

## End-of-quarter issuance in March

### Expected end-of-quarter issuance of DKK 18-20bn, dominated by bullet covered bonds

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Marketing communication

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- We expect end-of-quarter issuance in the range of DKK 18-20bn, likely dominated by bullets
- Specifically, we expect bullets of DKK 12-14bn, FRNs of DKK 6-8bn and callables of DKK 2-3bn
- The end-of-quarter issuance is expected to cause spreads of bullets to widen by 1-2bp.

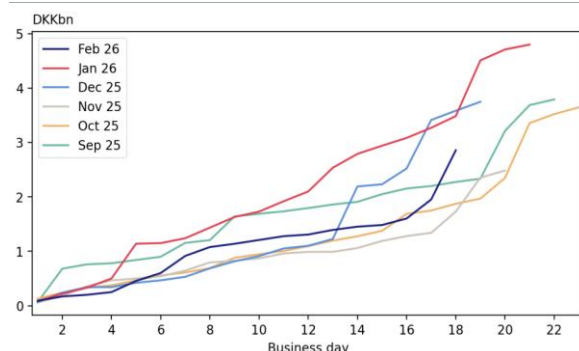
*The snow is melting, spring is almost here, and with it the end of Q1 – meaning it's time for end-of-quarter issuance. We expect end-of-quarter issuance to be slightly lower than the low refinancing percentage at the February auctions might otherwise indicate. We assume that some RD borrowers already opted to refinance their loans in January, when RD issued a fairly large amount of bullets. We expect the end-of-quarter issuance to be dominated by bullets, followed by FRNs, while once again anticipating low issuance in callables.*

(DKKmia)	01/04/2026	01/01/2026	01/04/2025
<b>RTL</b>			
Udløb	124	164	113
Auktionsudbud	85	109	79
<b>Mangel auktioner (85% refi)</b>	<b>21</b>	<b>20</b>	<b>17</b>
RD tidlig refinansiering	3	-	-
<b>Udestående refinansiering</b>	<b>18</b>	<b>20</b>	<b>17</b>
<b>Konverterbare</b>			
Udtræk	20	34	25
<b>Udtræk og udestående refinansiering</b>	<b>38</b>	<b>54</b>	<b>43</b>
<b>Ultimoudstedelse</b>			
RTL	12-14	13	12
FRN	6-8	12	9
Konverterbare (OMX)	1	1	0
<b>Total</b>	<b>18-20</b>	<b>27</b>	<b>21</b>
% af udtræk og udestående refinansiering	50%	50%	50%

The outstanding auction issuance need up to 1 January 2026 has been adjusted by DKK 10bn as a result of JRK's refinancing of 1Y bullets into their CITA 12M FRN.

Source: Nykredit Markets

#### RD's issuance of bullets was particularly high in January



RD's accumulated bullet issuance based on data from OMX

Source: Nykredit Markets

#### Lower prepayments, smaller outstanding auction volumes

On the face of it, almost DKK 21bn remains outstanding from the refinancing auctions, assuming that 85% of the total bullet maturity will be refinanced. In addition, prepayments as of 1 April total just under DKK 20bn, where some borrowers have presumably not yet entered into fixed-price agreements, and finally, there is still outstanding issuance relating to housing transactions. This initially points to the potential for a sizeable end-of-quarter issuance, albeit lower than in December, when the year-end issuance came in at just under DKK 27bn, driven by prepayments of nearly DKK 34bn and DKK 20bn outstanding from the refinancing auctions (after adjusting the outstanding amount by the DKK 10bn from JRK that was refinanced into their new CITA 12M FRN).

We also believe that the outstanding amount from the refinancing auctions this time is lower than what the refinancing percentage would otherwise suggest. We therefore expect the end-of-quarter issuance – which will probably primarily take place on 26-27 March – to be more moderate, in the range of DKK 18-20bn in total.

#### RD's frontloading of refinancing volumes means lower end-of-quarter issuance

When we expect the outstanding amount from the refinancing to be smaller at this payment date, it is because we assume that RD issued part of the bullet maturity at the 1 April payment date prior to the refinancing auctions. In January, RD issued bullets of almost DKK 5bn, of which more than DKK 3bn were long-dated bullets. We believe that this can largely be attributed to some borrowers having opted to refinance in advance. This also explains RD's low 5Y bullet offering at the auctions.

**End-of-issuance distribution – majority of bullets, slightly fewer FRNs, few callables**

Although RD has probably refinanced ahead of schedule, it still holds the largest outstanding issuance need from the refinancing auctions, which we estimate at around DKK 6bn. RD is followed by NDA and JRK, each of which has an issuance need of just over DKK 3bn. We think this outstanding amount will be dominated by bullets.

On balance, we therefore expect bullets of 12-14bn. We expect the majority to be 3Y-5Y bullets, roughly evenly divided between the two maturities.

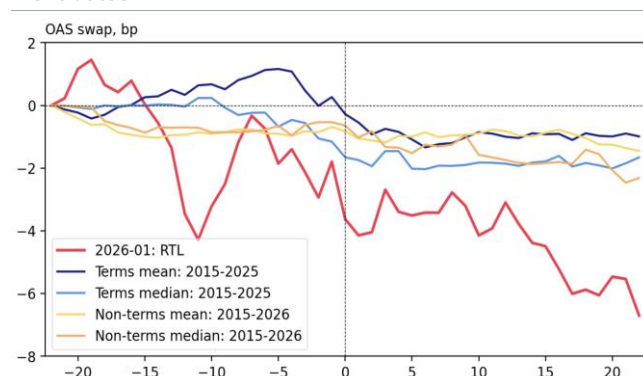
In addition, we expect FRNs of DKK 6-8bn and callables of DKK 2-3bn. As usual, the issuance of callables will not be fully reflected in the OMX reporting, and will thus only become visible as the outstanding amounts are gradually increased.

**End-of-quarter issuance = (smaller) spread widening**

We have previously shown that bullets typically widen by 1-2bp in the last days leading up to the payment date and then tighten again across the payment date when it is time for reinvestment (illustrated for 5Y bullets in the top-left chart).

We expect to see a repeat of this pattern in connection with the end-of-quarter issuance and therefore anticipate (temporary) spread widening in bullets of 1-2bp.

**Spread development of 5Y bullets – payment and non-payment dates**



The January payment date gave rise to decent spread performance in 5Y bullets

Source: Nykredit Markets

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As at 13.12.2024

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