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Available in French and in English

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Agence France Trésor is tasked with managing the government debt and cash positions under the most secure conditions in the interest of the taxpayer.

**News at Agence
France Trésor**

Publication of the 2014 primary dealer league table

Every year since 1999, Agence France Trésor (AFT) has published the league table of the most active primary dealers in French government securities (SVTs) during the previous year.

The assessment considers all of the tasks performed by the primary dealers and ranks them in three separate league tables according to three categories sets of criteria:

- primary market activity counts for 40% of the ranking, based on the primary dealers' market shares at auctions of short-, medium- and long-term securities, inflation-linked securities and buybacks. The amounts are weighted by maturity to provide an approximate view of the primary dealers' presence on the yield curve.
- activity on the secondary market counts for 30% of the ranking, based on the volume of primary dealers' trading with end customers and other market makers.
- the quality of advice and services provided to AFT counts for 30% of the ranking, based on the quality of primary dealers' contributions to the security of operations on the government securities market (including the quality of middle & back office functions), their advice to AFT, their economic research, their analysts' work on the functioning of the government bond market, and the closeness and stability of their relationship with AFT.

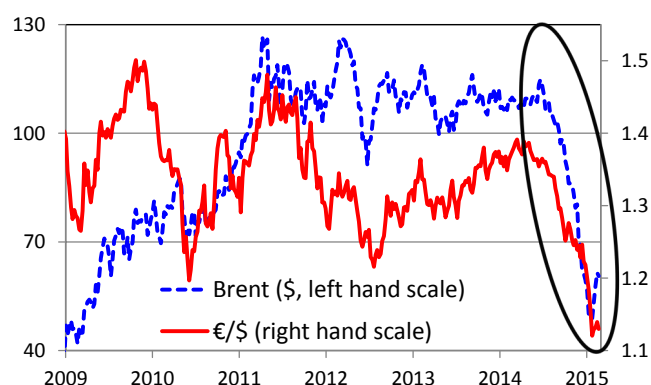
On this basis, the top ten banks out of the nineteen primary dealers are:

1 BNP Paribas	6 Natixis
2 Société Générale	7 Nomura
3 Crédit Agricole	8 Morgan Stanley
4 Barclays	9 JP Morgan
5 HSBC	10 Royal Bank of Scotland

The 2014 league table shows great stability, with eight banks that were already in the 2013 top 10. This stability does not mean that nothing has changed; two new banks have joined the top 10 and the rankings within it have changed. For the first time since 2003, three French banks are in the top three spots (BNP Paribas, Société Générale, Crédit Agricole). The top 10 primary dealers reflect the geographic diversity of the group, with four French banks (BNP Paribas, Société Générale, Crédit Agricole and Natixis), three UK banks (Barclays, HSBC et RBS), two of the five American banks that are primary dealers (Morgan Stanley, JP Morgan) and the Japanese bank (Nomura).

<u>Primary market</u>		<u>Secondary market</u>		<u>Quality of service</u>	
1	BNP Paribas	1	BNP Paribas	1	Société Générale
2	Société Générale	2	Société Générale	2	BNP Paribas
3	Crédit Agricole	3	Crédit Agricole	3	HSBC
4	Barclays	4	Barclays	4	Crédit Agricole
5	HSBC	5	HSBC	5	Barclays
6	Natixis	6	Nomura	6	Natixis
7	Nomura	7	JP Morgan	7	Morgan Stanley
8	Morgan Stanley	8	Citigroup	8	JP Morgan
9	Royal Bank of Scotland	9	Morgan Stanley	9	Royal Bank of Scotland
10	Credit Suisse	10	Royal Bank of Scotland	10	Nomura

The euro last peaked against the dollar in June 2014. Since then, it has depreciated by 18% against the dollar, 7% against sterling and 2% against the yen. Over the same period, the price of Brent crude in euros fell by 35% and the dollar price by 49%. What is the impact of this atypically large and simultaneous dual decline?



All else being equal, a weaker euro boosts exports by improving the price competitiveness of French goods and services and by stimulating the economies of France's partners in the euro area, but it also drives up import prices. Cheaper oil reduces the energy bill and lowers the inflation rate, raising consumers' purchasing power and the profitability of businesses that use oil in their production processes.

According to the estimates included in the economic report appended to the 2015 Budget Act ([page 45](#)), a 10% depreciation of the euro against all currencies would increase GDP by 0.6% in the first year alone and add 30,000 new jobs. According to the same estimates, a 20-dollar drop in oil prices would increase GDP by 0.1% and add 3,000 new jobs in the first year.

Deviation from baseline in %	n	n+1	n+2
10% depreciation of euro against all currencies	0.6	1	1.2
20-dollar decrease in oil price	0.1	0.2	0.2

However, it is a delicate matter to combine the two effects to come up with a “net” impact. Many factors have to be considered to assess the impact on household consumption of a weaker euro, which makes essential imports more expensive, thereby reducing purchasing power, and the impact of cheaper oil, which boosts overall demand. More specifically, the following factors

need to be considered:

- the contribution of foreign trade to GDP and jobs.
- the proportion of exports that are sensitive to exchange rates: elasticity will be much greater if competitiveness is primarily based on prices.
- the behaviour of exporting companies, which may prefer to lower their export prices or increase their profit margin, and of importing companies, which may pass the increased cost of imports on in their prices or else absorb the increase themselves.
- the response time of buyers, who may have contracts or habits that mean they continue to use the same suppliers for a certain period.
- lags in the business cycles between countries: if the economy in partner country B is weak, country A will not be able to increase its exports to country B as a result of a change in exchange rates.

Other variables must also be considered, such as the uncertain and volatile economic environment during these shocks ([Ine Van Robays, 2012](#)), the nature of cyclical and structural policies applied by the leading countries to limit the effects of the shocks ([IFM, 2015](#)) and the question of whether the oil shock is a supply or a demand shock ([Baumeister, 2015](#)).

All in all, it is difficult to model the effects of the two shocks together. It seems clear that these effects will be positive for the recovery of France and the euro area in 2015. Public policies, particularly those aimed at restoring competitiveness, and stimulating investment and consumption, will benefit from a more favourable macroeconomic situation.

Indicative auction schedule

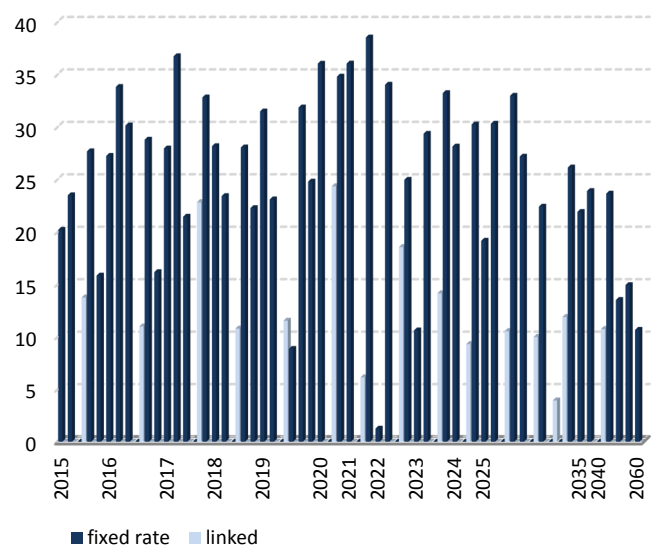
		Short-term					Medium-term	Long-term	Index-linked
March 2015	auction date	2	9	16	23	30	19	5	19
	settlement date	4	11	18	25	01(April)	23	9	23
April 2015	auction date	7	13	20	27		16	2	16
	settlement date	9	15	22	29		20	8	20

anticipated or delayed auctions (bank holidays, etc.)

Source: Agence France Trésor

Medium- and long-term negotiable government debt at 31 January, 2015

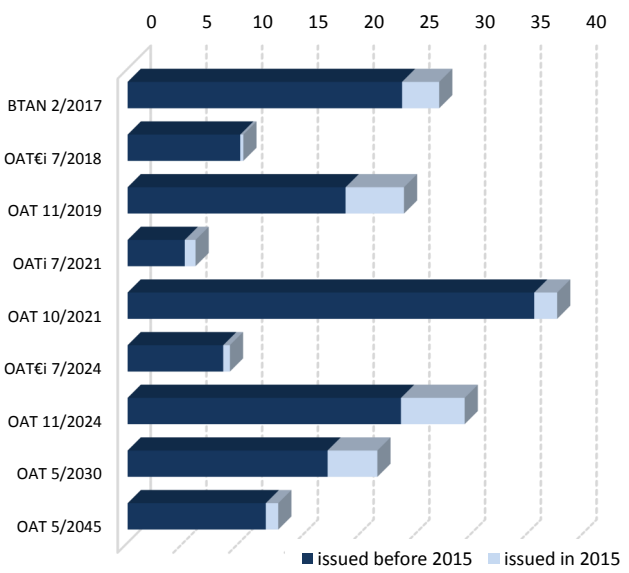
Nominal value of each line, in € billion



Source: Agence France Trésor

Medium- and long-term: securities issued during the year and total issuance at 31 January, 2015

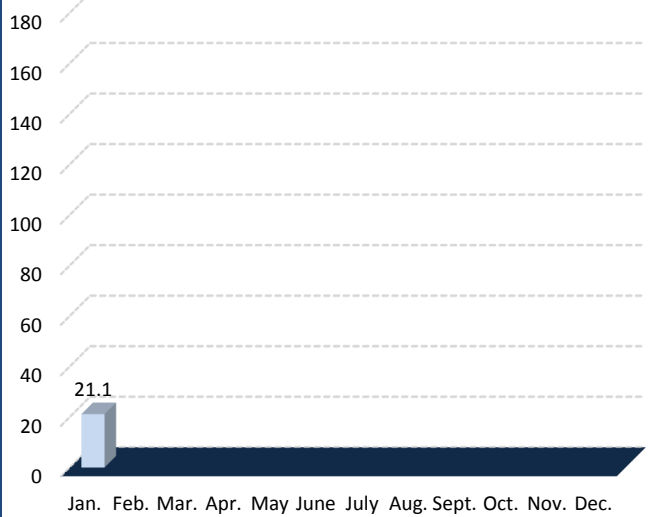
In € billion



Source: Agence France Trésor

Issuance net of buybacks at 31 January, 2015

In € billion



Source: Agence France Trésor

Medium- and long-term: provisional maturity schedule at 31 January, 2015

In € billion

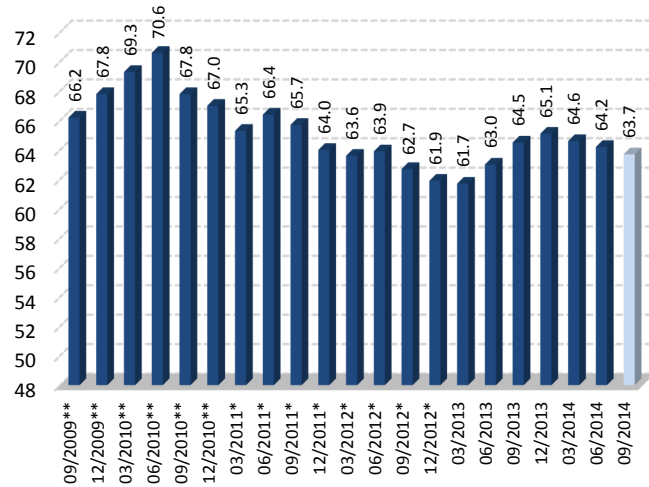
Month	Coupon	Redemption
Feb-15	1.1	
Mar-15		
Apr-15	16.0	20.2
May-15	2.6	
Jun-15		
Jul-15	4.3	37.3
Aug-15		
Sep-15		
Oct-15	15.4	27.7
Nov-15	1.0	15.8
Dec-15		
Jan-16		

Source: Agence France Trésor

**General
debt-related data**

Non-resident holders of negotiable government debt in third quarter of 2014

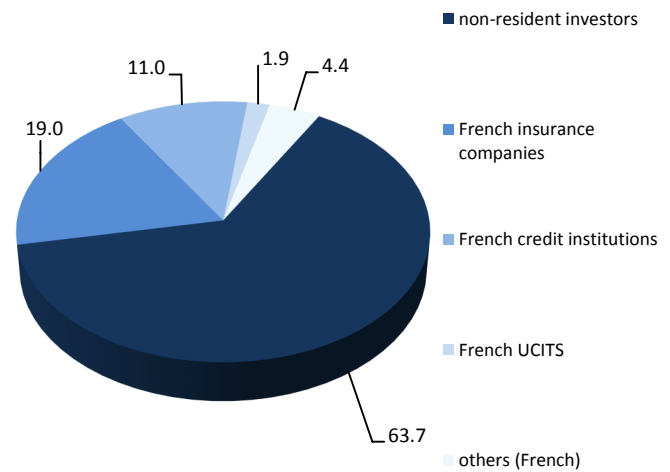
As a % of negotiable debt outstanding expressed in market value



(*) figures revised quarterly (**) figures revised annually
Source: Banque de France

Negotiable government debt by group of holders in third quarter of 2014

Structure in % expressed in market value



Source: Banque de France

Negotiable government debt at 31 January, 2015

In euros

Total medium- and long-term debt	1,357,648,227,441
Total stripping activity	62,530,245,100
Average maturity	7 years and 329 days
Total short-term debt	172,386,000,000
Average maturity	117 days
TOTAL OUTSTANDING	1,530,034,227,441
Average maturity	7 years and 17 days

Source: Agence France Trésor

Negotiable government debt and interest rate swaps at 31 January, 2015

In € billion

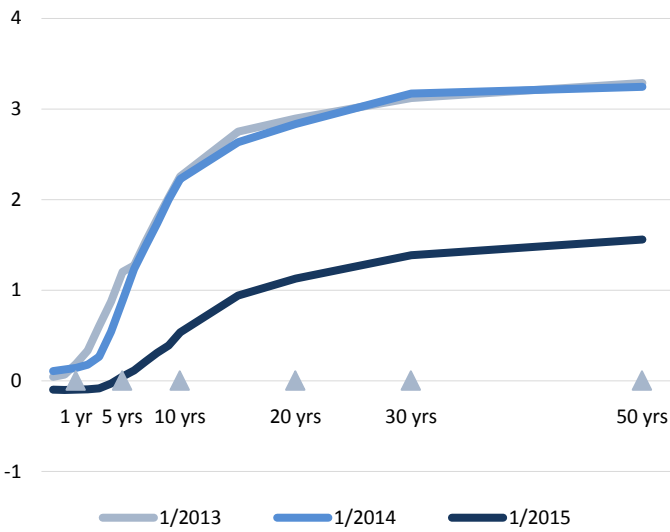
	End 2011	End 2012	End 2013	End 2014	End January 2015
Negotiable government debt outstanding	1,313	1,386	1,457	1,528	1,530
of which index-linked securities	166	173	174	189	189
Medium- and long-term	1,135	1,220	1,283	1,352	1,358
short-term	178	167	174	175	172
Swaps outstanding	13	10	7	6	6
Average maturity of the negotiable debt					
before swaps	7 years	7 years	7 years	6 years	7 years
	57 days	37 days	5 days	1 day	17 days
after swaps	7 years	7 years	7 years	6 years	7 years
	52 days	34 days	2 days	0 day	16 days

Source: Agence France Trésor

Secondary market

Yield curve for French government securities

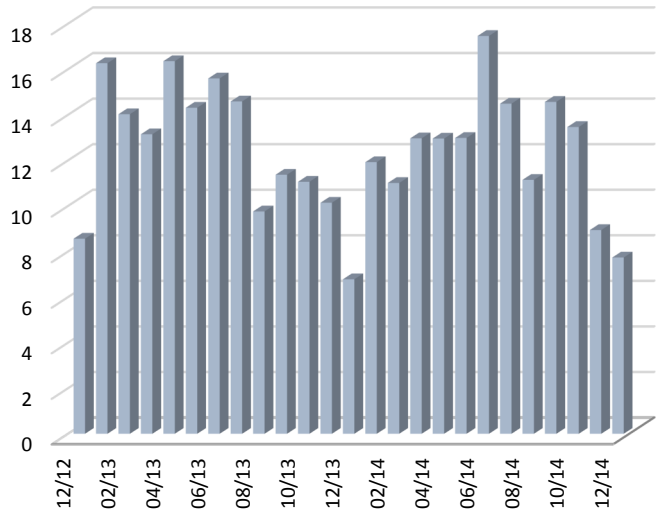
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

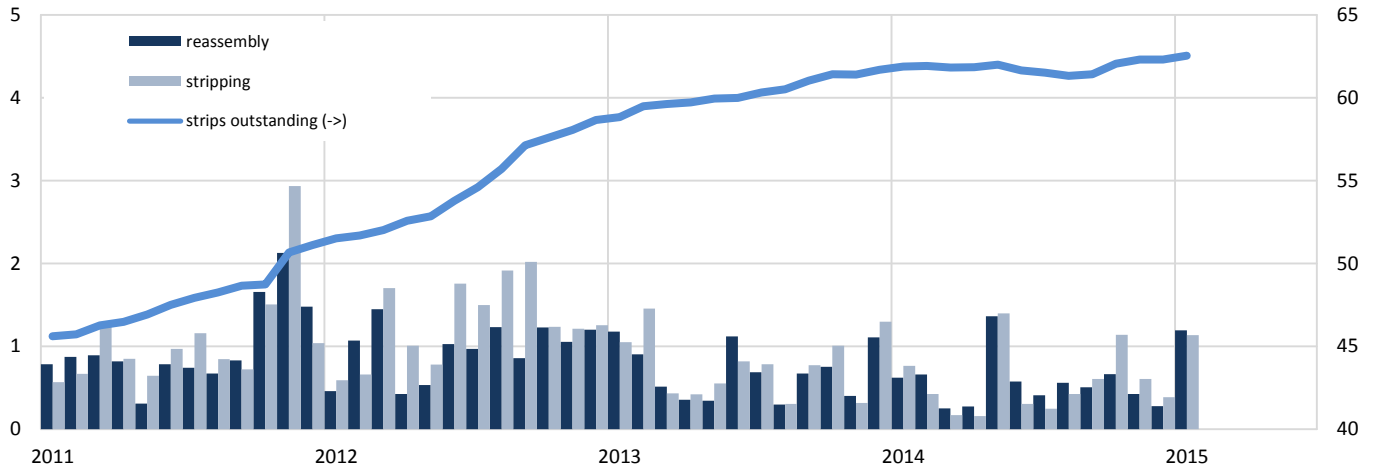
In € billion



Source: reporting by primary dealers in government securities

Total stripping and reassembly

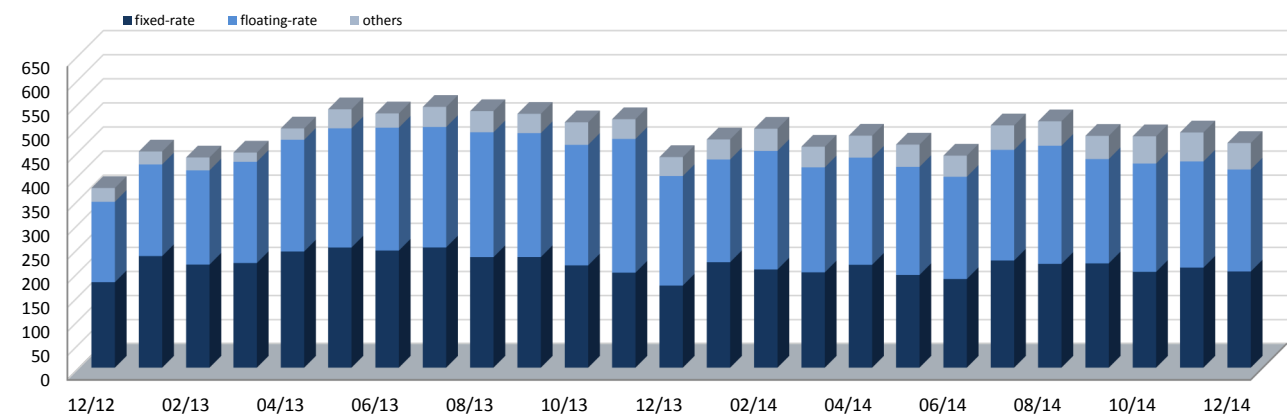
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: reporting by primary dealers in government securities

Short-term debt at 31 January, 2015

	Maturity	Outstanding (€)
BTF	5 February 2015	8,176,000,000
BTF	11 February 2015	8,490,000,000
BTF	18 February 2015	7,244,000,000
BTF	25 February 2015	8,381,000,000
BTF	5 March 2015	7,872,000,000
BTF	11 March 2015	7,948,000,000
BTF	18 March 2015	7,437,000,000
BTF	2 April 2015	8,105,000,000
BTF	9 April 2015	8,183,000,000
BTF	15 April 2015	6,966,000,000
BTF	22 April 2015	7,567,000,000
BTF	30 April 2015	8,483,000,000
BTF	13 May 2015	6,571,000,000
BTF	28 May 2015	7,413,000,000
BTF	10 June 2015	7,529,000,000
BTF	25 June 2015	7,579,000,000
BTF	23 July 2015	7,254,000,000
BTF	20 August 2015	8,310,000,000
BTF	16 September 2015	7,218,000,000
BTF	14 October 2015	6,592,000,000
BTF	11 November 2015	6,573,000,000
BTF	9 December 2015	6,698,000,000
BTF	6 January 2016	5,797,000,000

Medium- and long-term debt (maturing 2015–2018) at 31 January, 2015

ISIN Code	Bond Maturity 2015	Outstanding (€) 100,940,282,773	Ind. Coeff.	Face value	Stripped (€)
FR0010163543	OAT 3.5% 25 April 2015	20,192,313,893			0
FR0118462128	BTAN 2% 12 July 2015	23,486,000,000			–
FR0010135525	OAT€i 1.6% 25 July 2015	13,750,968,880 (1)	1.19449	11,512,000,000	0
FR0010216481	OAT 3% 25 October 2015	27,681,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	15,830,000,000			0
Maturity 2016		147,140,360,060			
FR0119105809	BTAN 2.25% 25 February 2016	27,241,000,000			–
FR0010288357	OAT 3.25% 25 April 2016	33,817,000,000			0
FR0119580050	BTAN 2.5% 25 July 2016	30,140,000,000			–
FR0119105791	BTANi 0.45% 25 July 2016	10,992,360,060 (1)	1.04749	10,494,000,000	–
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			259,017,000
FR0011857218	OAT 0.25% 25 November 2016	16,161,000,000			0
Maturity 2017		141,777,284,550			
FR0120473253	BTAN 1.75% 25 February 2017	27,950,000,000			–
FR0010415331	OAT 3.75% 25 April 2017	36,737,000,000			0
FR0120746609	BTAN 1% 25 July 2017	21,443,000,000			–
FR0010235176	OATi 1% 25 July 2017	22,834,284,550 (1)	1.13069	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	32,813,000,000			0
Maturity 2018		112,676,743,100			
FR0010604983	OAT 4% 25 April 2018	28,170,000,000			0
FR0011394345	OAT 1% 25 May 2018	23,412,000,000			0
FR0011237643	OAT€i 0.25% 25 July 2018	10,782,743,100 (1)	1.03890	10,379,000,000	0
FR0010670737	OAT 4.25% 25 October 2018	28,047,000,000			0
FR0011523257	OAT 1% 25 November 2018	22,265,000,000			0

(1) face value x indexation coefficient (face value if coefficient < 1)

Medium- and long-term debt (maturing in 2019 and beyond) at 31 January, 2015

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	Maturity 2019	131,633,822,328			
FR0000189151	OAT 4.25% 25 April 2019	31,478,000,000			0
FR0011708080	OAT 1% 25 May 2019	23,095,000,000			0
FR0010850032	OATi 1.3% 25 July 2019	11,535,474,460 (1)	1.06406	10,841,000,000	0
FR0000570921	OAT 8.5% 25 October 2019	8,844,392,893			6,010,885,100
FR0010776161	OAT 3.75% 25 October 2019	31,858,000,000			0
FR0011993179	OAT 0.5% 25 November 2019	24,793,000,000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	29,954,975 (2)		6,692,154	–
	Maturity 2020	95,182,325,250			
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24,349,325,250 (1)	1.21899	19,975,000,000	0
FR0010949651	OAT 2.5% 25 October 2020	34,801,000,000			0
	Maturity 2021	80,709,969,320			
FR0010192997	OAT 3.75% 25 April 2021	36,041,000,000			0
FR0011347046	OATi 0.1% 25 July 2021	6,138,969,320 (1)	1.00771	6,092,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	38,530,000,000			0
	Maturity 2022	78,789,529,890			
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			549,668,400
FR0011196856	OAT 3% 25 April 2022	34,030,000,000			0
FR0010899765	OAT€i 1.1% 25 July 2022	18,558,589,900 (1)	1.08365	17,126,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	24,957,000,000			0
	Maturity 2023	87,329,783,783			
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903			5,968,300,200
FR0011486067	OAT 1.75% 25 May 2023	29,346,000,000			0
FR0010585901	OATi 2.1% 25 July 2023	14,148,587,880 (1)	1.09611	12,908,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000			570,585,000
	Maturity 2024	67,672,683,460			
FR0011619436	OAT 2.25% 25 May 2024	28,128,000,000			0
FR0011427848	OAT€i 0.25% 25 July 2024	9,309,683,460 (1)	1.01479	9,174,000,000	0
FR0011962398	OAT 1.75% 25 November 2024	30,235,000,000			25,000,000
	Maturity 2025	19,156,928,118			
FR0000571150	OAT 6% 25 October 2025	19,156,928,118			3,124,964,400
	Maturity 2026	30,306,000,000			
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000			80,813,000
	Maturity 2027	43,514,376,700			
FR0011008705	OAT€i 1.85% 25 July 2027	10,543,376,700 (1)	1.06790	9,873,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	32,971,000,000			0
	Maturity 2028	21,322,893			
FR0000571226	OAT zero coupon 28 March 2028	21,322,893 (3)		46,232,603	–
	Maturity 2029	37,157,873,406			
FR0000571218	OAT 5.5% 25 April 2029	27,169,880,458			3,747,909,100
FR0000186413	OATi 3.4% 25 July 2029	9,987,992,948 (1)	1.24957	7,993,144,000	0
	Maturity 2030	26,340,875,750			
FR0011883966	OAT 2.5% 25 May 2030	22,405,000,000			0
FR0011982776	OAT€i 0.7% 25 July 2030	3,935,875,750 (1)	1.00175	3,929,000,000	0
	Maturity 2031 et plus	157,298,066,060			
FR0000188799	OAT€i 3.15% 25 July 2032	11,888,976,340 (1)	1.23509	9,626,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	26,135,322,600			11,463,083,400
FR0010070060	OAT 4.75% 25 April 2035	21,897,000,000			5,331,467,000
FR0010371401	OAT 4% 25 October 2038	23,889,000,000			4,806,011,400
FR0010447367	OAT€i 1.8% 25 July 2040	10,741,767,120 (1)	1.14408	9,389,000,000	0
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000			7,344,550,000
FR0011461037	OAT 3.25% 25 May 2045	13,513,000,000			698,000,000
FR0010171975	OAT 4% 25 April 2055	14,926,000,000			7,595,238,000
FR0010870956	OAT 4% 25 April 2060	10,657,000,000			4,954,753,100

(1) face value x indexation coefficient (face value if coefficient < 1)

(2) Including coupons capitalised at 31 Dec. 2013; not open to subscription

(3) Revised on 28 March 2013; not open to subscription

Most recent economic indicators

Industrial output, year-on-year	-1.3%	Dec. 2014
Household consumption*, year-on-year	2.1%	Jan. 2015
Unemployment rate (ILO)	10.4%	Dec. 2014
Consumer prices, year-on-year		
all items	-0.4%	Jan. 2015
all items excluding tobacco	-0.4%	Jan. 2015
Trade balance, fob-fob, sa (€bn)	-€3.4 bn	Dec. 2014
" "	-€3.1 bn	Nov. 2014
Current account balance, sa (€bn)	-€1.9 bn	Dec. 2014
" "	€0.3 bn	Nov. 2014
10-year constant maturity rate (TEC10)	0.58%	30 Jan. 2015
3-month interest rate (Euribor)	0.054%	30 Jan. 2015
EUR / USD	1.1305	30 Jan. 2015
EUR / JPY	133.08	30 Jan. 2015

* manufactured products
Sources: Insee, Minefi, Banque de France

Monthly government budget position

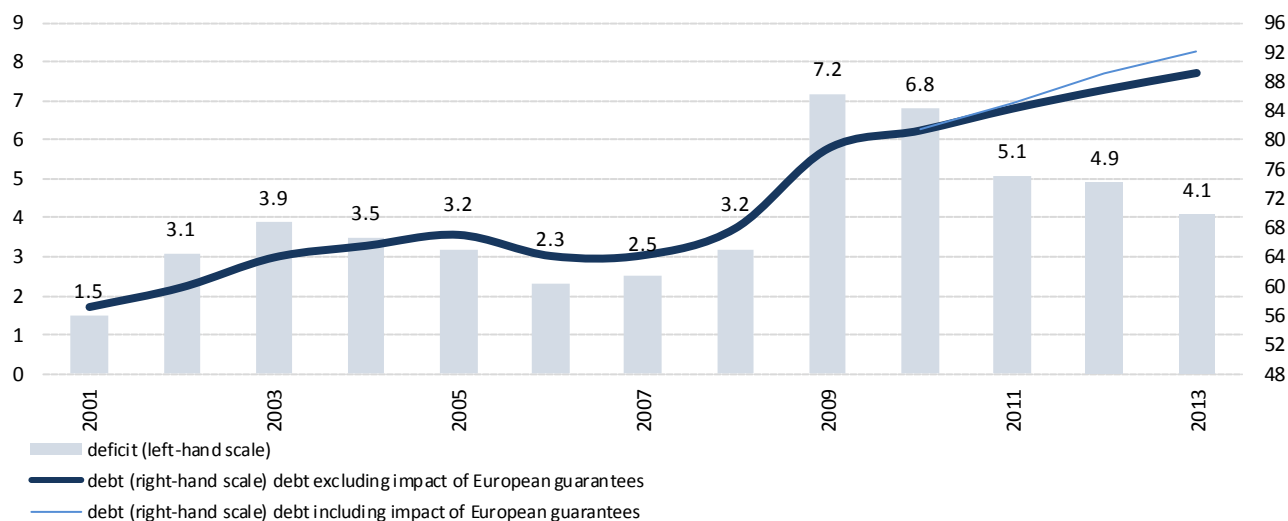
In € billion

	end of December level				
	2012	2013	2012	2013	2014
General budget balance	-88.16	-75.43	-88.16	-75.43	-85.69
revenue	286.01	301.24	286.01	301.24	291.97
expenditure	374.17	376.67	374.17	376.67	377.66
Balance of special Treasury accounts	1.01	0.56	1.01	0.56	0.13
General budget outturn	-87.15	-74.87	-87.15	-74.87	-85.56

Source: Minefi

Public finances: deficit and debt

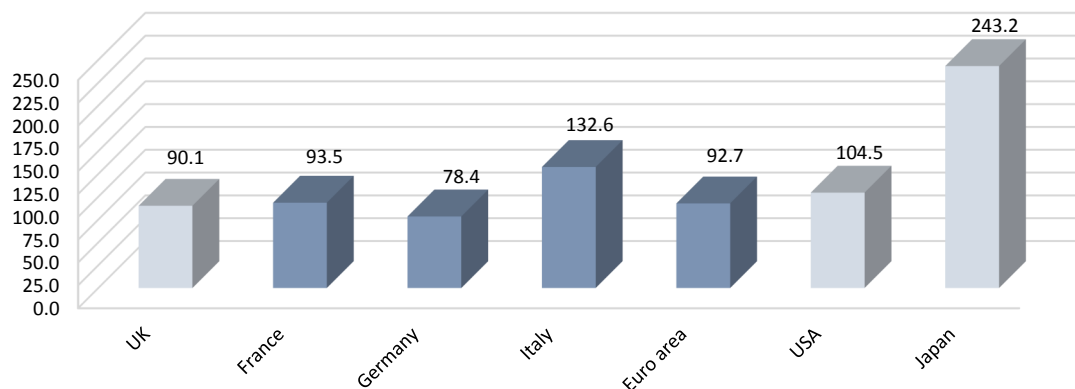
As % of GDP



Source: Insee

General government debt in 2013

As % of GDP



Sources: Eurostat (04/2014), FMI (04/2014)

French economic indicators: timetable

March 2015		April 2015	
6	Foreign trade in January	7	Eurozone economic outlook - 2nd quarter 2015
10	Industrial output in January	8	Foreign trade in February
11	Balance of payments in January	10	Industrial output in February
11	Payroll employment: final results Q4-2014	13	Balance of payments in February
12	Consumer prices: index for February	15	Consumer prices: index for March
17	Inflation (HICP): February index	17	Inflation (HICP): index for March
25	Industrial trends: monthly survey for March	23	Industrial outlook: monthly survey for April
25	Job seekers in February	23	Industrial outlook: quarterly survey in April
26	Debt of the general gvt according to Maastricht definition - Q4 2014	27	Job seekers in March
26	Quarterly national accounts: final results Q4-2014	28	Household confidence survey: April survey
27	Household confidence survey: March survey	28	New building starts in March
27	New building starts in February	30	Household consumption of manufactured products in March
31	Household consumption of manufactured goods in February		
31	Industrial producer prices: February index		

Sources: Insee, Eurostat