Global Rates Weekly

Fright to quality

The View: Window dressing

We maintain a bear flattening bias in US rates into payrolls and refunding. Oil and equity markets are adding to curve volatility but ultimately, above trend growth and above target inflation should dominate.

—R. Preusser

Rates: Ghosts out the window

US: Curve twist steepened post Oct FOMC presser as market doubted Fed's resolve on inflation. Higher long-end rates would raise odds that Tsy. cuts long-end auction sizes.

EU: ECB statement was dovish but hiking bias persists. We favor owning duration in the belly, expect 10y OAT-Bunds to remain at the mercy of global risk assets.

UK: A dovish BoE hike would bull-flatten the MPC curve; we receive June 2027 MPC-dated Sonia and stay in 1y forward 2s10s Sonia steepener.

AU: The RBA is expected to hike on Tuesday, following the stronger-than-expected CPI print. We closed our 2s10s flattener with the cycle approaching its peak.

JP: PCA suggests recent rally has been broad-based. We suggest taking gains on some existing RV positions while maintaining flatteners involving relatively cheap 40y.

CA: BoC's hawkish hike supports a flatter Canadian curve, proactive stance on inflation contrasts with a more reactive Fed.

—M. Cabana, B. Braizinha, R. Axel, K. Craig, E. Xiao, S. Salim, A. Stengeryte, M. Capleton, O. Levingston, I. Hartstein, & T. Yamashita

Front end: October repo rise

US: Repo rates are rising into Oct month-end due to higher TGA, bill issuance, & CAD YE. Repo pressure will likely lead Fed to restart RMPs in mid-Nov to offset US YE pressure.

—M. Cabana & K. Craig

Inflation: Roll model

EU: An ECB view and large roll-down keeps us in our 1y forward 2s10s steepener, but end-month should be supportive of our BTPei forward real flattener farther out.

—M. Capleton

Technicals: US 10Y correction underway, anticipate paying

In line with our views presented over the last few weeks, US 10Y yield's uptrend exhausted and a reversion is underway. We recap where to pay again.

—P. Ciana & J. Hartley

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30 October 2026

Rates Research
Global

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Global Rates Research
MLI (UK)

Ralf Preusser, CFA
Rates Strategist
MLI (UK)
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

Core views, trades and forecasts

Exhibit 1: Global rates trade quilt
Views / trades in bold when changed / entered this week

	US	EU	UK	CA	JP	AU
Duration	Short 2y UST	Bullish bias	**Rec Jun'27 MPC Sonia**	Long bias vs US	Neutral	Bearish front-end bias
Curve	Long 20y UST fly 2s30s flattener	2s10s flattener in options Steepening bias in 10s30s	1y fwd 2s10s steepener 15y-20y flattener	**5s30s swaps curve flattener vs US**	**Close 2s10s steepener**	**Close 2s10s flattener**
Bases	Long Dec26 SOFR/FF Long M7 3m SOFR/FF		Sonia cheaper vs. Bank	CORRA flat to deposit rate	TONA below IOER	Receive Dec '27 BOB
Inflation	Real yield curve flattener Long 10y20y infl. swap	1y fwd 2s10s real steepener BTPei 2041/56 sprd narrower	Short 10y5y RPI vs US Receive UKTi 35s-38s fwd RY			
Spreads	Long 2y ASW Long 30y ASW	Bearish bias in 5-10y ASW	Long low cpn 2y & 7y Gilts on Z-spread	Short front-end spreads vs US	Neutral	Tighter ACGB ASW bias
Vol	Long fwd vol Short 1y1y vs 1y10y Long 1y fwd 5s30 bear steep	Vol higher YE26, lower in '27 Long 3m2y rec 1x2 Front-end rec calendar			Vol supported Long left vs right, 2s10s flat, Short 6m1y 1x2	Vol supported near term 3m2y rec ladder Belly rec calendars

Source: BofA Global Research. Note: Red = short / steeper / tighter funding, green = long / flatter / looser funding. yellow = mixed, grey = neutral or n/a. Lighter shades = bias, darker shades = trade.

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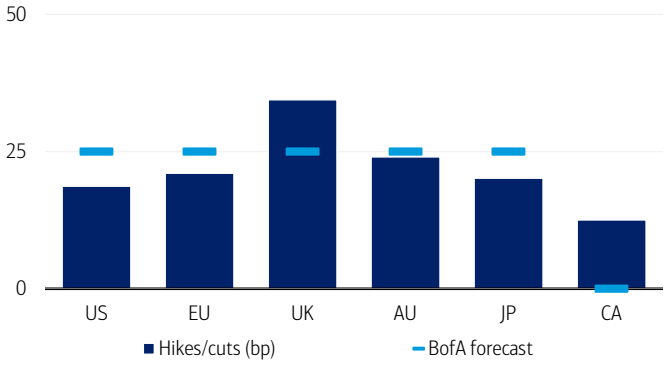
Exhibit 2: Rationale behind medium-term views
Global views

CBs	**US**: Fed to hike two more times in Dec '26 and Mar '27; **EU**: We expect one more ECB hike in Dec, but cuts in 2027-28 to sub 2% **UK**: Base case = two hikes (Nov-26 and Feb-27), but cuts by 2028,to 3.5%, receive June 2027 MPC-dated Sonia; **JP**: We expect an additional 25bp hike in Dec, following the 25bp hike in Sep; **AU**: base case: no further hikes, but Nov RBA hike still a risk **CA**: BoC to hike one more time in Jan '27
Duration	**US**: Short 2y UST as Fed seeks restrictive stance; **EU**: Long bias, with 10y leading the moves; **UK**: Long bias in front-end, 10y forecast for YE26 at 5.20%; **JP**: We now turn neutral on long-end; **AU**: long bias; **CA**: long bias vs US
Curves	**US**: 2s30s flattener as Fed looks more credible on inflation & long 20y UST fly as UST likely to cut / reduce long end issuance; **EU**: 2s10s curve can flatten further on higher energy prices, with steepening trend when it will be clear ECB is done hiking; **UK**: 1y fwd 2s10s Sonia steepener (front-end repricing, supply indigestion); maintain flattening trade in 15-20y; **JP**: we closed a 2s10s TONA swaps steepener; **AU**: we closed our 2s10s flattener **CA**: inflation credibility relative trade: 5s30s flattener vs US 5s30s steepener
Bases	**US**: Long Dec SOFR/FF b/c of Fed asset purchases & central clearing + long M7 3m SOFR/FF for debt limit dynamics; **EU**: wider €str-Bor bias on rising funding pressures as ECB continues QT; **UK**: Sonia to tighten towards Bank Rate amid transition to a repo-led reserve supply framework; **JP**: Given significant excess reserves, we expect TONA to remain slightly below the IOER; **AU**: Receive Dec' '27 BOB; **CA**: BoC TRO = CORRA close to deposit rate
Inflation	**US:** 1y1y vs 1y9y synthetic real yield curve flattener to trade lower front-end infl fwds + flatter nominal curve, long 10y20y infl swap due to Fed credibility risk; **EU**: We oppose fierce implied flattening in 2s10s real €str over 1y, and look for BTPei 2041/56 spread of z-spreads compression; **UK**: History justifies narrower 10y5y RPI vs US CPI, Receive UKTi 2035-38 forward real yield. Forward yield from UKTi 2031s->38s too cheap vs. swaps
Spreads	**US**: Long 2Y ASW with favorable carry & long 30y ASW on long-end cut risk; **EU**: bias for tighter swap spreads in 5-10y, favor SP over PO, GR over IT in EGB space; **UK**: Fiscal and political risks can cheapen Gilts vs swaps. We are only long low coupon Gilts vs swaps in 2y & 7y; **JP**: we closed our 30-year JGBs long on ASW given the widening already observed; **AU**: tighter ACGB ASW spreads as offshore demand outpaces supply. **CA**: short front-end spreads vs US
Vol	**US:** Long fwd vol bias (short left vs right vol); **EU:** Vol supported into YE26 on ECB uncertainty, lower in '27 (long 3m2y rec 1x2); **JP** vol supported and outperforming other DM markets (short 6m1y 1x2); **AU:** vol supported near term lower medium term led by left side (rec calendars)

Source: BofA Global Research

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Exhibit 3: Pricing of hikes by YE26 (as of 29 Oct) vs BofA forecasts
BofA forecasts are dovish vs market pricing in UK and Canada (bp)



Source: Bloomberg, BofA Global Research

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Exhibit 4: BofA forecasts for central bank policy rates & 10y yields
We provide condensed forecasts up to YE27

	% EoP	2024	2025	YE 26	Q1 27	Q2 27	YE 27
US	Fed Funds	4.375	3.625	4.375	4.375	4.375	4.375
	10y USTs	4.57	4.17	5.00	4.95	4.90	4.75
EU	ECB refi rate	3.15	2.15	2.90	2.90	2.90	2.40
	10y Bunds	2.36	2.85	3.40	3.25	3.10	2.80
JP	BoJ	0.25	0.75	1.50	1.75	1.75	2.00
	10y JGBs	1.09	2.06	3.00	3.10	3.10	3.05
UK	BoE base rate	4.75	3.75	4.00	4.25	4.25	4.25
	10y Gilts	4.56	4.48	5.20	5.25	5.25	5.25
AU	RBA cash rate	4.35	3.60	4.60	4.60	4.60	4.10
	10y ACGBs	4.36	4.74	5.15	5.10	5.05	4.95
CA	Corra	2.25	2.25	2.25	2.25	2.25	2.25
	10y Canada	3.22	3.43	4.00	4.05	4.05	4.10

Source: BofA Global Research. See Global rates forecasts for more.

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The View

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

What we are watching

The BoJ this morning is the remaining central bank meeting of the week. With no change expected and our economists' remaining hike expectations fully discounted we see limited impulse for rates (see note, Liquid Insight 2 Oct 26).

This moves the focus firmly to the US for next week: Monday: ISM manufacturing, Tuesday: mid-term elections, Wednesday: UST refunding and ISM services, Friday: payrolls. We don't expect the mid-terms to be market moving for rates (see note, US Viewpoint 28 Sep 26). The risk of coupon cuts at the refunding has increased after the market reaction to the FOMC but is still not our base case (see Rates – US). Our US economists expect Oct payrolls to rise by an above-consensus 75k (private 70k) and for the u-rate to remain at 4.2%. We maintain our bear flattening bias on the US curve. Growth remains above trend and inflation above target.

The BoE and RBA are both expected to hike, with the RBA hike cemented by the upside inflation surprise. We closed our AU 2s10s flattener (see note, AU Watch 28 Oct 26), but maintain our SONIA steepening bias into the BoE decision.

Finally, for the Euro Area (EA), today's EA GPD print is exposed to upside risks due to Ireland yesterday. For inflation, our economists expect an unchanged print for core and marginal improvement for headline at 2.5% and 3.7% respectively, which should not be market moving. The ECB's money market conference may give some hints as to the ECB's thinking on the balance sheet.

What we learned

The FOMC didn't hike as priced. The BoC surprised our economists but not the market, while the RBNZ surprised markets but not our economists. (see notes, US Watch 28 Oct 26, Canada Watch 28 Oct 26 and NZ Watch 28 Oct 26). Telling was the contrast in the curve reaction between the US and Canada, with the US curve bear twisting, while the CAD curve bear flattened. In combination with wider breakevens and a weaker USD this speaks to the difficulty the Fed has in defending its decision to stay on hold. We enter a US-CA curve box trade (see Rates – CA).

The ECB left rates on hold as expected. The statement was dovish relative to September and President Lagarde emphasized in detail the tightening of financial conditions highlighted also in the statement. But by emphasizing the likelihood of a December hike, the potential dovishness of the overall delivery was diluted.

The decision by Moody's to leave France's rating unchanged helped stem last week's negative momentum. A successful passage of the budget would also be supportive. However, risk constraints into year end, along with still a very long wait until the publication of election manifestos let alone the election still leave us cautious.

Finally, the UK budget reassured in both the headline remit revisions and the funding mix, such that the Gilt curve bull flattened on Wednesday (see note, UK Watch 28 Oct 26).

Rates – US

Mark Cabana, CFA
BofAS

Bruno Braizinha, CFA
BofAS

Ralph Axel
BofAS

Katie Craig
BofAS

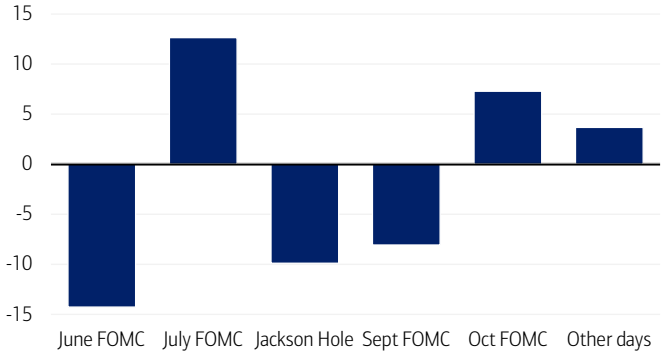
Eleanor Xiao
BofAS

- Oct FOMC presser steepened the curve, echoing July, as markets questioned Warsh's resolve to fight inflation.
- Higher long-end rates would raise odds that Treasury cuts long-end auction sizes, possibly at next week's refunding.
- Stay paid 2y UST & in 2s30s flattener ahead of mid-terms, labor data, & refunding.

Ghosts out the window

Late in the week the UST curve bull steepened driven by dovish Fed & soft tech earnings. Fed drove large curve move, consistent with prior Warsh events (Exhibit 5). Tech earnings resulted in greater scrutiny around investment plans (GOOG) & (AMZN), though ROI still rewarded (MSFT). Dovish Fed & soft tech earnings are a headwind to our pay 2Y UST view. Another risk = 2Y & 5Y also near CTA short cover levels (Exhibit 6).

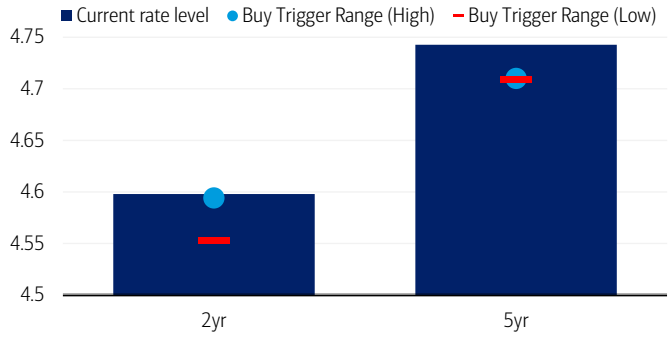
Exhibit 5: Warsh policy communications resulted in large curve moves
2s30s nominal rate curve changes under Warsh Fed (bp)



Source: Bloomberg

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Exhibit 6: Rate level and CTA short covering range
CTA shorts at risk of covering after Thursday's rally (%)



Source: Bloomberg. Note: buy trigger range reflects highest likelihood rate level where CTAs will cover shorts. Current rate level > buy trigger range implies shorts not yet covered.

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Our US economists changed their Fed call after the October hold. They now expect 25bp Fed hikes in Dec '26 & Mar '27 (see note, October FOMC review). They also see risks to more hikes given the slower delivery pace. The change in timing with same terminal level has no impact on their macro forecasts; we leave our UST forecasts unchanged.

Week ahead will bring mid-term election, labor data, ISMs, & refunding. **Mid-terms** historically not big rate event, market expects D House & Senate; we will watch for large election outperformance from either side, D win = bull steepening w/ regulatory & tax risks, R win = bear flattening w/ lower reg risk & easier fiscal (see note, US midterms). **Labor data**: our BofA Economists expect Oct NFP at 75k (BBG consensus at 65k) & U3 at 4.2%; such a print likely to see US curve modestly bear flatten. **ISMs**: likely to show continued expansion & price pressures. **Refunding**: likely to see steps towards long end cuts.

We hold key rate views ahead of risk events next week, including: **duration** = pay 2Y; **curve** = 2s30s flattener; **inflation**: long 10y20y infl swap; **spreads** = long 2y & 30y ASW; **funding** = long Dec '26, M7 SOFR/ff; **vol** = 2s10s floor ladders, 15m1y vs 3m1y receiver calendars. We also added cross market US-CAD curve box (5s30s CA flatter vs US steeper due to divergent central bank approaches; see Rates – CA).

Ghost of July FOMC haunts US bond

The UST curve twist steepened post Oct FOMC. The FOMC statement resulted in limited price action given the hold was widely expected, though Governor Cook's dissent was surprising. The press conference drove the rate market move. From the start of the press conference the 2Y rate declined 6bps and 30Y rate increased 4bps. The very sharp 2s30s steepening reflected doubts over Warsh's inflation-fighting credibility, in our view. Consistent with this, 2Y rate decline was led by real rates and 30Y rate increase was combo of higher real and wider inflation breakevens. Rate and curve moves were generally as we discussed in our FOMC preview (see note, October outlier).

The long end may continue to haunt Warsh and the Fed until they take a more forceful stance on inflation. Oct FOMC rate move very reminiscent of July FOMC. A long bond rate rise that reflects an unserious inflation fighting Fed will likely force additional hikes. We continue to retain our view for higher front-end rates and a flatter curve over time. A Fed that is slow to respond to "strong" economic activity and elevated inflation will increase risks for greater future hikes, supporting our view of higher front-end rates. A Fed that hikes more to contain inflation will see a flatter curve, though no straight line.

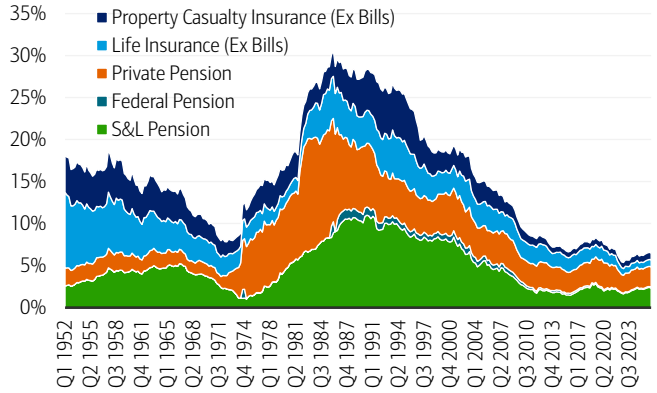
Unserious Fed => higher risk of long end UST supply cuts

Higher UST long end rates that reflect an insufficiently serious inflation-fighting Fed will raise risks for US Treasury long end supply cuts. With buyback bullet spent, next UST move likely reduces long-end UST auction sizes, potentially at Nov UST refunding (Nov 4). We perceived elevated risks of such an action prior to the October FOMC; the UST long end supply cut risks increased with Wednesday's twist steepening of UST curve.

We have long believed UST should cut long end sizes due to oversupply. We recently flagged weakening of the long end due to shifts in pensions, diversification struggles, & long end flows (see note, Nov refunding preview). There has also been a material weakening of traditional long end demand buyers over a longer history. Fed Z1 breakout of typical long debt holders & their UST holdings show decades long shift (Exhibit 7). In fact, the Z1 UST long end demand sources now account for just 6.5% of total UST supply excluding bills. This is near the historic lows since the early 1950s.

Despite the shift in demand, UST issuance has not adjusted accordingly. Since the mid-2010s, UST has grown 10Y+ issuance as a % of total issuance (both including & excluding bills) amidst the traditional long end buyer shift (Exhibit 8). This has resulted in a cheapening of long-dated USTs. UST seems increasingly likely to adjust its issuance mix. Stay long 30Y spreads for potential long end UST supply cuts, especially under a Warsh-led Fed.

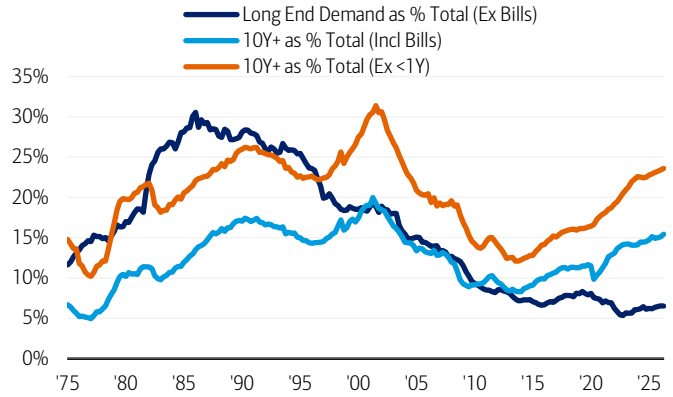
Exhibit 7: Long end demand sources own less USTs vs history
Traditional long-end demand sources' ownership share of USTs ex bills (%)



Source: Federal Reserve

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Exhibit 8: Long end demand has not kept pace with supply growth
Long end share of total supply and demand (%)



Source: Federal Reserve, US Treasury

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Bottom line: stay paid 2Y & in 2s30s flatteners with "strong" US data & sticky inflation. Refunding should support long 30Y asset swap spreads.

Rates – EU

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

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

Evelyn Herrmann
BofASE (France)
evelyn.herrmann@bofa.com

- ECB added dovish twist to its statement, but maintained its hiking bias for Dec. Our Econ call remains for a last hike in Dec, with cuts from Sep-27.
- We expect 10y OAT-Bunds to remain at the mercy of global risk assets given limited ECB communication on the backstops. We hold a tightening bias near term due to potential for a repricing in EUR rates & for more optimism on 2027 budget.
- We favor owning duration in the belly, consistent with the recent 2s10s dynamic.

ECB: Damage control, with caveats

We thought the October ECB meeting was going to be, to a large extent, about damage control. We thought the ECB would want to avoid a repeat of the market reaction after the September meeting and hence it would lean dovish. And it did, with some caveats.

We did get the dovish undertones we were expecting. Additionally, we got some of them in the statement, which gives them more weight: 1) an emphasis on the good behaviour of underlying inflation and wages; 2) a lot more emphasis on the downside to growth coming from energy and financing conditions; and 3) despite the increase in energy prices, a "measured approach" remains appropriate (i.e. a short hiking cycle). The press conference emphasized those dovish points again for most of the discussion.

But, as we expected, there was also the need to keep a hiking bias for Dec. ECB President Lagarde signalled that when she argued that the direction of travel is clear, absent surprises. That statement (i.e. the hiking bias) was repeated several times, which undid part of the initial dovish market reaction.

All in all, the market priced out around 3bp of the 74bp of hikes implied over the coming year (retracing half of the front-end rally recorded on the release of the monetary policy statement). Pricing of the December hike consolidated (22bp implied vs 21bp prior to the policy statement), reinforced by a Reuters report that referenced ECB sources flagging that a December hike was all but certain, barring a collapse in energy prices.

Where does this leave our ECB call? With no changes other than in the balance of risks. We expect one final hike in December**.** Another hike in March is a possibility but looks increasingly difficult as long as financial conditions remain tight and second-round effects are almost absent. A hold in December is not unthinkable, in our view, if activity data deteriorates more than expected, financial conditions remain this tight, core inflation doesn't move much, and second-round effects do not surprise.

Verbal intervention when asked about France / spreads

As we expected, Lagarde was asked about French bonds and we got some verbal intervention, in an attempt to regain some control over very tight financial conditions. We thought that could come in the form of a reminder that the ECB has tools to address deviations from fundamentals and/or a suggestion that QT could be temporarily paused, if market conditions were to be disorderly for a while. We only got the former, which did not provide much additional support to spreads on the day. If anything, 10y OAT spreads which were tightening at the start of the press conference closed marginally wider.

Lagarde's comments focused first on rationalising the bond moves. She referenced the global sell-off in long-dated bonds as being driven by inflation, expectations of higher yields, as well as increased debt issuance by hyperscalers. She also noted that countries with high debt are facing particularly larger challenges as they must factor in an extended period of high interest rates in their fiscal plans.

When asked about the large upcoming redemptions in the QE portfolio, she simply maintained that the ECB is not changing its policy as far as letting redemptions take place without reinvesting (ie full QT). This could have been an opportunity to signal future flexibility on that matter should the transmission of monetary policy be distorted.

We take that as implying that the pain threshold for acting on the balance sheet remains high, even in the case of QT. That said, all tools are available if spreads / financial conditions deteriorate further.

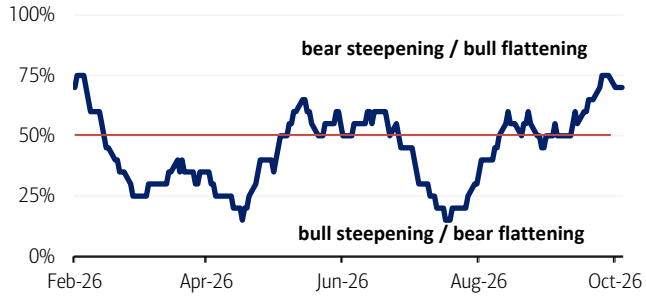
We expect 10y OAT-Bunds to remain at the mercy of global risk assets, but with a tightening bias near term given the scope for a re-pricing in EUR rates (see below) and the potential for markets to price in an increased probability of the budget passing by ordonnance (with the meaningful fiscal tightening it would imply for 2027) - see note, European Rates Watch, 21-Oct for a list of coming key events relevant to OATs.

Hints from ECB sources support receiving positions. Curve view is harder.
Beyond the dovish tilt to the statement, the Reuters article post press conference also reported that ECB sources expect a pause after Dec as the higher bond yields seen since August could be cutting growth by a cumulative 100bp and inflation by 90bp over 2027-28, compared to the September baseline.

With the same rational, we continue to lean bullish duration in EUR, expecting it to be hard for the market to continue pricing in close to three hikes still over the coming year without significantly revising the medium-term European outlook to the downside.

However, deciding the point to overweight on the curve is more complex. With an ECB that maintain a hiking bias and energy prices likely to remain elevated, we believe that scope for negative data surprises and concerns over risks assets are best traded by owning duration in the belly of the curve, as opposed to the very front-end. The curve dynamic has evolved in that direction over the past month, with increased frequency of 2s10s moves led by the 10y (Exhibit 9). The front-end has been remarkably stable in October, with 1y and 1y1y OIS trading within a tight <10bp range during the month. This contrasts with what was observed in Sep (Exhibit 10).

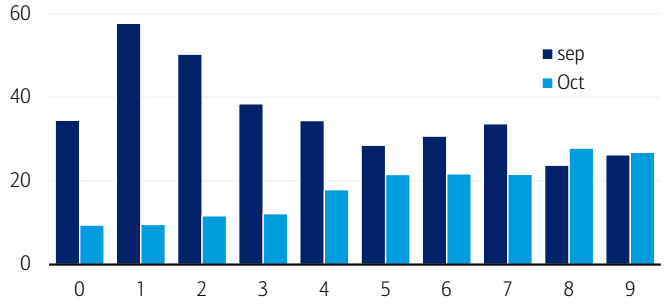
Exhibit 9: over the past month, 75% of 2s10s moves were led by 10s
Percentage of 1s10s moves led by back-end (over rolling 1m period)



Source: Bloomberg

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Exhibit 10: 1y & 1y1y OIS trading in the tightest range (<10bp) in Oct
Trading ranges for 1y, 1y1y, ... 9y1y OIS over September & October (bp)



Source: Bloomberg

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Interestingly, the stability in EUR front-end also contrasts with the large appreciation in oil and gas prices over the month. We find that, contrary to what was observed in Mar-Sep, the cumulative rise in 2y swaps recorded on oil up days was smaller in absolute term than the cumulative decline recorded in oil down days (ratio of c.0.8 vs 1.6 in Mar-Sep). This suggests that the market has taken on board part of the dovish tilt from the ECB. But for the front-end to lead the rally, we would need to see energy prices drop or the market embrace the idea that the ECB is comfortable ending the hikes in December.

Rates – UK

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

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

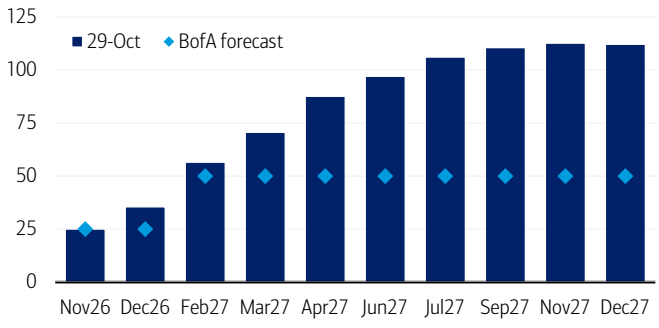
- A dovish BoE hike would bull-flatten the MPC curve: we receive June 2027 MPC-dated Sonia and stay in 1y forward 2s10s Sonia steepener.

Below is an excerpt from BoE preview published on 29 October 2026.

Will the hawkish market-forecast gap narrow?

Heading into next week's MPC meeting, markets see a rate hike as a near certainty, with a 25bp increase fully priced in. An additional 10bp is priced in by the December meeting, with a second hike more than fully priced by February (Exhibit 11). Further out, the market continues to price more than two additional Bank Rate hikes, leaving the terminal rate at odds with our economists' forecasts. The UK continues to have one of the largest hawkish market vs. forecast gap across the major economies (Exhibit 12).

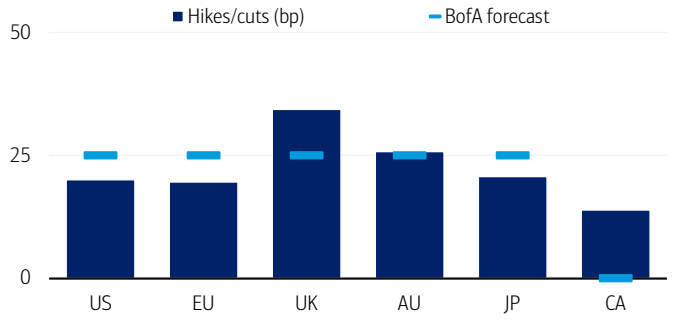
Exhibit 11: Terminal rate pricing at odds with our economists' forecasts
Market implied Bank Rate path vs. BofA forecast (%)



Source: Bloomberg, BofA Global Research

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Exhibit 12: UK - one of the largest hawkish market vs. forecast gap
Pricing of hikes by year-end 2026 (as of 29 Oct) vs BofA forecasts, bp



Source: Bloomberg, BofA Global Research

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We attribute this divergence between our projections and the market to an uncertain macro outlook with risks skewed to the upside, recent hawkish BoE communication and potentially more limited market liquidity. A stronger-than-expected economy, stabilizing labor market and rising energy prices, if sustained, would indeed increase the risk of a third quarterly hike. Meanwhile, Bloomberg's 'BOEspeak' natural language model puts MPC communication at its most hawkish since early 2023 (Exhibit 13).

Nevertheless, market pricing of more than four hikes, alongside some risk of back-to-back moves, appears excessive to us. The 2s10s curve therefore looks vulnerable to bull steepening next week if the terminal rate reprices lower, while any supply indigestion through fiscal year-end could generate bear-steepening pressure (for our Autumn Budget Review, see note, Low key Budget, fiscal challenges delayed published on 28 October).

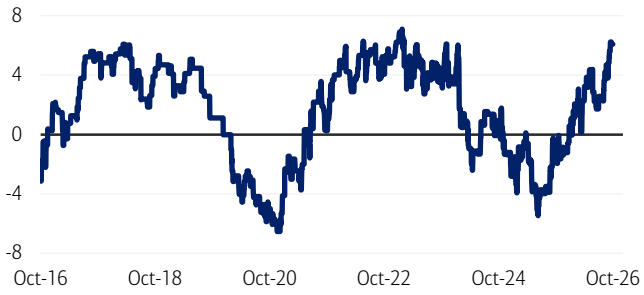
- We hold our **1y forward 2s10s Sonia steepener** entered at 13.9bp with a target of 45bp and stop of 0bp. Current: 5.2bp. Risk: more hawkish than priced BoE (for more, see note, Liquid Insight, 14 October).

Our expectation for a dovish hike, with the BoE raising Bank Rate from 3.75% to 4.0% in a 7-2 vote (Taylor and Dhingra voting for a hold) but signalling that any further tightening is likely to be limited and gradual, could also drive some bull flattening across the near-term MPC dates. If history is any guide, the BoE's dovish hike in May 2023, when the MPC raised Bank Rate by 25bp but subsequent commentary suggested the

hiking cycle might be nearing its end, saw all forward meeting contracts falling on the day, with the move amplifying further out on the curve (Exhibit 14).

- We enter a new trade: **receive June 2027 MPC-dated Sonia**. Entry: 4.72%. Target: 4.41%. Stop: 4.86%. Risk to the trade is a hawkish hike by the BoE.

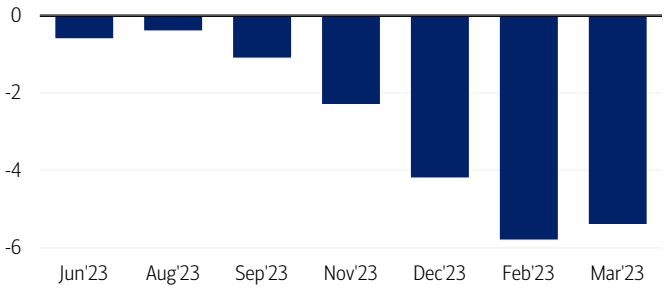
Exhibit 13: BoE sentiment at its most hawkish since early 2023
Bloomberg BOEspeak natural language model on BoE sentiment



Source: Bloomberg. More positive number = more hawkish sentiment and vice versa.

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Exhibit 14: Dovish May 2023 hike resulted in MPC curve bull flattening
MPC-dated Sonia contract yield changes from 10 to 11 May 2023, bp



Source: Bloomberg, BofA Global Research

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Below references Autumn Budget review published on 28 October.

Predictability rewarded

In its Remit revision, the DMO raised the Net NFR for fiscal year 2026-27 by £7.4bn (relative to April's update) to £258.6bn, slightly less than our call for a £10bn increase (for more, see note Autumn Budget preview, 6 October). The increase is to be financed by additional Gilt sales of £4.5bn and a £3bn increase in the net contribution of T-bills to financing for debt management. Underpinning the Gilt sales, the DMO delivered:

- **Additional Gilt sales skew shorter,** with short/medium/long/index-linked Gilt sales adjusted by +£12.6bn/+£13.3bn/-£6.9bn/+£0.4bn, respectively (relative to April's update). Relative to the Remit progress just before the Budget announcement, short/medium/long/index-linked Gilt sales were adjusted by +£2.7bn/+£7.5bn/-£7.6bn/-£0.9bn, respectively.
- **Cancellation of one medium, three long and two index-linked Gilt auctions** (relative to April's update). Relative to the Remit progress just before the Budget announcement, this means the cancellation of two additional long and two index-linked Gilt auctions.
- **Cancellation of one long Gilt syndication** and the addition of one medium Gilt syndication relative to the Remit progress just before the Budget announcement, leaving the total number of planned syndications unchanged.
- **Introduction of 12m T-bills, the T-Bill Standing Repo Facility (TBSRF) and a T-bill collateral pool**, with the 12m T-bill auctions and the TBSRF due to begin in January 2027.

Despite a cut to 6% share, long-dated Gilt sales could still prove challenging

The DMO now plans to raise 6% of the Remit through the long-dated Gilt "bucket", although some of the currently unallocated portion could still be directed to longs as the year continues to progress. This marks a sharp reduction from outturns of 20.9% in 2024-25, 22.4% in 2023-24 and 24.2% in 2022-23. Even so, long-dated Gilt sales could remain challenging: the DMO still needs to sell more than £10bn of longs over the next five months, after selling less than £5bn over the past seven. Wednesday's price action proved a headwind to our steepening bias in Sonia, but we maintain the bias into next week's BoE MPC meeting and with risks of long Gilt sales indigestion in 1Q27.

Rates – AU

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

Isabel Hartstein
Merrill Lynch (Australia)
isabel.hartstein@bofa.com

- The RBA is expected to lift the cash rate to 4.85% on Tuesday following the upside surprise to Q3 CPI.
- In our view, a fifth hike this year will mark the peak of the tightening cycle.
- We closed our 2s10s flattener given risks of another dovish press conference and some early signs of softening in domestic data.

RBA expected to hike following upside surprise to Q3 CPI

Our economists have changed their November call to a hike following the stronger-than-expected Q3 CPI print. Trimmed mean inflation printed 1.0% q/q, which is above the RBA's August forecast. Overall, underlying inflation pressures are more persistent than expected, but new dwelling costs were flat m/m, suggesting housing-related inflation may be starting to soften.

Almost at the peak of the cycle

We expect the cash rate to peak at 4.85%. In our view, the lagged effects of past tightening, the housing downturn, a softening labour market and easing capacity constraints should increasingly weigh on inflation pressures. That should leave near-term front end OIS pricing relatively range-bound, with around 12bp of additional tightening beyond November.

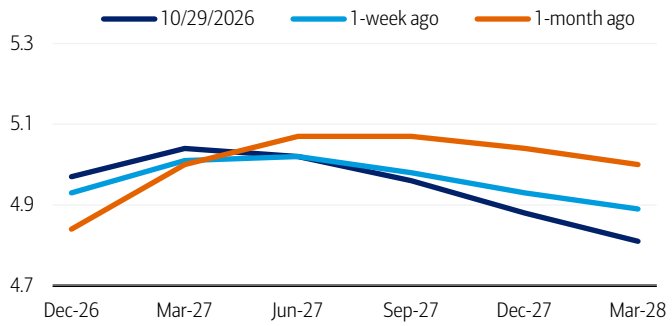
Risks of another dovish press conference

The RBA is expected to retain a tightening bias amid elevated energy prices. In our view, the key risk is a dovish press conference that acknowledges the weakness in the labour market, prompting expectations of easing in H2-27 and further supporting front-end flatteners. Otherwise, the main hawkish risk lies in the updated forecasts: an upward revision to the RBA's NAIRU estimate could strengthen the case for markets to fully price another hike, if the financial conditions are deemed insufficiently restrictive.

We closed our 2s10s flatteners

We closed our 2s10s flattener recommendation shy of target at 26bp (entry 36bp, 10bp target; 50bp stop). With the cash rate likely to move further into restrictive territory next week and some early signs of a slowdown in the domestic data, there are risks of a front-end led re-steepening, particularly in the event of a dovish press conference.

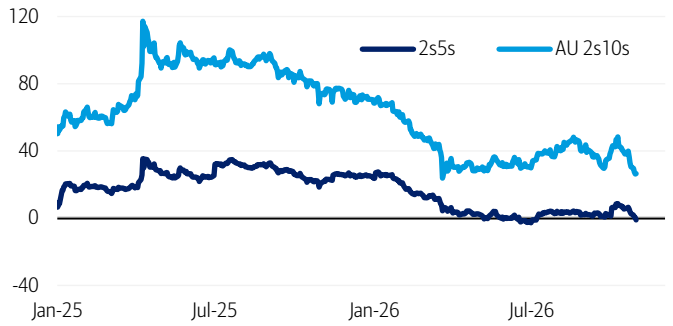
Exhibit 15: Markets increasingly expect cuts over H2-27
Latest bank bill implied yields vs a week ago vs a month ago (%)



Source: Bloomberg

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Exhibit 16: We see limited scope for further flattening
AU 2s5s and 2s10s (bp)



Source: Bloomberg

BofA GLOBAL RESEARCH

Rates – JP

Tomonobu Yamashita
BofAS Japan
tomonobu.yamashita@bofa.com

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

- PCA suggests the recent rally has been broad-based, with relative cheapness now concentrated in the 40-year sector.
- We suggest taking gains on some existing RV positions while maintaining flatteners involving relatively cheap 40-years.

This is an excerpt of Japan Rates Viewpoint, 26 October 2026

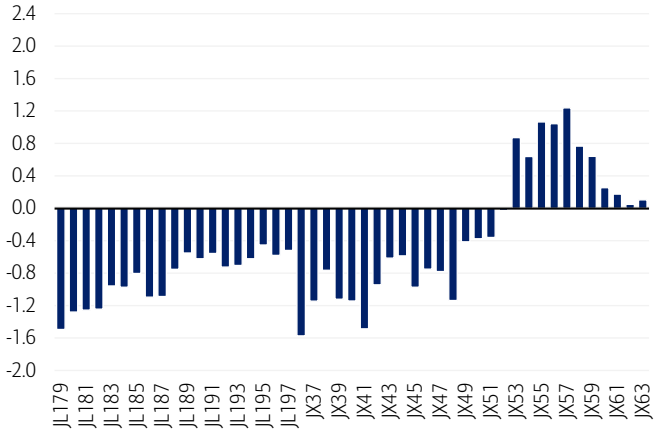
Time to focus on long-end JGB RV

The October 20- and 30-year JGB auctions produced solid results, underscoring robust investor demand for the long-end of the JGB curve. At the same time, however, with the 30-year JGB yield having fallen below 4% and fiscal expansion risks still lingering, we believe investors are increasingly likely to focus on relative value across individual issues rather than chase a further rally in the long-end.

Given the structural yield inversion at the back end of the JGB curve, we assess individual issues based on duration rather than remaining maturity and combine this with Z-score analysis to identify relative-value opportunities. We then use PCA to estimate the fair value of each issue relative to the curve. The results suggest that 40-year JGBs currently offer the most attractive relative value (RV).

Based on this analysis, we believe investors holding a long JL197/short JL195 position or a long JX91/short JX89 position should consider taking profits. Meanwhile, JU17 continues to screen as undervalued, while JU16 is approaching the impairment threshold for life insurers. A 30s40s flattener expressed through long JU19 or JU18/short JX91 also looks attractive from an RV perspective.

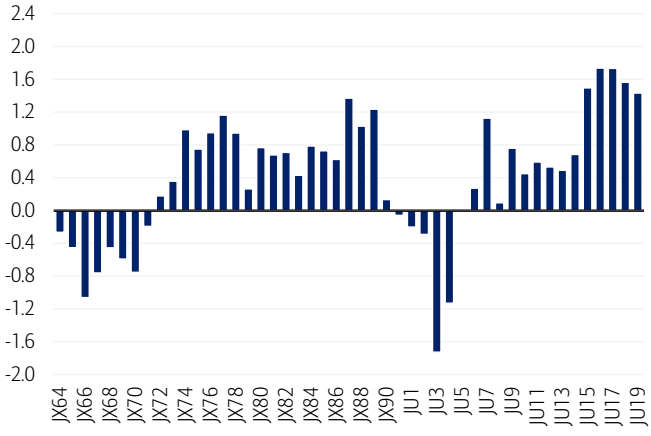
Exhibit 17: The 20-year sector does not appear particularly undervalued
BofA estimates of relative cheapness by issues (JL179-JX63, bps)



Source: BofA Global Research, Bloomberg
Note: Positive values indicate that the issue is cheap relative to the curve, while negative values indicate that it is rich relative to the curve.

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Exhibit 18: 40-year JGBs appear relatively cheap
BofA estimates of relative cheapness by issue (JX64-JU19, bps)



Source: BofA Global Research, Bloomberg
Note: Positive values indicate that the issue is cheap relative to the curve, while negative values indicate that it is rich relative to the curve.

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Rates – CA

Katie Craig
BofAS
katie.craig@bofa.com

Ralph Axel
BofAS
ralph.axel@bofa.com

Carlos Capistran
BofAS
carlos.capistran@bofa.com

- BoC's hawkish hike supports a flatter Canadian curve, proactive stance on inflation contrasts with a more reactive Fed.
- We now expect one more hike in January. Risks point to an earlier start and more hikes than we expect.

The BoC hikes 25bp to 2.50%

The Bank of Canada (BoC) raised its policy rate 25bp to 2.50% at its October 28 meeting, contrary to our expectations (see note, Liquid Insight - Bank of Canada preview: hawkish hold vs largely priced hike (E: 2.50%, BofA: 2.25%). This was the BoC's first hike in more than three years. The BoC pointed to rising inflation risks from elevated energy prices and from high import costs that are passing through to prices. It also said new US tariffs have added uncertainty to the growth outlook.

BoC: one more hike, but not until January

The BoC kept a tightening bias, noting that there could be a need to increase the policy rate further, but said it would proceed carefully given uncertainties. We now expect one more hike in January and look for the BoC to stay on hold in December. We see two reasons for the BoC to skip December. First, the economy is likely to decelerate in 4Q, which the BoC already expects. Second, we think the BoC's new year-end inflation forecast of 3.5% is too high, given that inflation was 3.1% in September. Risks to our call point to an earlier and larger tightening cycle: the hike could come in December instead of January, and depending on oil, the BoC could end up hiking more than once.

Hawkish BoC supportive of flatter CA curve

The Bank of Canada's sanguine outlook led markets to reverse the initial rally post statement and drove a 3bp bear flattener on the day in the 2s10s curve, in line with our expectations for a hawkish hike (see note: Bank of Canada preview). The market now prices in a 56% chance of a hike at the Dec meeting and ~80bp of hikes priced for the next year.

The BoC's hike today shows their commitment to slowing inflation and will likely support a continued flattening of the yield curve in Canada. The BoC's commitment stands in stark contrast to the Fed, which held rates steady this week and declined to commit to future hikes despite elevated US inflation data. This contrast will likely drive the curve flatter in Canada vs the US near term.

We recommend clients position for this by holding a 5s30s swaps curve flattener in CA vs a 5s30s swaps curve steepener in the US. We entered the trade with CA 5s30s at 40bp vs US 5s30s at 10bp, for a spread of 30bp. We target a spread of 15bp with a stop of 37bp. The trade is slight negative carry, but carry is better than the 2-30 or 2-10 versions. The US curve could also flatten, but we view this as a relative credibility trade. A re-active Fed vs a pro-active BoC allows the CAD curve to relatively flatten.

The BoC's hawkish signals should help contain the long-end while the Fed's lack of commitment on hikes risks a further sell-off. The risk to this trade is a surprisingly hawkish Fed.

Front end – US

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

Katie Craig
BofAS
katie.craig@bofa.com

- Repo rates are rising into Oct month-end due to higher TGA, bill issuance, & CAD YE
- Oct funding pressure will likely lead the Fed to restart RMPs in mid-Nov to offset some US year-end pressure
- Repo should stabilize after month end due to (1) CAD banks returning (2) TGA declining (3) Fed RMP likely restarting

This is an excerpt of Repo rise: end Oct pressures, relief ahead, 28 October 2026

Oct month-end repo reflect modest funding pressures

Repo funding conditions tightened leading into Oct month-end, following several weeks of easy & stable conditions. We attribute the recent tightening to (1) higher TGA (2) bill issuance (3) CAD year-end. Repo may increase further into month end & should trigger Fed RMP restart in mid-Nov. Easier repo post Oct supports long Dec '26 SOFR/FF.

Repo increase: higher TGA & bills + CAD year-end

The rise in funding pressure into Oct month-end also comes as somewhat of a surprise to clients given the softness around Sep quarter-end. We attribute the recent funding pressure to (1) a rise in TGA, (2) higher bill supply (3) Canadian year-end.

TGA: A higher TGA is a drain on reserves, all else equal. TGA has grown roughly $100b since mid Oct, which has likely brought reserve balances down over the same period & pushed repo higher (Exhibit 19). We expect the TGA to rise another $20-$120b into month-end, consistent with Treasury's guidance for a TGA of $1,050b +/-$50b.

Bill supply: T-bill issuance picked up significantly in Oct with large settlements leading into month-end. Bills cheapened over Oct, but this was likely exacerbated by MMFs uncertainty on the Fed path. Fed uncertainty explains why overnight repo saw limited spillover from cheaper bills in 1H Oct (Exhibit 20). Treasury is projected to issue $132bn this week between bills and coupons to reach their TGA target, which will continue to put further upward pressure on repo funding in the days ahead.

CAD year-end: Canadian fiscal year-end on Oct 31 is likely adding to US funding pressure, even with the decline in CORRA. CAD year-end can lead banks that are active in US funding markets to reduce balance sheet usage for regulatory reporting purposes. CAD banks less active in the repo market is likely driving an increase in funding demand from other sources, which is raising both SOFR & sponsored repo volumes (Exhibit 21). CAD year-end also drove similar funding pressures in late '25.

October repo points to November RMP restart

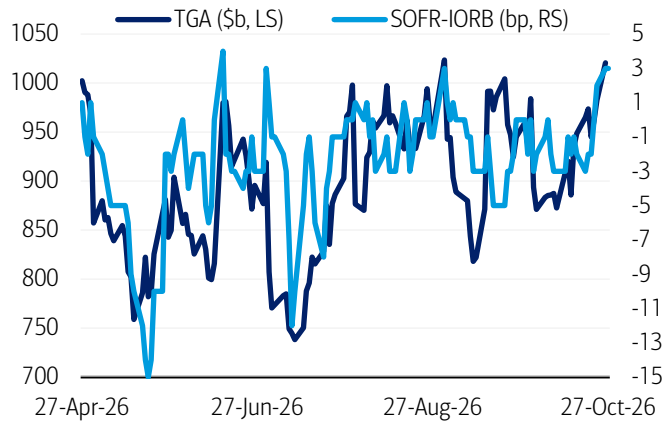
Modest upward pressure on repo likely suggests a restart of Fed RMPs in mid Nov (we expect $10b/m). Current funding conditions also likely suggest the Fed should have re-started RMPs in mid Oct (as we expected). The Fed's Oct RMP bagel surprised us b/c expected TGA increase. RMP Oct inaction again reminds us that Fed will lag broader funding conditions & likely struggle to anticipate funding shifts in advance.

Repo expected to stabilize after month-end

Repo is expected to stabilize after Oct month end. Stabilizing factors: (1) CAD banks should return to market (2) bill supply ex Fed is expected to slow in Nov ($97b) & turn negative in Dec (-$195b; Exhibit 22), (3) TGA declining toward $850b at year-end (4) Fed

RMP restart likely. Repo stabilization view keep us long Dec '26 SOFR/FF (current: -2.5, target: -1.5, stop: -6bp). Risk: No FED RMPs.

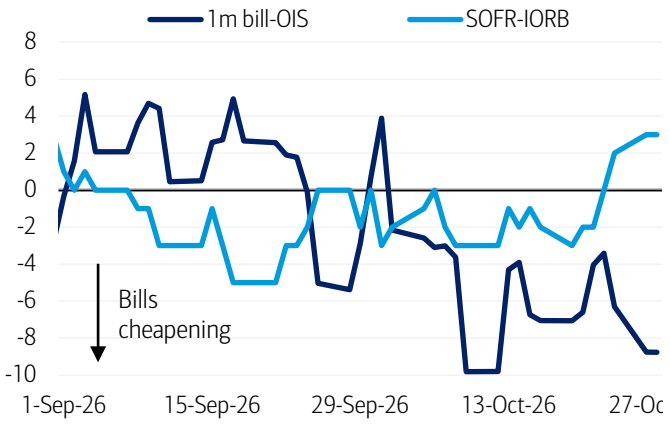
Exhibit 19: Rising TGA has likely reduced reserves and placed upward pressure on funding
TGA and SOFR-IORB spread



Source: Bloomberg

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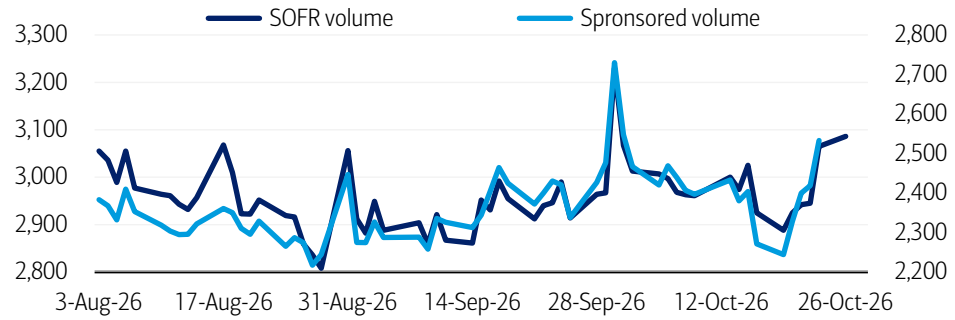
Exhibit 20: Early Oct front-end bill cheapening did not initially spill over into repo
1m bill-OIS and SOFR-IORB spreads



Source: Bloomberg

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Exhibit 21:CAD year-end is likely driving an increase in funding demand from other sources
SOFR and Sponsored repo volumes



Source: Bloomberg

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Exhibit 22: Monthly Fed T-bill purchases and net bill supply to the public
Fed RMPs & MBS reinvestments into T-bills reduce bill supply to public ($b)

	TGA	Net bill supply to the public	RMPs	Fed MBS reinvestment	Net bill supply net Fed purchases	Fed T-bill holdings
10/31/2026	1050	268	0	15	253	571
11/30/2026	950	121	10	13	97	595
12/31/2026	850	-161	20	14	-195	629
1/31/2027	900	193	20	12	161	661
2/28/2027	900	210	20	12	178	693
3/31/2027	925	95	20	14	61	727
4/30/2027	975	-141	20	15	-176	762
5/31/2027	925	169	20	15	134	797
6/30/2027	950	-85	20	16	-121	833
7/31/2027	900	247	20	15	212	868
8/31/2027	950	301	20	16	265	903
9/30/2027	975	-263	20	14	-297	937

Source: BofA Global Research, Treasury

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Inflation – EU

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

- An ECB view and large roll-down keeps us in our 1y forward 2s10s steepener, but end-month should be supportive of our BTPei forward real flattener farther out.

Roll model

Prospective roll-down keeps us in our 1y forward 2s10s real steepener

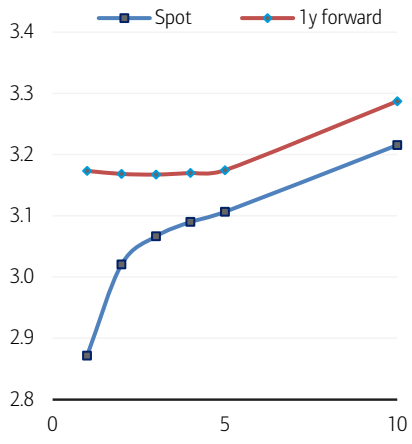
Last month, we recommended entering a 1y forward 2s10s "real €str" curve steepener (combining €str and EURi positions) at 10bp, setting a target of 40bp and a stop-loss at -10bp (currently 19bp). We saw the main risk to the trade being much more resilient growth (see note: the Global Rates Weekly, 25 September 2026).

This idea was underpinned by an ECB call, insofar as we didn't see the tightening priced over the next few years as justified by either our own or the market's inflation profile. This we saw compressing the nearer forward real rate, steepening the real curve.

However, what sold us on the idea was the extreme prospective roll-down, and although the forward real curve has steepened a bit since inception, the spot real curve has steepened by more, so the projected roll-down has improved. What is more, the real 2s10s €str curve is now priced to almost converge with its US equivalent over the next twelve months (while spot 2s10s is 68bp steeper) – something we see as hard to justify.

Over the next twelve months, the 2s10s €str curve is priced to flatten by 8bp but the 2s10s inflation curve priced to steepen by 67bp, so the real €str curve – the balancing item – must flatten by 75bp, from 91bp to 16bp. The 3bp difference versus the 19bp current value for our trade is a result of the trade's earlier inception date. The equivalent 1y forward real Sofr curve is only 1bp flatter than real €str at 15bp (Exhibit 26).

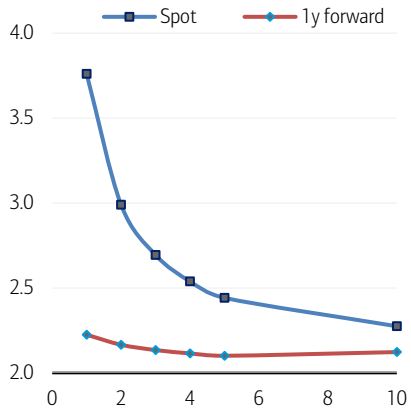
Exhibit 23: 2s10s €str priced to flatten 8bp
Spot and 1y forward €str curves, %



Source: BofA Global Research

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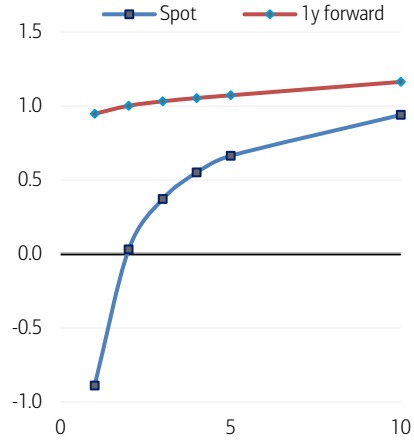
Exhibit 24: 2s10s EURi priced to steepen 67bp
Spot and 1y forward inflation curves, %



Source: BofA Global Research

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Exhibit 25: So 2s10s real €str to flatten 75bp!
Spot and 1y forward real €str curves, %



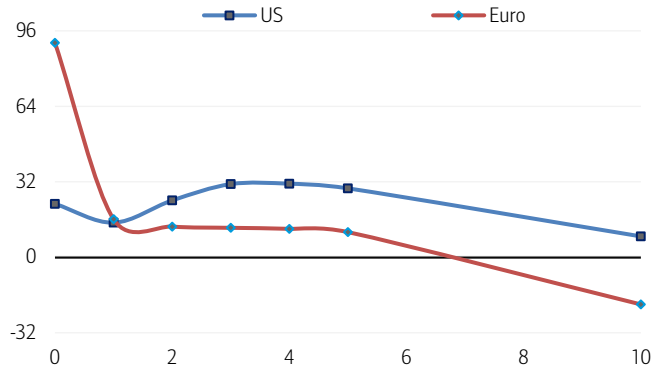
Source: BofA Global Research

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The €100bn exit. The second bond is set to drop

Over several months, we've occasionally returned to the fact that between July this year and May next, four bonds with a combined market value of €100bn will have fallen out of standard sub-1y linker indices. This is, needless to say, enormous. An unprecedented coincidence that will result in large negative net supply to the investible universe for index trackers.

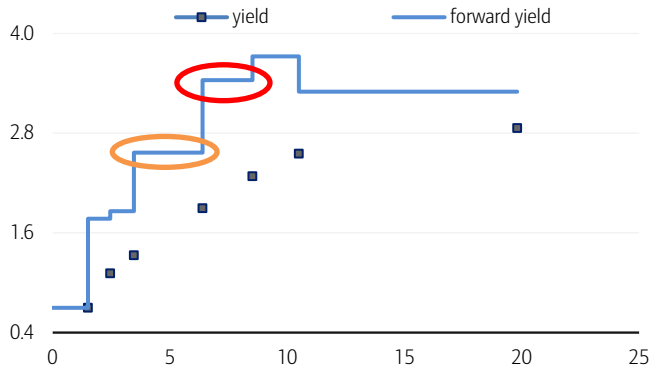
Exhibit 26: Implied future paths of Euro & US real 2s10s cross in a year
Derived €str and Sofr real 2s10s curves, with x-axis showing the forward horizon in years, bp.



Source: BofA Global Research

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Exhibit 27: Step between BTPei 2030-33 and 2033-36 still too large
Real yields vs duration for May maturity BTPeis, with forwards between issues, highlighting the two that are relevant for our trade idea, %.



Source: BofA Global Research, Bloomberg

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The first and largest was OATei 1.85% 2027 in July, and at end-November SPGBei 2027s will depart, with a market value of €23.3bn, adding 0.23 to the modified duration of the index, by our calculations. (the remaining two exiting issues are an OATi next March then a BTPei in May).

We see these exits as a supportive force for longer-dated linker real yields and ASWs. To an extent, this may seem to conflict with our forward real €str steepener. However, we see it as more impactful farther out the curve, and a bond story more than a swap story.

One trade idea we recommended with this in mind in the May edition of the Inflation Strategist (see note) was a BTPei 2030/33/36 barbell with +24.1%/-100%/+75.9% risk weights. The risk weights made it a cash-and-duration-neutral barbell – effectively a forward starting real curve flattener, "selling the step" between the two circled forwards in Exhibit 27.

The trade was entered for a pick-up of 20.6bp, setting a target of 13bp and a stop-loss at 25bp. We saw the risk to the trade being poorly digested long-dated BTPei supply. At the current spread of 15.4bp, we are looking for these index extensions to nudge the trade to target.

Exhibit 28: Cash & duration weighted BTPei 2030-33-36 barbell to narrow further on index events
Weights used for the chart are time varying, to keep it cash-and-duration-neutral, bp



Source: BofA Global Research, Bloomberg

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Technicals

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

Jonathan Hartley, CMT
BofAS
jonathan.a.hartley@bofa.com

US 10Y: Correction underway, anticipate paying

- US 10Y yield remains in an uptrend from the March 2026 low. The current decline from the 5.36% YTD high appears corrective, with initial support near the 50-day SMA and prior low in the 4.92-5.00% area.
- If the decline from 5.36% unfolds in two equal legs, yield could extend toward 4.83%, which coincides with rising trend line support. If offered, we favor fading a move toward these slightly lower yield levels in the next 1-2 weeks
- Ideally, yield remains above 4.74% to preserve the broader uptrend.

For more on our rates views, please see Rates Technical Advantage: A bear wearing a bull costume 27 October 2026.

Chart 1: US 10Y yield remains in an uptrend, although the current correction could extend toward rising trend line support near 4.83%. We favor fading a move toward that area and maintaining a pay-rates bias unless yield firmly falls below 4.74%.
Yield support: 4.92%, 4.83-4.81%, 4.74%, 4.65% | Yield resistance: 5.17%, 5.36%, 5.50%, 5.60% 5.74%.
US 10Y yield weekly candles, 50wk SMA, 200wk SMA, RSI, MACD, Elliott Wave counts, Fibonacci levels



Source: BofA Global Research, Bloomberg (G R 11)

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Rates Alpha trade recommendations

Exhibit 29: Global Rates Trade Book - open trades
Open trades

	Open Trades	Entry Date	Entry	Target	Stop	Latest Level	Trade rationale	Risk
Europe	Short 3m2y EU vs US vol	8-Oct-26	+4bp/v	15bp/v	-7bp/v	10bp/v	Normalization of Eu vs US vol	Further EU vol outperformance
	1y fwd 2s10s real €str steepener	25-Sep-26	10	40	-10	18	Oppose large bear-flattening priced	More resilient growth
	Sell BTPei 41, buy BTPei 56 on z-spread	25-Sep-26	66	56	71	65	Extreme RV anomaly	Poorly digested supply of the longer issue
	Costless 3m2y receiver 1x2	8-Sep-26	0bp	16bp	-8bp	0bp	Fading of ECB hikes by end '26	Rally beyond downside breakeven
	1y fwd 10s20s30s payer fly	24-Jun-26	0bp	10bp	-5bp	-3.5bp	of 20y on paying flows	Outperformance of 20y on the fly
	6m2y vs 18m2y receiver calendar	24-Jun-26	0bp	30bp	-15bp	24bp	ECB hikes near term, cuts medium term	Frontloaded cuts
	BTPei '30/'33/'36 barbell (24.1%/-100%/75.9% risk)	29-May-26	20.6	13.0	25.0	16.1	Expect summer bid for duration	Poorly digested duration supply
	Long Spain vs Portugal 2052s	13-May-26	14	5	20	17	Stronger demand for SPGBs in long-end	Spanish growth slowdown, more supply in
	Long Greece vs Italy, 2035	8-May-26	-5	-25	10	-17	Growth resilience, political stability in GR	Rating upgrade in Italy, less consolidation in GR
	1y fwd 5s20s cap ladder (rf = 56.5bp)	23-Nov-25	0bp	11.2bp	-5bp	11bp	Steepening of 5s20s curve	Steepening beyond downside BE
	1y1y otm rec spread	23-Nov-25	5bp	20bp	0bp	0bp	Hedge negative shock	Macro rebound
	5y1y ATM-25/-100bp rec spread	8-Feb-24	25bp	60bp	0	13bp	Lower ECB terminal rate, without negative carry	Better than expected EUR data
UK	Receive June 2027 MPC-dated Sonia	29-Oct-26	4.72	4.41	4.86	4.72	Lower BoE terminal Bank Rate	Hawkish BoE communication
	Receive 10y20y real Sonia vs. real €str	20-Oct-26	130	90	150	126	Entry level, roll, UK WAM shortening	Material fiscal slippage
	1y forward 2s10s Sonia steepener	14-Oct-26	13.9	45	0	1	Too much tightening priced in	More hawkish than priced BoE
	Receive UKTi 2035-to-38 forward real yield	4-Sep-26	332	275	360	310	High entry level, RV	Material fiscal slippage
	UKTi 2031-38 forward ASW richening	7-Aug-26	101	70	115	96	Entry level, roll-down	Elevated fiscal concern
	Long UKT 7/8 2033s on ASW	6-Jul-26	38.3	25	45	37.9	Supply/demand trends	Fiscal relaxation
	UKT 1.25 '41/0.875 '46 flattener	15-Jun-26	23.4	12.0	28.0	14.7	RV, relative tax advantage	Poorly digested 20y supply
	UKT 4.375% 2028/4.875% 2036 steepener	11-Jun-26	64	85	55	52	Ahead of June MPC & by-election	Strong hawkish lean at the June MP
	UK-US 10y5y inflation narrower	10-Apr-26	91.5bp	60bp	108bp	90.9bp	Pick-up in UKTi supply, entry level, roll-down	Heavy pension bid for linkers
	Long UKT 1/8% 2028 on z-spread	21-Jan-26	-2	-20	10	-27	Retail demand	Programmatic tender of the issue
US / CA	5s30s CA swaps curve flattener vs US	28-Oct-26	30bp	15bp	37bp	25bp	BoC seen as more credible to slow inflation than Fed	Surprisingly hawkish Fed pivot
	Short 2y UST	16-Sept-26	4.73%	5.25%	4.45%	4.60%	Fed seeking a restrictive stance	Econ slowdown / jobs slow while inflation stabilizes
	2s30s flattener	16-Sept-26	62bp	40bp	100bp	70bp	Long end USTs supported by Fed inflation credibility	Dovish Fed pivot + UST stops long end support
	Long 10y20y inflation swap	8-Sept-26	2.35%	2.55%	2.20%	2.30%	Fed waits for inflation deterioration before tightening	Equity selloff and poor long-end liquidity
	Long M7 3m SOFR/FF	8-Sept-26	-2.75	0	-5	-3.38bp	Debt limit dynamics=>softer funding mid '27	Early debt limit resolution or hawkish Fed bal sheet
	3m5y vs 18m5y rec calendar	31-Aug-26	0bp	30bp	-10bp	21bp	On-hold Fed near term, cuts medium term	Frontloading of cuts
	Short 1y1y vs 1y10y vol	31-Aug-26	0bp	20bp/v	-10bp/v	-9bp	Fading of Fed hikes	Hawkish Fed repricing
	Long 30y ASW spread	19-Aug-26	-71bp	-55bp	-80bp	-63.5bp	Buybacks to richen long end UST curve vs swaps	Higher future bill issuance
	Long 2y ASW spread	25-Jun-26	-14bp	-10bp	-19bp	-14.3bp	Attractive carry trade with some resilience to risk-off	Major risk-off liquidity crunch
	1y1y vs 1y9y synthetic real yield curve flattener	25-Jun-26	6bp	-50bp	45bp	3bp	Lower front-end inflation fwds + flatter nominal curve	Weaker data forcing Fed cuts or long-end real yields unanchoring on supply/demand concerns
	6m fwd 2s10s floor ladder (rf=23bp)	22-May-26	0bp	15bp	-10bp	9bp	Flattening on hawkish Fed	Flattening beyond downside BE = -22bp
	Short 2y CAD swap spreads vs long US	13-May-26	-4bp	+5bp	-12bp	-2.75bp	Tighter funding in CAD vs soft/stable in US	Hawkish Fed balance sheet policy
	Long Dec '26 SOFR/FF	11-May-26	-4bp	-1.5bp	-6bp	-2.5bp	FF rate drop to be temporary	FF drop & hawkish Fed bal sheet policy
	Short 1y1y vs 1y10y vol	1-Apr-26	-19bp	30bp	-10bp	3bp	Lower left vs right side vol	Hawkish Fed repricing
	Long 15m vs 3m rec calendar	1-Apr-26	0bp	20bp	-10bp	16bp	On hold Fed, more cuts medium term	Frontloaded cuts, hawkish fed medium term
	1y5y receiver spreads	19-Mar-26	12bp	23bp	-12bp	-12bp	Repricing of Fed policy trough	Limited to premium
	Long 20y UST butterfly	23-Jan-26	52bp	30bp	65bp	42bp	UST to reduce term premium & WAM	No WAM shortening signal & worse liquidity
	1y fwd 5s30s cap spd (rf = 64.5bp)	23-Nov-25	11.5bp	18.5bp	-11.5bp	26bp	Backend steepening, higher vol context	Steepening beyond downside BE
	18m1y vs 6m1y rec	1-May-25	0bp	30bp	-15bp	9bp	< frontloaded cuts, > backloaded cuts	>frontloaded cuts with < medium term
	3y1y rtr spd a/-50bp	6-Nov-23	23bp	50bp	-23bp	-22bp	Soft landing scenario	Capped to premium
APAC	Receive Dec '27 BOB	16-Oct-26	8.7bp	2bp	12bp	5bp	RBA term repos = tighter basis	Global credit risk event
	JP long 6m1y vs 6m10y vol	1-Sep-26	+22bp/v	25bp/v	-10bp/v	5bp	Hawkish BoJ	Dovish BoJ
	JP 1y fwd 2s10s bear flattener	1-Sep-26	0bp	25bp	-10bp	4bp	Bear flattening on hawkish BoJ	Bear steepening on behind the curve BoJ
	AU 6m2y rec ladders	30-Jul-26	0bp	19bp	-10bp	1bp	On-hold RBA	Rally beyond downside BE
	Long 6m2y receivers in AU vs US	24-Jun-26	0bp	20bp	-10bp	1bp	Outperformance of AU vs US frontend	Hawkish RBA and/or dovish Fed
	JP 6m10y payer 1x2	6-May-26	0bp	30bp	-15bp	7bp	Further bearish momentum in JP curve	Limited to premium paid
	JP 6m10y payer spread	6-May-26	11bp	29bp	-11bp	6bp	Further bearish momentum in JP curve	Limited to premium paid
	JP short 6m1y payer 1x2	6-May-26	0bp	30bp	-15bp	7bp	Material hawkish BoJ repricing	Moderate vs fwds
	AU costless 1y2y rec ladder	23-Nov-25	0bp	25bp	-10bp	0bp	Dovish RBA	Rally beyond downside BE

Source: BofA Global Research Note: (*) Target, stop, and latest level reflect PnL of trade

Exhibit 30: Global Rates Trade Book - closed trades
Closed trades

	Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
Europe	Receive 1y2y €str vs AU OIS	3-Sep-26	175	200	160	2-Oct-26	170
	Short 10y Bunds vs swaps	11-Aug-26	4.7	1	7	25-Sep-26	8
	Long 1y5y EURi, short 1y5y EUR payer	15-Apr-26	-29	20	-60	25-Sep-26	-65
	Receive 1y5y "real Euribor" rate	8-Sep-26	118	80	140	16-Sep-26	140
	Jun27 IMM 2y Euribor-€str widener	16-Apr-26	26.7	32	23	8-Sep-26	32
	3m fwd 2s10s bull flattener	24-Jun-26	0bp	15bp	-7bp	8-Sep-26	0bp
	Long SFIH7 vs ERH7	3-Aug-26	139	120	154	3-Sep-26	129
	Receive OATei 2031-40 fwd yield	27-Mar-26	247	210	280	24-Aug-26	280
	Long Finland vs Austria 2040s	13-May-26	6.5	-3	12	21-Aug-26	12
	Long EU vs France 2035s	21-May-26	30	40	25	12-Aug-26	40
	ERZ6-Z7 flattener	25-Mar-26	-14	-50	10	22-Jul-26	10
	Short 1y1y vs 1y10y vol	8-Apr-26	-13bp	15bp	-3bp	9-Jul-26	15bp
	10y5y-15y15y EUR swaps steepener	17-Apr-26	-50	-25	-65	23-Jun-26	-38
	Long 10y Bunds	27-Mar-26	3.12	2.75	3.35	25-May-26	2.94
	1y fwd 10s20s30s payer fly	23-Nov-25	0bp	10bp	-5bp	23-May-26	0bp
	Short 3m2y payers in US vs EU	6-May-26	0bp	25bp	-13bp	21-May-26	15bp
	Short 3m2y EU vs US vol	8-Apr-26	-4bp	16bp	-19bp	11-May-26	15bp
	Long 2x1y4y EURi; rec've 1y4y €str	28-Jan-26	143	180	120	15-May-26	171
	Long 7Y France vs Belgium	10-Apr-26	21bp	10bp	28bp	29-Apr-26	20bp
	Buy 6m fwd 2s10s floor spd	11-Mar-26	Ref. 34bp	-6bp	44bp	29-Apr-26	19bp
	Pay Jun26 IMM 1y Euribor-€str basis	7-Aug-25	23.7	30	19.5	16-Apr-26	26.7
	Long 10y PGB - BGB	25-Mar-26	-13	-25	-5	8-Apr-26	16
	Receive 2y3y Euribor swaps	27-Mar-26	3.08	2.70	3.25	8-Apr-26	2.80
	Buy BTPei 28s on z-spread	27-Mar-26	24	5	35	5-Apr-26	5
	US-EZ 30y inf. sprd. widener	23-Nov-25	22	60	0	31-Mar-26	-3
	Long SARON 2y1y	19-Mar-26	36bp	0bp	55bp	24-Mar-26	30bp
	Buy 6m5y payer spreads	10-Mar-26	10.5bp	29.5bp	0bp	19-Mar-26	14.5bp
	Pay 1y1y EUR xccy basis	12-Mar-26	-3.5	0	-5.2	19-Mar-26	-5.2
	Short 6m1y payers 1x2	10-Mar-26	0bp	30bp	-10bp	18-Mar-26	8bp
	Sell OBL #192 vs. DBR Aug-46 ASW box	23-Nov-25	26	15	33	3-Mar-26	33
	Receive Mar26 ECB €str	3-Oct-25	1.86	1.65	1.95	3-Mar-26	1.95
	1y fwd 5s20s bull steepener	23-Nov-25	0bp	20bp	-10bp	13-Feb-26	3bp
	Long 3m10y vs 1y10y payer (*)	23-Nov-25	3bp	20bp	-10bp	12-Feb-26	-10bp
	Long 30y Bunds vs Netherlands	24-Nov-24	14.5	25	8	27-Jan-26	6
	Long 7y Finland vs Austria	30-Oct-25	4	-5	10	19-Jan-26	2
	Short 6m2y rec ladder	7-Jul-25	0bp	25bp	-14bp	7-Jan-26	0bp
	Receive 10y5y "real ESTR" rate	5-Sep-25	107	70	125	14-Dec-25	126
	Sell OATei 47, buy BTPei 56 on z-spread	5-Sep-25	69	40	85	4-Dec-25	38
	Sell 2055 TIPS, buy 2056 BTPei	8-Oct-25	12	-20	28	23-Nov-25	0bp
	2y3y/5y5y Euro inflation steepener	2-May-25	20.0	35.0	10.0	23-Nov-25	16bp
	US-Euro 2y3y inflation widener	1-Jul-25	38	70	20	23-Nov-25	47bp
	Long 10y Bunds	2-Sep-25	2.80%	2.40%	3.05%	21-Nov-25	2.68%
	Short 5y German swap spreads	11-Jul-25	6.5	0	12	17-Nov-25	12
UK	UKT 2044/68 curve flattener	15-May-26	-1.1	-12.0	6.0	21-Sep-26	-12
	Receive UKTi 2036-55 forward real yield	25-Jun-26	259	300	200	23-Jul-26	300
	Pay June MPC-dated Sonia	8-May-26	3.82	3.98	3.73	18-Jun-26	3.74
	RPI 1y1y/2y2y flattener	24-Apr-26	-7	-30	10	13-Jun-26	13
	Receive 4y5y Gilt yield vs. Sonia	15-Jan-26	72	45	87	1-May-26	72
	UKTi 2058/68 real curve flattener	1-Jul-25	-12.7bp	-22bp	-7bp	29-Apr-26	-16.1bp
	Pay Jul'26 vs. rec Apr'27 MPC Sonia	2-Apr-26	14	-15	25	17-Apr-26	5
	Receive 1y real Sonia vs real Estr	20-Mar-26	36	-25	65	31-Mar-26	-6
	Long UKTi 2039 BEI	20-Nov-25	286	325	265	9-Mar-26	322
	Long G vs. RXA invoice spd	23-Nov-25	52bp	32bp	62bp	27-Feb-26	32bp
	Long SFIH7 futures	11-Feb-26	3.36	3.25	3.42	26-Feb-26	3.25
	Pay Feb'26 vs. Jun'26 MPCs	23-Nov-25	-24bp	-40bp	-17bp	6-Feb-26	-33.5bp
	Pay 10y Sonia vs long 30y Gilt	19-Sep-25	139bp	120bp	155bp	5-Dec-25	120bp
	Rec fwd UKTi real rates/pay fwd TIPS real rates	14-May-25	22bp	-40bp	50bp	4-Dec-25	-41bp
	Pay 1y1y "real Sonia"	24-Oct-25	11	30	0	24-Nov-25	30
	1s2s RPI flattener	2-Oct-25	6.5	-25.0	25.0	24-Nov-25	14
	Long 30y Gilt on ASW	2-May-25	91	75	100	14-Nov-25	85
US / CA	Pay Oct FOMC OIS	8-Oct-26	3.925%	4.00%	3.88%	14-Oct-26	4.02%
	Long 5-30 CAD vs short US 5-30 steepener	8-Sept-26	4bp	20bp	-10bp	24-Sep-26	16.5bp
	1y5y rec spread	23-Nov-25	14.5bp	25.5bp	-14.5bp	24-Sep-26	-10bp
	1y fwd 5s30s bear steepener	31-Aug-26	0bp	25bp	-10bp	24-Sep-26	-10bp
	Long 5y UST	14-Aug-26	4.32%	3.90%	4.60%	10-Sep-26	4.75%
	Long 5y5y inflation swap	31-Jul-26	2.39%	2.56%	2.25%	8-Sep-26	2.44%
	5s30s steepener	14-Aug-26	89bp	110bp	70bp	8-Sep-26	70bp
	CORRA U6-M7 flattener	14-Aug-26	57bp	35bp	75bp	4-Sep-26	75bp
	Paid Jan '27 FOMC OIS	29-Jul-26	4.02%	4.40%	3.70%	28-Aug-26	4.08%
	2s10s flattener	8-Jun-26	38bp	15bp	60bp	14-Aug-26	50bp

Exhibit 30: Global Rates Trade Book - closed trades
Closed trades

	Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
	Short 2y UST	18-May-26	3.87%	4.25%	3.70%	14-Aug-26	4.12%
	Long 2y CA vs short 2y US	23-Jun-26	140bp	190bp	100bp	14-Aug-26	121bp
	2s10s CAD swaps steepener vs USD flattener	13-Mar-26	35bp	65bp	5bp	14-Aug-26	41bp
	1s2s inflation curve flattener	28-May-26	-19bp	-45bp	0bp	7-Aug-26	2bp
	Short July '26 SOFR/FF	9-Jun-26	-0.5bp	-2bp	2bp	31-Jul-26	1.25bp
	Short 10y UST vs Bunds	6-May-26	134.5bp	160bp	120bp	1-Jul-26	160bp
	Long 3m1y rec in US vs EU	1-Apr-26	0bp	20bp	-10bp	1-Jul-26	-8bp
	Long 2y inflation swap	28-May-26	2.83%	3.10%	2.65%	19-Jun-26	2.65%
	Long CORRA Z6 vs Short SOFR Z6	5-Jun-26	126bp	160bp	100bp	18-Jun-26	156bp
	6m fwd 2s10s bear steepeners	1-Apr-26	0bp	25bp	-10bp	18-Jun-26	-10bp
	2s5s flattener	21-May-26	13bp	0bp	30bp	8-Jun-26	12bp
	1y fwd 5s30s steepener	23-Nov-25	0bp	20bp	-10bp	4-Jun-26	-10bp
	5s30s steepener	13-Mar-26	101bp	130bp	80bp	4-Jun-26	82bp
	2y1y receiver ladder	25-Jan-25	0bp	50bp	-10bp	4-Jun-26	17bp
	6m2y risk reversals	19-Mar-26	0bp	25bp	-10bp	21-May-26	-10bp
	Long 5y synthetic RY	23-Nov-25	91bp	40bp	125bp	21-May-26	125bp
	Short June '26 SOFR/FF	13-May-26	0.5bp	-1bp	2bp	19-May-26	2bp
	Long 5y5y inflation swap	26-Mar-26	2.34%	2.55%	2.20%	8-May-26	2.46%
	6m fwd 2s10s floor ladder (rf = 52.5bp)	23-Nov-25	0bp	9.75bp	-5bp	21-May-26	5bp
	6m2y payer ladders (*)	23-Nov-25	0bp	18bp	-10bp	21-May-26	-10bp
	Long CORRA Z6	1-May-26	2.83%	2.29%	3.10%	13-May-26	2.81
	Long 30y swap spread	5-May-26	-81bp	-71bp	-84bp	6-May-26	-78bp
	Long Dec '26 SOFR/FF	5-Feb-26	-6bp	-3bp	-9bp	6-May-26	-3.5bp
	Long 2y swap spread	23-Nov-25	24bp	15bp	30bp	5-May-26	14bp
	Receive SOFR M8	13-Mar-26	3.41%	2.75%	3.70%	1-May-26	3.57%
	6m10y payer ladder	22-Oct-25	0bp	20bp	-10bp	7-Apr-26	16bp
	Receive Jun FOMC OIS	19-Mar-26	3.65%	3.4%	3.78%	2-Apr-26	3.64%
	Long Jun '26 SOFR/FF	13-Jan-26	-4bp	-1bp	-7bp	30-Mar-26	-2.5bp
	1y1y SOFR/FF widener	23-Nov-25	-5.25bp	-1bp	-8bp	30-Mar-26	-5bp
	1y5y inflation curve flattener	6-Mar-26	-38bp	-75bp	-15bp	20-Mar-26	-75bp
	Sell 1y1y vs 1y10y vol	14-Aug-25	+4bp/v	15bp/v	-5bp/v	26-Mar-26	-5bp/v
	Receive Jan FOMC OIS	12-Dec-25	3.60%	3.44%	3.70%	18-Mar-26	3.65%
	Long 10y BE	23-June-25	234bp	255bp	220bp	13-Mar-26	239bp
	2y30y inflation swap flattener	26-Feb-26	1bp	-30bp	20bp	6-Mar-26	-27bp
	Pay Jun FOMC OIS	12-Feb-26	3.45%	3.64%	3.30%	6-Mar-26	3.50%
	Long 30y swap spread	3-Feb-26	73bp	60bp	80bp	4-Mar-2026	79bp
	Receive SOFR Z7	31-Oct-25	3.18%	2.50%	3.65%	27-Feb-26	3.05%
	Sell 3m1y vs 15m1y rec	23-Nov-25	4.5bp/v	20bp	-10bp	27-Feb-26	72bp
	5s30s steepener	23-Nov-25	108bp	150bp	75bp	23-Feb-26	110bp
	2s10s CAD steepener vs USD flattener	8-Jan-26	21bp	50bp	5bp	15-Jan-26	25bp
	Long Jan SOFR/FF	15-Sep-25	-6.5bp	-2bp	-11bp	8-Jan-26	-4.5
	CAD 2s10s steepener	23-Nov-25	74.5bp	90bp	50bp	8-Jan-26	84bp
	1y1y receiver 1x1.5	12-Dec-24	9bp	60bp	-15bp	12-Dec-25	2bp
	Long 3m CORRA Z6 futures	23-Nov-25	2.32%	2.00%	2.50%	5-Dec-25	2.60%
	SOFR H6H7 flattener	11-Sep-25	-53bp	-75bp	-35bp	26-Nov-25	-58bp
	6m5y payer ladder	23-May-25	0bp	27bp	-10bp	24-Nov-25	0bp
	1y1y straddles vs strangles	24-Nov-24	+0.31%	20bp v	-10bp v	20-Nov-25	0.036%
	1y fwd 5s30s bear steepener	24-Nov-24	0bp	30bp	-15bp	20-Nov-25	27bp
	Long 5y30y vol vs 2y30y vol	24-Nov-24	+5.5bp v	15bp v	-10bp v	13-Nov-25	15bp
	6m fwd 2s10s floor ladder	1-May-25	46bp	17bp	-10bp	1-Nov-25	31bp
APAC	AU 2s10s flattener	11-Sep-26	36bp	10bp	50bp	28-Oct-26	26bp
APAC	2s10s TONA swap steepener	16-Oct-26	93	105	85	26-Oct-26	81
APAC	Long 30y JGB ASW	24-Jul-26	45bp	35bp	52bp	16-Oct-26	39bp
APAC	Nov RBA OIS	23-Sep-26	9bp	25b	3bp	15-Oct-26	4bp
APAC	Pay 2y 6s3s	17-Jul-26	22bp	27bp	19bp	9-Oct-26	26.375bp
APAC	AU 6m fwd 5s30s bear steepener	30-Jul-26	0bp	20bp	-10bp	24-Sep-26	-10bp
APAC	Pay Sep RBA OIS	26-Aug-26	8bp	25bp	1bp	23-Sep-26	21bp
APAC	Buy Mar '27/ Mar '28 flatteners	21-Aug-26	-12bp	-20bp	-7bp	4-Sep-26	-11bp
APAC	JP long 6m2y rtp vs KR 6m2y OTM rtp	8-Jun-26	0bp	25bp	-10bp	4-Sep-26	32bp
APAC	AU short 6m1y vs 18m1y rec calendar	11-May-26	0bp	30bp	-10bp	4-Sep-26	21bp
APAC	AU 6m1y risk reversal	24-Jun-26	0bp	15bp	-7bp	4-Sep-26	-7bp
APAC	JP costless 6m5y receiver ladder	3-Feb-26	0bp	12bp	-5bp	4-Sep-26	0bp
APAC	JP Costless 1y2y payer ladder	23-Nov-25	0bp	18bp	-10bp	4-Sep-26	-10bp
APAC	Buy QTC July 2037 on matched maturity swap	6-Aug-26	63bp	55bp	68bp	4-Sep-26	60bp
APAC	Buy NSWTC May 2027 on matched maturity swap	6-Aug-26	10bp	2bp	15bp	4-Sep-26	9bp
APAC	AUD 10y long	10-Feb-26	4.88%	4.3%	5.15%	4-Sep-26	5.15%
APAC	AU short 1y1y vs 1y10y vol	24-Jun-26	-3bp/v	10bp	-5bp	23-Jul-26	-10bp
APAC	Long AU 2y1y, short US 2y1y, pay Sep/Dec RBA	18-Jun-26	49bp	23bp	62bp	24-Jul-26	64bp
APAC	Pay 3y swap EFP (q/q)	28-May-25	-9.5bp	10bp	-19.5bp	24-Jul-26	-1.5bp
APAC	Pay Jan BOJ OIS/Receive Dec RBA OIS	10-Jun-26	325bp	290bp	345bp	10-Jul-26	322bp

Exhibit 30: Global Rates Trade Book - closed trades
Closed trades

Closed trades	Entry date	Entry level	Target	Stop	Close date	Level closed
Receive 6m6m AONIA/SOFR	10-Jun-26	11.3bp	4bp	15bp	10-Jul-26	7bp
Receive 1y1y AONIA/SOFR basis swap	23-Nov-25	14bp	5bp	18.5bp	10-Jul-26	11bp
AU 1y forward 2s10s flattener	8-May-26	47bp	29bp	57bp	3-Jun-26	54bp
Selling Japan invoice spread	10-Apr-26	-10.3	-13.5	-8.7	22-May-26	-9.8
Short 5yr JGB on ASW	1-Dec-25	5	15	0	22-May-26	4.1
Pay RBA OIS May	30-Apr-26	19bp	25bp	16bp	5-May-25	25bp
U6U7 flattener	27-Mar-26	-1bp	-25bp	12bp	5-May-26	-5bp
JP long 1y1y vs 1y10y vol (*)	23-Nov-25	11bp	15bp	-8bp	26-Mar-26p	-10bp
JP 1y fwd 2s30s bear flattener	23-Nov-25	0bp	20bp	-10bp	26-Mar-26p	20bp
May/Dec '26 RBA OIS flattener	9-Mar-26	32bp	12bp	42bp	19-Mar-26	42bp
Long 6m20y payers JPY vs AUD	21-Aug-25	0bp	20bp	-10bp	27-Feb-26	6bp
Long 9m2y rec spd US vs AU rec	23-Nov-25	0bp	30bp	-10bp	12-Feb-26	8bp
Long Japan 10-year BEI	23-Nov-25	160bp	190bp	167bp	13-Feb-26	190bp
Long OTR JGBi 2030 BEI	23-Nov-25	155bp	170bp	147bp	13-Feb-26	190bp
Buy 30y ACGBs vs. 30y JGBs	23-Nov-25	163bp	100bp	194bp	16-Jan-26	168bp
AU 3s7s flattener vs. CAD steepener	23-Nov-25	24.5bp	15bp	45bp	5-Dec-25	19bp
Buy TCV 5.5% Sep 2039, pay 10y swap	15-May-25	133bp	100bp	148bp	25-Nov-25	99bp
JP 1y2y payers spd vs 1y10y payers	24-Nov-24	0bp	40bp	-15bp	20-Nov-25	-2bp
JP 1y5y payer ladders	24-Nov-24	0bp	28bp	-10bp	20-Nov-25	17bp
Long 6m5y payer spd USD vs KRW	23-Sep-25	0bp	25bp	-10bp	20-Nov-25	-10bp
Long 20y AU semis, short 20y JGBs	18-Aug-24	289bp	200bp	330bp	14-Nov-25	282bp
AU IR H6/H7 steepener	30-Oct-25	0bp	25bp	-12bp	13-Nov-25	13bp
Pay AU 10y invoice spread vs US	30-May-25	40bp	60bp	25bp	23-Nov-25	44bp
KR 1y fwd 2s10s bull steepeners	24-Nov-24	0bp	25bp	-10bp	6-Nov-25	7bp
Pay Nov RBA OIS	4-Nov-25	19bp	0bp	25bpbp	4-Nov-25	0bp

Global rates forecasts

Exhibit 31: Latest levels and rate forecasts
Forecasts by quarter up to YE '27 plus YE 2028

		Latest	YE 26	Q1 27	Q2 27	Q3 27	YE 27		YE 28
USA	O/N SOFR	3.94	4.41	4.41	4.41	4.41	4.41		4.41
	2y T-Note	4.60	5.00	4.95	4.90	4.85	4.75		4.50
	5y T-Note	4.74	5.00	4.95	4.90	4.85	4.75		4.60
	10y T-Note	**4.94**	**5.00**	**4.95**	**4.90**	**4.85**	**4.75**		**4.75**
	30y T-Bond	5.30	5.25	5.20	5.20	5.15	5.10		5.15
	2y Swap	4.42	4.85	4.82	4.77	4.72	4.62		4.37
	5y Swap	4.42	4.67	4.60	4.55	4.50	4.40		4.25
	10y Swap	**4.51**	**4.43**	**4.40**	**4.35**	**4.30**	**4.20**		**4.20**
	30y Swap	4.61	4.42	4.35	4.35	4.30	4.25		4.30
Germany	3m Euribor	2.64	2.90	2.90	2.80	2.55	2.30		1.70
	2y BKO	3.08	3.20	3.00	2.80	2.55	2.30		1.85
	5y OBL	3.17	3.35	3.20	3.00	2.75	2.55		2.15
	10y DBR	**3.36**	**3.40**	**3.25**	**3.10**	**2.90**	**2.80**		**2.50**
	30y DBR	3.70	3.70	3.50	3.40	3.20	3.10		2.85
	2y Euribor Swap	3.38	3.40	3.20	3.00	2.70	2.45		1.95
	5y Euribor Swap	3.41	3.50	3.30	3.10	2.80	2.60		2.15
	10y Euribor Swap	**3.46**	**3.50**	**3.30**	**3.15**	**2.90**	**2.80**		**2.45**
	30y Euribor Swap	3.31	3.40	3.30	3.20	3.00	2.95		2.70
Japan	TONA	1.23	1.48	1.73	1.73	1.98	1.98		1.98
	2y JGB	1.91	1.95	2.20	2.20	2.35	2.30		2.20
	5y JGB	2.28	2.40	2.65	2.65	2.75	2.65		2.55
	10y JGB	**2.85**	**3.00**	**3.10**	**3.10**	**3.15**	**3.05**		**2.95**
	30y JGB	3.92	4.10	4.15	4.15	4.15	4.05		3.95
	2y Swap	1.90	2.03	2.28	2.28	2.40	2.35		2.25
	5y Swap	2.26	2.48	2.70	2.70	2.78	2.68		2.58
	10y Swap	**2.73**	**2.85**	**3.00**	**3.00**	**3.10**	**3.00**		**2.93**
U.K.	3m Sonia	4.02	4.25	4.50	4.25	4.25	4.00		3.50
	2y UKT	4.90	4.80	4.95	5.00	4.75	4.50		3.75
	5y UKT	4.95	4.85	4.90	4.90	4.75	4.75		4.75
	10y UKT	**5.29**	**5.20**	**5.25**	**5.25**	**5.25**	**5.25**		**5.25**
	30y UKT	5.70	5.70	5.70	5.70	5.70	5.70		5.70
	2y Sonia Swap	4.74	4.65	4.75	4.75	4.50	4.25		3.50
	5y Sonia Swap	4.76	4.65	4.65	4.65	4.50	4.50		4.50
	10y Sonia Swap	**4.87**	**4.75**	**4.75**	**4.75**	**4.75**	**4.75**		**4.75**
Australia	3m BBSW	4.91	4.60	4.60	4.60	4.35	4.10		3.60
	2y ACGB	4.90	4.80	4.75	4.65	4.55	4.45		4.25
	5y ACGB	4.89	4.80	4.75	4.70	4.65	4.60		4.45
	10y ACGB	**5.18**	**5.15**	**5.10**	**5.05**	**5.00**	**4.95**		**4.80**
	3y Swap	4.80	4.90	4.85	4.75	4.65	4.55		4.35
	10y Swap	**5.27**	**5.25**	**5.20**	**5.15**	**5.10**	**5.05**		**4.90**
Canada	2y Govt	3.33	3.55	3.65	3.70	3.75	3.80		3.80
	5y Govt	3.54	3.70	3.75	3.80	3.85	3.85		3.95
	10y Govt	**3.80**	**4.00**	**4.05**	**4.05**	**4.10**	**4.10**		**4.20**
	2y Swap	3.21	3.50	3.60	3.65	3.70	3.75		3.75
	5y Swap	3.37	3.55	3.60	3.65	3.70	3.75		3.80
	10y Swap	**3.58**	**3.75**	**3.80**	**3.80**	**3.85**	**3.85**		**3.95**

Source: BofA Global Research

Appendix: Common acronyms

Exhibit 32: Common acronyms/abbreviations
This list is subject to change

Acronym/Abbreviation	Definition	Acronym/Abbreviation	Definition
ann	annualized	IT	Italy
APF	Asset Purchase Facility	NADEF	Nota Aggiornamento Documento Economia e Finanza
APP	Asset Purchase Programme	NFR	Net Financing Requirement
AS	Austria	lhs/LS	left-hand side
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	
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
GE	Germany	PBoC	People's Bank of China
DMO	Debt Management Office	PEPP	Pandemic Emergency Purchase Programme
DS	Debt sustainability	P&I	Pension and Insurance
DXY	US Dollar Index	PMI	Purchasing Managers' Index
EA	Euro area	PMRR	Preferred Minimum Range of Reserves
EC	European Commission	PPF	Pension Protection Fund
ECB	European Central Bank	PRT	Pension Risk Transfer
ECJ	European Court of Justice	PSPP	Public Sector Purchase Programme
EFSF	European Financial Stability Facility	PT	Portugal
EGB	European Government Bond	QE	Quantitative Easing
EIB	European Investment Bank	qoq	quarter-on-quarter
EMOT	Economic Mood Tracker	QT	Quantitative Tightening
EP	European Parliament	RBA	Reserve Bank of Australia
SP	Spain	RBNZ	Reserve Bank of New Zealand
ESI	Economic Sentiment Indicator	rhs/RS	right-hand side
ESM	European Stability Mechanism	RPI	Retail Price Index
EU	European Union	RRF	Recovery and Resilience Facility
f	final print	RSI	Relative Strength Index
FPC	Financial Policy Committee	SA	Seasonally Adjusted
FR	France	SAFE	Survey on the access to finance of enterprises
FY	Fiscal Year	SMA	Survey of Monetary Analysts / Simple moving average
GC	Governing Council	SNB	Swiss National Bank
GDP	Gross Domestic Product	SPF	Survey of Professional Forecasters
GNI	Gross National Income	STR	Short Term Repo
GFR	Gross Financing Requirement	SURE	Support to mitigate Unemployment Risks in an Emergency
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	UST	US Treasury
INSEE	National Institute of Statistics and Economic Studies	WDA	Work-day Adjusted
IP	Industrial Production	yoy	year-on-year
IR	Ireland	ytd	year-to-date
IGFR	Illustrative Gross Financing Requirement	DV01	Dollar value of a one basis point change in yield
PCA	Principal Component Analysis	WAM	Weighted Average Maturity
IG	Investment Grade		

Source: BofA Global Research

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Research Analysts

Europe

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

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

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

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

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

Nathan Thomas, CFA
Rates Strategist
MLI (UK)
nathan.thomas@bofa.com

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

US

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

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

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

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

Eleanor Xiao
Rates Strategist
BofAS
eleanor.xiao@bofa.com

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

Jonathan Hartley, CMT
Technical Strategist
BofAS
jonathan.a.hartley@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 and Rates Strategist
Merrill Lynch (Hong Kong)
oliver.levingston@bofa.com

Isabel Hartstein
FX & Rates Strategist
Merrill Lynch (Australia)
isabel.hartstein@bofa.com

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