidated our bear flattening bias on the JPY curve but support our bearish FX view (see Liquid Insight 28 Apr 25).

Finally, we think US Treasury missed an opportunity in the quarterly refunding announcement to signal support for the long-end. Buyback operations were left unchanged and there was no discussion of managing the weighted average maturity of issuance to better balance supply and demand.

Rates – US

Mark Cabana, CFA
BofAS

Meghan Swiber, CFA
BofAS

Bruno Braizinha, CFA
BofAS

Ralph Axel
BofAS

- Rates: bad news priced, good news not; eye duration longs & steepeners
- May FOMC = hold, UST refunding = short 30y spreads, stablecoins = important

Signal miss => cheaper long end USTs

US rates bull steepened this week amidst softening sentiment & moderating labor market data. All eyes will be on the employment report this morning; we expect a larger market reaction to a stronger vs weaker print given extent of Fed cut pricing & whisper number below consensus. We think our economists' forecast of 165k vs consensus 135k could see 5y rates knee-jerk increase 5-10bps & curve bear flatten.

We update our core rate views & adjust trade recommendations; our view is that our long duration & curve steepening bias has worked but current levels appear fair. Bad news is priced, as seen by Polymarket recession odds & Z6 (Exhibit 4). Good news is underpriced as evidenced by relatively stable economic surprises (Exhibit 5). We suggest waiting for some good news before re-engaging long rates & steepeners.

Duration: we see current rate market pricing as fair; we have a long bias given downside growth risks but believe the market's Fed cutting trough around 3% (Fed LR median) is appropriate given balance of risks We recommend buying any rate sell-off with strong payrolls but are reluctant to chase rates lower at current levels.

Curve: steepening bias with long anchored in the curve belly (5y) & short in the very long end (30y). Belly long is consistent with downside growth risks & potential for lower Fed cutting trough. Long end short is due to ongoing supply / demand imbalance. We closed our front-end curve flattening view (pay July '25 FOMC OIS & receive 5y OIS) this week after quick curve flattening & shift lower in 5y OIS (see FOMC preview). Similar to our duration view, we look to add steepening exposure on any market pullback.

Spreads: May UST refunding missed an opportunity to provide support to UST long end & suggests further scope of cheapening (see May refunding). We re-established our 30y short spread position where we entered at -90bps (matched maturity swap vs current Feb 2055 30y), targeting -110bps & stop at -75bps. Risk is surprise in deficit outlook.

Front end: we shift our paid front-end position from July to June '25 FOMC OIS. Our paid July FOMC OIS is closed at 3.99%, above entry level of 3.93% (see Seeking a signal). We now prefer to pay June FOMC OIS at 4.18% given a wait & see Fed (see below). We target 4.30% with a stop at 4.05%. Risk is data softening & June Fed cut.

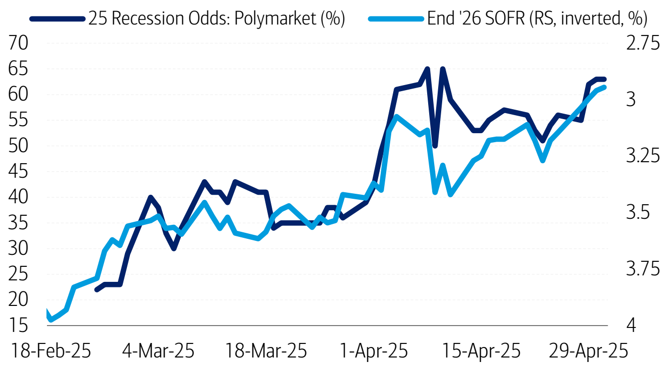
We continue to hold our July SOFR/FF widener. We expect debt limit resolution in late July / early August & bill cuts of $350b from now till end June (see US front end). We worry about upward funding pressure after July but recommend positioning for that amidst early summer funding stability.

Inflation: we expect front-loaded inflation risk premium to moderate but inflation shock could persist. We recommend short 1y & long 2y3y CPI swaps to position for less inverted inflation curve. Higher realized inflation could bring renewed source of demand for TIPS and compress inflation basis in belly of curve (see Not so fast & furious).

Vol: we take off our 1m fwd 2y30y bull flattener, which performed well into the refunding. We continue to favor 9-12m fwd 5s30s bear steepeners, enter a floor ladder in 2s10s & a receiver calendar in 1y tails (see US vol).

For the remainder of this section, we discuss the May FOMC & UST refunding. We also discuss UST demand from stablecoins, which has potential to disrupt the banking system.

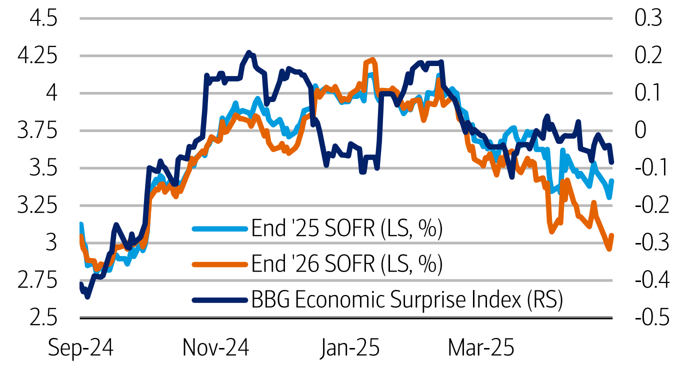
Exhibit 4: '25 recession odds & end '26 SOFR
Bad news is well priced



Source: Bloomberg

BofA GLOBAL RESEARCH

Exhibit 5: Bloomberg econ surprise & end '25 / end '26 SOFR
Economic surprises stable but market pricing deeper Fed cuts



Source: Bloomberg

BofA GLOBAL RESEARCH

May FOMC: wait & see

US rates expect little from the May FOMC meeting. Powell will likely reiterate the Fed is in no hurry to cut rates & in a wait & see approach given dual tariff employment & inflation threats. The market prices in elevated likelihood of the Fed on hold at this meeting but expects roughly 100bps over '25. Focus will be on the statement & Powell press conference for any shift in Fed's balance of risk assessment or cut willingness.

We expect the May FOMC to reiterate two of our core rate views: (1) pricing of near-term Fed cuts is overdone, and (2) downside growth risk should see cutting trough around 3%. For detail see: May FOMC preview.

May refunding: missed opportunity

In our view, refunding was a missed opportunity for UST to provide support to the long end: reengage 30y spread shorts & eye steepeners. We push back our timing for auction size increases from Nov '25 to Feb '26, bill supply higher. Shorter WAM discussion may come closer to when UST is ready to grow auction sizes. For detail see: May refunding recap.

Stablecoins: demand & disruption

The US Treasury & TBAC have recently been focused on stablecoins as a potential source of UST demand, especially at the front end. We agree.

Stablecoins and US rates matter for near- and medium-term reasons.

Near-term: better regulation & legitimacy of SC reserve assets can increase demand for short USTs, which may help UST justify lower WAM. This is especially true if stablecoin size grows from ~$225b today towards some TBAC cited estimates of $2tn by '28.

Medium-term: SC growth and payment integration could challenge the traditional banking and asset management industry via UST "spendability".

We encourage clients not to dismiss the potential impact of stablecoins on the UST market & banking system over time. See: Stablecoins & USTs: demand & disruption.

Bottom line: bad news is well priced, good news is underpriced. We look to re-engage soft duration long & curve steepeners on any rate rise, which could come after April payrolls. Trades: we pay June FOMC OIS, re-establish 30Y spread shorts, recommend short 1y & long 2y3y CPI swaps, hold July '25 SOFR/FF long, favor 9-12m fwd 5s30s bear steepeners, enter a floor ladder in 2s10s & a receiver calendar in 1y tails.

Rates – EU

Sphia Salim
MLI (UK)

Ronald Man
MLI (UK)

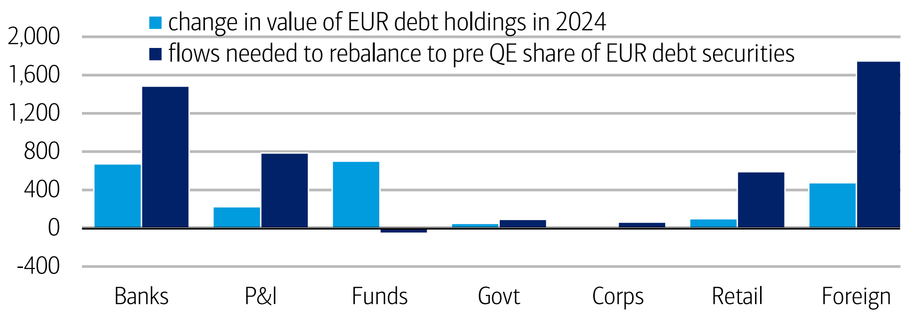
Edvard Davidsson
MLI (UK)

- We are receiving more questions on potential increased foreign demand for EGBs, as investors assess the renewed de-dollarisation thematic.
- Foreign demand has been on the rise already since 2023, including in German bonds. Latest data from the ECB shows it can still intensify, even without a de-dollarisation push. Allocations at this week's syndications & EPFR flows point to acceleration. The rising FX hedged pick-up in EGBs vs USTs probably support that acceleration.

Foreign demand for EGBs: old theme, new interest

We have been arguing that foreign demand for EGBs would rise as ECB QT accelerates. Indeed, foreign investors have been among the largest sellers of EGBs to the ECB during the QE period and are thus heavily underweight debt securities in their EUR portfolios. Recently released ECB data shows that, based on foreign investors' assets under management as of 4Q24, an increase in their share of EUR debt holdings back to pre-QE levels would require a rebalancing of over €1.6 trillion. This is in addition to the c.€400bn increase in the value of foreign investors' holdings of EUR bonds in 2024 (Exhibit 6).

Exhibit 6: Buying needed to rebalance portfolios to same share of EUR debt securities as pre-QE
Even as most EA investor types & foreigners added to their EUR bond portfolios in '24, more can be done.

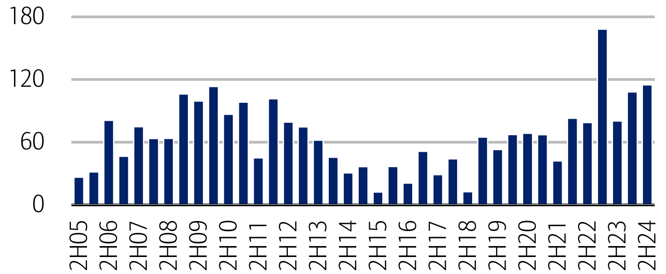


Source: ECB, BofA Global Research. Rebalancing calculations based on assets under management in 4Q24, and return to 1Q15 weights.
BofA GLOBAL RESEARCH

Foreign investors had indeed started increasing their holdings already in 2023-24. Newly released data from the German finance agency shows that non-EA investors increased their net secondary purchases in 2024 (Exhibit 7), with non-EA private investors' holding rising to 13% of German govt debt securities, from 5% at the end of 2022 (Exhibit 8).

Exhibit 7: Non-EA investors' net trading of German govt securities, bn€

Non-Euro Area investors have increased their net secondary trading in '24

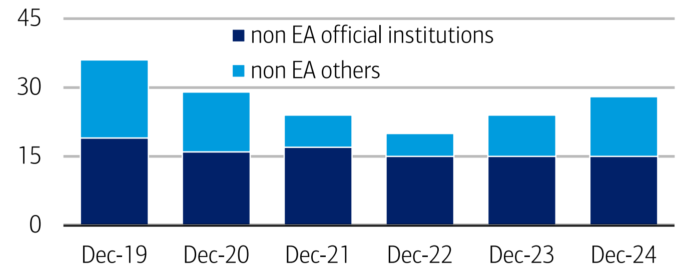


Source: German Finanzagentur, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 8: Share of German govt securities held by non-EA investors

Share held by non-EA private investors increased. That of non-EA official institutions stayed flat since 2022.



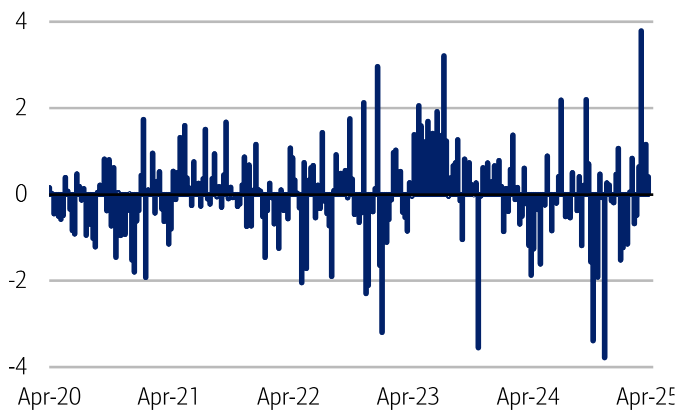
Source: German Finanzagentur, BofA Global Research

BofA GLOBAL RESEARCH

We believe this trend can accelerate, at least with more interest from private investors. EPFR data, although capturing a very small portion of the market, point to increased inflows into EUR fixed income (Exhibit 9), at a time when we saw outflows for US credit funds. EGBs have become more attractive vs USTs (and US corp bonds) on a rolling FX hedged basis. The pickup from 10y OAT over 10y UST on a rolling 3M FX hedged basis rose c. 105bp year-to-date and is near the 2019 levels (Exhibit 10). This was driven by the FX hedge component as ECB rates continued to diverge from Fed rates, which more than compensated for the relative richening of EGB vs UST on ASWs since 2 April.

Exhibit 9: EPFR inflows into EUR fixed income funds, 5y z-score basis

Last five weeks have seen inflows into EUR funds, incl. a week at a 4 std flow

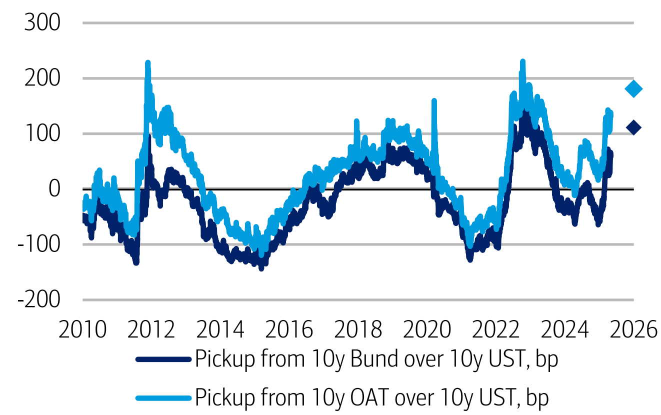


Source: EPFR, BofA Global Research.

BofA GLOBAL RESEARCH

Exhibit 10: Pickup of OAT and Bund over UST on 3M FX hedged basis, bp

Pickups from EGBs over USTs near 2019 highs



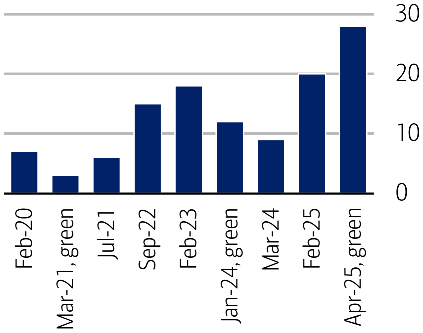
Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Our forecast economic & rates baseline imply further increase in the FX hedged pick-up of EGBs over USTs into year-end: from c.60bp currently to c.100bp for 10y Bund over UST, and from c.130bp currently to c.180bp for 10y OAT over UST if the 10y OAT-Bund spread is unchanged by year-end. Levels would be back to the early '23 highs (Exhibit 10).

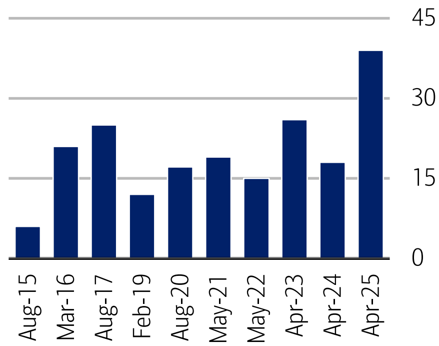
This week's syndications were also an opportunity to find out if foreign investors (especially official institutions, given the de-dollarisation thematic) are turning more towards EGBs. Allocations suggest this may be the case in France & Finland. Portugal saw higher allocation to core Europe and the Nordics, signalling more appetite for periphery risk.

Exhibit 11: % allocation to official institutions at French 20y-40y syndications since 2020
This week's May49 OAT green syndication saw the highest allocation to official institutions



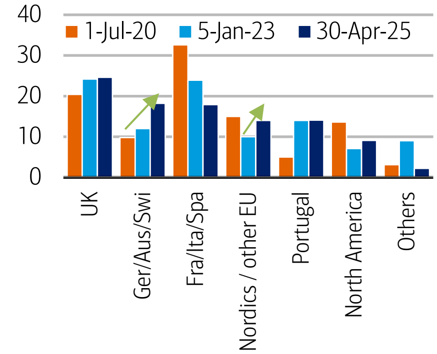
Source: AFT, BondRadar, BofA Global Research
BofA GLOBAL RESEARCH

Exhibit 12: % allocation to official institutions at Finnish 10y syndications since 2017
This week's 10y RFGB syndication saw highest allocation to official institutions of past 10 years



Source: Finnish Debt Agency, BondRadar, BofA Global Research
BofA GLOBAL RESEARCH

Exhibit 13: Geographical allocation at the last three 15y Portuguese bond syndications
Increased allocation to German/Austrian/Swiss



Source: IGCP, BondRadar, BofA Global Research
BofA GLOBAL RESEARCH

Implications: increased foreign demand flows from USTs to EGBs on a FX hedged basis should put tightening pressure on the 1M to 3M part of the EUR FX-Sofr basis curve. Flows should also be supportive of semi core and periphery spreads. We still like to be long 15y France to express our bullish duration and spreads view (current: 3.62, target: 3.5, stop: 4.05). The risk to the trade is an idiosyncratic political shock in France.

Rates – UK

Agne Stengeryte, CFA
MLI (UK)
agne.stengeryte@bofa.com

Mark Capleton
MLI (UK)
mark.capleton@bofa.com

Sonali Punhani
MLI (UK)
sonali.punhani@bofa.com

Ruben Segura-Cayuela
BofA Europe (Madrid)
ruben.segura-cayuela@bofa.com

- Next week's MPC shouldn't cause sharp repricing but could help front-end receivers. We buy 30y Gilts on ASW and will be on lookout for slower QT hints.

Below references BoE preview published on 30 April.

On the lookout for slower QT hints

25bp cut with dovish forecasts, but cautious guidance
Our economists expect the BoE to cut Bank Rate by 25bps next week with an 8-1 vote split (Dhingra voting for a 50bps cut), with risks skewed to a more dovish voting pattern.

Reasons behind their call for a cut next week and another three in 2025 (Aug, Sep and Nov): encouraging inflation progress, lower energy prices and emerging downside growth and inflation risks from tariffs. Reasons why we think a larger 50bp cut is unlikely at this stage: lower financial stability risks, better starting point for growth, caution ahead of rise in NICs and inflation uncertainty stemming from impact of tariffs.

We expect BoE forecasts to show lower future growth and inflation, opening the door for faster cuts in the second half of the year. But for now, we expect the BoE to retain the careful, gradual, and meeting-by-meeting guidance amid the uncertainty. Our economists think that Jun or Aug is where the dovish BoE pivot could materialize. But risks of a dovish pivot in May cannot be ruled out, especially if inflation forecast downgrades are bigger than we expect, opening the door for faster cuts already.

Rates already pricing in a cut: our base case outcome should not rock the boat…
The rates market is fully pricing in a 25bp Bank Rate cut from the BoE next week. With 95bp of cuts priced in by Nov, our expected outcome of a cut with dovish forecasts but cautious guidance should not result in a major repricing, but would be helpful at margin for received expressions further out in 2025 where market pricing still falls short of our base case (Exhibit 14).

- We keep our received Nov MPC-dated Sonia entered at 3.66% on 11 Apr (see Rates – UK section of The art of the repeal). Current: 3.54%. Target: 3.46%. Stop: 3.76%. Risk to the trade is an upside inflation surprise.

We also maintain a steepening bias given the possibility of (but not our base case) that terminal rate realises at 3.25% in early 2026 (Exhibit 15).

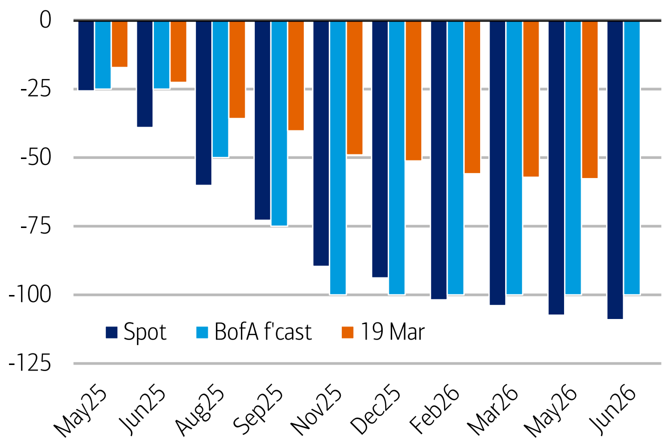
- We keep our steepener-like short the belly of Sonia 3s5s7s trade entered at -12bp on 5 Sep (Back to school: tough tests this term). Current: -6bp. Target: 10bp. Stop: -21bp. Risk to the trade is an upside inflation surprise.

… but QT hints would be important, if they were to materialise
It is probably too soon, but we (and the market) will be on the lookout for any hints regarding the QT pace from October. We think that chances of a slowdown from October are non-zero: the DMO has done its bit; now it is the BoE's turn to adjust (see Revised remit, revised thinking, 23 April).

The slight QT Gilt sales' calendar amendment made on 10 Apr, replacing the scheduled long-dated Gilt operation for 14 Apr with a short-dated one and shifting the long sale to 3Q25, was a signal to us that the Bank is keeping a close eye on market fragility and may be coming round to the idea that QT is having a more meaningful impact on the market (rather than happening "in the background", as desired).

Pill's comments on 23 Apr highlighting that there is a question over whether QT may exacerbate rises in bond yields (although specifically in times of market stress), saying that the Bank is ready to tweak its balance sheet run-off in response to market volatility, supported our view.

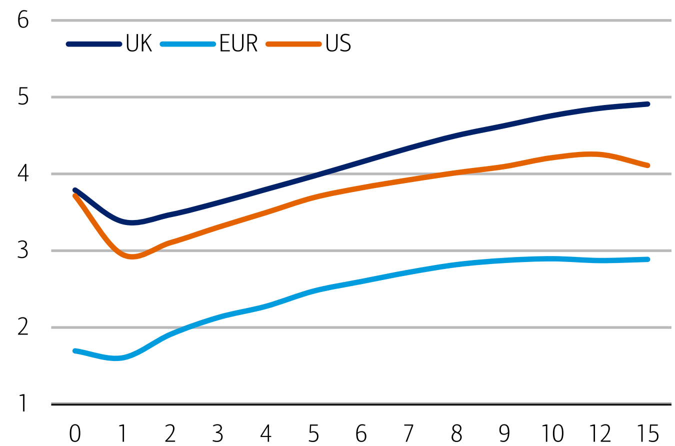
Exhibit 14: MPC-dated Sonia Bank Rate hike exp. vs BofA forecasts, bp
Significant repricing towards more Bank Rate cuts since March MPC meeting



Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 15: 1y OIS forward gaps in UK, EUR and US, %
Market pricing c. 3.5% terminal rate in the UK



Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

We go long 30y Gilts on ASW

Our recently updated forecasts imply Sonia realising broadly along the forwards, but our Gilt yield forecasts lie below the forwards and imply performance relative to Sonia further out on the curve (see Rates – UK section of Double WAMmy, 25 April). QT slowdown theme into late summer is one factor behind this judgement: no active QT from Oct would imply a roughly 20% reduction in long Gilt sales from DMO and BoE relative to current Remit and unchanged QT pace from Oct.

We continue waiting for 2Q to judge foreign demand for Gilts, expecting a rebound from April (see Gilt buying in March: seasonals on show, 1 May). Separately, Gilt pickup analysis might be helpful when thinking of demand ahead and across the curve: for USD investors, 30y Gilts appear the most attractive on a full FX hedged basis among the non-spread products (ie, excluding France, Spain and Italy), but not so on a rolling hedged basis. For a broad range of investors, 30y appears to be the most attractive across the GBP curve on a full FX hedged basis but again less so on FX hedged basis.

More tactically, July being a relatively heavy Gilt coupon payment month, around 40% of the payment amount will be in the long-end (37% in private). We enter new trade idea of long 30y Gilt ASW using benchmark Gilt. We will monitor the trade on z-spread basis:

- Long 30y Gilt on ASW (using UKT 4.375% 2054) at 91bp with a target of 75bp and stop of 100bp. Risk to the trade is re-emergence of UK fiscal worries.

For those keen on cross-market expressions, we would also highlight that our team are back to favouring short 30y USTs on ASW, having been disappointed with the May refunding outcome (see May refunding recap: signal miss. 30 April).

Rates – AU

Oliver Levingston
Merrill Lynch (Australia)
oliver.levingston@bofa.com

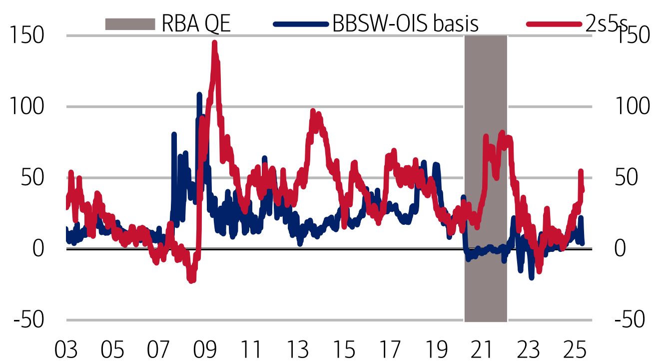
This is an except of Liquid Insight, 1 May 2025.

Cheap hedges against global risk in AUD basis

AUD rates and basis markets are sending different signals. Even with fixed-income markets pricing a higher probability of deterioration in the macro outlook (wider credit spreads, front-loaded RBA easing cycles) and the RBA's recent decision to reduce its footprint in short-term funding markets[1], the spread between AUD bank bills and OIS (BBSW-OIS basis/ BOB) has tightened from over 25bps on 9 April to around 3bps today.

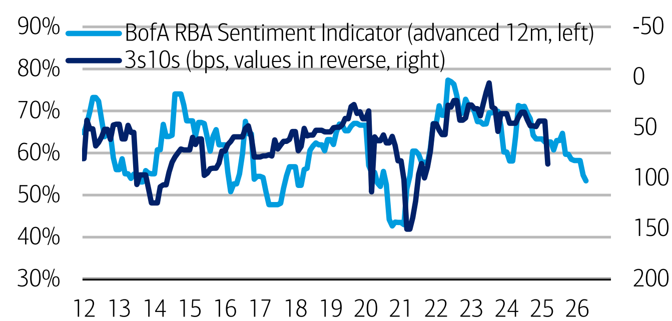
We close our tactical flattener as BofA's RBA Sentiment Indicator shifts further into dovish territory and recommend investors capitalize on tight BOB spreads as a cheap hedge against elevated global risks. **We recommend paying 1y1y BOB** because the structure has negligible carry and moved at a high beta to global risk during the reciprocal tariff episode. Entry 13bps, target 25bps, stop 7bps. Risk: tighter credit spreads could pull down 1y1y BOB given the structure is a liquid, high beta proxy for risk

Exhibit 16: 3m BBSW-OIS Basis (BOB) vs AUD 2s5s swaps
Paying AUD basis is a cheap hedge against rising global risk



Source: Bloomberg *QE = quantitative easing (RBA bond purchase program, yield curve control)
BofA GLOBAL RESEARCH

Exhibit 17: BofA RBA Sentiment Indicator (advanced 12 mths) vs 3s10s AUD futures curve
More negative BofA RBA Sentiment Indicator = more dovish RBA



Source: RBA, BofA Global Research. The BofA RBA Sentiment Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.
BofA GLOBAL RESEARCH

Paying BOB is a hedge against global risks

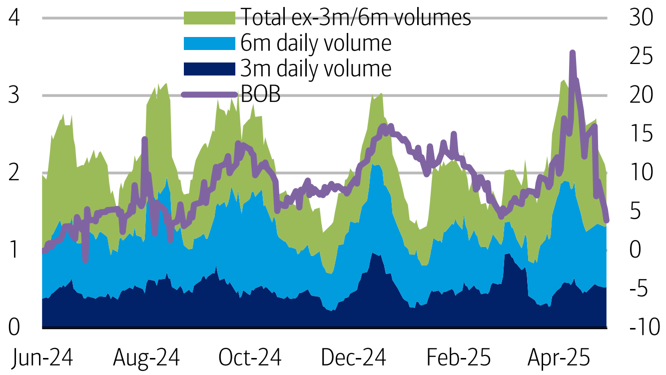
In the nearer term, BOB is likely to track local and global credit conditions. The supply of bank bills has fallen significantly after spiking during the reciprocal tariffs, risk-off episode around 9 April. Over this period, BOB has been quite volatile, peaking at 25bps and falling to just 4bps today.

Using volumes of bank accepted bills traded in the daily rate set window as a proxy for daily supply, total volumes have fallen from about AUD 3bn to AUD 2bn after a spike during the risk-off episode in early April (Exhibit 18). Paying 1y1y BOB is equivalent to positioning for another spike in the supply of bank bills. In other words, it is a risk-off hedge.

[1] See our AUD front-end primer for a detailed explanation of money market terms used in this note.

One of the main reasons we like this trade is the shape of the curve. The spread between Dec '25-starting BOB and 1y1y BOB is close to zero (Exhibit 19). The plateau in BOB levels beyond 2025 means the carry of paying BOB is close to zero over the next few months. For investors who prefer to pay 6s3s basis, though, 2y1y 6s3s has positive carry and 6m 6s3s has not tightened as much as BOB.

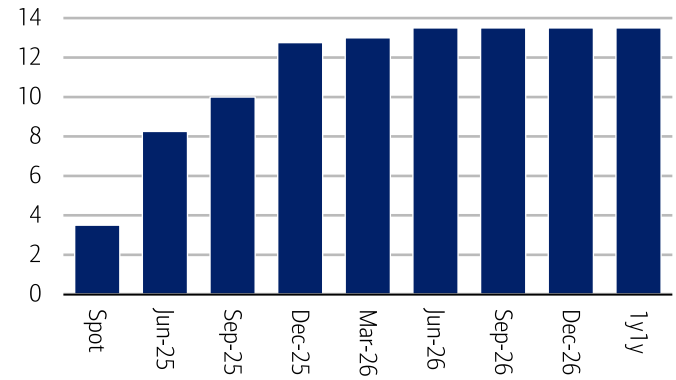
Exhibit 18: BOB vs volumes traded in daily rate set window
BOB has tightened alongside a fall in daily volumes



Source: ASX, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 19: Levels for forward-starting BOB (bps)
Steepness fades beyond Dec '25-starting BOB



Source: Bloomberg

BofA GLOBAL RESEARCH

RBA OMO changes should push BOB wider

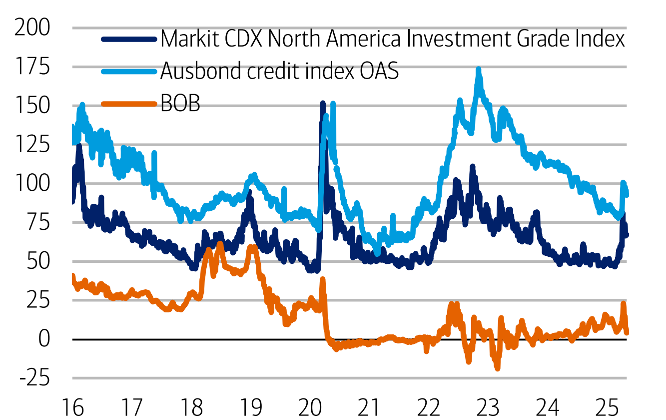
Over the longer run, changes to the RBA's open-market operations (OMOs) announced in early April are likely to push spot BOB higher. The RBA Board decided to move from the de facto floor system with excess reserves to an ample reserves regime. For full details, see Australia Watch, 8 April 2025.

These changes mean the RBA would not be required to hold a sizeable buffer of reserves over underlying demand, which leads to a relatively large balance sheet. Excess reserves imply some additional risk to the RBA (e.g. interest rate risk) and a more sizeable footprint in private markets compared to the RBA's new 'ample reserves' system. The OMO changes are designed to increase private market activity and reduce the size of the RBA balance sheet, while reserves are still ample, but likely will lead to slightly more cash rate volatility.

Fair value for BOB around 15bps

Although the link between BOB and bank reserve levels is tenuous, the RBA expects reserves to stabilise around AUD 100-200bn, which implies a fair value of around 15bps. See Exhibit 21. Intuitively, this level makes sense as an approximate halfway point between the COVID-era, when BOB traded around zero, and the pre-COVID era when surplus ES balances were close to zero and BOB traded closer to 30bp.

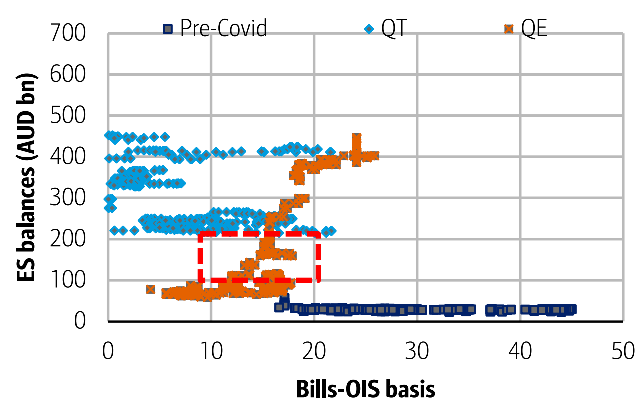
Exhibit 20: IG credit spreads vs BOB
BOB remains an outlier



Source: Bloomberg * OAS = option-adjusted spread

BofA GLOBAL RESEARCH

Exhibit 21: BOB vs Exchange Settlement balances
We see fair value for BOB around 15bps



Source: Bloomberg, RBA

BofA GLOBAL RESEARCH

Rates – JP

Tomonobu Yamashita
BofAS Japan
tomonobu.yamashita@bofa.com

Shusuke Yamada, CFA
BofAS Japan
shusuke.yamada@bofa.com

- Lifers to reduce JGB holdings in FY25, mixed on foreign bonds, likely to increase alternative investment.
- JGB curve to continue steepening on lack of demand particularly for 40yr issues

This is an excerpt from Japan Rates and FX Watch, 30 April 2025

Lifers to further slow superlong JGB purchases

Superlong JGB yields appear to be above Japanese life insurers' assumed interest rate on insurance liabilities, but they are expected to reduce their JGB holdings in FY25. This reflects their reduced need to buy superlong JGBs for ALM purposes, and their expectation for 1-2 BoJ rate hikes within FY25. We would note that some life insurers apparently drew up FY25 investment plans prior to the announcement of the Trump administration's so-called “reciprocal” tariffs, and their investment policies could change considerably depending on the outcome of US-Japan negotiations.

JGB holdings to decline

The five major life insurers' FY25 investment plans indicate that they intend to reduce their JGB holdings (Exhibit 22). While some lifers do plan to increase their holdings, the 28 April Nikkei reported that the nine majors (excluding Sumitomo Life) intend to reduce them by a total of ¥1.3tn in FY25[2]. Given that they increased their holdings by around ¥360bn in FY24, this implies a major shift in their investment strategy for superlong issues in FY25.

However, we do not expect lifers to sell their JGB holdings outright. They simply appear to be slowing their buying of superlong JGBs now that they have nearly finished matching the duration of their assets and liabilities to comply with economic value-based solvency regulations. In short, planned JGB redemptions are expected to exceed planned investment, resulting in a YoY decline in lifers' JGB holdings. They also look set to continue rotating their portfolios from low- to high-yield bonds.

According to JSDA's OTC bond trading data, Japanese lifers' net buying of superlong JGBs has slowed for four straight years, from a peak of ¥7.6tn in FY20 to just in ¥1.2tn FY24 (Exhibit 23). Based on their recently released investment plans, we expect this to shrink again in FY25.

Foreign bonds: Mixed

Some life insurers may increase their holdings of FX-hedged US high-rated corporate bonds, reflecting the decline in domestic investors’ FX hedging costs following rate cuts by major developed-market central banks. Their stance on unhedged bonds is mixed.

According to the Ministry of Finance (MOF), Japanese lifers have been net sellers of foreign bonds since FY20 (Exhibit 24). While major FX-hedged sovereign yields remain lower than yields for JGBs with the same maturity, their cautious stance on JGB investments implies their exposure to foreign bonds may not fall as much.

[2] https://www.nikkei.com/article/DGXZQOUB249TT0U5A420C2000000/

Rates: 30s40s spread could widen

MOF's FY25 JGB issuance plan reduces both 30yr and 40yr issuance by ¥1.2tn versus FY24. However, lifers' FY25 investment plans cast doubt on whether these cuts will be sufficient to offset falling demand for superlong JGBs, and we therefore expect the JGB curve to remain steep.

Domestic investors were net sellers of superlong JGBs in March, the end of Japan's fiscal year, while nonresident investors aggressively bought on weakness. We think nonresidents took losses on flatteners in April. We therefore expect a general lack of demand for superlong JGBs in the near term. Domestic life insurers also look likely to invest mainly in superlong issues in the 20-30yr zone, suggesting a pronounced lack of demand for 40yr issues. This has caused the 30s40s spread to widen to around 42bp, and we see it as unlikely to narrow to the levels around 30bp previously seen in March (for details, see Japan Rates Watch: JSDA March OTC Bond Trading: Domestic investors sell, nonresidents buy the dip 21 April 2025).

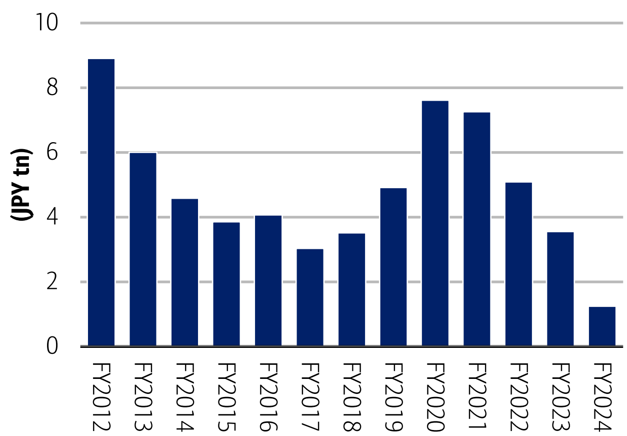
Exhibit 22: 10 major life insurers' FY25 investment plans
A major shift in their investment strategy for superlong JGBs

	Domestic bonds	FX-hedged foreign bonds	FX-unhedged foreign bonds	Domestic equities	Foreign equities
Nippon	Down	Up	Flat to Up	Up	Up
Meiji-yasuda	Down	Up	Up	Down	Up
Dai-ichi	Flat	Flat	Down	Down	Flat
Sumitomo	Down	Up	(depends on the market)	(depends on the market)	(depends on the market)
Taiyo	Up	Down		Down	Down
Daido	Up	Down	Down	Down	Down
Taiju	Up	Flat	Up	Up	NA
Fukoku	¥+110bn	Soverign ¥-30bn, Credit ¥+30bn		Flat	¥+20
Asahi	¥-45bn	¥+100bn (depends on the market)		¥+5bn	Flat
Kampo	Down	Down to Flat	Small Up	Flat	Flat

Source: Bloomberg, Reuters, Nikkei, BofA Global Research

BofA GLOBAL RESEARCH

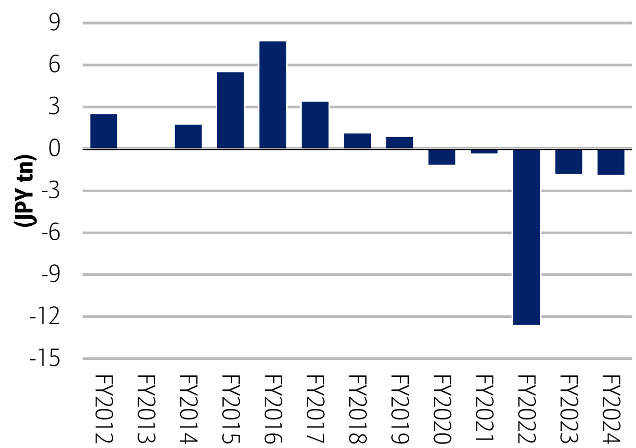
Exhibit 23: Life insurers' net superlong JGB investment
Lifers' investment in JGBs has been declining since FY20



Source: JSDA, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 24: Life insurers' net foreign bond investment by fiscal year
Lifers have been net sellers of foreign bonds since FY20



Source: MoF, BofA Global Research

BofA GLOBAL RESEARCH

Front end – US

Mark Cabana, CFA
BofAS

Katie Craig
BofAS

- Treasury quarterly refunding results in more bill supply & slightly earlier X-date vs prior projections.

Below is an excerpt from Funding notes: refunding & front end

QRA prompts bill supply and TGA forecast revisions

Treasury's quarterly refunding announcement has pulled forward our X-date forecast and pushed back our expectations for coupon auction increases (see: May refunding recap). As a result, we revise our forecasts for (1) bill supply (2) TGA / Fed balance sheet.

Later coupon auction growth = higher bill supply

The Treasury's quarterly refunding announcement retained guidance to maintain nominal coupon auction sizes for "at least the next several quarters." We expected this language to be removed and forecasted Treasury would need to begin growing coupon auction sizes by November due to (1) elevated deficits, and (2) to keep a lid on bills as a percent of marketable debt. Retention of this language pushes out our forecast for UST coupon size increases from Nov '25 refunding to Feb '26 refunding. The later increase in coupons will mean more bill supply from Q4 '25 thru FY '27 vs our prior forecasts (Exhibit 25). We now expect coupon auction size increases in '26 to help bring down bills as a % of marketable debt towards 20% by FYE '27. Treasury may be indicating a preference to run bills as % of portfolio larger vs prior TBAC guidance.

Higher financing needs: earlier X-date

Monday's UST financing estimates provided forecasts for Treasury's expected financing need in Q3 '25, which we use as an input into our X-date and TGA forecasts. Due to the debt limit, Treasury can only meet financing needs by issuing a limited amount of net new debt using extraordinary measures or by spending down their cash balance (TGA). A higher financing need in Q3 implies Treasury will hit the X-date sooner than anticipated.

We now expect UST to hit the X-date by mid-Oct (from late Oct) but see Treasury uncomfortably low on cash and extraordinary measures starting in late August (Exhibit 26). Treasury stated their new X-date estimate should be announced in the next couple of weeks. We expect Treasury to provide conservative guidance on the X-date & suggest they lack confidence to stave off default beyond late August. Our base case remains a debt limit resolution by late July or early August, prior to the August Congress recess.

Bills, TGA, & Fed B/S: Sept could see reserve drain

Our late July debt limit resolution is reflected in our forecasts for bill supply, TGA, and Fed balance sheet. Bills = we expect \$325b additional cuts into end July & over \$900b of net bill issuance from August to November. TGA = rebuild will take place quickly after debt limit resolution & should see TGA back to \$850b by end Sept. Fed balance sheet = in Sept ON RRP is expected to reach near zero & reserves could fall below \$3tn around the same time, which could see clearer upward funding pressure (Exhibit 27).

Bottom line: Treasury quarterly refunding results in more bill supply & slightly earlier X-date vs prior projections. TGA rebuild could see clearer upward funding pressure in Sept; in Sept we expect ON RRP to reach near zero & for clearer reserve drain.

Exhibit 25: Bill and coupon issuance estimates by month

We expect $450b in bills cuts in Q2 followed by $546b in new bill supply in Q3 due to debt limit dynamics. We assume a late July DL resolution

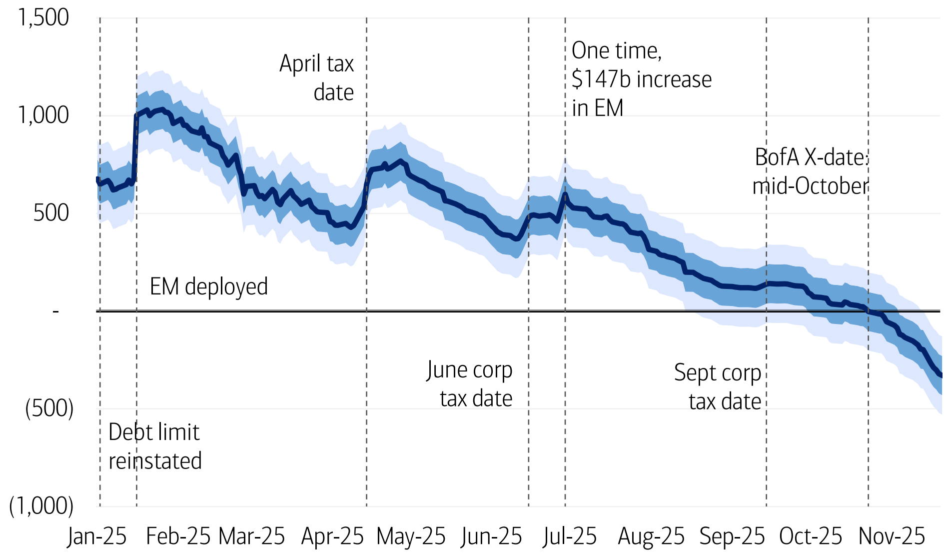
	Financing Need	TGA EOP	TGA Change	Marketable Borrowing	Buybacks	Net Coupon	Net Bills	Fed Coupon Maturities	Fed Bill Maturities	Net Coupons to the Public	Net Bills to the Public	Net Supply to the Public
	1		2	3 = 1 +2	4	5	6	7	8	9 = 5 + 7	10 = 6 + 8	11 = 9 + 10
May-25	207	400	-196	11	9	158	-147	5	0	163	-147	16
Jun-25	-14	390	-10	-24	31	183	-207	5	0	188	-207	-19
Jul-25	259	250	-140	119	9	93	26	5	0	98	26	124
Aug-25	242	450	200	442	9	138	304	5	0	143	304	447
Sep-25	-21	850	400	379	31	163	216	5	0	168	216	384
Oct-25	180	858	8	188	9	79	109	5	0	84	109	193
Nov-25	425	867	8	433	9	131	302	5	0	136	302	438
Dec-25	48	875	8	56	31	157	-101	5	0	162	-101	61

Source: BofA Global Research, US Treasury, Federal Reserve

BofA GLOBAL RESEARCH

Exhibit 26: EM + Treasury cash balance remaining forecast ($bn)

We acknowledge a wide bank of uncertainty (+/-$200b) with our X-date now mid-Oct with risks starting in late Aug



Source: BofA Global Research, Haver Analytics

BofA GLOBAL RESEARCH

Exhibit 27: Select Fed assets and liabilities forecast ($bn)

We expect the Fed to continue QT through the end of '25 as excess liquidity in the system is drained after TGA rebuild

	Asset				Liabilities					
	UST	MBS	Fed Facilities	Other	Currency	TGA	ON RRP	Other	Reserves	Total
May-25	4213	2157	8	365	2386	400	303	434	3219	6742
Jun-25	4208	2138	7	366	2392	390	281	436	3219	6719
Jul-25	4203	2120	6	367	2398	250	389	439	3219	6695
Aug-25	4198	2101	5	368	2404	450	158	441	3219	6672
Sep-25	4193	2085	4	369	2410	850	0	443	2947	6651
Oct-25	4188	2069	0	370	2416	858	0	446	2906	6626
Nov-25	4183	2055	0	371	2422	867	0	448	2871	6608
Dec-25	4178	2039	0	372	2428	875	0	451	2835	6589

Source: BofA Global Research

BofA GLOBAL RESEARCH

Technicals

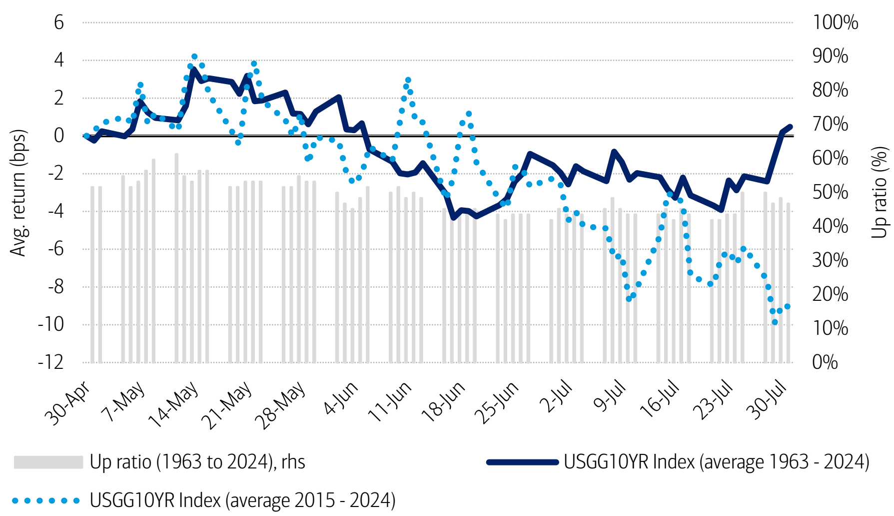
Paul Ciana, CMT
BofAS
paul.ciana@bofa.com

- US 10Y yield declined in April which historically favors a lower bias into YE25. Since 1963, yield tended to move lower from a May peak to a June trough.
- For more, please see: Seasonality Advantage: The 90-day warm up 30 April 2025.

US 10Y Yield: Down April favors a downtrend into YE25

Since 1963, the average trend ending April through July was flat but over the last ten years, the average decline in yield was down by about 10bps (Exhibit 28). US 10Y yield by week in May has shown no strong hit ratio for being up or down (Exhibit 29). If April is a down month (below 4.2053%) then US 10Y tended to be lower until December (Exhibit 29). From mid-May to mid-June in year 1 of the US Presidential cycle, yield declined about 20bps (Exhibit 29). Since 1963, when 10y yield is above the 200d SMA, it tended to rise on Mondays 59% of the time with average gain of 1.14bps. If below the 200d SMA, 10y yield tended to go down on Tuesday by -2.62bps and on Friday by -1.34bps.

Exhibit 28: US 10Y Yield average trend peak by Memorial Day, leans lower in summer
Average three-month trend from Apr 30 to Jul 31 since 1963 and 2015



Source: BofA Global Research, Bloomberg
Note: We calculate up ratios from the start of the period to the end of each day ahead.

BofA GLOBAL RESEARCH

Exhibit 29: April was a down month closing at 4.1619% below that of the close of March of 4.2053% at 4.1619%. When this occurred in the past, US 10Y tended to be lower in the 2H of the year, especially through August.
Average trend from April close through future months close depending if April was an up or down month since 1963.

End of April to end of following months	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Avg. ret (bps) in following period if April was up	2	1	1	2	0	0	-10	-8	-11	-2	-6	-6
Avg. ret (bps) in following period if April was down	-6	-9	-11	-18	-21	-24	-27	-29	-25	-20	-8	10
Up ratio if April was up	60%	51%	54%	51%	57%	51%	49%	43%	47%	41%	53%	50%
Up ratio if April was down	42%	38%	35%	27%	38%	35%	35%	38%	46%	46%	50%	50%

Source: BofA Global Research, Bloomberg; USGG10YR Index data (1963 to 2024)

BofA GLOBAL RESEARCH

Volatility - US

Bruno Braizinha, CFA
BofAS
bruno.braizinha@bofa.com

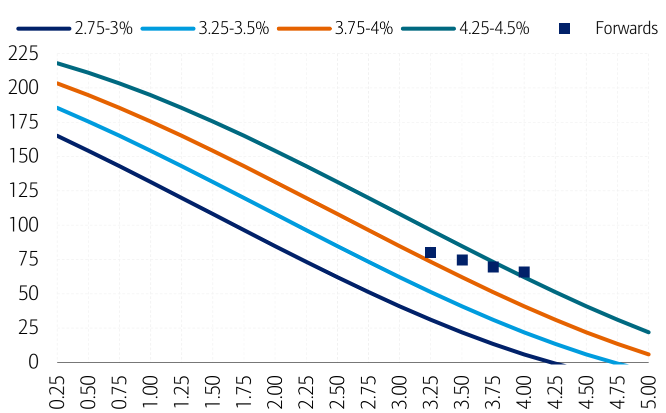
- We close our tactical 1m fwd 2s10s bull flatteners, stay in 9-12m fwd 5s30s bear steepeners, enter 6m fwd 2s10s floor ladder & long 18m1y vs 6m 1y receivers.

Recent rates move & shifting expectations

In our view, refunding was a missed opportunity for UST to provide support to the long end of the curve (see May refunding recap: signal miss). We recommended a tactical 1m fwd bull flattener in 2s30s (currently +4bp, see May refunding preview: seeking a signal) to position for a potential show of support for the backend in the refunding announcement. With the refunding announcement falling short of our expectations, we recommend closing the position & reevaluate some of our views for vol structures across the curve.

- **At the backend**: our bias continues to be for *bear steepeners in 5s30s with expiries between 9-12m* (currently +20bp). The position picks to the fwds and leverages scenarios of more material supply/demand imbalance or shocks to liquidity/funding (see 2022 UK debt sustainability episode – A case study for the US).
- **In the 2s10s sector**: forwards are pricing a bull steepening trajectory that seems to be reflecting neutral rate expectations c.4% or slightly above (materially above the Fed's HLW r* estimate of 0.79%, which implies a nominal rate c.3% or slightly below). We see scope for the curve to fail to deliver on fwds (e.g., by fading term premium and/or frontend cuts) and favor *costless 6m fwd 2s10s floor ladder* (target 17bp, stop -10bp). Downside breakeven c.20bp for 2s10s. Risk is flattening dynamic beyond the downside breakeven with potentially unlimited downside.
- **At the front end**: the expectations for the curve are more uncertain. In scenarios where the Fed regains optionality through a recoupling of inflation to lower growth expectations, the market may frontload cuts and 2s5s may bull steepen. Conversely, in scenarios where the administration delivers on trade deals & likelihood of recession fades (see Exhibit 31), the curve may bear flatten. We see risks for the latter frontloaded and the former backloaded & favor *selling 6m1y vs buying 18m1y receiver calendar* (vega weighted & costless indicative, target 30bp, stop -15bp). Risk is frontloading of cuts near-term and fading medium term, with potentially unlimited downside.

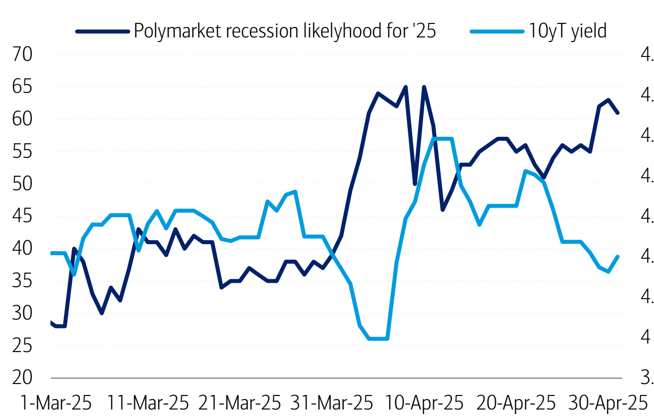
Exhibit 30: Expectations for 2s10s bull steepening vs neutral rate view
2s10s fwds seem to reflect neutral expectations c.4% or slightly above



Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 31: Polymarket recession likelihood for '25 vs 10yT levels
10yT levels close to early March levels despite higher recession likelihoods



Source: BofA Global Research; Bloomberg, Polymarket

BofA GLOBAL RESEARCH

Rates Alpha trade recommendations

Exhibit 32: Global Rates Trade Book - open trades

Open trades

Region	Open Trades	Entry Date	Entry	Target	Stop	Latest Level	Trade rationale	Risk
Europe	Receive BTPei 2033-39 fwd yield	1-Apr-25	358	300	400	354	Bullish call, RV, index events	Generalized Italy cheapening
Europe	Long EU 30y vs Netherlands	28-Mar-25	72	60	80	74	EU cheap to NL, on supply concerns	Large increase in EU bond supply
Europe	Long 15y OAT May-42	21-Mar-25	3.84	3.5	4.05	3.62	Long duration + a tactical bullish view on FR	FR political risks, larger long end EGB supply
Europe	Receiving 6m1y EUR vs CHF	14-Mar-25	176bp	130bp	200bp	174bp	Continued ECB easing and SNB pause	Negative SNB policy rate
Europe	US-Euro 2y3y inflation widener	7-Mar-25	28bp	50bp	15bp	36bp	Inflation view; roll-down	US recessionary threat
Europe	BTPei 2039 iota narrower	7-Mar-25	25.4	17.0	30.0	22	Index events	Heavy BTPei 2039 supply
Europe	6m5y 1x1.5 rec	5-Feb-25	0bp	14bp	-10bp	1bp	Repricing of ECB terminal lower	Rally beyond downside breakeven
Europe	Short 1y1y vs 1y10y vol	24-Nov-24	6.5bp	20bp	-10bp	-1bp	Underperformance of left side on dovish ECB	Hawkish policy shift
Europe	Long 30y Bunds vs Netherlands	24-Nov-24	14.5	25	8	15	Fade the cheapness of GE long-end	Change in German constitution
Europe	Pay 1y1y Euribor-€str basis	24-Nov-24	21.5	30	17	22	Reduced liquidity, increased term funding cost	New ECB LTROs / early end to QT
Europe	5y1y ATM-25/-100bp rec spread	8-Feb-24	25bp	60bp	0	25bp	Lower ECB terminal rate, without negative carry	Better than expected EUR data
UK	Long 30y Gilt on ASW	2-May-25	91	75	100	91	Expect BoE to at some point signal slower QT	UK fiscal worries
UK	Receive Nov MPC-dated Sonia	11-Apr-25	3.69	3.45	3.81	3.63	Expect market to price cut pace acceleration	Upside inflation surprises
UK	Long UKT 0 1/8% 2028 vs. UKT 4 3/8% 2028 on ASW (on z-spd)	24-Jan-25	-29	-40	-24	-30	Retail demand for low coupon Gilt	Change in the tax treatment of Gilts for retail
UK	UKTi 2037/39 real curve flattener	24-Oct-24	17	9	25	23	Attractive level; low coupon value	Supply related dislocation
UK	UKTi 2032/36/47 barbell (+43.8%/-100%/+56.2% risk)	05-Sep-24	14.8	5.0	20.0	19	Expect forward flattening	Illiquid conditions
UK	Short Sonia 3s5s7s (pay 5s)	05-Sep-24	-12	10	-21	-6.0	Mortgage paying flows	Stamp Duty tax rise at the Oct budget
UK	Sell UKTI 2036 v UKT 2042 on ASW	26-Jul-24	-21	-8	-28	-23.6	Historical extreme spread	Poor nominal auction demand
US	Pay June FOMC OIS	2-May-25	4.18%	4.3%	4.05%	4.18%	Fed unlikely to be cutting so soon	Hard data softens to justify cuts
US	Short 30y swap spread	30-Apr-25	-90	-110	-75	-91	Disappointment in de-regs and deficits	WAM shortening by Treasury or Fed
US	18m1y vs 6m1y rec	1-May-25	0bp	30bp	-15bp	0bp	< frontloaded cuts, > backloaded cuts	>frontloaded cuts with < medium term
US	6m fwd 2s10s floor ladder	1-May-25	0bp	17bp	-10bp	0bp	Underperformance of curve vs fwds	Flattening beyond the c.20bp BE
US	Long 2y3y inflation	24-Apr-25	2.24	2.50	2.05	2.20	Expect above market inflation medium term	Downturn that lowers inflation compensation
US	Long July SOFR/FF	22-Apr-25	-41	-80	-15	-48	Patient Fed and downside growth concerns	Rapid near-term Fed cuts
US	6m10y payer spreads	11-Apr-25	-3.5bp	+1bp	-7bp	-3bp	Softer funding with bill paydowns	Early debt limit resolution
US	1y inflation swap short	10-Apr-25	3.49	2.90	3.90	3.40	Lower tariff premium	Upside tariff risks, oil price shock higher
US	6m5y payer ladder	7-Apr-25	8.5bp	25bp	-8.5	0bp	Fed on hold, limited scope for bearish shocks	Limited to upfront premium
US	6m1y rec spd	7-Mar-25	0bp	25bp	-10bp	2bp	Repricing of Fed policy through higher	Selloff beyond downside BE
US	Sell 1m10y vs 6m10y receiver	21-Jan-25	11bp	25bp	-11bp	25bp	Higher slowdown likelihoods	Limited to upfront premium
US	1y1y receiver 1x1.5	21-Jan-25	0bp	20bp	-10bp	26bp	Higher slowdown likelihoods	More significant rally near vs medium term
US	1y fwd 5s30s bear steepener	12-Dec-24	9bp	60bp	-15bp	-6bp	Hedging slowdown scenarios	Aggressive hard landing scenarios
US	1y10y payer spd vs 3m10y payer	24-Nov-24	0bp	30bp	-15bp	21bp	Term premium build & reacceleration scenarios	Bear flattening on hawkish Fed
US	1y1y straddles vs strangles	24-Nov-24	0bp	30bp	-15bp	-7bp	Higher recalibration/reacceleration likelihoods	Frontloaded sell that fades medium term
US	Long 5y30y vol vs 2y30y vol	24-Nov-24	+0.31%	20bp str /vega	-10bp str /vega	0.32%	Long vol of vol	Lower vol of vol
US	1y fwd 2s10s floor ladder	24-Nov-24	+5.5bp vega	15bp vega	-10bp vega	1bp	Vega supported bearish tail scenarios	Outperformance of intermediate vs long vega
US	3y1y rtr spd a/-50bp	28-May-24	-20bp	-40bp	-60bp	35bp	Hedging hawkish fed scenarios	Unlimited downside in Inversion > -80bp
US	Long 1y10y rtp spd vs 4m10y rtp	6-Nov-23	pay 23bp	50bp	-23bp	7bp	Soft landing scenario	Capped to premium
APAC	Pay AU 1y1y BOB	1-May-25	13bp	25bp	7bp	-11bp	Cheap hedge against global risks	Sustained period of tight spot spreads
APAC	AU 6m3y receiver 1x1.5	27-Mar-25	4bp	30bp	-15bp	3bp	Dovish repricing of RBA terminal	Hawkish RBA shift
APAC	JP 1y2y payers spd vs 1y10y payers	24-Nov-24	0bp	40bp	-15bp	2bp	Bear flattening of the curve	Lagging BoJ & curve bear steepening
APAC	JP 1y5y payer ladders	24-Nov-24	0bp	28bp	-10bp	2bp	Repricing of policy trough	Underperformance vs. downside b/e
APAC	KR 1y fwd 2s10s bull steepeners	24-Nov-24	0bp	25bp	-10bp	10bp	Dovish BoK and bull steepening	Hawkish shift for BoK
APAC	KR 1y5y receiver spd	24-Nov-24	-16bp	34bp	-15bp	27bp	Repricing of policy trough lower	Capped to upfront premium

Exhibit 33: Global Rates Trade Book - closed trades

Closed trades

	Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
Europe	Long 5y Greece vs Portugal	19-Nov-23	42	0	65	2-May-25	12
	Receive Dec ECB €str	2-Jan-25	1.77	1.3	2.18	17-Apr-25	1.47
	EUR 3m2y payer fly	16-Jan-25	12.4	35	2	16-Apr-25	0
	Pay 10y real Sofr, rec. 10y real €str	24-Nov-24	-112	-180	-80	1-Apr-25	-75
	Pay 1y1y CHF OIS	11-Dec-24	0.06%	0.35%	-0.10%	07-Mar-25	0.29%
	6m fwd 2s10s bull flattener OTM	23-Oct-24	0	900K	-500K	07-Mar-25	11K
	BTPei 2039 breakeven long	29-Jan-25	189	220	170	07-Mar-25	198
	US 9m30y payer spd vs EUR payer	5-Feb-25	0bp	30bp	-15bp	07-Mar-25	-15bp
	Receive 5y5y "real ESTR" rate	02-Jul-24	28	-20	60	07-Mar-25	60
	Pay Mar ECB €str	23-Jan-25	2.44	2.55	2.37	07-Mar-25	2.42
	BTPei'29/'33/'39 CDN barbell	18-Oct-24	31.6	15.0	40.0	27-Feb-25	25.3
	OATei '36'/'40/'43 fly	25-Sep-24	5.5	0.0	9.0	27-Feb-25	2.6
	Sell OATei 43 vs 53 on z-spread	03-Sep-24	29	15	37	27-Feb-25	28
	3m2y payer fly	23-Oct-24	14.7bp	40bp	3bp	16-Jan-25	16.1bp
	Receive 2y1y €str	2-Dec-24	1.74	1.4	1.95	2-Jan-25	2.01
	Long 30y Bunds	03-Sep-24	2.58%	2%	2.83%	12-Dec-24	2.44%
	Received 2y1y €str	03-Sep-24	2.12%	1.7%	2.4%	2-Dec-24	1.7%
	EUR 1y fwd 2s10s OTM floor, funded US floor	19-Nov-23	-15bp	25bp	-25bp	19-Nov-24	15bp
	Receive 3y1y €str vs CAD OIS	03-Sep-24	39	80	15	21-Nov-24	86
	Long Schatz vs Bobl Euribor spreads	31-Aug-23	3	15	-8	14-Nov-24	8
	3m fwd 10s30s bull flattener	23-Oct-24	0	900K	-500K	31-Oct-24	770K
	Pay belly of 5s10s30s	24-Jun-24	23	50	10	31-Oct-24	30
	Short ATM 1y2y payer vs OTM in US	03-Sep-24	0	25bp	-15bp	23-Oct-24	25bp
	Receive belly of 2s3s5s PCA fly	02-May-24	-20	-26	-16	21-Oct-24	-14.5
	Long Schatz ASW	05-Jul-24	32.4	47	24	18-Oct-24	23
	Pay 9Mx12M EUR FX-Sofr basis	22-May-24	-6.9bp	-2bp	-10.2bp	18-Oct-24	-1.6
	1y1y/2y3y EURi steepener	26-Jul-24	3	16	-5	25-Sep-24	8
	EUR 2y 3s6s widener	19-Mar-24	8.1	14	5	12-Sep-24	4.8
	Receive 2y1y €str	19-Nov-23	2.45	1.70	2.90	03-Sep-24	2.09
	Long 6m7y OTM receiver vs 6m7y OTM payer	24-Jun-24	0	800K	-400K	07-Aug-24	800K
	Sep24 FRA-OIS widener	02-Feb-24	11.3	15	5	05-Aug-24	12.5
	1y fwd 2s10s EURi steepener	19-Jan-24	13	30	4	26-Jul-24	17
	5s10s EURi steepener	19-Nov-23	8	25	-5	26-Jul-24	12
	6m fwd 2s5s bull flattener	20-May-24	0	300K	-150K	25-Jul-24	-150K
	10s30s flattener in EUR vs US	04-Oct-23	0	40	-20	24-Jun-24	7
	Long OAT Apr29 vs BGB Jun29	25-Apr-24	8	2	11	10-Jun-24	5.9
	OATei 2029s/2053s real curve flattener	16-Apr-24	37	10	50	04-Jun-24	19
	OATei 2027s/2029s real curve steepener	9-Feb-24	7.4	18.0	2.0	04-Jun-24	-2
	Long 10y Bund vs UST	13-Feb-24	182	225	155	09-May-24	200
	Sell EUR 6m5y OTM payer to buy OTM payer in US	19-Nov-23	0	600K	-400K	18-Apr-24	110K
	Receive 2y3y €str vs SOFR	04-Oct-23	104	180	60	04-Apr-24	155
	BTP ASW 5s10s steepener	19-Nov-23	50	75	35	04-Apr-24	55
	Long DBRi 2026/short OATei 2026 on z-spread	22-Mar-24	10	-10	20	04-Apr-24	14
	3m1y ATM+25/+50 payer spd	06-Dec-23	5	15	0	23-Feb-24	15.5
	Pay Apr ECB date, receive Mar	02-Feb-24	-18	0	-28	19-Feb-24	-11
UK	Receive UKTi 2036-2042 fwd real yield	28-Feb-25	267	200	300	8-Apr-25	305
	Long G vs. WN invoice spreads	28-Feb-25	13.9	30	5	8-Apr-25	30
	Short 5y RPI	29-Jan-25	396	350	450	1-Apr-25	376
	Pay 5y real Sonia, receive 5y real €str	21-Aug-24	43	-40	90	1-Apr-25	-4
	UKTi 2052/68 yield flattener	20-Feb-24	-13	-35	0	1-Apr-25	-27
	Receive Aug MPC-dated Sonia	14-Mar-25	4.07	3.95	4.13	24-Mar-25	4.13
	Pay March MPC Sonia	7-Feb-25	4.397%	4.468%	4.357%	20-Feb-25	4.45
	1y fwd 2s10s Sonia steepener	8-Nov-24	-1	25	-15	31-Jan-25	-15
	Pay 5y real Sonia	12-Jul-24	1	60	-30	29-Jan-25	15
	Sell UKT 4.5% 2028 vs. UKT 0.5% 2029 (on z-spd)	05-Sep-24	-8	-20	4	24-Jan-24	-9.2
	Buy UKT 4 3/8 2054 vs. T 4 5/8 2054 on ASW	12-Jul-24	1.0	-15.0	10.0	31-Oct-24	2.7
	Buy UKT 5/8% 2050 vs. 4 5/8% 2034 on ASW	07-Jun-24	33.5	13.0	45.0	31-Oct-24	23.8
	Sell SFIM9 vs. SFIM6 futures	14-Jun-24	-19.5	10	-35	09-Sep-24	5
	UKTi 2032-36-42 barbell (+35%/-100%/+65%)	26-Apr-24	13.6	5	18	05-Sep-24	11.8
	UKTi '36/47 vs '34/46 fwd yield sprd	2-Feb-24	24	8	32	05-Sep-24	16
	UKTi 2036/47 real curve flattener	26-Sep-23	55	30	70	05-Sep-24	51
	Sell UKT4e27 v UKT1e28 on ASW	10-Nov-22	1.8	-25	12	05-Aug-24	-25
	Aug-Dec MPC-dated Sonia steepener	19-Jul-24	-38.0	-20.0	-48.0	2-Aug-24	-40
	UKTi 2029s real yield short	10-May-24	21	70	-10	12-Jul-24	30
	Real yield switch - UKTi 2033 into OATei 2034	18-Oct-23	26	-25	50	14-Jun-24	53
	Long SFIZ4 vs. short SFIM4	03-May-24	33.5	50	20	09-May-24	44.5
	Pay Jun'24 BoE-Sonia vs Jun'24 ECB-Estr	22-Mar-24	132	153	122	11-Apr-24	139.5

Exhibit 33: Global Rates Trade Book - closed trades

Closed trades

	Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
	Sell Dec'24 BoE MPC-onia vs.. BoC CORRA OIS	06-Feb-24	14	75	-25	11-Mar-24	33
US	Pay July FOMC OIS	22-Apr-25	3.93%	4.15%	3.8%	2-May-25	3.99%
	Pay July FOMC OIS & receive 5Y OIS	22-Apr-25	-41bps	-80bps	-15bps	2-May-25	-60bps
	Long 30y swap spread	22-Apr-25	-94	-84	-105	1-May-25	-90
	1m fwd 2s30s bull flattener	22-Apr-25	0bp	20bp	-10bp	1-May-25	4bpr
	Shorting 30y swap spread	13-Mar-25	-79.5	-105	-70	22-Apr-25	-94
	2s5s30s fly	11-Apr-25	-55bp	-90bp	-35bp	22-Apr-25	-74
	Long 2y swap spread	11-Apr-25	-26	-17	-32	22-Apr-25	-27
	M6M7 SOFR curve steepener	3-Apr-25	1bp	30bp	-20	10-Apr-25	7
	Pay May'25 FOMC OIS	7-Apr-25	4.20	4.33	4.1	10-Apr-25	4.29
	3m2y receiver spd vs 3m2y payers	21-Jan-25	0bp	30bp	10bp	10 Apr 25	24bp
	TIPS 5y5y beta-breakeven long	1-Apr-25	-14	40	-50	9 Apr-25	-58
	5s30s steepener	6-Oct-23	20	90	-20	9-Apr-25	90
	2y forward, 3s28s inf steepener	4-Sept-24	0bps	30bps	-15bps	9-Apr-25	32bp
	1y4y inflation swap long	14-Nov-24	2.56	3	2.25	8-Apr-25	2.21
	Pay June FOMC OIS swap	26-Mar-25	4.15%	4.25%	4.09%	3-Apr-25	4.07%
	1y10y payer ladders	28-May-24	0bp	37bp	-20bp	27-Mar-25	5bp
	6m5y payer ladder	24-Nov-24	0bp	27bp	-15bp	27-Mar-25	7bp
	M5/Z6 flatteners	4-Feb-25	-18	-50	10	3-Mar-25	-48.5
	6m1y rtp ladders	9-Aug-24	0	25	-20	9-Feb-25	16
	Short 30y spreads (May '54)	20-Jun-24	-80	-105	-65	06-Feb-25	-80
	Receive TII 1/26 to TII 1/30 fwd real yield	12-Dec-24	1.77	1.4	1.98	19-Dec-24	2.05
	Mar/Sep SOFR/FF '25 curve flattener	13-Sep-24	0 bps	-3.5bp	+2bp	17-Dec-24	-3
	1y2y risk reversal	24-Nov-24	0	30	-15	9-Nov-24	15
	5s10s TII steepener	19-Nov-23	-6	50	-40	14-Nov-24	15
	Long 5y30y vol vs 2y30y vol	20-Nov-22	+14bp vega	15bp vega	-10bp vega	24-Nov-24	21bp
	1y fwd 2s10s cap spd a/+50bp	6-Nov-23	20bp	30bp	-20	6-Nov-24	18bp
	Short 1y1y vs 1y10y vol	6-Nov-23	Rec 26bp	30bp	-20	14-Nov-24	27bp
	Buy Dec TY basis	22-Oct-24	0 ticks	2 ticks	-0.75 ticks	06-Nov-24	1.5 ticks
	SOFR M5-Z7 steepener	20-Sep-24	0	50	-30	4-Oct-24	-30
	Long Mar SOFR/FF	8-May-24	-1.5bp	2bp	-3.5bp	15-Jul-24	-3.5
	2-10 CAD steepener vs 2-10 US flattener	4-Jun-24	-17.2	15	-40	13-Jun-24	-10
	Short 1y1y inflation swap	13-Jun-24	2.39	1.9	2.7	26-Aug-24	2.28
	6m10y rtp ladders	26-Mar-24	0bp	28bp	-20bp	26-Sep-24	0bp
	Long 30y BE	26-Mar-24	2.28	2.75	2.05	5-Aug-24	2.05
	Oct / Nov SOFR/FF curve steepener	9-Nov-23	-0.5bp	+2.5bp	-2bp	8-May-24	-0,5bp
	2y fwd 2s10s cap	8-Jul-22	45	150	-50	8-Jul-24	-15bp
	SOFR/FF widener in 1y1y vs 2y1y	9-Nov-23	-0.75bp	-2.5bp	+2bp	8-May-24	-1.05bp
	Long 5Y nominal	18-Apr-24	4.62%	4%	-18bp	9-May-24	4.46%
	M5-M7 SOFR Steepener	13-Dec-23	-3bp	75bp	-40bp	6-Mar-24	-41bp
	Long 2y inflation swap	22-Jan 24	2.20	2.60	1.90	21-Mar-24	2.55
	6m2y rtp spd vs 6m2y otm rtr	19-Nov-23	0bp	55bp	-25bp	2 May 24	41bp
	6m10 rtp ladders a/+32bp/+64bp	19-Nov-23	0bp	32bp	-20bp	21-March-24	15bp
	Long 2y CA vs short 2y US	19-Nov-23	-39bp	-70bp	-15	14-Mar-24	-47
	1y10y receiver spreads	9-Mar-23	-18bp	32bp	-18bp	9-Mar-24	-18bp
APAC	10s20s JGB curve flattener	25-Mar-25	73	60	79.5	8-Apr-25	85
	AU 2s5s flattener vs CAD 2s5s steepener	15-Apr-25	43bp	21bp	54bp	1-May-25	29bp
	Buy au 3y (YM) , pay Aug RBA	04-Mar-25	-8bp	-50bp	10bp	11-Apr-25	-16bp
	2yr fwd 2s10s OIS flatteners	19-Feb-25	40	25	47.5	4-Apr-25	39
	AU 1y1y risk reversal	24-Nov-24	0bp	40bp	-20bp	27-Mar-25	23bp
	AU Long 1y2y AU vs US receivers	24-Nov-24	0bp	40bp	-20bp	27-Mar-25	15.5bp
	Mar/Sep '25 BOB steepener	3-Oct-24	2bp	6bp	0bp	18-Mar-25	4bp
	Short 5yr JGB ASW	24-Jan-25	0	8	-5	06-Mar-25	8
	Receive Feb '25/ Pay Apr '25 RBA s	29-Jan-25	-11bps	0bp	-17bp	21-Feb-25	-4bp
	AU pay 5y5y 6s3s	19-Nov-23	4.4bps	9bp	2bp	05-Feb-25	8.45bp
	5yr20yr JGB curve flatteners	9-Jan-25	114	104	119	17-Jan-25	104
	Long 20yr JGB asset swap	24-Nov-24	27	20	31	16-Jan-25	31
	Receive AU 5y5y IRS vs US	11-Nov-24	107	75	123	20-Dec-24	74
	Long 5yr ACGBs vs 5yr JGBs	24-Nov-24	305	280	320	13-Dec-24	320
	AU Pay Feb '25 RBA, buy Sep futures	24-Nov-24	-23bp	-45bp	-12bp	10-Dec-24	-48bp
	AU/JP: buy 5y ACGBs, sell 5y JGBs	24-Nov-24	352bp	305bp	375bp	10-Dec-24	305bp
	KRW 1y5y receiver spd	5-Jun-24	15bp	25bp	-15bp	19-Nov-24	13bp
	JPY 6m5y payer ladders	10-Jul-24	0bp	30bp	-15bp	19-Nov-24	6bp
	JPY 6m7y payer ladders	23-Sep-24	0bp	13bp	-10bp	19-Nov-24	2bp

Exhibit 33: Global Rates Trade Book - closed trades
Closed trades

Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
AUD 1y fwd 2s10s bull steepener	19-Nov-23	0bp	30bp	-25bp	19-Nov-24	-4bp
AUD 1y5y rtr spd a/-40bp	19-Nov-23	17.5bp	22.5bp	-18bp	19-Nov-24	12bp
AUD 1y5y rtr spd vs 3m5y rtr a-12bp	19-Nov-23	0bp	40bp	-25bp	19-Nov-24	-1bp
JPY 1y fwd 5s30s bear flattener	19-Nov-23	0bp	25bp	-20bp	19-Nov-24	-12bp
2s10s 6s3s steepener	12-Aug-24	-6bp	0bp	-9bp	19-Jun-24	-9bp
Pay Dec '24 RBA	20-Aug-24	4.125%p	4.34%	4.01%	17-Oct-24	4.27%
Sell Mar '25 futures, buy Dec '24 & Sep '25 futures	12-Aug-24	4bp	14bp	-1bp	20-Aug-24	0bp
1y1y/3y2y flattener	26-Jul-24	18bp	3bp	25.5bp	26-Jul-24	6.5bp
Jun24/Dec24 bills-OIS flattener	19-Jun-23	7.5bp	1.5bp	10.5bp	13-Jun-24	5bp
Receive 10y swap spreads	17-May-23	51	20	65	3-Apr-24	20
Buy ACGB 3.5% 2034 vs. UKT 0.625% 2035	13-Nov-23	18.5	-40	45	22-Feb-24	-5.1
JPY 6m10y rtp spd vs 6m2y rtp	19-Feb-24	0bp	40bp	-20bp	19-Aug-24	0bp
Swap EFP (3y/10y) box flattener	19-Nov-23	10b[s	0bps	15bps	22-Mar-24	-1
receive AU 5y5y IRS, pay US 5y5y IRS	19-Nov-23	109	0	148	21-Feb-24	99
2yr10yr TONA swap steepener	1-Feb-24	68.5	80	62.7	22-Feb-24	62.7
Feb/Mar 2024 OIS steepener	19-Nov-23	0	15	-7.5	12-Jan-24	-7.5
Pay June 2024 3m bills vs OIS	7-Nov-23	15	30	8	12-Jan-24	8
10yr/30yr TONA swap flatteners	19-Nov-23	59	49	64	19-Jan-24	64
10yr/30yr TONA swap flatteners	19-Nov-23	59	49	64	19-Jan-24	64

Source: BofA Global Research

BofA GLOBAL RESEARCH

Global rates forecasts

Exhibit 34: Latest levels and rate forecasts
Forecasts by quarter up to Q2 '26 plus YE 2026

		Latest	Q2 25	Q3 25	YE 25	Q1 26	Q2 26	YE 26
USA	O/N SOFR	4.41	4.29	4.31	4.32	4.33	4.34	3.35
	2y T-Note	3.67	3.90	3.80	3.75	3.75	3.75	3.85
	5y T-Note	3.79	4.00	4.05	4.10	4.15	4.20	4.25
	10y T-Note	**4.22**	**4.35**	**4.40**	**4.50**	**4.55**	**4.60**	**4.75**
	30y T-Bond	4.73	4.75	4.80	4.90	4.95	5.00	5.10
	2y Swap	3.43	3.74	3.62	3.55	3.55	3.55	3.65
	5y Swap	3.41	3.70	3.73	3.76	3.81	3.86	3.91
	10y Swap	**3.67**	**3.90**	**3.93**	**4.01**	**4.04**	**4.07**	**4.22**
	30y Swap	3.82	3.95	3.93	4.04	4.04	4.07	4.22
Germany	3m Euribor	2.16	1.90	1.60	1.40	1.40	1.45	1.75
	2y BKO	1.69	1.70	1.60	1.65	1.85	1.95	2.15
	5y OBL	1.99	2.00	1.95	2.05	2.20	2.30	2.40
	10y DBR	**2.44**	**2.45**	**2.40**	**2.50**	**2.60**	**2.70**	**2.75**
	30y DBR	2.88	2.90	2.85	2.95	3.00	3.10	3.15
	2y Euribor Swap	1.88	1.85	1.75	1.75	1.90	2.00	2.20
	5y Euribor Swap	2.12	2.15	2.10	2.15	2.25	2.35	2.45
	10y Euribor Swap	**2.43**	**2.45**	**2.40**	**2.45**	**2.50**	**2.60**	**2.65**
	30y Euribor Swap	2.42	2.45	2.45	2.55	2.70	2.80	2.90
Japan	TONA	0.48	0.48	0.48	0.48	0.48	0.73	0.98
	2y JGB	0.63	0.60	0.63	0.65	0.70	1.05	1.30
	5y JGB	0.83	0.85	0.88	0.90	0.95	1.30	1.60
	10y JGB	**1.26**	**1.35**	**1.43**	**1.50**	**1.53**	**1.60**	**1.75**
	30y JGB	2.70	2.70	2.78	2.85	2.85	2.85	2.95
	2y Swap	0.62	0.58	0.60	0.60	0.65	1.00	1.25
	5y Swap	0.74	0.75	0.78	0.78	0.80	1.15	1.45
	10y Swap	**1.02**	**1.10**	**1.13**	**1.20**	**1.23**	**1.30**	**1.45**
U.K.	3m Sonia	4.17	4.00	3.60	3.50	3.50	3.50	3.50
	2y UKT	3.82	3.70	3.60	3.60	3.60	3.60	3.65
	5y UKT	3.94	3.90	3.90	3.90	3.90	3.95	4.00
	10y UKT	**4.48**	**4.45**	**4.45**	**4.45**	**4.45**	**4.50**	**4.55**
	30y UKT	5.26	5.05	5.00	4.95	4.90	4.90	4.90
	2y Sonia Swap	3.61	3.60	3.50	3.50	3.50	3.50	3.50
	5y Sonia Swap	3.64	3.70	3.70	3.70	3.70	3.75	3.80
	10y Sonia Swap	**3.98**	**4.00**	**4.05**	**4.10**	**4.10**	**4.15**	**4.20**
Australia	3m BBSW	3.88	3.85	3.85	3.60	3.60	3.60	3.60
	2y ACGB	3.26	3.50	3.25	3.00	3.05	3.10	3.50
	5y ACGB	3.53	3.60	3.40	3.20	3.25	3.30	3.40
	10y ACGB	**4.19**	**4.05**	**3.90**	**3.75**	**3.80**	**3.85**	**4.00**
	3y Swap	3.25	3.50	3.25	3.00	3.05	3.10	3.50
	10y Swap	**4.10**	**4.05**	**3.90**	**3.75**	**3.80**	**3.85**	**4.00**
Canada	2y Govt	2.51	2.50	2.50	2.50	2.50	2.50	2.50
	5y Govt	2.72	2.65	2.70	2.75	2.80	2.85	2.95
	10y Govt	**3.13**	**3.00**	**3.05**	**3.10**	**3.15**	**3.20**	**3.30**
	2y Swap	2.33	2.37	2.37	2.37	2.37	2.37	2.37
	5y Swap	2.46	2.43	2.48	2.53	2.58	2.63	2.73
	10y Swap	**2.84**	**2.74**	**2.79**	**2.84**	**2.89**	**2.94**	**3.04**

Source: BofA Global Research. US swaps vs overnight Sofr, EUR swaps vs 6M Euribor, Japan swaps vs Tona, GBP swaps vs Sonia, AUD swaps vs BBSW, CAD swaps vs CORRA OIS

BofA GLOBAL RESEARCH

Appendix: Common acronyms

Exhibit 35: Common acronyms/abbreviations
This list is subject to change

Acronym/Abbreviation	Definition	Acronym/Abbreviation	Definition
ann	annualized	NADEF	Nota Aggiornamento Documento Economia e Finanza
APF	Asset Purchase Facility	NFR	Net Financing Requirement
APP	Asset Purchase Programme	lhs/LS	left-hand side
AS	Austria	m	month
BdF	Banque de France (Bank of France)	MA	Moving Average
BE	Belgium	MACD	Moving average convergence/divergence
BEA	Bureau of Economic Analysis	MBM	Meeting-by-meeting
BLS	Bank Lending Survey	mom	month-on-month
BoE	Bank of England	MPC	Monetary Policy Committee
BoI	Banca d'Italia (Bank of Italy)	MWh	Megawatt-hour
BoJ	Bank of Japan	NBFI	Non-bank financial institution
BoS	Banco de España (Bank of Spain)	NGEU	NextGenerationEU
bp	basis point	NE	Netherlands
BTP	Buoni Poliennali del Tesoro	NRRP	National Recovery and Resilience Plan
Buba	Bundesbank	NSA	Non-seasonally Adjusted
c	circa	NS&I	National Savings & Investment
CA	Current Account	OAT	Obligations assimilables du Trésor
CB	Central Bank	OBR	Office for Budget Responsibility
CNRF	Contingent Non-Bank Financial Institution Repo Facility	OECD	Organisation for Economic Co-operation and Development
CPI	Consumer Price Index	ONS	Office for National Statistics
CSPP	Corporate Sector Purchase Programme	OBR	Office for Budget Responsibility
CGNCR	Central Government Net Cash Requirement	p	preliminary/flash print
d	day	PBoC	People's Bank of China
GE	Germany	PEPP	Pandemic Emergency Purchase Programme
DMO	Debt Management Office	P&I	Pension and Insurance
DS	Debt sustainability	PMI	Purchasing Managers' Index
DXY	US Dollar Index	PMRR	Preferred Minimum Range of Reserves
EA	Euro area	PPF	Pension Protection Fund
EC	European Commission	PRT	Pension Risk Transfer
ECB	European Central Bank	PSPP	Public Sector Purchase Programme
ECJ	European Court of Justice	PT	Portugal
EFSF	European Financial Stability Facility	QE	Quantitative Easing
EGB	European Government Bond	qoq	quarter-on-quarter
EIB	European Investment Bank	QT	Quantitative Tightening
EMOT	Economic Mood Tracker	RBA	Reserve Bank of Australia
EP	European Parliament	RBNZ	Reserve Bank of New Zealand
SP	Spain	rhs/RS	right-hand side
ESI	Economic Sentiment Indicator	RPI	Retail Price Index
ESM	European Stability Mechanism	RRF	Recovery and Resilience Facility
EU	European Union	RSI	Relative Strength Index
f	final print	SA	Seasonally Adjusted
FPC	Financial Policy Committee	SAFE	Survey on the access to finance of enterprises
FR	France	SMA	Survey of Monetary Analysts / Simple moving average
FY	Fiscal Year	SNB	Swiss National Bank
GC	Governing Council	SPF	Survey of Professional Forecasters
GDP	Gross Domestic Product	STR	Short Term Repo
GNI	Gross National Income	SURE	Support to mitigate Unemployment Risks in an Emergency
GFR	Gross Financing Requirement	S&P	Standard & Poor's
GR	Greece	TFSME	Term Funding Scheme with additional incentives for SMEs
GSB	Green Savings Bond	TLTRO	Targeted Longer-term Refinancing Operations
HICP	Harmonised Index of Consumer Prices	TPI	Transmission Protection Instrument
HMT	His Majesty's Treasury	TTF	Title Transfer Facility
IMF	International Monetary Fund	UK	United Kingdom
INSEE	National Institute of Statistics and Economic Studies	UST	US Treasury yield
IP	Industrial Production	WDA	Work-day Adjusted
IR	Ireland	y	year
IGFR	Illustrative Gross Financing Requirement	yoy	year-on-year
PCA	Principal Component Analysis	ytd	year-to-date
IG	Investment Grade	DV01	Dollar value of a one basis point change in yield
IT	Italy	WAM	Weighted Average Maturity

Source: BofA Global Research

BofA GLOBAL RESEARCH

Options Risk Statement

Potential Risk at Expiry & Options Limited Duration Risk

Unlike owning or shorting a stock, employing any listed options strategy is by definition governed by a finite duration. The most severe risks associated with general options trading are total loss of capital invested and delivery/assignment risk... all of which can occur in a short period.

Investor suitability

The use of standardized options and other related derivatives instruments are considered unsuitable for many investors. Investors considering such strategies are encouraged to become familiar with the "Characteristics and Risks of Standardized Options" (an OCC authored white paper on options risks). U.S. investors should consult with a FINRA Registered Options Principal.

For detailed information regarding the risks involved with investing in listed options, see the Options Clearing Corporation's Characteristics and Risks of Standardized Options website.

Analyst Certification

We, Ralf Preusser, CFA, Agne Stengeryte, CFA, Bruno Braizinha, CFA, Mark Cabana, CFA and Oliver Levingston, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Disclosures

Important Disclosures

BofA Global Research Credit Opinion Key

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.
Issuer Recommendations: If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered. Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.

BofA Global Research credit recommendations are assigned using a three-month time horizon:
Overweight: Spreads and /or excess returns are likely to outperform the relevant and comparable market over the next three months.
Marketweight: Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.
Underweight: Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

BofA Global Research uses the following rating system with respect to **Credit Default Swaps (CDS):**
Buy Protection: Buy CDS, therefore going short credit risk.
Neutral: No purchase or sale of CDS is recommended.
Sell Protection: Sell CDS, therefore going long credit risk.

One or more analysts contributing to this report owns bonds of the covered issuer: UK
BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: France, Germany, Italy, UK.
The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: France, Germany, Italy, Netherlands, Spain, UK.
BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: France, Germany, Italy, Netherlands, Spain, UK.
The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: France, Germany, Italy, Netherlands, Spain, UK.
BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: France, Germany, Italy, Netherlands, Spain, UK.
BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: France, Germany, Italy, Spain, UK.
BofAS or one of its affiliates has a significant financial interest in the fixed income instruments of the issuer. If this report was issued on or after the 15th day of the month, it reflects a significant financial interest on the last day of the previous month. Reports issued before the 15th day of the month reflect a significant financial interest at the end of the second month preceding the report: Germany, Italy, Netherlands.
BofAS or one of its affiliates trades or may trade as principal in the debt securities (or in related derivatives) that are the subject of this research report: France, Germany, Ile de France, Italy, Netherlands, Spain, UK.
The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: France, Germany, Italy, Netherlands, Spain, UK.
Due to the nature of the market for derivative securities, the issuers or securities recommended or discussed in this report are not continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or securities.
Due to the nature of strategic analysis, the issuers or securities recommended or discussed in this report are not continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or securities.
BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.
BofA Securities fixed income analysts regularly interact with sales and trading desk personnel in connection with their research, including to ascertain pricing and liquidity in the fixed income markets.

Other Important Disclosures

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.
The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

This report may refer to fixed income securities or other financial instruments that may not be offered or sold in one or more states or jurisdictions, or to certain categories of investors, including retail investors. Readers of this report are advised that any discussion, recommendation or other mention of such instruments is not a solicitation or offer to transact in such instruments. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor for information relating to such instruments.
Rule 144A securities may be offered or sold only to persons in the U.S. who are Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act of 1933, as amended.
SECURITIES OR OTHER FINANCIAL INSTRUMENTS DISCUSSED HEREIN MAY BE RATED BELOW INVESTMENT GRADE AND SHOULD THEREFORE ONLY BE CONSIDERED FOR INCLUSION IN ACCOUNTS QUALIFIED FOR SPECULATIVE INVESTMENT.
Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.
The securities or other financial instruments discussed in this report may be traded over-the-counter. Retail sales and/or distribution of this report may be made only in states where these instruments are exempt from registration or have been qualified for sale.
Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.
This report, and the securities or other financial instruments discussed herein, may not be eligible for distribution or sale in all countries or to certain categories of investors, including retail investors.
Refer to BofA Global Research policies relating to conflicts of interest.
"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.
Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:
BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name,

regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by the Financial Sector Conduct Authority; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofaml.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSFC); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSFC; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the Electronic Communications Disclaimers for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

This report may contain a trading idea or recommendation which highlights a specific identified near-term catalyst or event impacting a security, issuer, industry sector or the market generally that presents a transaction opportunity, but does not have any impact on the analyst's particular "Overweight" or "Underweight" rating (which is based on a three month trade horizon). Trading ideas and recommendations may differ directionally from the analyst's rating on a security or issuer because they reflect the impact of a near-term catalyst or event.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Research Analysts

Europe

Ralf Preusser, CFA
Rates Strategist
MLI (UK)
ralf.preusser@bofa.com

Mark Capleton
Rates Strategist
MLI (UK)
mark.capleton@bofa.com

Sphia Salim
Rates Strategist
MLI (UK)
sphia.salim@bofa.com

Ronald Man
Rates Strategist
MLI (UK)
ronald.man@bofa.com

Erjon Satko
Rates Strategist
BofASE (France)
erjon.satko@bofa.com

Agne Stengeryte, CFA
Rates Strategist
MLI (UK)
agne.stengeryte@bofa.com

Edvard Davidsson
Rates Strategist
MLI (UK)
edvard.davidsson@bofa.com

US

Ralph Axel
Rates Strategist
BofAS
ralph.axel@bofa.com

Bruno Braizinha, CFA
Rates Strategist
BofAS
bruno.braizinha@bofa.com

Mark Cabana, CFA
Rates Strategist
BofAS
mark.cabana@bofa.com

Paul Ciana, CMT
Technical Strategist
BofAS
paul.ciana@bofa.com

Katie Craig
Rates Strategist
BofAS
katie.craig@bofa.com

Meghan Swiber, CFA
Rates Strategist
BofAS
meghan.swiber@bofa.com

Anna (Caiyi) Zhang
Rates Strategist
BofAS
caiyi.zhang@bofa.com

Pac Rim

Shusuke Yamada, CFA
FX/Rates Strategist
BofAS Japan
shusuke.yamada@bofa.com

Tomonobu Yamashita
Rates Strategist
BofAS Japan
tomonobu.yamashita@bofa.com

Oliver Levingston
FX & Rates Strategist
Merrill Lynch (Australia)
oliver.levingston@bofa.com