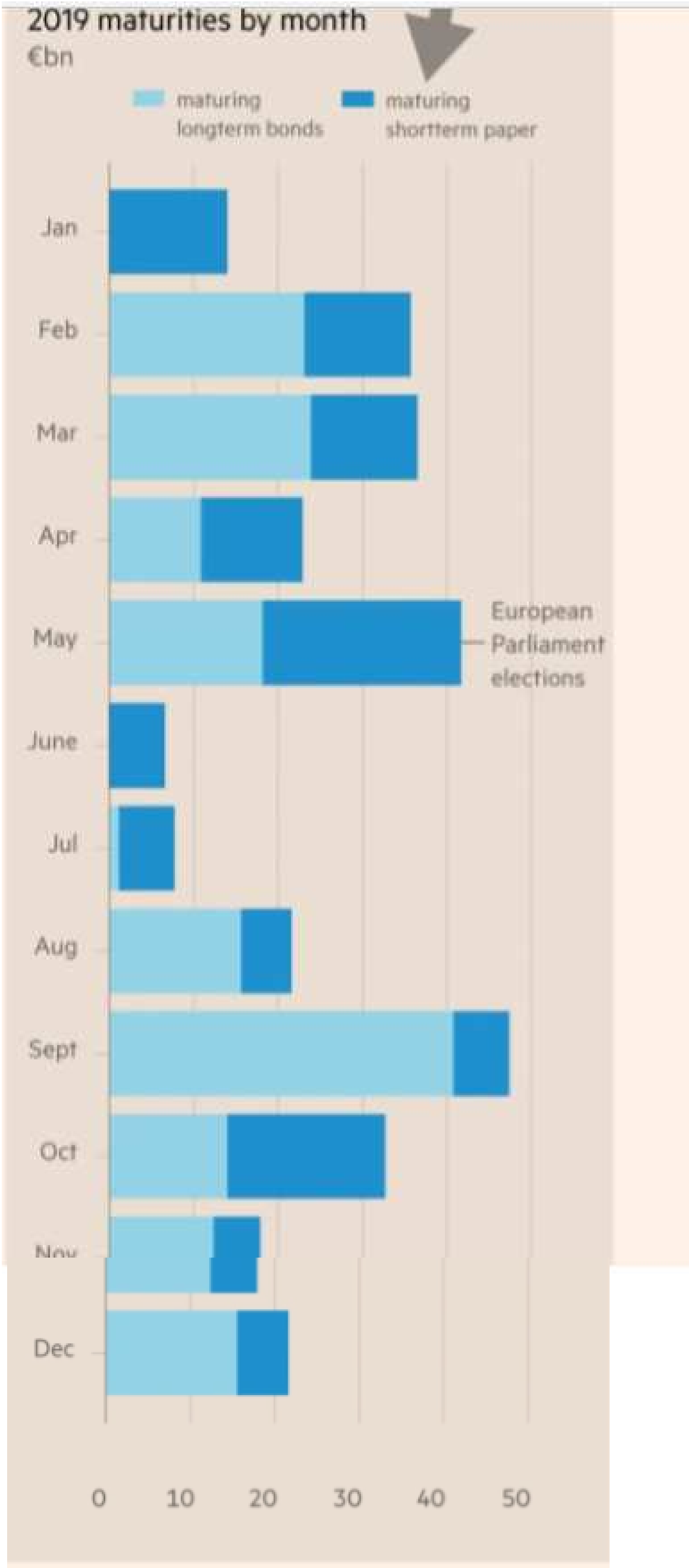
2019 maturities by month
€bn
maturing longterm bonds
maturing shortterm paper
Jan
Feb
Mar
Apr
May
June
Jul
Aug
Sept
Oct
Nov
Dec
European Parliament elections
0
10
20
30
40
50

Italy must sell €226bn of medium- and long-dated debt this year to a market that remains fragile after investors were rattled by last year's stand-off between the populist government and Brussels.

The political turbulence drove Italian bond yields to their highest since the eurozone debt crisis more than half a decade ago, and while Rome last month reached agreement with Brussels on its budget deficit, investors are wary of assuming that the market will remain calm.

"While progress has materialised, we prefer to stay prudent, maintaining a wait-and-see stance," fund managers at Amundi noted of Italy.

European Parliament elections in May could yet see another populist challenge to the eurozone's fiscal rules. It is a matter of concern for investors, particularly after French president Emmanuel Macron capitulated to the wave of *gilets jaunes* protests by lifting government spending.

Of the €226bn of medium- and longer-dated debt Italy needs to raise in 2019, €176bn are bonds that need to be refinanced this year, according to Financial Times analysis.

In addition, the FT estimates that Italy will need a further €50bn to finance its deficit. The other $150bn of Italy's total financing need of €376bn is made up of short-dated bonds that need refinancing.

Despite last year's rise in yields, Italy's average funding costs are near historic lows which is a boon for Rome. However, if the Italian economy weakens or political tensions rise, investors' nerves may fray.

Graphic by Ian Bott