

N°366  
NOVEMBER  
2020

# MONTHLY BULLETIN

AGENCE FRANCE TRÉSOR IS TASKED WITH MANAGING THE GOVERNMENT DEBT AND CASH POSITIONS UNDER THE MOST SECURE CONDITIONS IN THE INTEREST OF THE TAXPAYER.

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## PRESENTATION OF THE FOURTH SUPPLEMENTARY BUDGET BILL FOR 2020

The fourth Revised Budget Bill for 2020 was presented to the Council of Ministers on 4 November 2020. The Bill aims to reinforce the support measures for the economic sectors that are hit hardest by the second wave of the pandemic and to roll out exceptional measures to help businesses and assist the most vulnerable. The Bill is based on a forecast of a contraction of 11% in GDP in 2020. It incorporates the fiscal impact of extending the emergency measures for merchants and very small enterprises. It also provides financing for support plans for the tourism, event organisation, culture and sports sectors.

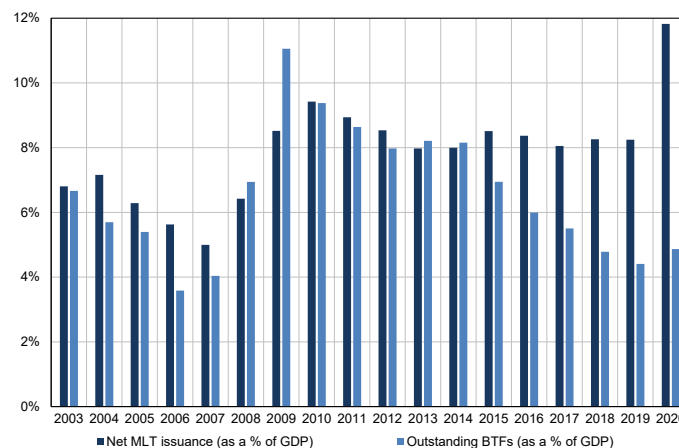
It will increase the fiscal deficit to €224.3bn, instead of the 2020 deficit of €206.0bn anticipated in the 2021 Budget Bill adopted by the Council of Ministers meeting on 28 September 2020. The central government financing requirement for 2020 now stands at €363.0bn, which is €18.3bn more than the forecast for 2020 in the 2021 Budget Bill. It remains however lower than the requirement anticipated last July in the previous Budget Bill.

| In € billion  | 2020<br>Initial Budget Act<br>(28 december 2019) | 2020<br>Revised Budget Act 3<br>(23 July 2020) | 2020<br>Initial Budget Act<br>2021 | 2020<br>Revised Budget Act 4<br>(04 November 2020) |
|---|--|--|------------------------------------|--|
| <b>Financing requirements</b>                                     |  |  |                                    |  |
| Redemption of medium- and long-term                               | 136.4  | 136.2  | 136.1                              | 136.1  |
| Redemption of medium- and long-term debt (at nominal value)       | 130.5  | 130.5  | 130.5                              | 130.5  |
| Supplementary payments at maturity on inflation-linked bonds      | 5.9  | 5.7  | 5.6                                | 5.6  |
| Redemption of other debts   | 0.5  | 0.5  | 0.5                                | 0.5  |
| SNCF Réseau - redemption  | 1.8  | 1.7  | 1.7                                | 1.7  |
| Deficit to be financed  | 93.1   | 225.1  | 206.0                              | 224.3  |
| Other cash requirements   | -1.3   | 0.7  | 0.4                                | 0.4  |
| <b>Total</b>  | <b>230.5</b>                                     | <b>364.2</b>                                   | <b>344.7</b>                       | <b>363.0</b>                                       |
| <b>Financing resources</b>  |  |  |                                    |  |
| Issuance of medium- and long-term debt net of buybacks            | 205.0  | 260.0  | 260.0                              | 260.0  |
| Funds allocated to the Caisse de la Dette Publique to reduce debt | 2.0  | 0.0  | 0.0                                | 0.0  |
| Net change in outstanding short-term government securities        | 10.0   | 82.9   | 42.8                               | 54.7   |
| Change in Treasury correspondents' deposits                       | 6.4  | 1.8  | 10.9                               | 15.0   |
| Change in cash available in the Treasury's account                | 3.6  | 9.0  | 11.0                               | 11.0   |
| Other cash sources  | 3.5  | 10.5   | 20                                 | 22.3   |
| <b>Total</b>  | <b>230.5</b>                                     | <b>364.2</b>                                   | <b>344.7</b>                       | <b>363.0</b>                                       |

Most of the increase in the financing requirement in 2020 compared to the forecast in the 2021 Budget Bill will be financed by issuing more short-term debt (BTFs). This increase remains however lower than the increase anticipated in the previous Budget Bill in July.

Consequently, (i) the increase of short-term government securities outstanding will reach a total of €54.7bn in 2020 and (ii) issuance of medium- and long-term debt, net of buybacks, will stand at €260bn, which is same amount for 2020 as anticipated in the 2021 Budget Bill as well as in the previous Revised budget Act. The Treasury correspondents' deposits will add another €4.1bn to these resources.

As in previous crises, short-term debt has been the means of responding to an unexpected shock to the financing requirement. The outstanding will however remain lower in 2020 than the amount reached during the 2008-2009.



Source : Agence France Trésor

Market borrowing terms are still very favourable. The average cost of medium- and long-term borrowing in France was negative at -0.14% mid-November, compared to an average of 0.11% for 2019 as a whole.

We continue to expect Congress to approve additional fiscal support in the range of \$1 trillion, but political and vaccine-related developments make this more likely to come in early 2021 than in the lame-duck session of Congress that we expect to wrap up by mid-December.

That said, we expect some additional attempts at reaching an agreement this year. If stimulus passage is pushed into early 2021, the outcome will be more dependent on progress controlling virus spread and distributing a vaccine.

## MAIN POINTS:

**1.** We think Congress is likely to approve additional fiscal support, but the political environment and virus situation both complicate the outlook. The political atmosphere is less conducive to a deal than it seemed a week ago. The Georgia Senate runoff elections (Jan. 5, 2021) will determine control of the Senate and are likely to make congressional leaders more risk-averse. As we have noted before, this could make Republican leaders more willing to compromise on fiscal support to avoid claims in the Georgia campaigns that a Republican-majority Senate would be an obstacle to greater fiscal relief. However, there also appears to be an equal and opposite reaction among Democratic leaders, who might be less interested in an agreement ahead of the Jan. 5 elections. Beyond this, it is also very unclear what President Trump would be willing to sign before he leaves office, and the continued disagreement over the election result has made negotiations more difficult.

**2.** The other complication is the recent positive news regarding a coronavirus vaccine. This could obviously reduce the amount of fiscal support that lawmakers believe is necessary, particularly for longer-term issues like state fiscal aid. However, it could also give lawmakers increased confidence that fiscal support will indeed be temporary, which could actually increase support for some short-term programs. Pushing in the other direction, the recent virus resurgence could lead Congress to adopt a somewhat larger relief package and could increase the chances that Congress passes one before adjourning in December.

**3.** Our base case for additional stimulus remains the same: roughly \$1 trillion in additional fiscal measures, most of which would be spent in 2021. Our forecast includes (1) a renewal of the CARES Act UI benefit duration extension and eligibility expansion and a reinstatement of the extra weekly unemployment benefit (we think it might start at around \$400/week and then phase out by the end of 2021) at a cost of \$175bn, (2) additional business support including another round of PPP loans and tax incentives for hard-hit businesses (\$350bn), (3) a limited amount of state/local fiscal aid channeled primarily through funding for schools (\$250bn), and (4) spending on public health efforts and other areas (\$225bn). At this point, another round of tax rebates looks less likely, in our view.

**4.** We continue to see two paths for Congress to pass additional fiscal support. Senate Republicans seem likely to make another attempt at passing a fiscal package that is somewhat larger than the roughly \$500bn that Senate Majority Leader McConnell offered several weeks ago. This could lose the support of some conservative Republicans who oppose a larger package, which would then require centrist Democrats to make up the difference to reach 60 votes. This continues to look possible, but the current political atmosphere and vaccine news makes this look less likely than it appeared a week ago.

**5.** The alternative scenario, which we think has become more likely, is that Congress will add a few targeted items to the upcoming omnibus spending bill that must pass by December 11 to keep the federal government operating. This would most likely involve a short-term extension of various provisions that expire at the end of the year, setting a new deadline for action sometime in Q1. This second scenario would make the outlook for fiscal stimulus more dependent on the outlook for virus spread and, in particular, vaccine distribution. Better-than-expected progress on those fronts would likely lead Congress to pass less fiscal support in Q1, in that scenario.

*By Marco Protopapa, economist at JP Morgan - 12 November 2020*

In the last few days, prominent Euro area policy makers have made notable remarks which may pave the way for a more constructive approach to fiscal policy beyond the immediate emergency.

First, ECB President Lagarde in her speech [at this year's ECB Forum on Central Banking, November 11] spelled out in quite some detail the case for a close cooperation of monetary and fiscal policy "when interest rates are already low and private demand is constrained by design" and "when firms and households face very high levels of uncertainty, leading to higher precautionary saving and postponed investment". According to Lagarde, "these are the times when fiscal policy has the greatest impact", and the main purpose of monetary policy in this environment becomes "to minimise any crowding-out effects that might create negative spillovers for households and firms".

An explicit reference to the "paradox of thrift" and to the need to avoid hysteresis effects (via defaults and long-term unemployment) sealed this newly found Keynesian attitude to economic policy in COVID-19 times.

Second, in an interview with the FT, European Commissioner to Economic Affairs Gentiloni reinforced the message about the necessity of expansionary fiscal policy by encouraging member states "to do as much as is needed for as long as needed to support their economies". But, he went further by floating the possibility that the escape clause which temporarily suspended the Euro area fiscal framework for 2020-21 could be extended until 2022, on account of a persisting severe economic downturn.

Of course, both Lagarde and Gentiloni delivered their messages under the vivid impression of the economic damage to be triggered by the new containment measures taken in the region in the face of the COVID-19 second wave. And, while the ECB is entirely in charge of monetary policy (net of eventual divisions in the Governing Council), the EC is much slower, divided and affected by different country attitudes when it comes to the course of fiscal policy. Hence, it is probably too early to assess with any confidence the chances of a more constructive approach to fiscal policy in the region beyond the near term.

But, it is fair to acknowledge that the ongoing healthcare crisis is continuing to produce a major shift in sensitivity about the role of fiscal policy in the key policy making institutions. With a debate on the revisions of the fiscal rules probably delayed until the middle of next year due to the second wave, it is not difficult to imagine a path where disagreement about those revisions may give way to a further year of suspensions of the framework in 2022.

We note that the time when the level of activity will have returned to the pre-virus level is a benchmark suggested by the European Fiscal Board, as a pre-condition to reinstate the rules. According to the latest EC Autumn forecast, the level of activity in 2022 will still be below 2019 in most countries, and well below the pre-crisis trend everywhere. In earlier work, we suggested that, from a macroeconomic perspective, the reinstatement of the (possibly revised) rules should not happen before closure of the output gaps at country level, in order to minimize the risks of hampering still fragile aggregate demand. According to the EC, that metric will still be quite negative in most of the region in 2022

|    | Euro area activity metric in 2022 |                                  |
|----|-----------------------------------|----------------------------------|
|    | GDP<br>% of 2019 GDP              | Output gap<br>% of potential GDP |
| EA | 98.90                             | -1.90                            |
| DE | 100.30                            | -1.10                            |
| FR | 98.80                             | -2.10                            |
| IT | 96.50                             | -3.40                            |
| ES | 96.70                             | -2.50                            |
| NL | 98.50                             | -1.80                            |
| BE | 98.70                             | -1.70                            |
| IE | 103.10                            | -1.90                            |
| PT | 98.90                             | -0.70                            |
| GR | 98.90                             | -4.40                            |

Source: European Commission Ameco

NB: This Agence France Trésor monthly bulletin includes research content published by J.P. Morgan on 12th November 2020. J.P. Morgan has granted Agence France Trésor a limited right to re-publish this research on an information only basis. J.P. Morgan has no liability in any regard for the publication of this Agence France Trésor monthly bulletin or Agence France Trésor's decision to reproduce any J.P. Morgan research content contained herein. It is not an offer to buy or sell any security/instruments or to participate in a trading strategy or trading activity; nor does it constitute any form of personal financial advice or investment recommendation by J.P. Morgan. This information should not be relied upon for any reason whatsoever by any natural or legal person. For important current standard disclosures that pertain to J.P. Morgan's research please refer to J.P. Morgan's disclosure website: <https://www.jpmm.com/research/disclosures>

### INDICATIVE AUCTION SCHEDULE

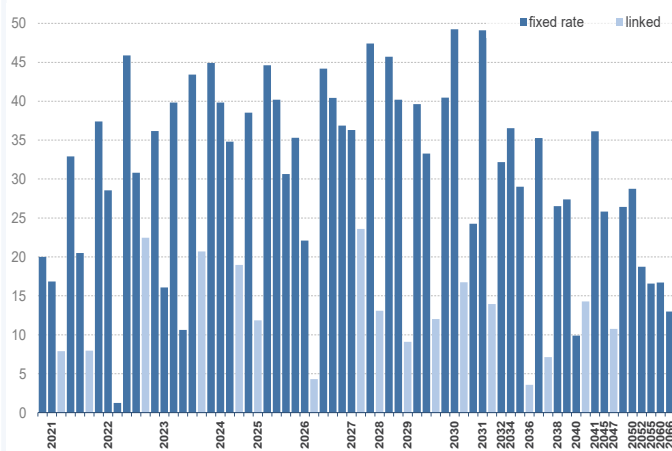
|               |                 | Short-term |    |    |    | Medium-term | Long-term | Index-linked |
|---------------|-----------------|------------|----|----|----|-------------|-----------|--------------|
| December 2020 | auction date    | 7          | 14 | 21 | 28 | 3           | 3         | 3            |
|               | settlement date | 9          | 16 | 23 | 30 | 7           | 7         | 7            |
| January 2021  | auction date    | 4          | 11 | 18 | 25 | 21          | 7         | 21           |
|               | settlement date | 6          | 13 | 20 | 27 | 25          | 11        | 25           |

optional auctions

Source: Agence France Trésor

### MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 31 OCTOBER 2020

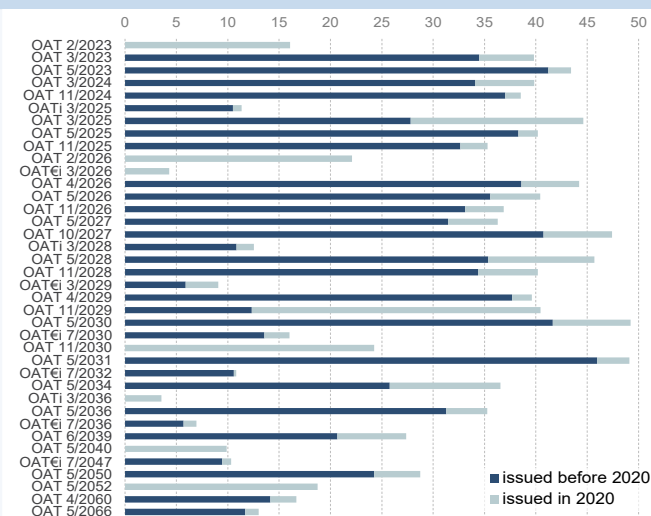
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

### MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 31 OCTOBER 2020

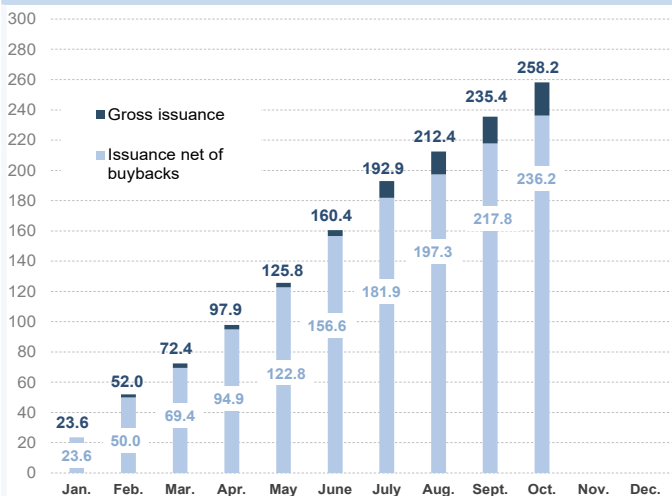
IN € BILLION



Source: Agence France Trésor

### ISSUANCE AT 31 OCTOBER 2020

IN € BILLION



Source: Agence France Trésor

### MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 31 OCTOBER 2020

IN € BILLION

| Month  | Coupon | Redemption |
|--------|--------|------------|
| Nov-20 | 1.5    | 20.0       |
| Dec-20 |        |            |
| Jan-21 |        |            |
| Feb-21 |        | 16.8       |
| Mar-21 | 0.1    | 7.9        |
| Apr-21 | 11.7   | 32.9       |
| May-21 | 7.9    | 20.5       |
| Jun-21 | 0.5    |            |
| Jul-21 | 2.4    | 8.0        |
| Aug-21 |        |            |
| Sep-21 |        |            |
| Oct-21 | 10.0   | 37.4       |

Source: Agence France Trésor

## NON-RESIDENT HOLDERS OF NEGOTIABLE GOVERNMENT DEBT IN SECOND QUARTER OF 2020

AS A % OF NEGOTIABLE DEBT OUTSTANDING  
EXPRESSED IN MARKET VALUE



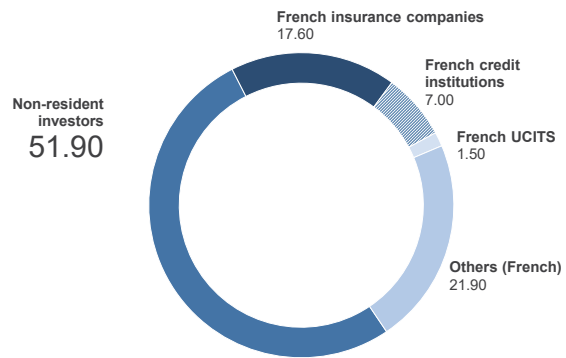
(\* ) figures quarterly revised

(\*\* ) figures annually revised

Source: Banque de France

## NEGOTIABLE GOVERNMENT DEBT BY GROUP OF HOLDERS IN SECOND QUARTER OF 2020

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

## NEGOTIABLE GOVERNMENT DEBT AT 31 OCTOBER 2020

IN EUROS

|   |                            |
|---|----------------------------|
| <b>Total medium- and long-term debt</b> | <b>1,835,609,763,729</b>   |
| Total stripping activity                | 58,237,759,600             |
| Average maturity                        | 8 years and 312 days       |
| <b>Total short-term debt</b>            | <b>159,695,000,000</b>     |
| Average maturity                        | 131 days                   |
| <b>Total outstanding</b>                | <b>1,995,304,763,729</b>   |
| <b>Average maturity</b>                 | <b>8 years and 64 days</b> |

Source: Agence France Trésor

## NEGOTIABLE GOVERNMENT DEBT SINCE 2017 AT 31 OCTOBER 2020

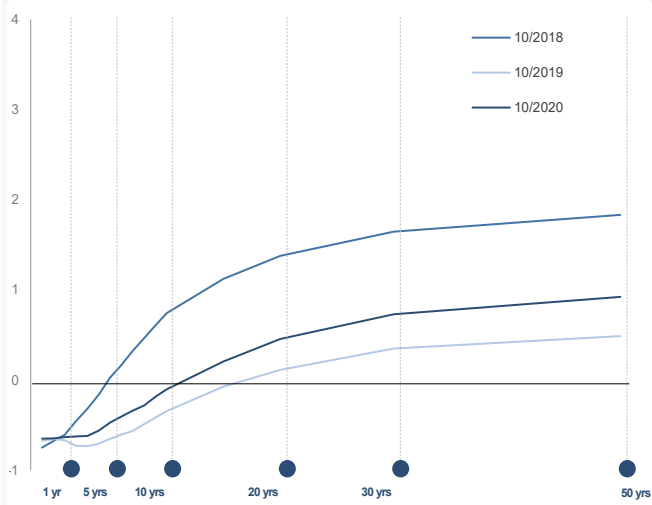
IN € BILLION

|  | End 2017       | End 2018       | End 2019       | End Sept. 2020 | End Oct. 2020  |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Negotiable government debt outstanding</b>  | <b>1,686</b>   | <b>1,756</b>   | <b>1,823</b>   | <b>2,015</b>   | <b>1,995</b>   |
| <i>of which index-linked securities</i>        | <i>202</i>     | <i>220</i>     | <i>226</i>     | <i>218</i>     | <i>218</i>     |
| <b>Medium- and long-term</b>                   | <b>1,560</b>   | <b>1,644</b>   | <b>1,716</b>   | <b>1,848</b>   | <b>1,836</b>   |
| <b>Short-term</b>                              | <b>126</b>     | <b>113</b>     | <b>107</b>     | <b>167</b>     | <b>160</b>     |
| <b>Average maturity of the negotiable debt</b> | <b>7 years</b> | <b>7 years</b> | <b>8 years</b> | <b>8 years</b> | <b>8 years</b> |
|  | 296 days       | 336 days       | 63 days        | 12 days        | 64 days        |

Source: Agence France Trésor

### YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

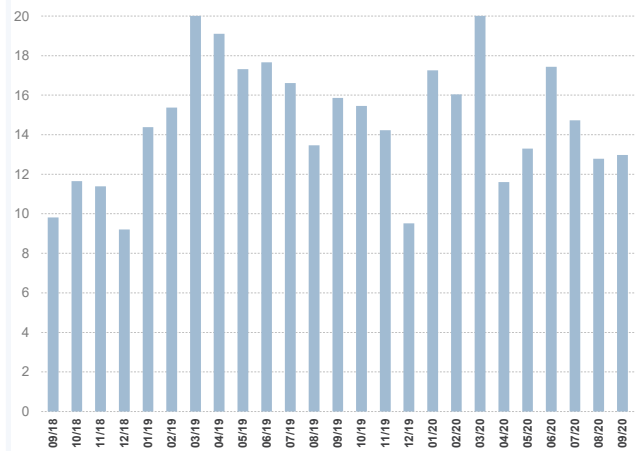
END-OF-MONTH VALUE, %



Source: Bloomberg

### AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

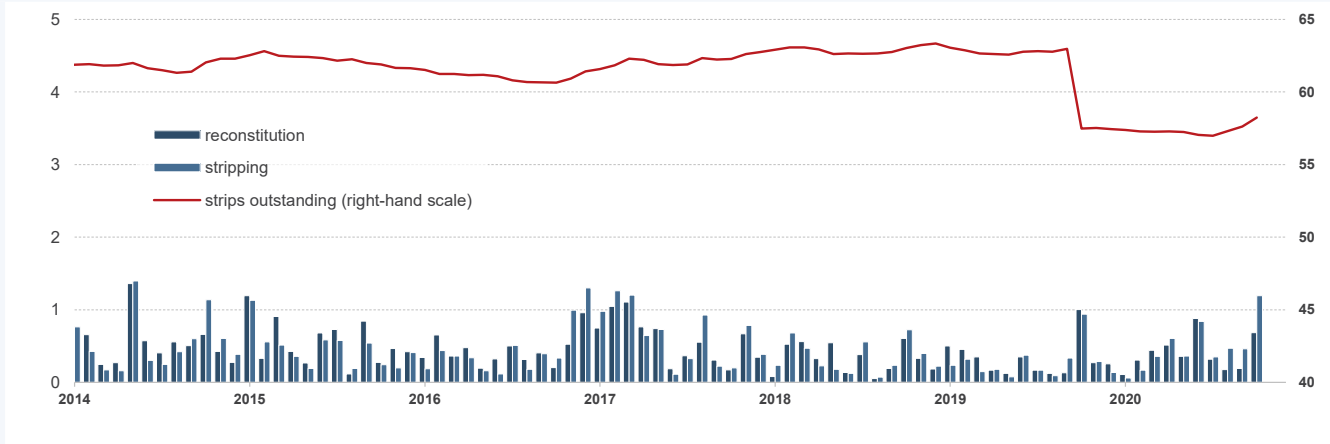
IN € BILLION



Source: reporting by primary dealers in government securities, excluding flows arising from the Eurosystem public sector purchase programme

### TOTAL STRIPPING AND RECONSTITUTION

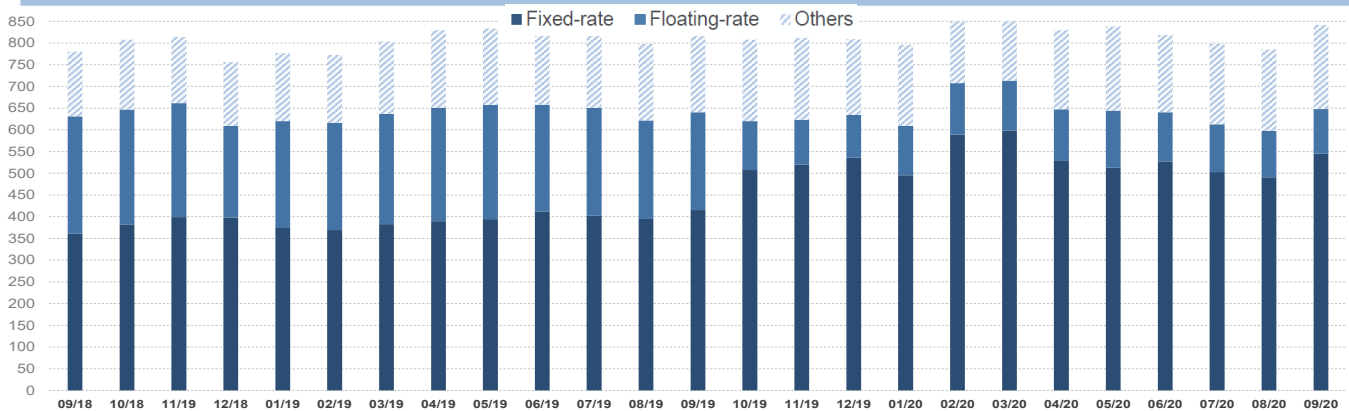
IN € BILLION



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 OCTOBER 2020**

| ISIN Code    | Maturity             | Outstanding(€) |
|--------------|----------------------|----------------|
| FR0125848475 | BTF 4 November 2020  | 5,688,000,000  |
| FR0126310202 | BTF 11 November 2020 | 5,354,000,000  |
| FR0126001777 | BTF 18 November 2020 | 9,626,000,000  |
| FR0126310210 | BTF 25 November 2020 | 4,594,000,000  |
| FR0125848483 | BTF 2 December 2020  | 6,470,000,000  |
| FR0126310228 | BTF 9 December 2020  | 7,331,000,000  |
| FR0126310236 | BTF 16 December 2020 | 9,557,000,000  |
| FR0126310244 | BTF 6 January 2021   | 6,901,000,000  |
| FR0126310251 | BTF 13 January 2021  | 8,020,000,000  |
| FR0126461591 | BTF 20 January 2021  | 4,640,000,000  |
| FR0125848673 | BTF 27 January 2021  | 5,477,000,000  |
| FR0126310269 | BTF 10 February 2021 | 6,617,000,000  |
| FR0125848681 | BTF 24 February 2021 | 6,755,000,000  |
| FR0126310277 | BTF 10 March 2021    | 6,283,000,000  |
| FR0125848699 | BTF 24 March 2021    | 8,170,000,000  |
| FR0126461658 | BTF 8 April 2021     | 1,530,000,000  |
| FR0126001785 | BTF 21 April 2021    | 10,971,000,000 |
| FR0126001793 | BTF 19 May 2021      | 8,329,000,000  |
| FR0126001801 | BTF 16 June 2021     | 9,463,000,000  |
| FR0126310285 | BTF 14 July 2021     | 7,449,000,000  |
| FR0126310293 | BTF 11 August 2021   | 6,688,000,000  |
| FR0126310301 | BTF 8 September 2021 | 8,685,000,000  |
| FR0126461682 | BTF 6 October 2021   | 5,097,000,000  |

**MEDIUM- AND LONG-TERM DEBT (MATURING 2020-2023) AT 31 OCTOBER 2020**

| ISIN Code     | Bond                       | Outstanding(€)     | Ind. Coeff. | Face value(€)  | Stripped(€)   | CAC* |
|---------------|----------------------------|--------------------|-------------|----------------|---------------|------|
| Maturity 2020 |                            | 20,018,000,000     |             |                |               |      |
| FR0012968337  | OAT 0.25% 25 November 2020 | 20,018,000,000     |             |                | 3,000,000     | x    |
| Maturity 2021 |                            | 123,496,267,930    |             |                |               |      |
| FR0013311016  | OAT 0.00% 25 February 2021 | 16,847,000,000     |             |                | 0             | x    |
| FR0013140035  | OAT€i 0.10% 1 March 2021   | 7,891,186,680 (1)  | 1.04298     | 7,566,000,000  | 0             | x    |
| FR0010192997  | OAT 3.75% 25 April 2021    | 32,917,000,000     |             |                | 0             |      |
| FR0013157096  | OAT 0.00% 25 May 2021      | 20,489,000,000     |             |                | 0             | x    |
| FR0011347046  | OATi 0.10% 25 July 2021    | 7,961,081,250 (1)  | 1.05375     | 7,555,000,000  | 0             |      |
| FR0011059088  | OAT 3.25% 25 October 2021  | 37,391,000,000     |             |                | 0             |      |
| Maturity 2022 |                            | 165,128,881,520    |             |                |               |      |
| FR0013398583  | OAT 0.00% 25 February 2022 | 28,561,000,000     |             |                | 0             | x    |
| FR0000571044  | OAT 8.25% 25 April 2022    | 1,243,939,990      |             |                | 315,888,400   |      |
| FR0011196856  | OAT 3.00% 25 April 2022    | 45,897,000,000     |             |                | 0             |      |
| FR0013219177  | OAT 0.00% 25 May 2022      | 30,816,000,000     |             |                | 0             | x    |
| FR0010899765  | OAT€i 1.10% 25 July 2022   | 22,453,941,530 (1) | 1.13101     | 19,853,000,000 | 0             |      |
| FR0011337880  | OAT 2.25% 25 October 2022  | 36,157,000,000     |             |                | 0             |      |
| Maturity 2023 |                            | 175,529,813,503    |             |                |               |      |
| FR0013479102  | OAT 0.00% 25 February 2023 | 16,070,000,000     |             |                | 0             | x    |
| FR0013283686  | OAT 0.00% 25 March 2023    | 39,815,000,000     |             |                | 0             | x    |
| FR0000571085  | OAT 8.50% 25 April 2023    | 10,606,195,903     |             |                | 5,337,865,200 |      |
| FR0011486067  | OAT 1.75% 25 May 2023      | 43,434,000,000     |             |                | 0             | x    |
| FR0010585901  | OATi 2.10% 25 July 2023    | 20,686,617,600 (1) | 1.14620     | 18,048,000,000 | 0             |      |
| FR0010466938  | OAT 4.25% 25 October 2023  | 44,918,000,000     |             |                | 435,085,000   |      |

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

\* Like all euro area bonds, the bonds issued after 1 January 2013 have collective action clauses (CACs), which means that they are not fungible with bonds issued prior to this date.

**MEDIUM- AND LONG-TERM DEBT (MATURING IN 2024 AND BEYOND) AT 31 OCTOBER 2020**

| ISIN Code                          | Bond                          | Outstanding(€)         | Ind. Coeff. | Face value(€)  | Stripped(€)    | CAC* |
|------------------------------------|-------------------------------|------------------------|-------------|----------------|----------------|------|
| <b>Maturity 2024</b>               |                               | <b>132 163 908 850</b> |             |                |                |      |
| FR0013344751                       | OAT 0.00% 25 March 2024       | 39 839 000 000         |             |                | 0              | ×    |
| FR0011619436                       | OAT 2.25% 25 May 2024         | 34 810 000 000         |             |                | 0              | ×    |
| FR0011427848                       | OAT€i 0.25% 25 July 2024      | 18 978 908 850 (1)     | 1,05915     | 17 919 000 000 | 0              | ×    |
| FR0011962398                       | OAT 1.75% 25 November 2024    | 38 536 000 000         |             |                | 42 000 000     | ×    |
| <b>Maturity 2025</b>               |                               | <b>162 638 998 878</b> |             |                |                |      |
| FR0012558310                       | OATi 0.10% 1 March 2025       | 11 859 070 760 (1)     | 1,04476     | 11 351 000 000 | 0              | ×    |
| FR0013415627                       | OAT 0.00% 25 March 2025       | 44 618 000 000         |             |                | 0              | ×    |
| FR0012517027                       | OAT 0.50% 25 May 2025         | 40 197 000 000         |             |                | 0              | ×    |
| FR0000571150                       | OAT 6.00% 25 October 2025     | 30 653 928 118         |             |                | 2 809 064 400  |      |
| FR0012938116                       | OAT 1.00% 25 November 2025    | 35 311 000 000         |             |                | 0              | ×    |
| <b>Maturity 2026</b>               |                               | <b>147 936 000 000</b> |             |                |                |      |
| FR0013508470                       | OAT 0.00% 25 February 2026    | 22 108 000 000         |             |                | 0              | ×    |
| FR0013519253                       | OAT€i 0.10% 1 March 2026      | 4 314 000 000 (1)      | 0,99367     | 4 314 000 000  | 0              | ×    |
| FR0010916924                       | OAT 3.50% 25 April 2026       | 44 202 000 000         |             |                | 0              |      |
| FR0013131877                       | OAT 0.50% 25 May 2026         | 40 437 000 000         |             |                | 0              | ×    |
| FR0013200813                       | OAT 0.25% 25 November 2026    | 36 875 000 000         |             |                | 0              | ×    |
| <b>Maturity 2027</b>               |                               | <b>107 291 301 200</b> |             |                |                |      |
| FR0013250560                       | OAT 1.00% 25 May 2027         | 36 296 000 000         |             |                | 0              | ×    |
| FR0011008705                       | OAT€i 1.85% 25 July 2027      | 23 584 301 200 (1)     | 1,11457     | 21 160 000 000 | 0              |      |
| FR0011317783                       | OAT 2.75% 25 October 2027     | 47 411 000 000         |             |                | 46 943 600     |      |
| <b>Maturity 2028</b>               |                               | <b>99 020 696 170</b>  |             |                |                |      |
| FR0013238268                       | OATi 0.10% 1 March 2028       | 13 091 987 040 (1)     | 1,04302     | 12 552 000 000 | 0              | ×    |
| FR0000571226                       | OAT zero coupon 28 March 2028 | 29 709 130 (3)         |             | 46 232 603     | –              |      |
| FR0013286192                       | OAT 0.75% 25 May 2028         | 45 707 000 000         |             |                | 0              | ×    |
| FR0013341682                       | OAT 0.75% 25 November 2028    | 40 192 000 000         |             |                | 0              | ×    |
| <b>Maturity 2029</b>               |                               | <b>134 467 574 068</b> |             |                |                |      |
| FR0013410552                       | OAT€i 0.10% 1 March 2029      | 9 100 741 500 (1)      | 1,00350     | 9 069 000 000  | 0              | ×    |
| FR0000571218                       | OAT 5.50% 25 April 2029       | 39 618 880 458         |             |                | 2 308 646 100  |      |
| FR0013407236                       | OAT 0.50% 25 May 2029         | 33 281 000 000         |             |                | 0              | ×    |
| FR0000186413                       | OATi 3.40% 25 July 2029       | 12 001 952 110 (1)     | 1,30667     | 9 185 144 000  | 0              |      |
| FR0013451507                       | OAT 0.00% 25 November 2029    | 40 465 000 000         |             |                | 0              | ×    |
| <b>Maturity 2030</b>               |                               | <b>90 228 822 160</b>  |             |                |                |      |
| FR0011883966                       | OAT 2.50% 25 May 2030         | 49 233 000 000         |             |                | 0              | ×    |
| FR0011982776                       | OAT€i 0.70% 25 July 2030      | 16 732 822 160 (1)     | 1,04554     | 16 004 000 000 | 0              | ×    |
| FR0013516549                       | OAT 0.00% 25 November 2030    | 24 263 000 000         |             |                | 0              | ×    |
| <b>Maturity in 2031 and beyond</b> |                               | <b>477 689 499 450</b> |             |                |                |      |
| FR0012993103                       | OAT 1.50% 25 May 2031         | 49 107 000 000         |             |                | 52 900 000     | ×    |
| FR0000188799                       | OAT€i 3.15% 25 July 2032      | 13 942 581 120 (1)     | 1,28907     | 10 816 000 000 | 0              |      |
| FR0000187635                       | OAT 5.75% 25 October 2032     | 32 162 322 600         |             |                | 10 879 757 400 |      |
| FR0013313582                       | OAT 1.25% 25 May 2034         | 36 541 000 000         |             |                | 0              | ×    |
| FR0010070060                       | OAT 4.75% 25 April 2035       | 29 004 000 000         |             |                | 4 310 337 000  |      |
| FR0013524014                       | OATi 0.10% 1 March 2036       | 3 556 000 000 (1)      | 0,99955     | 3 556 000 000  | 0              | ×    |
| FR0013154044                       | OAT 1.25% 25 May 2036         | 35 260 000 000         |             |                | 0              | ×    |
| FR0013327491                       | OAT€i 0.10% 25 July 2036      | 7 142 607 500 (1)      | 1,02550     | 6 965 000 000  | 0              | ×    |
| FR0010371401                       | OAT 4.00% 25 October 2038     | 26 534 000 000         |             |                | 4 704 941 400  |      |
| FR0013234333                       | OAT 1.75% 25 June 2039        | 27 375 000 000         |             |                | 0              | ×    |
| FR0013515806                       | OAT 0.50% 25 May 2040         | 9 905 000 000          |             |                | 0              | ×    |
| FR0010447367                       | OAT€i 1.80% 25 July 2040      | 14 265 793 230 (1)     | 1,19409     | 11 947 000 000 | 0              |      |
| FR0010773192                       | OAT 4.50% 25 April 2041       | 36 152 000 000         |             |                | 5 933 599 000  |      |
| FR0011461037                       | OAT 3.25% 25 May 2045         | 25 824 000 000         |             |                | 1 057 810 000  | ×    |
| FR0013209871                       | OAT€i 0.10% 25 July 2047      | 10 744 195 000 (1)     | 1,04060     | 10 325 000 000 | 0              | ×    |
| FR0013257524                       | OAT 2.00% 25 May 2048         | 26 409 000 000         |             |                | 650 900 000    | ×    |
| FR0013404969                       | OAT 1.50% 25 May 2050         | 28 753 000 000         |             |                | 113 300 000    | ×    |
| FR0013480613                       | OAT 0.75% 25 May 2052         | 18 736 000 000         |             |                | 211 000 000    | ×    |
| FR0010171975                       | OAT 4.00% 25 April 2055       | 16 583 000 000         |             |                | 9 265 318 000  |      |
| FR0010870956                       | OAT 4.00% 25 April 2060       | 16 696 000 000         |             |                | 8 532 504 100  |      |
| FR0013154028                       | OAT 1.75% 25 May 2066         | 12 997 000 000         |             |                | 1 226 900 000  | ×    |

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

(3) Revised on 28 March 2020, not open to subscription

\* Like all euro area bonds, the bonds issued after 1 January 2013 have collective action clauses (CACs), which means that they are not fungible with bonds issued prior to this date.



### MOST RECENT ECONOMIC INDICATORS

|  |         |              |
|--|---------|--------------|
| Industrial output, year-on-year        | -6.9%   | Sep. 2020    |
| Household consumption*, year-on-year   | 2.0%    | Oct. 2020    |
| Unemployment rate (ILO)                | 9.0%    | Q3-2020      |
| Consumer prices, year-on-year          |         |              |
| • all items                            | 0.0%    | Oct. 2020    |
| • all items excluding tobacco          | -0.2%   | Oct. 2020    |
| Trade balance, fob-fob, sa (€bn)       | -€5.7bn | Sep. 2020    |
| " "                                    | -€7.7bn | Aug. 2020    |
| Current account balance, sa (€bn)      | -€5.7bn | Sep. 2020    |
| " "                                    | -€4.7bn | Aug. 2020    |
| 10-year constant maturity rate (TEC10) | -0.35%  | 27 Nov. 2020 |
| 3-month interest rate (Euribor)        | -0.53%  | 29 Nov. 2020 |
| EUR / USD                              | 1.20    | 29 Nov. 2020 |
| EUR / JPY                              | 124.48  | 29 Nov. 2020 |

### MONTHLY GOVERNMENT BUDGET POSITION

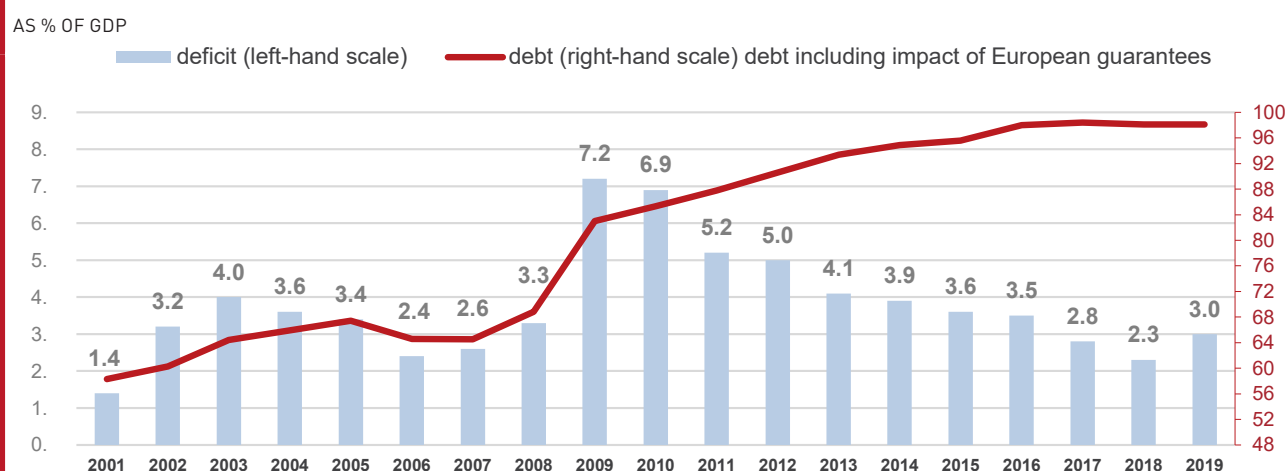
|                                      | IN € BILLION |        |                        |         |         |
|--------------------------------------|--------------|--------|------------------------|---------|---------|
|                                      | 2018         | 2019   | end of September level |         |         |
|                                      | 2018         | 2019   | 2018                   | 2019    | 2020    |
| General budget balance               | -76.91       | -96.91 | -59.13                 | -86.16  | -137.66 |
| Revenue                              | 313.79       | 301.07 | 231.88                 | 212.81  | 191.20  |
| Expenditure                          | 390.69       | 397.98 | 291.01                 | 298.97  | 328.86  |
| Balance of special Treasury accounts | 0.82         | 4.06   | -28.01                 | -22.85  | -23.93  |
| General budget outturn               | -76.00       | -92.69 | -87.14                 | -109.01 | -161.59 |

\* manufactured products

Sources: Insee, Minefi, Banque de France

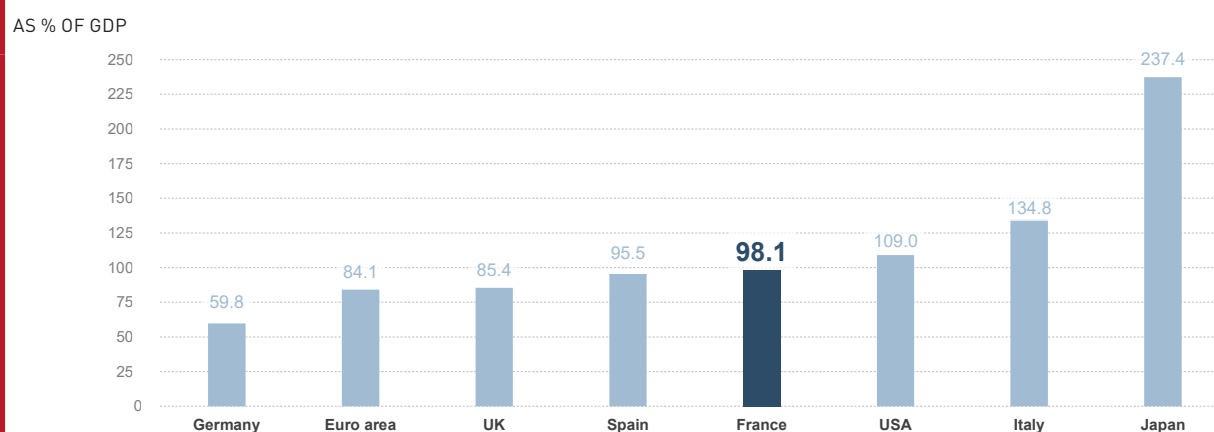
Source: Ministry of the Economy, Finance and the Recovery

### PUBLIC FINANCES: DEFICIT AND DEBT



Source: Insee

### GENERAL GOVERNMENT DEBT IN 2019



Sources: Eurostat, IMF, Insee

DECEMBER 2020 

|  |  |   |   |   |   |
|--|--|---|---|---|---|
| <b>8</b><br>Foreign trade by value in October  | <b>8</b><br>Balance of payments in October   | <b>10</b><br>Industrial production in October                       | <b>15</b><br>Consumer prices : November index | <b>15</b><br>Net international reserves in November | <b>17</b><br>Monthly business survey (goods-producing industries) in December |
| <b>17</b><br>Inflation (HICP) : November index | <b>22</b><br>Debt of the general government according to Maastricht definition Q3-2020 | <b>23</b><br>Industrial producer and import price: November indices |   |   |   |

JANUARY 2021 

|   |   |   |  |  |   |
|---|---|---|--|--|---|
| <b>6</b><br>Consumer confidence survey: December survey | <b>8</b><br>Industrial production: November index                                 | <b>8</b><br>Household consumption expenditure on goods in November                  | <b>8</b><br>Balance of payments in November                  | <b>15</b><br>Net international reserves in December                      | <b>15</b><br>Consumer prices: December index  |
| <b>20</b><br>Inflation (HICP) : December index          | <b>21</b><br>Monthly business survey (goods-producing industries) in January 2021 | <b>21</b><br>Quarterly business survey (goods-producing industries) in January 2021 | <b>27</b><br>Consumer confidence survey: January 2021 survey | <b>29</b><br>Household consumption expenditure on goods in December 2020 | <b>29</b><br>Industrial producer and import price: [month] indices in December 2020 |

Sources: Insee, Eurostat

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