

LBBW

Bonds Weekly

CW 45/2026 | LBBW Research | Strategy/Macro

Hopes for a de-escalation in the Middle East boosted bond prices

01 Our View S. 2
- Bond market movers – review and outlook
- Forecasts at a Glance
- Main events last week
- Next Week's Data

02 Rates S. 12
- EUR government bonds: Polarization has increased sharply

03 Credit Strategy S. 17
- US election sends markets into a frenzy
- Large new corporate bond issues in October – and in November

04 Calendar/Analytics S. 21
- Developed Markets Overview
- Issuing Calendar Government Bonds
- Central Banks and FX Monitor

05 Disclaimer S. 25

Elmar Völker
Senior Fixed Income Analyst
+49 711 127-76369
Elmar.Voelker@LBBW.de

LBBWResearch@LBBW.de
www.LBBW.de/Research

CREATED ON: 2026-11-06 12:18

PLEASE NOTE THE DISCLAIMER AND IMPORTANT DISCLOSURE FACTS IN THE APPENDIX.

LBBW

01 | Our View

Bond Market Movers – Review and Outlook

Elmar Völker
Senior Fixed Income Analyst
+49 711 127-76369
Elmar.Voelker@LBBW.de

What drove the bond markets last week?

- In the Middle East conflict, the feared military escalation between the U.S. and Iran has not materialized, at least for now. U.S. President Trump is also allaying concerns about renewed U.S. military strikes and raising hopes for a diplomatic rapprochement.
- In the U.S. midterm elections, Trump's Republicans suffered a historic defeat. Starting in January, the Democrats will control both chambers of Congress, and with larger majorities than pre-election polls had predicted.
- The Bank of England raised its base rate for the first time since the summer of 2023 and signaled at least one more rate hike in the upcoming months.
- The latest data from the U.S. labor market came as a pleasant surprise. The ADP report for October shows that the pace of job growth remained unchanged compared with September. The JOLTS data show an increase in job openings and a decline in layoffs.
- The U.S. technology stock exchange NASDAQ experienced its worst price drop since March 2020 amid growing concerns about the AI boom, which is fueling demand for "safe-haven" assets. Doubts are emerging about whether Anthropic will go public anytime soon.
- In the eurozone, inflation accelerated in October to a rate of 4%, the first increase since September 2023. The core rate, however, remained unchanged at 2.5%.
- As expected, the U.S. Treasury does not plan to change the auction volumes for longer-term government securities in the new fiscal quarter. The accompanying medium-term outlook opened the door a bit for an adjustment over the course of the coming year.

What could drive the market next week?

- The financial markets remain in the grip of news from the Middle East, commodity prices, and political developments in France. How sustainable is Donald Trump's latest verbal shift toward easing tensions with Iran?
- Despite the positive surprise from the ADP report, the official U.S. jobs report for October remains a “box of surprises,” based on recent history.
- The U.S. consumer price data for October is the macroeconomic highlight of the week. One notable feature is that year-over-year change rates are not being reported due to last fall's government shutdown.
- The primary market for U.S. Treasuries will have to absorb the next wave of long-term bond issuances next week. Meanwhile, activity in the primary market for euro-denominated government bonds is likely to decline noticeably compared with last week. We expect gross supply of only about 13 billion euros, down from 25 billion euros the previous week. Net cash flows are nevertheless set to turn negative due to a lack of reflows from maturing obligations.

Hopes for a de-escalation in the Middle East boosted bond prices

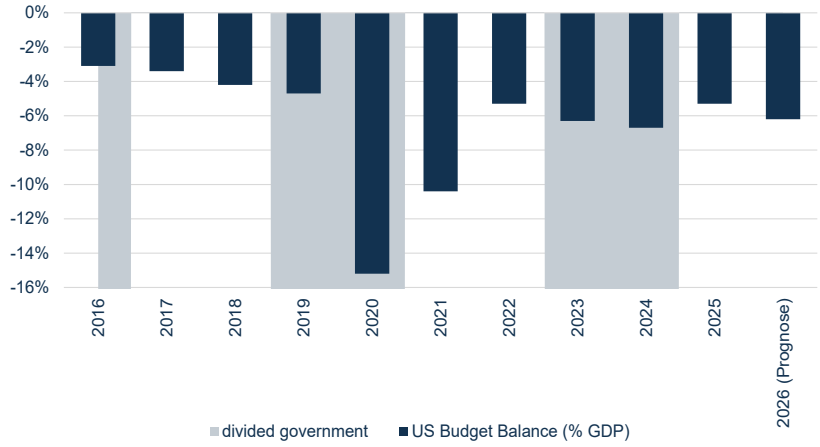
Investors are banking on setbacks for Trump's agenda

The upward trend in prices, which has been underway for about a month in the major government bond markets on both sides of the Atlantic, has gained new momentum this week. Both the results of the U.S. midterm elections and geopolitical developments have played into the hands of bond bulls. The verdict of U.S. voters has struck the White House in Washington like a bolt from the blue – even though the man in charge, Donald Trump, wasn't even on the ballot himself. However, according to election analyses, the impact of the U.S. president's policies was reason enough for many U.S. citizens to either cast their vote for the opposition Democrats or to stay away from the polls. The shift away from Trump's Republican Party was even more pronounced than most polls had predicted. As a result, the opposition Democrats will be able to exercise control over both chambers of Congress starting in January, with comfortable majorities in each. Financial market participants apparently link this outlook to the hope that Trump's political agenda will be reined in. In an early reaction, the majority of them apparently viewed this as the basis for more positive developments in both the U.S. stock market and the U.S. bond market. It is reasonable to assume that the markets also hoped that the strengthened opposition's initiatives, which could potentially weigh on the economy, such as tax increases or massive regulatory constraints on the AI industry, would be vetoed by the president.

U.S. voters are punishing the Republicans

Chart of the Week

U.S. budget balance (as a percentage of GDP)



Source: Bloomberg, LBBW Research

Does a divided government lead to lower budget deficits?

We attribute the positive reaction of the U.S. bond market to the election results to three factors. First, concerns about the end of the AI boom have been further fueled. Second, investors are presumably betting that a division of power between the administration and Congress will lead to a reduction in the U.S. budget deficit. There are certainly historical precedents in which this assumption was vindicated, particularly in the 1990s. According to Bloomberg's calculations for the period since 1970, the U.S. budget deficit averaged 2.9% of GDP during periods of divided government, such as the one expected to begin in January 2027. This is nearly 1 percentage point less than the overall average since 1970 (3.8%). However, as the chart above shows, there has no longer been any evidence of such a clear distinction between periods of unified and divided power in the United States in recent history. The repeated occurrence of extremely costly government interventions in times of crisis has likely overshadowed the historical pattern. Looking ahead, we be-

Historical evidence is mixed

lieve it is important to note that the U.S. Democrats did not win the election by calling for a reduction in the budget deficit. Rather, the following applies: If the opposition were to strongly push for government measures to curb the high cost of living, this could, in the worst-case scenario, drive the budget deficit even higher. We are therefore skeptical about the prospect of a sustained bond bull market driven by speculation about a more restrictive U.S. fiscal policy.

We view a “fiscal rally” in the Treasury market with skepticism

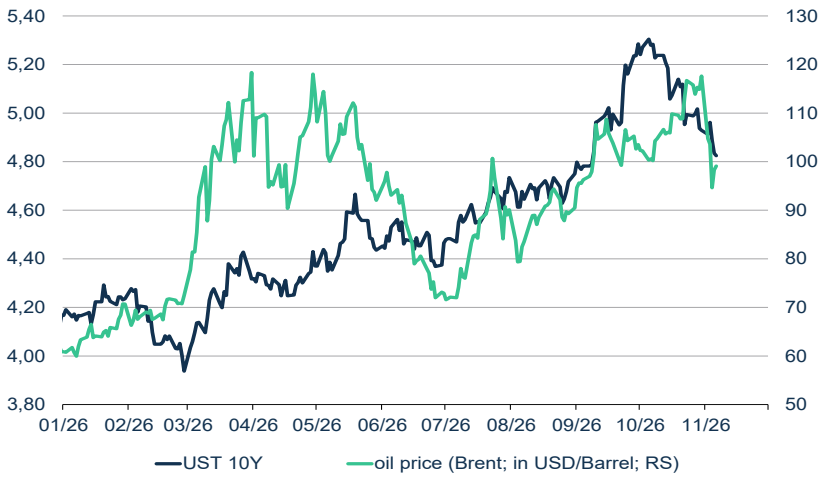
Will there soon be peace in the Middle East?

Third, financial market participants now appear to be betting that the Trump Republicans' heavy election defeat increases the chances of a peace agreement with Iran in the near future. Even before Election Day, the U.S. president had backed away from his threat of imminent new military strikes and had spoken of diplomatic progress. Signs of easing tensions have persisted after the election. What's more: U.S. Vice President Vance, who, in our view, sees his own political future slipping away, denounced the war in Iran as the main cause of the election debacle and called for its swift end. The price of Brent crude oil plummeted by about 20% week-over-week to a two-month low (see the chart below). On this side of the Atlantic, natural gas prices fell by a similar amount. The sharp drop in energy prices has not, for the time being, shaken bond investors' conviction that the ECB and the Fed will raise their key rates again in December. However, speculation about continued monetary tightening in the coming year has been dampened significantly.

Does Trump desperately need a “deal” with Iran now?

Plunge in oil prices drags down bond yields

Yield on 10-Year U.S. Treasuries and Brent oil price (in USD/barrel)



Source: Bloomberg, LBBW Research

10-Year U.S. yield falls to two-month low

EMU inflation bolsters prospects for an ECB rate hike in December

There have certainly been factors weighing on bond prices in recent days, specifically from the macroeconomic side. However, these factors were largely overshadowed by the tailwind provided by geopolitical developments and the U.S. election. First, the most recent U.S. economic data have underscored the robust state of the world's largest economy. Taken together, the ISM indices point to a stable growth trend. Looking at the U.S. labor market, both the ADP data for October and the JOLTS data on job openings and layoffs came in better than expected. Based on this assessment, the Federal Reserve is likely to remain on track for a rate hike in December. According to our forecast, the official U.S. labor market data for October (Nov. 6) will not significantly alter this clear monetary policy outlook.

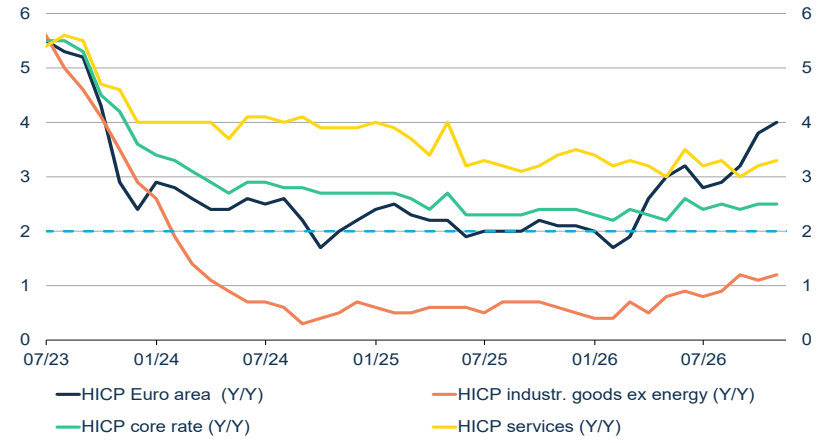
Bond-negative factors had almost no effect

Second, inflationary pressures in the euro area continued to rise in October. Despite the dampening effect of Germany's "gasoline rebate" headline inflation hit the 4% (Y/Y) mark for the first time in three years.

From the perspective of the eurozone monetary authorities, the positive news is that core inflation, at 2.5% (Y/Y), remained stable at a level that is significantly closer to the ECB's target of 2% than headline inflation (see the chart below). In our view, however, it would be far too early to sit back and relax regarding the risk of second-round effects.

U.S. job data better than expected

Signals from the inflation front mixed again in October
EMU Inflation (Y/Y) with selected subcomponents

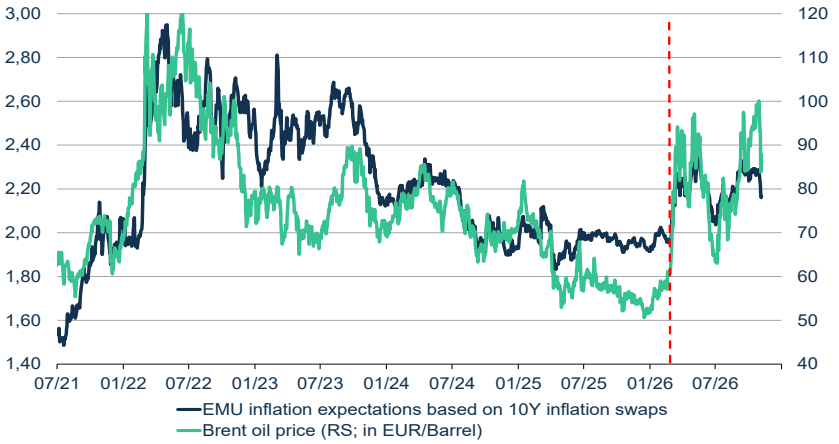


Source: Bloomberg, LBBW Research

EMU inflation hits the 4% mark

We still do not expect widespread, massive inflation in the eurozone in the coming months. However, the core rate is likely to enter an upward trend from this point on (see the article on page 12). The relatively relaxed attitude that bond market participants have adopted toward inflation risks following the recent drop in energy prices may therefore well be premature.

Inflation fears have recently subsided – but is it premature?
10-Year EUR inflation swap rate and Brent oil price (in EUR/barrel)



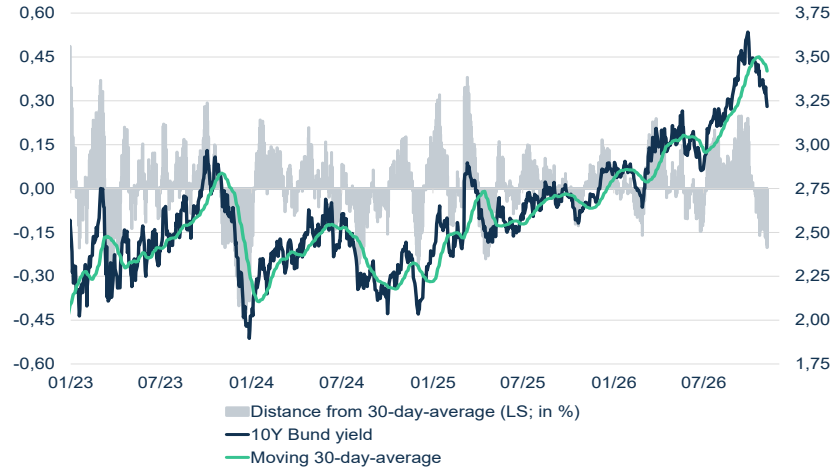
Source: Bloomberg, LBBW Research

Inflation expectations fall to a three-month low

As the chart above shows, long-term inflation expectations in the euro interest rate market have fallen to a three-month low this week. If hopes for a de-escalation in the Middle East once again prove to be fleeting, then, in our view, the positive sentiment in the bond market could quickly fade. In the short term, the euro bond market also appears to be increasingly overbought. The yield on 10-year German government bonds has corrected by more than 40 basis points since its peak in late September. In our view, the intensity of the counter-movement – set against a largely unchanged fundamental backdrop – is conducive to profit-taking.

German government bond yields have corrected by more than 40 bp from their peak

10-Year Bund yield and 30-day moving average



Source: Bloomberg, LBBW Research

Bond market appears to be overbought in the short term

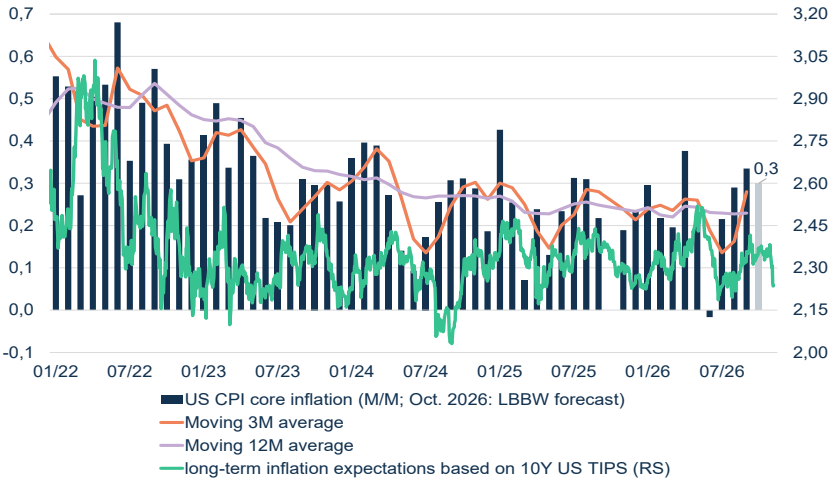
Outlook: Focus on U.S. Inflation

Inflation will remain the top story on the macroeconomic data calendar next week, though the focus will shift to the U.S. The consumer price data for October (Nov. 10) should provide an important indication of whether the unexpected rise in core inflation reported for the previous month was a one-off occurrence. If that is not the case, we expect the positive sentiment in the U.S. bond market to take a hit. Long-term inflation expectations there are no higher than they were before the outbreak of the Iran War, which, in our view, suggests a vulnerability to bond-bearish inflation signals.

Mounting core inflation just a flash in the pan?

U.S. inflation expectations hit a three-month low

U.S. core inflation (Y/Y) and long-term inflation expectations



Source: Bloomberg, LBBW Research

The U.S. bond market may well be vulnerable to a bearish inflation surprise

Forecasts at a Glance

Euro Area	Spot	31.12.26	30.06.27	31.12.27
ECB Main Refinancing Rate	2,65	2,90	3,15	2,90
ECB Deposit Rate	2,50	2,75	3,00	2,75
Overnight Rate (€STR)	2,44	2,70	2,95	2,75
3M Euribor	2,81	2,85	3,05	2,75
Swap 2Y	3,26	3,50	3,25	2,75
Swap 5Y	3,26	3,60	3,35	3,00
Swap 10Y	3,32	3,65	3,50	3,30
Bund 2Y	2,96	3,25	3,05	2,60
Bund 5Y	3,02	3,40	3,20	2,90
Bund 10Y	3,22	3,60	3,50	3,35
Swap/Bund 2Y	31	25	20	15
Swap/Bund 5Y	23	20	15	10
Swap/Bund 10Y	10	5	0	-5
Spread BBB Corporates/Bund	120	115	120	130

USA	Spot	31.12.26	30.06.27	31.12.27
Fed Funds Target Rate	4,00	4,25	4,25	4,00
Overnight Rate (SOFR)	3,94	4,15	4,15	3,90
3M Money Market	4,06	4,30	4,15	3,90
Swap 2J (SOFR-OIS)	4,32	4,60	4,15	3,75
Swap 5J (SOFR-OIS)	4,31	4,60	4,25	3,95
Swap 10J (SOFR-OIS)	4,43	4,70	4,50	4,30
Treasury 2Y	4,46	4,75	4,35	3,95
Treasury 5Y	4,60	4,90	4,60	4,30
Treasury 10Y	4,83	5,10	4,95	4,80

G5		Spot	31.12.26	30.06.27	31.12.27
Japan	*Overnight Rate (TONAR)*	1,23	1,55	1,80	2,05
Japan	*10Y Government Bond*	2,66	3,15	3,25	3,30
UK	*Overnight Rate (SONIA)*	3,73	3,95	4,20	3,95
UK	*10Y Government Bond*	5,13	5,30	5,20	5,00
Switzerland	*Overnight Rate (SARON)*	-0,04	-0,05	0,20	0,20
Switzerland	*10Y Government Bond*	0,45	0,60	0,60	0,50

FX	Spot	31.12.26	30.06.27	31.12.27
EURCHF	0,9131	0,93	0,94	0,95
EURCNY	7,4556	7,71	7,36	7,43
EURGBP	0,8338	0,85	0,85	0,85
EURJPY	176,48	182	178	176
EURUSD	1,1177	1,15	1,15	1,17
USDCHF	0,8170	0,81	0,82	0,81
USDCNY	6,6698	6,70	6,40	6,35
GBPUSD	1,3404	1,35	1,35	1,38
USDJPY	157,9	158	155	150

Economic Development		2024	2025	2026e	2027e
Germany	*GDP*	0,0	0,4	1,0	1,0
	Inflation	2,3	2,2	2,8	2,6
Euro Area	*GDP*	1,2	1,5	1,0	1,3
	Inflation	2,4	2,1	3,0	2,5
UK	*GDP*	1,1	1,3	1,3	1,2
	Inflation	2,5	3,2	3,2	2,5
USA	*GDP*	3,0	2,1	2,2	1,6
	Inflation	3,0	2,7	3,6	2,2
Japan	*GDP*	0,1	1,1	0,6	0,8
	Inflation	2,7	3,2	2,0	1,8
China	*GDP*	5,0	3,7	3,5	3,2
	Inflation	0,2	0,0	1,2	1,5
World	*GDP*	3,2	3,3	2,7	2,8
	Inflation	3,5	3,4	3,8	3,0

Changes to the foregoing week are marked by a (*)

Sources: LSEG, Bloomberg, LBBW Research

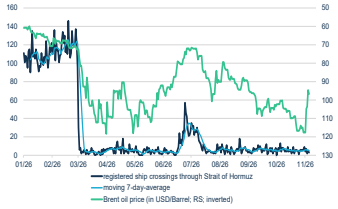
Main Events of the Past Week

- *U.S. – Midterm Elections:* U.S. President Trump's Republican Party suffers a historic defeat in the midterm congressional elections – Democratic opposition secures a majority in both chambers of Congress, by a wider margin than polls had predicted – Democrats win several Senate seats even in Republican strongholds – the sharp rise in the cost of living is likely the main cause of the political shift – Democrats also score points by opposing the rapid expansion of the AI industry and, moreover, win several gubernatorial seats in states previously dominated by Republicans – Meanwhile, Trump pledges not to challenge the election results.
- *Middle East Conflict:* U.S. President Trump and the Iranian government have been fueling hopes for a diplomatic rapprochement between the two countries – Iranian president has reportedly received the green light from the Supreme Leader to hold peace talks with the U.S. – according to Trump, "a deal could happen," he talks of recent progress in ongoing negotiations – U.S. president is also allaying concerns about imminent new U.S. military strikes – other media outlets report, however, that the parties to the conflict are still far from reaching an agreement.
- *Middle East Conflict:* U.S. Vice President Vance identifies the war in Iran as the main cause of the Republicans' crushing defeat in the midterm elections – Vance is therefore calling for a swift end to the war.
- *Geopolitics:* Following his election debacle, U.S. President Trump is making new, vague announcements on foreign policy – he claims a "very big deal" with Russia is in the works, one that could affect not only Ukraine but "all of Europe" (Editor's note: The latter must surely be taken as a threat in Europe) – Trump also announced once again that a decision on the Iran issue would be made soon.
- *Geopolitics:* The EU and Canada confirm a political rapprochement amid heightened geopolitical tensions—closer ties short of full EU membership are to be worked out by June 2027 – Canadian Prime Minister Carney speaks of an "alliance for the future" that would focus on areas such as AI, energy, and critical minerals.
- *EU – Trade Policy:* Chancellor Merz is putting the brakes on the EU's "Made in Europe" initiative – according to Merz, measures designed to counter China's unfair trade practices must not undermine European competitive advantages – Merz fears that political measures designed to favor EU products will hinder innovation.
- *Monetary Policy – ECB:* Bundesbank President Nagel emphasized that, from today's perspective, an ECB interest rate hike in December will "likely be necessary" – the central bank recently did refrain from raising rates due to the absence of second-round effects, but the inflation outlook has continued to deteriorate, he says.
- *ECB – Survey of Professional Forecasters:* Experts surveyed by the ECB have revised their inflation forecasts upward for the current year, from 2.7% to 3.0%, and for 2027, from 2.2% to 2.6% – long-term inflation forecast remains stable at 2.0%.
- *ECB – Lagarde's Successor:* The deadline for nominations to succeed ECB President Lagarde is November 6 – Eurozone finance ministers will review the list of candidates at their meeting on November 9.

Elmar Völker
Senior Fixed-Income Analyst
+49 711 127-76369
Elmar.Voelker@LBBW.de

Voters punish Trump

Strait of Hormuz & Oil Prices



Sources: Bloomberg, LBBW Research

Trump makes vague announcements

Merz urges caution regarding "Made in Europe"

BoE delivers hawkish hike

- *Monetary Policy – UK:* As expected, the BoE raises its key interest rate by 25 bp to 4.00% – first tightening of monetary policy since summer 2023 – one of the nine members of the Monetary Policy Committee (MPC) votes for a 50 bp rate hike – BoE Governor Bailey signals at least one more rate hike unless the war in Iran is resolved – risk of second-round effects has increased since September – BoE expects inflation to peak at 4.9% in the second quarter of 2027.

EMU: GDP grew faster than expected, inflation continued to rise

- *Germany – Economy:* GDP growth came in at a surprisingly positive +0.2% (Q/Q) in the third quarter, following +0.3% in the second quarter – according to Destatis, consumer spending has supported growth, while investment has declined.
- *Germany – Economy:* Factory orders rebounded by 4.4% (M/M) in September, following a 10.1% decline in August – domestic orders (+6.6%) led the recovery, while foreign orders rose by 2.8%.
- *Germany – Inflation:* So-called “gas discount” significantly dampened inflation in October, bringing it down to a rate of 2.8% (Y/Y), down from 3.3% in September – core rate fell from 2.4% to 2.1%, the lowest level since June 2021.
- *Euro area – Economy:* GDP growth slowed to 0.4% (Q/Q) in the third quarter, following 0.6% in the second quarter – Performance nevertheless better than expected – Spain (+0.6%) remains the engine of growth – France (-0.1%) and Italy (0.0%) disappoint, however.
- *Euro area – Inflation:* Price pressures continued to rise in October, reaching a rate of 4.0% (Y/Y), up from 3.8% in September – highest level since September 2023 – core rate, however, remained stable at 2.5% – sharp rise in inflation to well over 5% in Italy is drawing particular attention.
- *U.S. – Economy:* ISM Manufacturing Index improved unexpectedly in October, rising from 54.5 to 55.5 points – highest level since July – price component eased slightly – the index for the service sector, however, fell from 54.9 to 54.5 points.
- *U.S. – Productivity:* The economy saw productivity rise by 3.6% (Q/Q, annualized) in the third quarter – stronger-than-expected increase, following a 2.1% gain in the second quarter – while unit labor costs (-0.7%) fell for the first time since the second quarter of 2025.
- *U.S. – Labor Market:* ADP report surprises on the upside with a job gain of 86,000 (M/M) in October, following a similar gain of +86,000 in September – JOLTS data also shows an unexpectedly positive trend in job openings – Increase of about 5% (M/M) in September leads to the highest level since May – layoffs fell by 7% to the lowest level since March 2025.

China: The mood has soured

- *China – Economy:* RatingDog Purchasing Managers' Index for the manufacturing sector edged down slightly in October, from 52.1 to 52.0 points – while the index for the service sector fell from 51.6 to 50.8 points.
- *Europe – Social Protests:* The next wave of social protests in Europe is once again accompanied in some cases by riots and looting – among Germany's major cities, Frankfurt stands out negatively for its particularly violent riots.
- *France – Rating:* Fitch Ratings downgrades France’s credit outlook to “negative” in an unscheduled move – rating level remains at A+ – the outlook change is due to a deterioration in the situation since the most recent review – Fitch cites weaker growth, a higher deficit, higher financing costs, and ongoing political fragmentation.

Californians reject "Billionaire Tax"

- *United States – Tax Policy:* Voters in the state of California voted in a referendum against a proposal to impose a one-time 5% wealth tax on billionaires – proposal was supported by the Democratic Party and labor unions, among others.

- *AI – A Flood of issuance in the bond market:* U.S. tech giant Alphabet places another tranche of corporate bonds on the euro bond market – company's second euro-denominated issuance this year features maturities ranging from two to 19 years – total issuance volume of 6 billion euros, order books reached approximately 17 billion EUR – the issue yield for the longest maturity offered was approximately 5.3%.
- *Germany – AI:* German government reaffirms goal of making the country an "AI Nation" by 2030 – Chancellor Merz emphasizes the importance of digital sovereignty – By 2030, approximately 80% of large companies and 55% of SMEs are to use AI – share of economic output based on AI should exceed 10% – Digital Minister Wildberger promises to reduce bureaucracy.
- *EU – Enlargement Process:* EU Commission envisages successful conclusion of accession negotiations with Montenegro by the end of this year – Balkan country could become a member in early 2028 – Albania and Moldova are said to have favorable prospects for accession in the following years – The Commission also intends to support Ukraine's accession efforts.
- *Species Conservation:* At the World Conservation Congress, the member states reaffirmed their determination to fully implement the World Conservation Agreement and all of its goals by 2030 – an action plan to accelerate implementation was adopted, as progress has so far lagged behind the goals.
- *U.S. Treasury Market – Refunding Statement:* As expected, the U.S. Treasury is leaving auction volumes for longer-term government securities unchanged from the previous period for the new fiscal quarter (November through January) – cumulative volume for auctions of 3-year, 10-year, and 30-year Treasuries will accordingly total $125 billion next week – Treasury has slightly adjusted its medium-term guidance; accordingly, maintaining the current issuance volumes for long-term securities is now projected only for "the next several quarters" (previously: *"at least* the next several quarters").

Germany to become an "AI nation" by 2030

States commit to Nature Conservation Agreement

Next Week's Data

TIME	COUNTRY		PERIOD	LBBW FORECAST	CONSENSUS FORECAST[1)]	LAST VALUE[2)]	IMPORTANCE
FRIDAY, 06.11.2026							
14:30	USA	Change in Nonfarm Payrolls (thous.)	Oct	50	70	29	***
14:30	USA	Unemployment Rate (sa)	Oct	4,2	4,2	4,2	***
14:30	USA	Average Hourly Earnings (M/M)	Oct	0,3	0,3	0,1	***
16:00	USA	Uni Michigan Consumer Confidence (prelim.)	Nov	49,5	48,0	48,0	***
	GRC	Rating Review Greece					**
MONDAY, 09.11.2026							
02:30	CHN	CPI (Y/Y)	Oct	0,8	0,8	0,9	**
02:30	CHN	PPI (Y/Y)	Oct	5,2	5,4	5,0	*
10:30	EMU	Sentix Investor Confidence	Nov	0,5	2,0	2,7	*
	EU	Ecofin Meeting					**
	UN	UN Climate Conference in Turkiye kicks off (till November 20)					**
TUESDAY, 10.11.2026							
10:00	USA	Fed Governor Waller speaks					**
12:00	USA	NFIB Small Business Optimism	Oct	97,5	97,7	97,9	*
14:30	USA	CPI (M/M)	Oct	0,3	0,3	0,6	***
14:30	USA	CPI Ex Food & Energy (M/M)	Oct	0,3	0,2	0,3	***
17:45	EMU	ECB Chief Economist Lane speaks					**
	CHN	Exports in USD (Y/Y)	Oct	-	37,7	36,3	**
WEDNESDAY, 11.11.2026 (Veterans' Day, USA)							
08:00	GE	CPI (Y/Y) (final)	Oct	2,8	2,8	2,8	*
THURSDAY, 12.11.2026							
08:00	UK	GDP (Q/Q) (1st estimate)	Q3	0,7	0,7	0,4	**
16:00	USA	Existing Home Sales (mn)	Oct	3,90	3,85	3,99	**
FRIDAY, 13.11.2026							
00:30	USA	FOMC Vice Chair Williams speaks					**
11:00	EMU	GDP (Q/Q) (2nd estimate)	Q3	0,4	0,4	0,4	*
11:00	EMU	Trade Balance (bn EUR)	Sep	-	-	-6,8	*
14:30	USA	Producer Price Index, Final Demand (M/M)	Oct	0,4	0,4	1,3	*
	GE	Rating Review Germany (Fitch)					**

1) Consensus forecast according to Bloomberg/Reuters

2) Should a provisional estimate be available, it is stated instead of the reference figure of the previous period

Sources: Bloomberg, LBBW Research

02 | Rates

EUR government bonds: Polarization has increased sharply

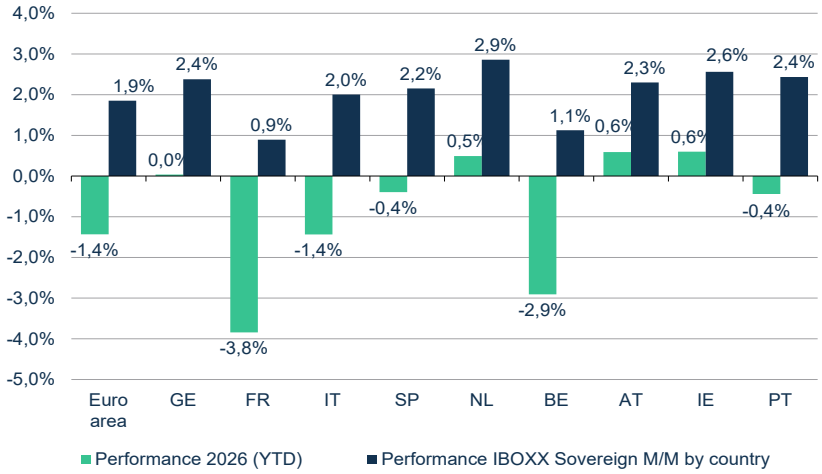
Elmar Völker
Senior Fixed Income Analyst
+49 711 127-76369
Elmar.Voelker@LBBW.de

A recovery kicked off the fourth quarter

The downward spiral that dominated the euro-denominated government bond market during the summer months has been broken! During the third quarter, bond performance had clearly broken with the usual positive seasonal pattern. But the final phase of the year, at least, is now looking more promising. We attribute the preliminary shift in sentiment in favor of the bond bulls less to the fundamental data. On the contrary: From the bond market's perspective, the inflation outlook has remained bleak in recent weeks, as developments in the Middle East have pointed more toward escalation than toward de-escalation. First, we suspect that investors reacted positively to signals from the ECB. While central bankers remain committed to policy tightening, they also sought to allay concerns about excessive rate hiking. Second, some market participants likely became more compelled to buy into the market following the previous sharp price drop – albeit selectively (see below). Finally, concerns about the sustainability of the AI boom are likely to have spilled over from the U.S. and fueled demand for "safe havens." Based on the iBoxx Euro Sovereign Index, all this resulted in a total gain of 1.0% for EUR government bonds over the past month, following a loss of -2.2% in September. It was the biggest gain since May 2026. Year-to-date performance remains negative, but has moved somewhat out of the deep red, standing at -1.4%. The start of November saw a solid continuation of the recovery trend in the aftermath of the US midterm elections.

France and Belgium show stunning relative weakness

Performance of EUR government bonds since the end of September and since the start of 2026 (YTD)



Source: Bloomberg, LBBW Research

Flattening of the yield curve fuels price recovery

The shift in sentiment had the greatest impact on ultra-long-term EUR government bonds, which had suffered particularly from the

YTD Performance stays negative

Spreads on EUR government bonds over swaps (in bp)

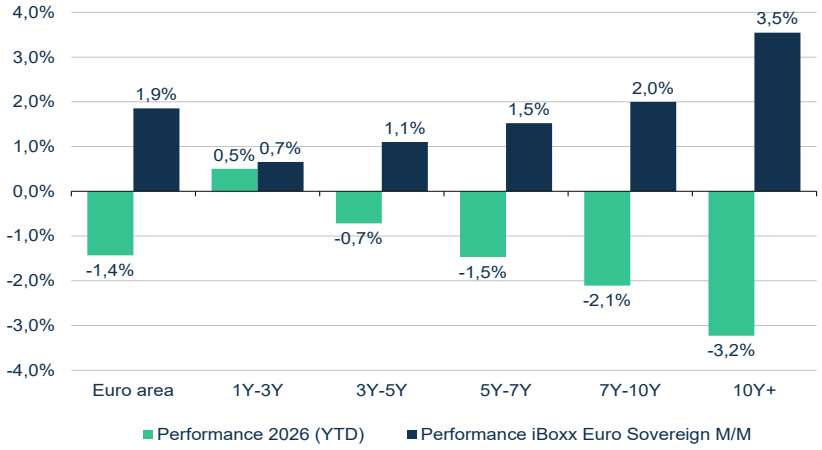
Spreads over swap (in Bp)	2Y	3Y	4Y	5Y	6Y	7Y	10Y
Germany	-37	-30	-31	-27	-21	-17	-9
Finland	-26	-6	-4	4	9	12	29
Netherlands	-29	-24	-20	-19	-14	-11	1
Austria	-23	-22	-13	-4	-2	7	21
France	26	50	69	87	102	110	145
Belgium	-5	14	32	44	52	62	92
Slovakia	4	3	25	41	48	80	83
Latvia	24	33	47	53	-	69	83
Slovenia	-22	-8	0	7	12	24	-
Ireland	-33	-28	-26	-23	-12	-10	4
Italy	11	20	40	47	65	75	100
Spain	-19	-10	-1	7	17	27	49
Portugal	-30	-21	-11	-2	4	16	35
Malta	14	19	31	46	53	56	75

Germany and the Netherlands outperform

bond market slump over the summer. It also helped ultra-long-term securities that the yield curves for high-quality bonds tended to flatten further in October. On a year-to-date basis, the ultra-long end has thus narrowed its performance gap relative to the overall market, but has by no means closed it (see the chart below).

Ultra long-term bonds are making up ground

Performance of EUR government bonds by maturity segment: M/M and YTD for 2026



Source: Bloomberg, LBBW Research

Short-term bonds back in positive territory YTD

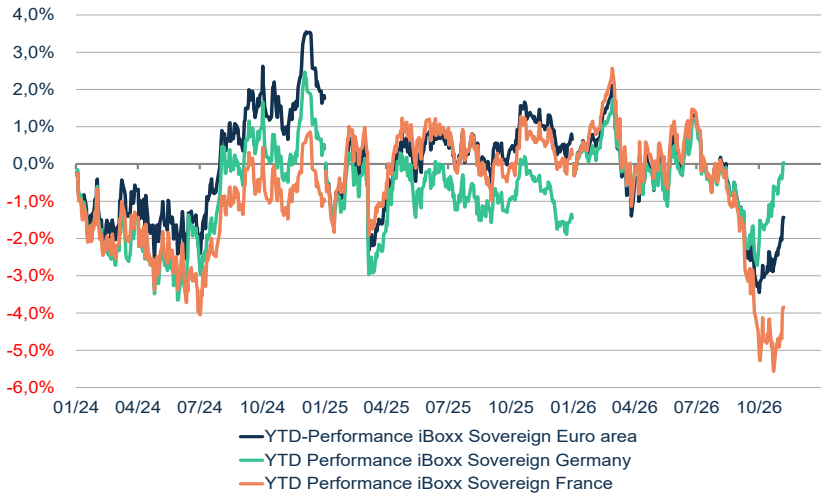
Selling pressure in the French market is dragging Belgium down with it

Meanwhile, providing a consistent overall picture of developments in the EUR government bond market is made considerably more difficult by significant polarization across the individual markets of the eurozone countries. Despite the positive overall market trend, selling pressure on long-term French government bonds has intensified, again, over the course of the month. In our view, the market trend reflects growing investor concern about a debt crisis, which is fueled in no small part by increased political gridlock in France. The year-to-date performance gap between the French and German government bond markets has now widened to roughly 4% points.

Deficit concerns have, once again, hit France hard

The gap between Germany and France is widening

YTD Performance for the German and French government bond markets for the years 2024, 2025, and 2026



Source: Bloomberg, LBBW Research

French YTD underperformance relative to Bunds at around 4%

At its peak in October, the yield spread between 10-year French OATs and German Bunds came very close to the all-time high reached during

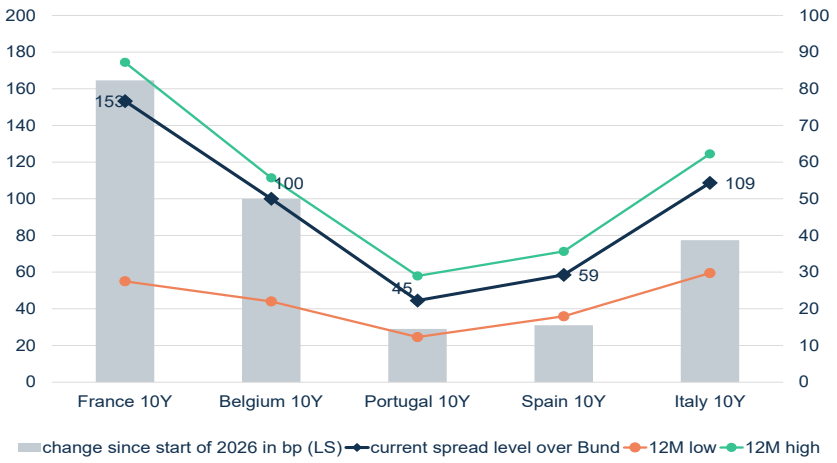
the euro debt crisis, which stood at around 190 basis points in 2011. This was followed by a temporary spread consolidation at a high level.

The “Malaise française” has meanwhile had clearly measurable spillover effects on the bond markets of other eurozone countries. However, the countries particularly affected by this overlap only partially with the peripheral countries that were once plagued by debt problems. In fact, Belgian government bonds were hit hardest by the turmoil in France in October. Since the beginning of 2026, the risk premium on 10-year Belgian government bonds relative to German Bunds has risen by about 50 basis points on balance, the second-biggest jump in the eurozone (see the chart below). Belgium's public debt and deficit profile is relatively similar to that of its French neighbor. The country's rating trend has also been downward in the recent past. And finally, Belgium’s multiparty government is currently teetering precariously in its struggle to pass a budget for 2027 – yet another parallel with France! Meanwhile, Italy stands out positively from the two aforementioned countries in terms of both its deficit trajectory and its credit rating trend. While Italy's government bond market cannot completely insulate itself from contagion effects, these effects were more moderate than for Belgium.

Belgium is struggling with significant spillover effects

Belgium more severely affected by contagion than Italy

Yield spreads of 10-year euro-denominated government bonds relative to the Bund, with trading range over the past twelve months



Source: Bloomberg, LBBW Research

Italy’s spread has widened less than Belgium's

The government bond markets in Spain and Portugal experienced only moderate spillover effects. Although both have shown some increase in risk premiums relative to German government bonds, their year-to-date performance is still well above the eurozone average. Both Spain and Portugal are benefiting from their positive economic growth momentums, which in turn is having a favorable effect on their debt trends. Market participants therefore by no means lump all highly indebted former eurozone crisis countries together, but rather make significant distinctions among them.

Spain and Portugal: The market doesn't lump everyone together

In our view, this differentiation in the market should also reassure the ECB for the time being. The hurdles to activating the “Transmission Protection Instrument” (TPI), which is intended to curb fundamentally unjustified spikes in yield spreads, therefore stay relatively high for the time being. In light of this, market participants are likely to continue focusing primarily on France's budget plans for 2027 in the coming weeks. Progress toward the “austerity budget” targeted by the Lecornu government would likely trigger a correction in the French spread. If, on the other hand, the differing sides remain at odds or the social protests that have been going on for weeks escalate once again, there is reason to fear that the market could test the all-time highs set in 2011.

Bond market: French budget planning still in focus

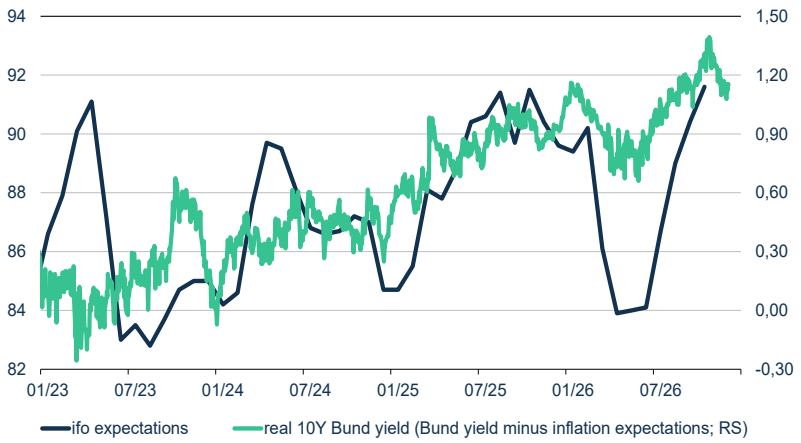
Outlook: Concerns about France to remain a major driver for Bunds

We expect that the extent of investor concern regarding France will continue to have a significant impact on the overall performance of the euro-denominated government bond market. For German government bonds, which have been buoyed by "safe-haven" inflows, this means that encouraging signs from France would set the stage for another price setback. By contrast, the seasonal pattern in November appears to favor bond bulls (see the October 2, 2026, issue of Bonds Weekly). In the final weeks of the current year, a noticeable slowdown in issuance activity on the EUR government bond market could also support prices. According to our forecast, net issuance will even turn negative in December – but caution is warranted: A fresh record wave of bond supply is poised to hit the market at the start of the new year. We believe it is possible that some investors may already want to make room in their portfolios for the latter as the year draws to a close.

Seasonal trends continue to favor the bond bulls in November

From a fundamental perspective, we believe there is currently little reason to view the broader recovery in bond prices that began in October as the start of a bullish trend reversal. The latest economic data from the eurozone underscore the economy's robust condition. GDP growth for the third quarter came as a pleasant surprise. Moreover, according to the ifo Business Climate Index, expectations have continued to improve. Going by the following chart, this argues against a prolonged downward trend in the real yield on 10-year German government bonds.

Improved sentiment points against a yield trend reversal
Real yield on 10-year Bunds and the ifo expectations component



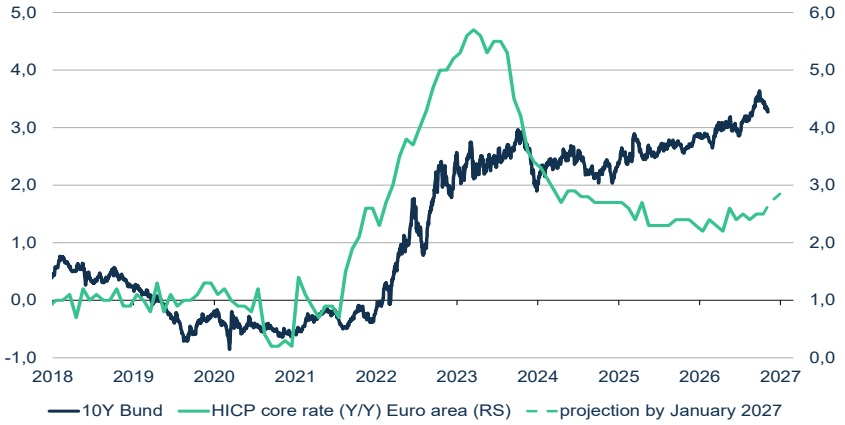
Source: LSEG, LBBW Research

Robust economy argues against a trend reversal in the bond market

On the inflation front, the trend also continued to rise in October for the euro area as a whole. It is true that stable core inflation is, for the time being, allaying concerns about widespread second-round effects of the surge in energy prices. Nevertheless, in our view, it is likely that second-round effects will play an increasingly significant, albeit still limited, role in the coming months. In our view, combined with positive base effects, this could push the core rate toward the 3% mark by early next year. Such a development would presumably place relatively tight limits on the scope for further declines in the 10-year Bund yield for the time being (see the chart below). In our view, upward surprises in inflation would, if anything, have the potential to once again heighten investors' sensitivity to inflation risks.

Will investors become more sensitive to inflation again?

Yields on 10-Year Bunds and EMU core inflation (Y/Y, with LBBW projection)



Source: Bloomberg, LBBW Research

Core inflation still stable for now – but a turn upwards is looming

03 |
Credit Strategy

US election sends markets into a frenzy

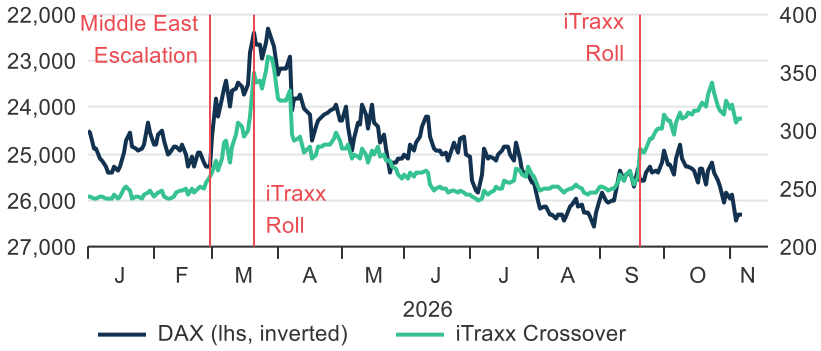
Michael Köhler
Senior Credit Analyst
+49 711 127 42664
Michael.Koehler@LBBW.de

Benedikt Horwedel
Research Associate
Benedikt.Horwedel@LBBW.de

Credit Spreads Initially Down, Then Back Up

The U.S. elections dominated market activity this week. In the wake of the Democrats' decisive victory, the DAX initially rose to a new record high. However, sentiment shifted dramatically on Thursday, leading to sharp price declines in the U.S. – particularly among technology stocks. Credit spreads also reacted positively at first before widening again. However, they followed the erratic movements of the stock markets only to a limited extent.

Risk premiums down slightly
iTraxx Crossover versus the DAX (inverted)



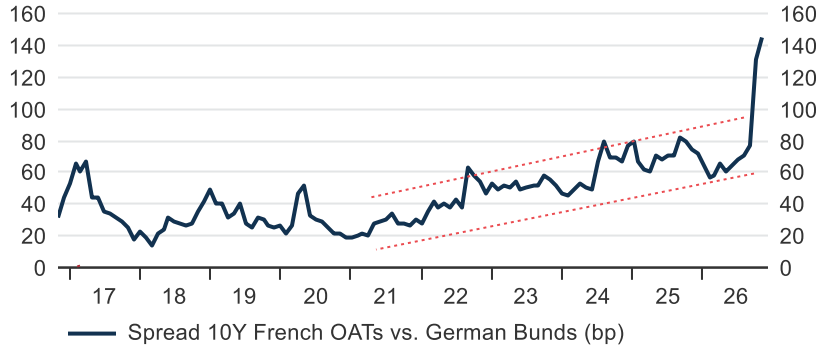
Source: LSEG, LBBW Research

iTraxx less volatile than the DAX

The limited spillover effects of the recent euphoria on credit markets can be partly explained by the continuing budgetary constraints in France. Following the recent protests, the spreads on French 10-year government bonds relative to their German counterparts rose once again. Whilst the market is losing confidence, the interest burden continues to rise – a worrying trend. It remains to be seen whether a reasonable budget will be drawn up in the near future. This could benefit not only French bond yields but also the eurozone as a whole.

France's budgetary situation remains a problem

The situation in France remains tense
Spreads between 10y OATs and 10y Bund yields (in basis points)



Source: LSEG, LBBW Research

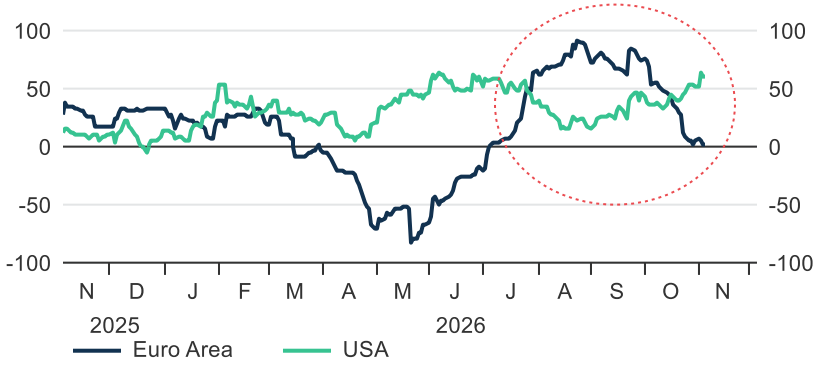
Spreads on French bonds remain high

The ups and downs of the economic outlook

The picture for the European economy is a complex one. Whilst some countries – such as France – have gone from being drivers of growth to being a drag on, Germany's economy has recently performed surprisingly well. GDP, inflation and manufacturing orders have consistently outperformed expectations in recent months. For the euro area as a whole, however, the net figure for positive surprises had recently fallen to close to zero. In the US, the situation remains stable at an encouraging level.

Economy in the Euro area shows no clear trend

Significantly more positive surprises from the US
Economic Surprise Index: Eurozone versus the US



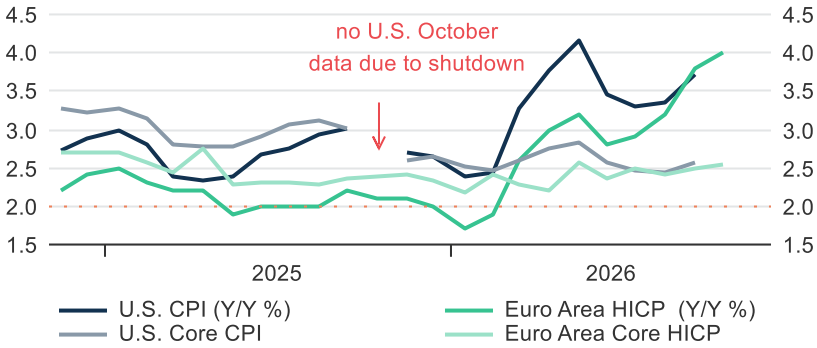
Source: LSEG, LBBW Research

More positive surprises from the US

Preliminary figures for inflation in the euro area suggest an inflation rate of 4% in October compared with the same month a year earlier. Although this was within the expected range, it represents the highest level in more than three years. At any rate, core inflation (excluding food and energy) remained stable at 2.5% year-on-year. For the European Central , however, the data is likely to provide further grounds for a key interest rate rise in December.

Inflation in the Euro area at 4% yoy

Inflation in the eurozone is rising again
HICP for the euro area versus CPI for the US (year-on-year in %)



Source: LSEG, LBBW Research

The ECB is likely to be considering further interest rate moves

CONCLUSION – IG bonds remain the first choice

Measured against the ups and downs in the stock markets, credit spreads have recently moved within a relatively narrow range. Risks continue to stem from the fiscal situation in France and the political landscape in the U.S. Nevertheless, we continue to view IG bonds as a good compromise between risk and return. Not least because, in these currently tense times, they are characterized by lower volatility compared to the HY segment.

IG bonds stand out in a positive light

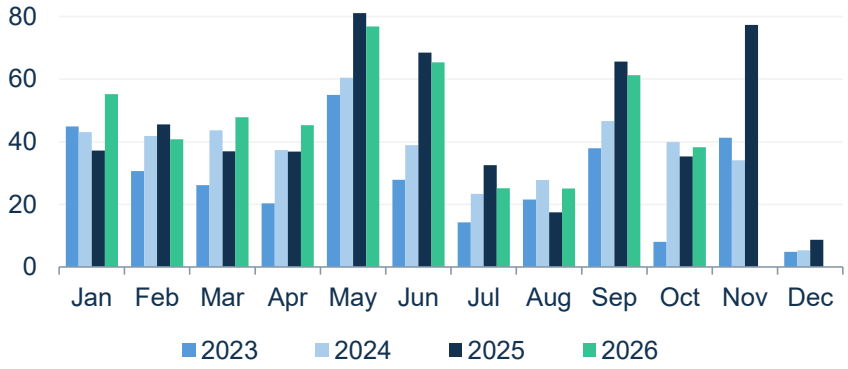
Large new corporate bond issues in October – and in November

Matthias Schell
Senior Credit Analyst
+49 711 127-43666
Matthias.Schell@LBBW.de

In October, 45 companies entered the EUR primary market and placed a total of 64 bonds with a combined value of EUR 38.3 billion. This meant that the monthly volume was in line with the figures for the previous two Octobers (around EUR 40 billion in 2024 and approximately EUR 35 billion in 2025).

EUR 38 billion in October

New issues by month
EUR corporate bonds, volume in billions of EUR



Source: Bloomberg, LBBW Research

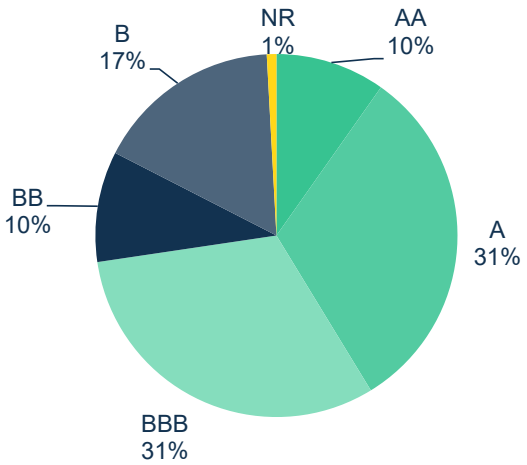
+8% yoy

Towards the end of the month, activity picked up significantly, driven by three major transactions in the final week of October. The French group Schneider Electric issued six bonds totalling EUR 6.0 billion, making it the third-largest transaction of the year. Also to finance acquisitions, the healthcare group Respighi, which is rated in the high-yield segment, issued new bonds worth EUR 4.45 billion – this was not only the largest high-yield transaction of the year, but also the second-largest transaction in the high-yield segment in history (only in 2017 did Wind Tre, part of the CK Hutchison Group, issue an even higher HY volume of EUR 5.6 billion). In addition, the US group Procter & Gamble raised EUR 3.25 billion through four new bonds.

Several major transactions

Historically second-largest HY transaction

New issues in October 2026 by rating category
EUR corporate bonds, share of volume in %



Source: Bloomberg, LBBW Research

Almost half in rating categories AA and A

As usual, the majority came from the investment-grade segment (around 72% of the volume of new issues). The very good credit ratings of AA and A were represented to an above-average extent in October, accounting for a total of 42%.

The volume of issues by sector was dominated by the large-scale transactions. Consequently, Electrical Components and Healthcare Services led the way in October, followed by Utilities.

French companies accounted for by far the largest volume (EUR 13.2 billion), whilst US companies were once again very active (EUR 7.8 billion). Both countries accounted for more than half of the monthly volume. German corporations came fourth, even though the volume totalled just EUR 2.9 billion. In addition to Amprion, with two bonds totalling EUR 1.5 billion, Dfmg Holding and Cheplapharm also issued new bonds.

Mostly from France and USA

As in the previous month, investors subscribed on average for 3.2 times the volume subsequently placed. However, there was a wide range (from 1x to 7x). In addition, companies had to pay high premiums averaging 13 basis points compared with secondary market bonds (again, with a wide spread ranging from 0 to 43 bp). In September, the average new issue concession was seven basis points. The average volume per bond was almost EUR 600 million, with an average maturity of 6.4 years.

Higher new issue concessions

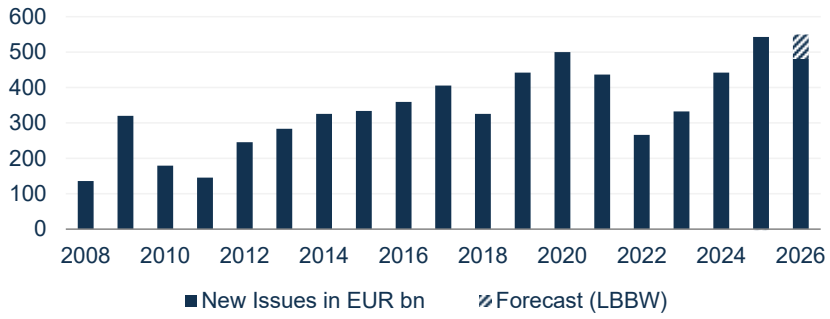
10 of the 64 bonds were floaters, i.e. with a variable interest rate. 13 of the 64 new issues were issued as green bonds

Conclusion and Outlook

Between January and October 2026, companies placed a record volume of EUR 481 billion in new EUR-denominated bonds (+5% yoy). That said, there have also been periods of caution recently, following falls in the equity and government bond markets. Other factors weighing on the market include high interest rates, the Middle East crisis and uncertainties surrounding artificial intelligence. On the other hand, the high yields on corporate bonds appear relatively attractive to investors and are therefore driving strong demand.

YTD +5% despite headwinds

New issues by year (including LBBW forecast)
EUR corporate bonds, volume in billions of EUR



Source: Bloomberg, LBBW Research

2026e: approx. EUR 550 billion

Whilst we expect volumes to remain high in November, they are likely to be lower than in the same month last year – November 2025 saw the second-highest monthly volume on record, at EUR 77 billion.

At the start of November, the trend seen at the end of October continued: The tech giant Alphabet issued seven bonds with a total value of EUR 6 billion. Demand was approximately three times as high, albeit with high spreads of around 20 basis points. In addition, the US hyperscaler Meta made its debut on the euro bond market, raising EUR 9 billion (the fourth-largest euro transaction on record). Unpublished demand reached a record volume – reportedly peaking at over EUR 50 billion.

US tech active in early November

As a result, U.S. corporations have already significantly surpassed last year's total record of 112 billion euros in new euro-denominated bond issuance. The high level of US activity is driven primarily by the more favourable cost of funding in euros, coupled with a strong need for (diversification in) AI investments.

US record volume in EUR

04 | Calendar/Analytics

Developed Markets Overview

	2 Years			10 Years		
Euro Area	**Yields**	**Spread**	**Change***	**Yields**	**Spread**	**Change***
Bund	2,95			3,22		
Jumbo	3,33	39	3	3,71	50	0
Swap	3,26	31	-2	3,31	10	-2
Netherlands	2,97	2	1	3,33	12	2
Austria	3,01	6	-4	3,47	26	-3
France	3,47	52	-9	4,77	156	-9
Belgium	3,20	25	0	4,25	103	-3
Italy	3,37	42	-5	4,32	111	-8
Spain	3,07	12	0	3,81	60	-3
Ireland	n.a.	n.a.	n.a.	3,38	16	2
Portugal	3,02	7	0	3,69	48	1
Greece	n.a.	n.a.	n.a.	4,12	91	-8
EX. EURO AREA	**Yields**	**Spread**	**Change***	**Yields**	**Spread**	**Change***
USA	4,46	151	-3	4,83	161	0
Canada	3,15	21	-5	3,67	45	-3
Japan	1,74	-121	-5	2,66	-56	-2
UK	4,75	180	-2	5,13	192	-5
Switzerland	0,20	-275	8	0,44	-278	7

* Weekly change of the spread w.r.t. Bund w/w

Sources: Bloomberg, LBBW Research

Issuing Calendar Government Bonds

Date	Country	Type	Maturity	Coupon	Size	Comment
09.11.2026	USA	T-Note	11/29		USD 58 bn.	New
10.11.2026	Japan	JGB	30Y		JPY 700 bn.	
10.11.2026	Netherlands	NETHER	07/36	2.75%	€ 3 bn.	Tap
10.11.2026	UK	UKT	30Y		GBP 1 bn.	Tap
10.11.2026	USA	T-Note	11/36		USD 42 bn.	New
11.11.2026	Germany	Bund	30Y		€ 2.5 bn.	Tap
12.11.2026	Japan	JGB	5Y		JPY 2.5 tn.	
12.11.2026	Italy	BTP	09/29	3.00%	€ 3 bn.	Tap
12.11.2026	Italy	BTP	09/33	3.35%	€ 3 bn.	Tap
12.11.2026	Italy	BTP	15Y - 30Y		€ 2 bn.	Tap
12.11.2026	UK	UKT	7Y		GBP 4 bn.	Tap
12.11.2026	USA	T-Bond	11/56		USD 25 bn.	New

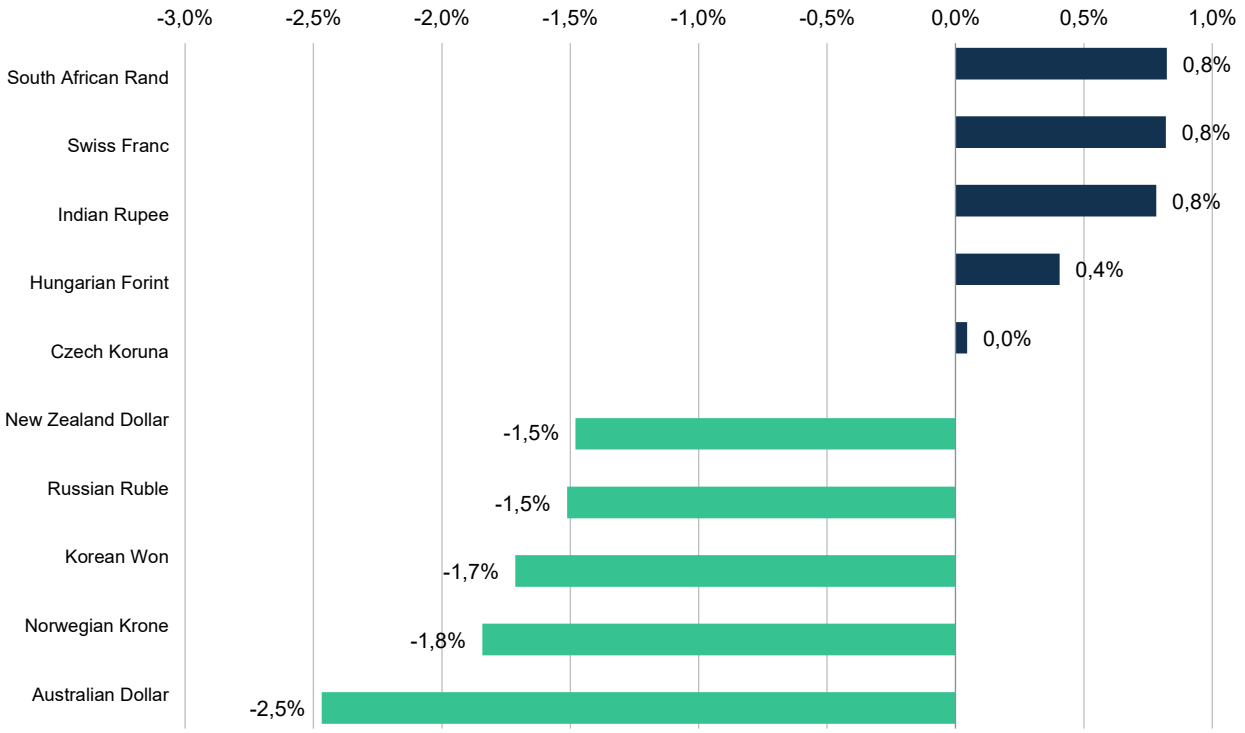
Sources: Bloomberg, LBBW Research

Central Banks and FX Monitor

Country	Next meeting	Current key rate	Latest change	Previous key rate	CPI YoY	6M trend	6M FX change ag. EUR	EUR-FX	6M EUR-FX Forward
Euro Area	17.12.26	2,50%	10.09.26	2,25%	4,0%	↗			
United States	09.12.26	4,00%	16.09.26	3,75%	3,7%	↗	4,8%	1,1183	1,1266
United Kingdom	17.12.26	4,00%	05.11.26	3,75%	3,5%	↗	3,6%	0,8340	0,8404
Japan	18.12.26	1,25%	18.09.26	1,00%	2,1%	↗	4,0%	176,71	175,42
China	***	2,00%	25.09.24	2,30%	0,9%	▪	7,3%	7,46	7,40
Switzerland	10.12.26	0,00%	19.06.25	0,25%	1,5%	↑	0,1%	0,9140	0,9010
Argentina	***	29,00%	31.01.25	32,00%	32,9%	↘	-6,2%	1.736,56	1.955,57
Australia	08.12.26	4,85%	03.11.26	4,60%	3,2%	↗	-0,3%	1,63	1,65
Brazil	09.12.26	13,75%	16.09.26	14,00%	4,6%	▪	-6,8%	6,16	6,42
Canada	09.12.26	2,50%	28.10.26	2,25%	3,1%	↗	1,9%	1,57	1,57
Czech Republic	17.12.26	4,00%	05.11.26	3,75%	2,4%	▪	0,0%	24,34	24,45
Denmark	***	2,25%	11.09.26	2,00%	2,2%	↑	0,0%	7,47	7,46
Hong Kong	***	4,25%	08.11.24	4,00%	1,9%	▪	5,0%	8,77	8,77
Hungary	17.11.26	5,50%	25.08.26	5,75%	1,6%	▪	-1,8%	364,64	369,08
India	04.12.26	5,50%	06.02.25	5,25%	5,5%	↑	5,9%	105,17	108,24
Indonesia	18.11.26	5,75%	18.06.26	5,50%	3,2%	↗	0,7%	20.283,81	20.640,66
Mexico	17.12.26	6,25%	05.11.26	6,50%	3,5%	↓	-3,5%	21,00	21,40
New Zealand	09.12.26	2,75%	02.09.26	2,50%	3,7%	↗	-1,9%	2,01	2,01
Norway	17.12.26	4,50%	24.09.26	4,25%	3,4%	▪	4,5%	10,46	10,56
Poland	03.12.26	3,75%	04.03.26	4,00%	3,5%	▪	-3,9%	4,41	4,43
Romania	12.11.26	6,50%	07.08.24	6,75%	6,6%	↓	-1,4%	5,34	5,42
Russia	18.12.26	14,00%	24.07.26	14,25%	6,4%	▪	-3,7%	91,17	97,10
Singapore	***	2,28%	n.a.	2,18%	2,2%	↗	4,0%	1,43	1,42
South Africa	19.11.26	7,25%	23.09.26	7,00%	4,5%	↑	4,2%	18,50	18,88
South Korea	26.11.26	3,00%	27.08.26	2,75%	2,8%	▪	12,3%	1.515,45	1.520,07
Sweden	16.12.26	2,00%	04.11.26	1,75%	0,9%	↑	-1,5%	11,01	10,98
Turkey	10.12.26	36,00%	22.10.26	37,00%	29,8%	↘	-5,3%	56,13	65,29

Sources: Bloomberg, LBBW Research

The Strongest Currency Appreciations and Depreciations Against the Euro This Week

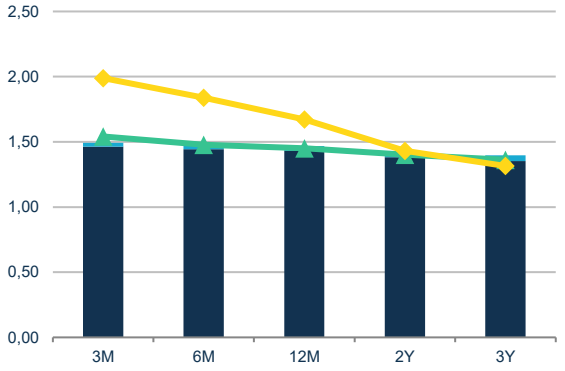


Sources: Bloomberg, LBBW, Research

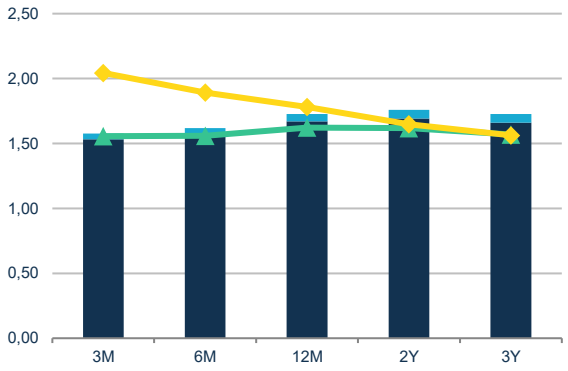
Interest rate differential and FX insurance costs vs. the Euro for selected currencies

interest rate differential, basis swap rates and insurance costs

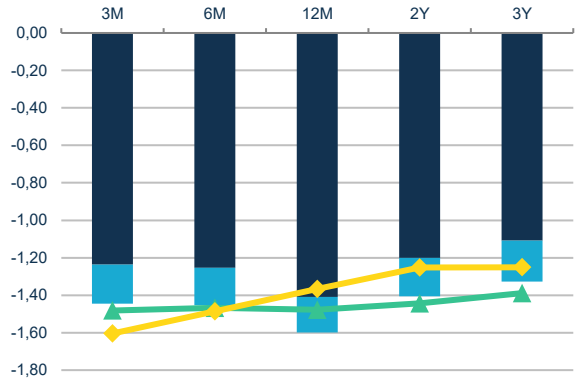
US dollar



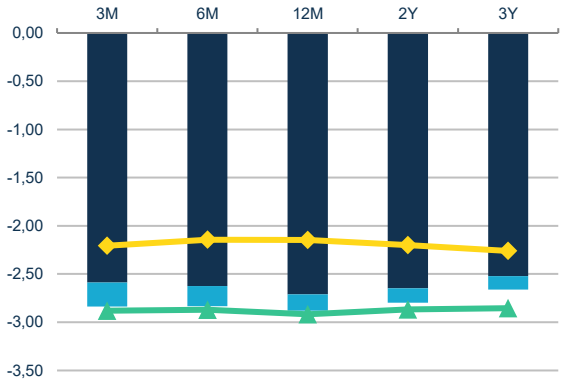
British pound



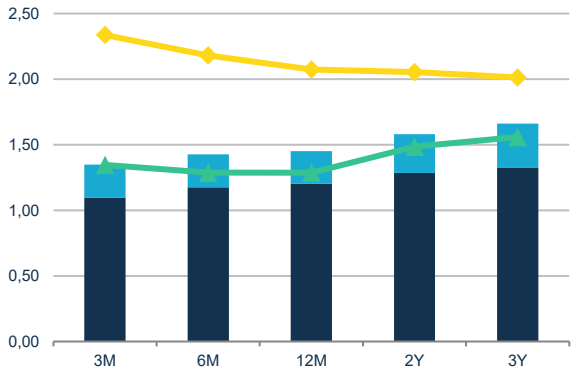
Japanese yen



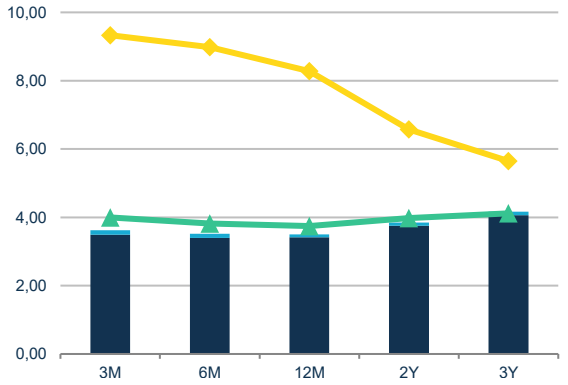
Swiss franc



Polish zloty



Mexican peso





Sources: Bloomberg, LBBW Research

Credit Spreads

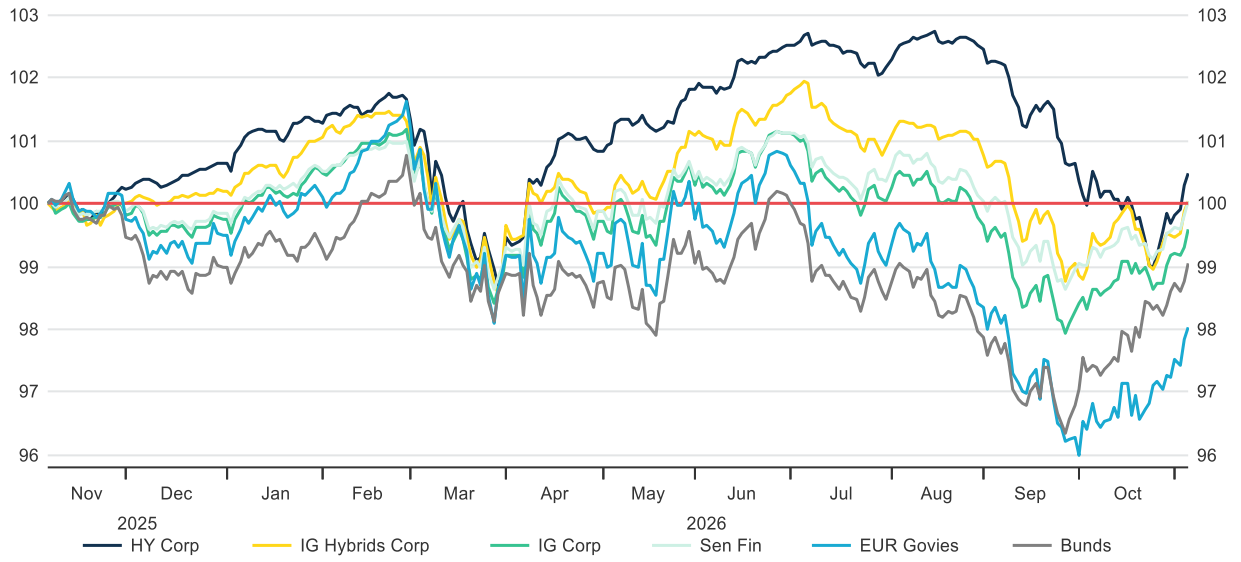
5Y CDS Spreads	Current	Changes				
		1W	1M	3M	6M	1Y
IG Corporates	62	-4	1	11	6	6
HY & NR Corporates	310	-16	15	60	35	43
Senior Financials	71	-4	2	17	12	2
Sub Financials	119	-8	6	32	23	15

EUR Indices	Current	Changes				
		1W	1M	3M	6M	1Y
Non-Financials	89	5	7	15	11	9
Banks Senior Preferred	70	1	6	21	14	9
Banks Senior Bail-in	88	1	9	21	14	13
Banks Subordinated	128	-1	11	27	17	11

*time lag of one day, Asset Swap Spreads 06.11.2026

Sources: LSEG, LBBW Research

Performance Credits vs. Bunds (LTM – last twelve months)



Quellen: LSEG, LBBW Research

Allocation recommendations (Credits vs. Bunds)

Under observation of 6 – 12 months

	Recommendation		Segments		Regions	Strategies
Rates	0/+	0	0-3 years	0/+	Euro Governments	Multi-Callables
		0/+	4-7 years	0	German Bunds	Inflation-linked bonds
		0	8-10 years	0	USD-Bonds	
Credit	0/+	0/+	Corporate Inv. Grade	0/-	Emerging Markets Debt	
		0	Corporate High Yield			
		0/+	Corporate Hybrids (IG)			
		0/+	Senior Financials			
		0/+	Covered Bonds/SSAs			
		0	Tier 2 Inv. Grade/ Sen. Non-Pref.			

Sources: LBBW Research

05 | Disclaimer

Editor: Landesbank Baden-Württemberg
Strategy Research
Am Hauptbahnhof 2
70173 Stuttgart
Germany
Fon: +49 711 127 – 763 69

Sources/Charts: Refinitiv Datastream, Ecowin, Bloomberg, LBBW Research

This publication is addressed exclusively at recipients in the EU, Switzerland, Liechtenstein, Hong Kong, Republic China (Taiwan), Singapore and the United Kingdom. This report is not being distributed by LBBW to any person in the United States and LBBW does not intend to solicit any person in the United States.

LBBW is under the supervision of the European Central Bank (ECB), Sonnemannstraße 22, 60314 Frankfurt/Main (Germany) and the German Federal Financial Supervisory Authority (BaFin), Graurheindorfer Str. 108, 53117 Bonn (Germany) / Marie-Curie-Str. 24- 28, 60439 Frankfurt/Main (Germany).

This publication is based on generally available sources which we are not able to verify but which we believe to be reliable. Nevertheless, we assume no liability for the accuracy and completeness of this publication. It conveys our non-binding opinion of the market and the products at the time of the editorial deadline, irrespective of any own holdings in these products. This publication does not replace individual advice. It serves only for informational purposes and should not be seen as an offer or request for a purchase or sale. For additional, more timely information on concrete investment options and for individual investment advice, please contact your investment advisor.

We retain the right to change the opinions expressed herein at any time and without prior notice. Moreover, we retain the right not to update this information or to stop such updates entirely without prior notice.

Past performance, simulations and forecasts shown or described in this publication do not constitute a reliable indicator of future performance.

The acceptance of provided research services by a securities services company can qualify as a benefit in supervisory law terms. In these cases LBBW assumes that the benefit is intended to improve the quality of the relevant service for the customer of the benefit recipient.

THIS DOCUMENT IS A TRANSLATION OF Anleihen Weekly Nr. 45/2026
ORIGINAL PUBLICATION DATE: 06.11.2026.
THE TRANSLATION HAS BEEN MADE FOR THE CONVENIENCE ONLY WITH THE GERMAN ORIGINAL ALWAYS PREVAILING IN ALL RESPECTS; ESPECIALLY IN CASE OF POTENTIAL DISCREPANCIES RESULTING FROM THE TRANSLATION.

Additional Disclaimer for recipients in Hong Kong:
The contents and information contained herein have not been reviewed nor endorsed by the Securities and Futures Commission and/or any other regulatory authority in Hong Kong. Nothing in this publication contains or constitutes an invitation, advertisement or other document which is or contains an invitation to (a) enter into or offer to enter into (i) an agreement to acquire, dispose of, subscribe for or underwrite securities; or (ii) a regulated investment agreement or an agreement to acquire, dispose of, subscribe for or underwrite any other structured product; or (b) acquire an interest in or participate in, or offer to acquire an interest in or participate in, a collective investment scheme. Further, nothing in this publication contains or constitutes a "prospectus" as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong).
Landesbank Baden-Württemberg (LBBW) is not licensed to carry on any regulated activity in Hong Kong.

Additional Disclaimer for recipients in Singapore:
This report prepared by LBBW is intended for general circulation. It does not take into account the specific investment objectives, financial situation or particular needs of any particular person. You should take into account your specific investment objectives, financial situation or particular needs before making a commitment to trade, including seeking advice from an independent financial adviser regarding the suitability of the investment. No representation or warranty is given as to the accuracy or completeness of this information. Consequently any person acting on it does so entirely at their own risk. This report is not an offer of, or solicitation for, a transaction in any financial instrument. Any views and opinions expressed may be changed without any update to you. The contents and information contained herein have not been reviewed nor endorsed by the Monetary Authority of Singapore and/or any other regulatory authority in Singapore. Nothing in this publication contains or constitutes an invitation, advertisement or other document which is or contains an invitation to enter into or offer to enter into an



agreement to acquire, dispose of, subscribe for or underwrite investment products (as defined in the Financial Advisers Act 2001). Further, nothing in this publication contains or constitutes a "prospectus" as defined in the Securities and Futures Act 2001. The information is provided in Singapore by Landesbank Baden-Württemberg (LBBW) which is an Exempt Financial Adviser as defined in the Financial Advisers Act 2001 and regulated by the Monetary Authority of Singapore. It is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

Additional Disclaimer for recipients in Republic China (Taiwan):
This report may be made available to Republic China (Taiwan) recipients from outside Republic China (Taiwan) but shall not be distributed/re-distributed within Republic China (Taiwan) and does not constitute recommendation of, and may not be used as a basis for recommendation of, securities within Republic China (Taiwan).

Additional Disclaimer for recipients in the United Kingdom:
Authorised and regulated by the European Central Bank (ECB), Sonnemannstraße 22, 60314 Frankfurt/Main (Germany) and the German Federal Financial Supervisory Authority (BaFin), Graurheindorfer Str. 108, 53117 Bonn (Germany) / Marie-Curie-Str. 24-28, 60439 Frankfurt/Main (Germany). Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

This publication is distributed by LBBW to professional clients and eligible counterparties only and not retail clients. For these purposes, a retail client means a person who is one (or more) of (i) a client as defined in point (7) of Article 2(1) of the UK version of Regulation (EU) 600/2014 which is part of UK law (UK MiFIR) by virtue of the European Union (Withdrawal) Act 2018 (EUWA) who is not a professional client (as defined in point (8) of Article 2(1) of UK MiFIR); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the FSMA) and any rules or regulations made under the FSMA (which were relied on immediately before the 31 December 2020 (IP completion day)) to implement Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in the UK version of Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, which is part of UK law by virtue of the EUWA (the UK Prospectus Regulation).

This publication has been prepared by LBBW for information purposes only. It reflects LBBW's views and it does not offer an objective or independent outlook on the matters discussed. The publication and the views expressed herein do not constitute a personal recommendation or investment advice and should not be relied on to make an investment decision. The appropriateness of a particular investment or strategy will depend on an investor's individual. You should make your own independent evaluation of the relevance and adequacy of the information contained in this publication and make such other investigations as you deem necessary, including obtaining independent financial advice, before participating in any transaction in respect of the financial instruments referred to this publication herein.

Under no circumstance is the information contained within such publication to be used or considered as an offer to sell or a solicitation of an offer to buy any particular investment or security. Neither LBBW nor any of its subsidiary undertakings or affiliates, directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, fullness, accuracy or completeness of the information in this publication (or whether any information has been omitted from the publication) or any other information relating to the, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection therewith.

The information, statements and opinions contained in this publication do not constitute or form part of a public offer. LBBW assumes no responsibility for any fact, recommendation, opinion or advice contained in any such publication and expressly disclaims any responsibility for any decisions or for the suitability of any security or transaction based on it. Any decisions that a professional client or eligible counterparty may make to buy, sell or hold a security based on such publication will be entirely their own and not in any way deemed to be endorsed or influenced by or attributed to LBBW.

LBBW does not provide investment, tax or legal advice. Prior to entering into any proposed transaction on the basis of the information contained in this publication, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction.

Proprietary Rights Notice: © 2014, Moody's Analytics, Inc., its licensors and affiliates ("Moody's"). All rights reserved. Moody's ratings and other information ("Moody's Information") are proprietary to Moody's and/or its licensors and are protected by copyright and other intellectual property laws. Moody's Information is licensed to Distributor by Moody's. Moody's information may not be copied or otherwise reproduced, re-packaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any such purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person without Moody's prior written consent. Moody's® is a registered trademark.