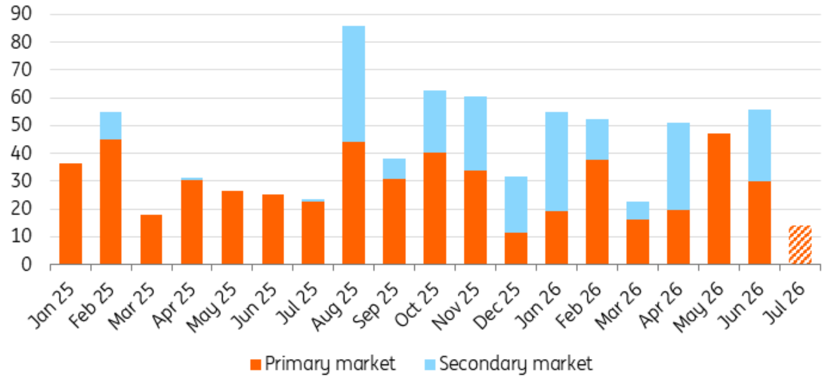
Article | 20 July 2026 CZECH REPUBLIC

Czech Finance Ministry cuts issuance as retail bonds deliver

The Ministry of Finance cut its 2026 Czech government bond issuance plan after strong retail bond demand. With only around CZK60bn of issuance left in CZGBs, second half 2026 supply looks light versus heavy CEE borrowing needs, supporting CZGB outperformance once focus returns to domestic fundamentals

On Friday, the Ministry of Finance (MinFin) published a mid-year update to its funding strategy, lowering its planned Czech government bond (CZGB) issuance. The key driver was the restart of retail bond issuance earlier this year, with stronger-than-expected demand generating CZK74bn. As a result, the indicated range for gross CZGB issuance was cut from CZK400-500bn to CZK270-370bn, which leads us to revise our issuance forecast lower.

Gross CZGBs issuance (CZKbn)



Source: Czech Ministry of Finance

The MinFin typically provides limited detail on its full financing mix, leaving it considerable flexibility in how it meets borrowing needs. For the rest of the year, we expect MinFin to rely heavily on T-bills, including euro-denominated issuance, as well as loans from supranational institutions such as the EIB and SAFE. Two more retail bond auctions are scheduled, though only one will contribute to this year's funding, as the second takes place at the end of December. We expect retail bond issuance to reach around CZK100bn this year and to become a permanent part of the MinFin's funding toolkit. This leads us to revise our gross CZGBs issuance forecast from CZK506bn to CZK394bn.

Based on our calculations, the MinFin has already covered 79% of our forecasted issuance and only around CZK83bn left this year. However, the final figure is likely to be higher, reflecting expected secondary-market activity and pre-financing for next year. Still, we believe the broader picture for CZGBs is positive, particularly in the context of sizeable borrowing needs across the CEE region. We therefore expect CZGBs to outperform regional peers once geopolitical concerns ease and the focus shifts back to domestic fundamentals given very low CZGBs supply in the second half of the year.

Financing needs for 2026 (CZKbn)

	MinFin	ING	Covered
State budget	310.0	310.0	
Transfers and other operations of state financial assets	3.6	3.6	
T-Bonds denominated in local currency redemptions	200.3	200.3	
T-Bonds denominated in foreign currency redemptions	0.0	0.0	
Redemptions and early redemptions on retail bonds	20.4	20.4	
T-Bills denominated in local currency redemptions	117.0	117.0	
T-Bills denominated in foreign currency redemptions	48.6	48.6	
Redemption of other money market instruments	11.9	11.9	
Repayments on credits and loans	26.4	26.4	
Total financing needs	**738.2**	**738.2**	
Money market instruments		117.0	21%
CZGBs issuance	270-370	396.4	79%
CZGBs EUR-denominated (incl. T-Bills)		48.6	
FX issuance		0.0	
Retail bonds		100.0	74%
Received credits and loans	Max. 76.2	76.2	
Financial asset and liquidity management		0.0	
Total financing sources		**738.2**	
Gross borrowing requirement		**738.2**	
Net CZGBs issuance		**196.1**	

Source: MinFin, ING estimates

Author

Frantisek Taborsky
EMEA FX & FI Strategist
frantisek.taborsky@ing.com

Disclaimer