



# Market Outlook

ECB Bond Market Contact Group

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## **NOMURA**

### **Decoupling At Last**



Cuts priced by December 2025

Curve shapes are moving in tandem...



Rolling 2- and 4-week correlation of Dec-25 ECB vs Fed pricing

#### ... as yields diverge across maturities





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### **Much Ado About Nothing?**



#### The impact of US elections on rates markets



#### 20-day correlation of BTP spreads with S&P 500

#### 10y BTP spreads vs credit spreads



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### From Collateral Scarcity to Abundance



#### Eurozone sovereign issuance





Share of German bonds trading below €STR



### The beginning of a new era?







- How far can ECB rates decouple from the Fed? Why are inflation markets so relaxed about Trump?
- Will sovereign spreads be driven by risk assets or by rates in 2025?
- Are Q1 supply and/or debt sustainability a concern for market participants?
- How will market price renewed (geo)political risk?

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