

European Rates Alpha

Closing trade: sell UKT 0.625% 2035 vs. 0.25% 2025 and 3.75% 2053

Belly of the curve performs in a market rally

On 13 October, we recommended a short UKT 0.625% 2035 vs. 0.25% 2025 and 3.75% 2053. We entered the trade at -53bp, targetting 0bp with a stop at -85bp (see the report, [Sell UKT 0.625% 2035 vs. 0.25% 2025 and 3.75% 2053](#), 13 October 2023). The Gilt fly directionality turned out to be more pronounced than expected since mid-October, resulting in belly outperformance during market rally (Exhibit 1). The trade crossed its stop level and we close it today.

06 December 2023

Rates Research
Europe

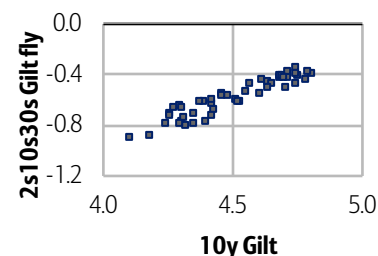
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For a list of our open rates trades and those closed over the past 12 months, see the [Global Rates Weekly](#) (1 December 2023).

Exhibit 1: Gilt 10y vs. 2s10s30s, %
Price action since 13 October



Source: Bloomberg, BofA Global Research
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