Beat: Business

ITALY-SPREAD DROPS TO 84 POINTS

LOWEST SINCE 2008

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USPA NEWS - The spread between Italy's 10-year BTP bond and the benchmark German Bund dropped to 84 basis points after the yield on Italian State paper fell to a new low of 1.04% Thursday following the start of the European Central Bank's quantitative easing program.

It is the spread's lowest level since September 2008. The spread, a key measure of Italy's borrowing costs and of investor confidence, started the day at 91.3 basis points with a yield of 1.12%.
The Treasury, meanwhile, sold all of the 2.5 billion euros' worth of three-year BTP bonds it put up for action on Thursday, at an average interest rate of 0.15%, a new low. The rate at an equivalent sale in February was 0.44%. The Treasury also sold three billion euros' worth of seven-year BTPs, set to mature in April 2022, at an interest rate of 0.71%, down from 1.23% at the last sale. It sold 1.75 billion euros of 30-year bonds, maturing in September 2046, at a rate of 1.86%.

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