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2022

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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PANDEMIC EMERGENCY PURCHASE PROGRAMME REVIEW AND NEW GUIDANCE FROM THE EUROPEAN CENTRAL BANK

Announcements by the ECB confirm that it will be ending the PEPP and slowing its pace of bond buying compared to the last several years.

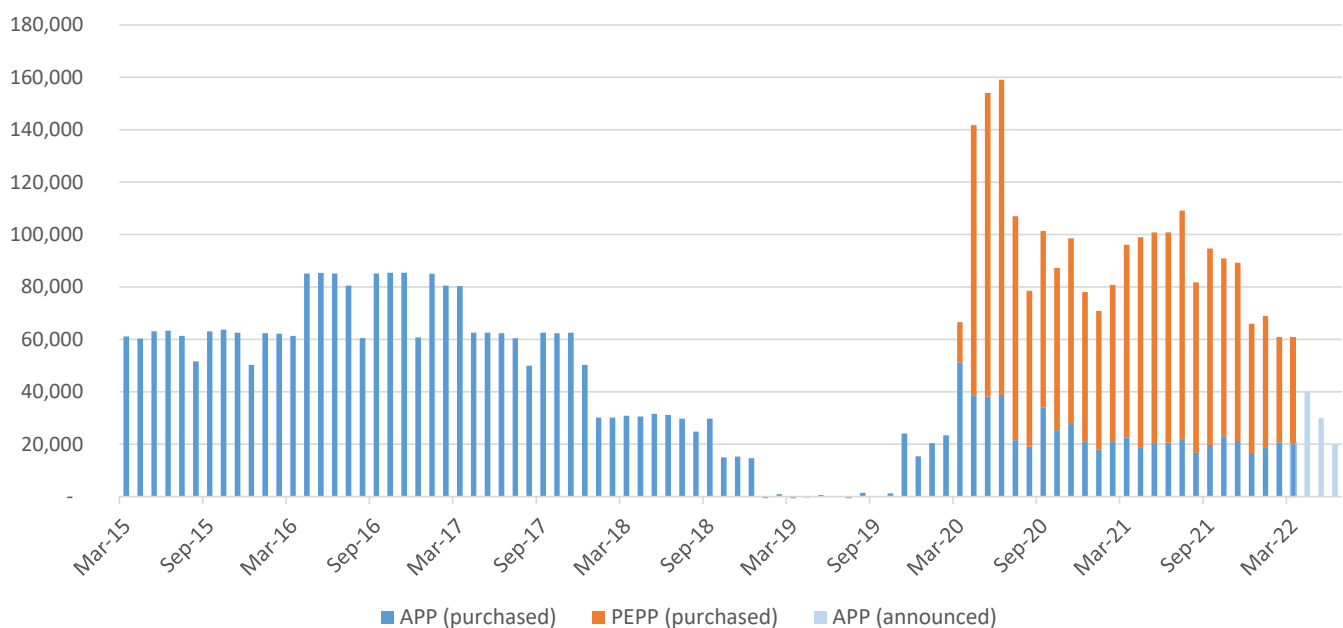
Following a monetary policy meeting on 10 March 2022, the European Central Bank (ECB) confirmed that it will discontinue net asset purchases under the Pandemic Emergency Purchase Programme (PEPP) and begin winding down its Asset Purchase Programme (APP).

Initiated in mid-March 2020 and extended in December 2020, the PEPP involved the purchase of more than €1.7tn in private and public securities in order to support market liquidity, stabilise financing conditions for the economy and protect monetary policy transmission. Net purchases under the programme will be discontinued at the end of March 2022, after using more than 90% of the €1.85tn envelope established in December 2020.

In a context of high inflation related to the pandemic recovery, the ECB also confirmed it would be winding down its APP. Although the pace of purchasing will increase slightly in Q2 2022 in order to smooth the impact of the end of the PEPP (€30bn in monthly net purchases compared to €20bn previously), the calibration of purchases for the third quarter will depend on the medium-term inflation outlook. Unless there is a major change in the outlook, the ECB will conclude net purchases under the APP in Q3 2022.

Initiated in mid-2014 with sovereign bond purchases beginning in March 2015 and a pause in net purchases for the first three quarters of 2019, the programme amounted to nearly €3.2tn at end March 2022, with more than 80% of this made up of government securities.

Monthly ECB asset purchases since 2015 (€m)



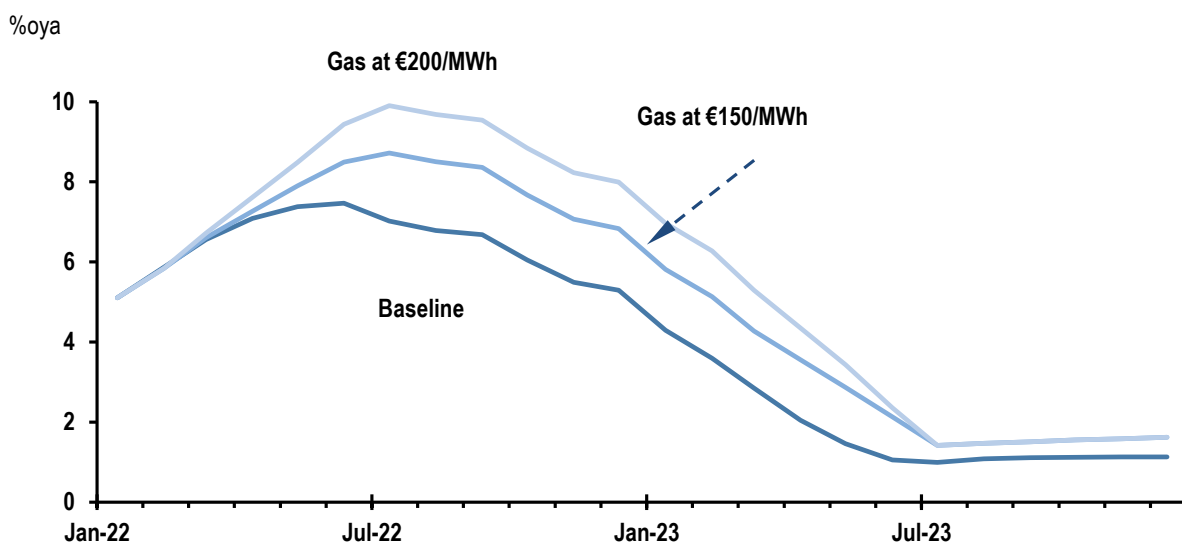
Nearly €850bn of French government debt will have been purchased by the ECB since March 2015 under these two programmes. The decision to discontinue net purchases does not necessarily mean that the ECB will halt purchasing sovereign debt altogether. The ECB intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024, and as long as necessary for those purchased under the APP to maintain favourable liquidity conditions.

Data for the start of the year, including the February PMI survey, showed that Euro area activity was rebounding strongly after the Omicron wave. But the Ukraine conflict is now hitting the economy through various channels. Higher energy prices can both impact consumers and producers. The direct impact through trade, supply constraints more generally and sentiment is also significant.

Since the start of the Ukraine conflict, we raised our Euro area inflation forecast by about 3 percentage point (pp) in the near term and expect headline inflation to average 6.4%oya this year. Meanwhile, we lowered our 2022 GDP growth forecast from 4.7%oya to 3.0%oya. The uncertainty around our forecast is large. Our baseline forecast assumes that the price of Brent is close to \$115 a barrel in 2Q21 and gradually falls towards \$100 in 4Q22. We assume that the price of gas settles around €110/Mwh for the rest of the year.

The EU decision to reduce gas dependency from Russia could mean that the price of gas settles at a significantly higher level than we currently assume in the coming months. The chart below presents alternative scenarios for inflation based on different assumptions for gas.

Euro area HICP inflation



Source: JP Morgan


The impact of higher gas prices on activity could be large. The income shock through higher import prices would be significant (around 2.4% of GDP with a price at €150/Mwh, compared to prices seen last year) and we estimate that supply shocks that lift inflation by 1 pp reduce GDP by 0.5 pp. Higher energy prices could also deter production in the near-term. Anecdotal evidence suggests some industrial companies have already become unprofitable with current energy price levels.

Higher energy prices are likely to prompt a significant fiscal response in the region. While the magnitude of the response is unknown, governments have discussed (and sometimes implemented) a reduction in energy prices for producers and consumers (via lower taxes or some rebates). We assumed in our inflation projection that 25% of the rise in energy prices would be directly offset by government measures in the region. Higher energy prices can also be offset by subsidies and income support.

The Ukraine conflict makes the ECB outlook more uncertain. The ECB in March decided to accelerate APP tapering while forecasting higher inflation and lower growth this year. One risk is that the higher level of inflation feeds into wages, but wage growth remains modest so far. On activity, some metrics suggest that the region likely is in a good position to withhold the shock. In particular, the household saving rate is high and the number of unemployed is already back to the pre-virus level. In our view, the ECB will hike next in 4Q22.

INDICATIVE AUCTION SCHEDULE

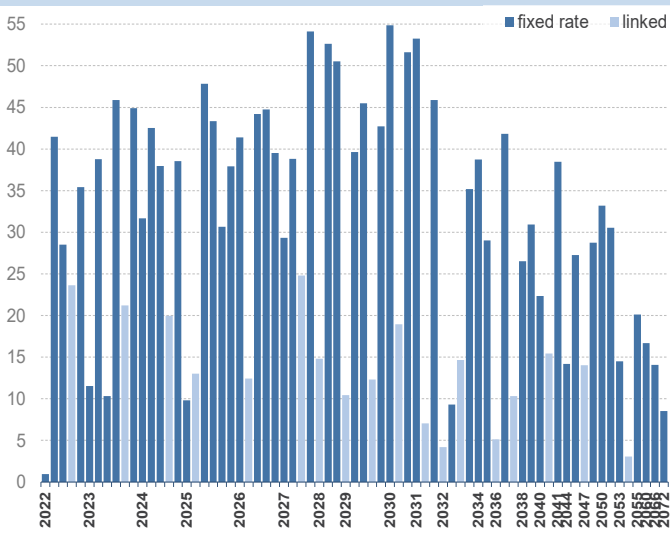
		Short-term					Medium-term	Long-term	Index-linked
April 2022	auction date	4	11	19	25	/	21	7	21
	settlement date	6	13	21	27	/	25	11	25
May 2022	auction date	2	9	16	23	30	19	5	19
	settlement date	4	11	18	25	01/06	23	11	23

 anticipated or delayed (bank holidays, etc.)

Source: Agence France Trésor

MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 28 FEBRUARY 2022

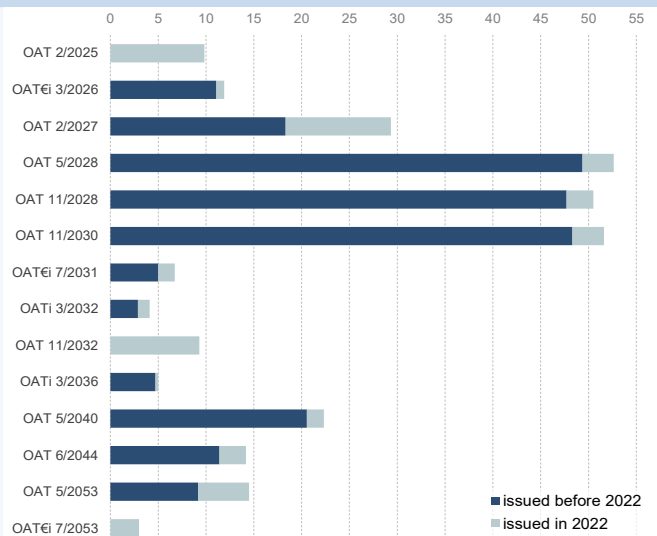
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 28 FEBRUARY 2022

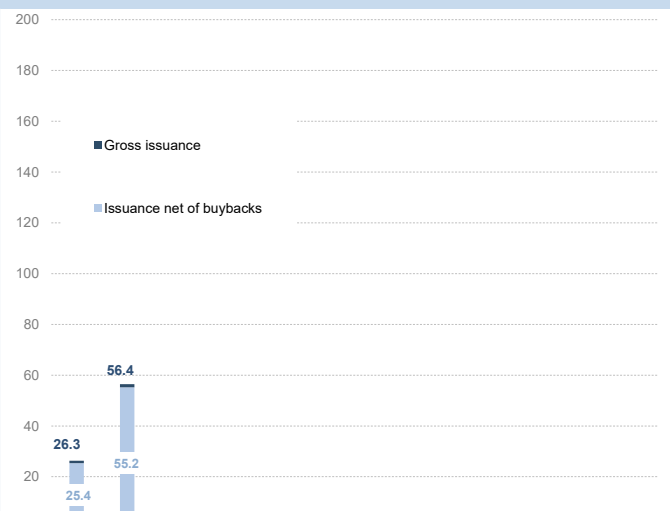
IN € BILLION



Source: Agence France Trésor

ISSUANCE AT 28 FEBRUARY 2022

IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 28 FEBRUARY 2022

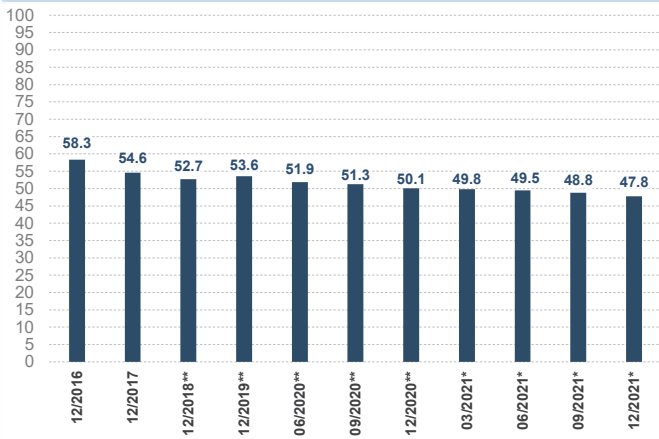
IN € BILLION

Month	Coupon	Redemption
Mar-22	0.1	
Apr-22	10.5	42.4
May-22	9.0	28.5
Jun-22	0.6	
Jul-22	2.6	24.0
Aug-22		
Sep-22		
Oct-22	9.1	35.4
Nov-22	1.5	
Dec-22		
Jan-23		
Feb-23		11.5

Source: Agence France Trésor

NON-RESIDENT HOLDERS OF NEGOTIABLE GOVERNMENT DEBT IN FOURTH QUARTER OF 2021

AS A % OF NEGOTIABLE DEBT OUTSTANDING
EXPRESSED IN MARKET VALUE



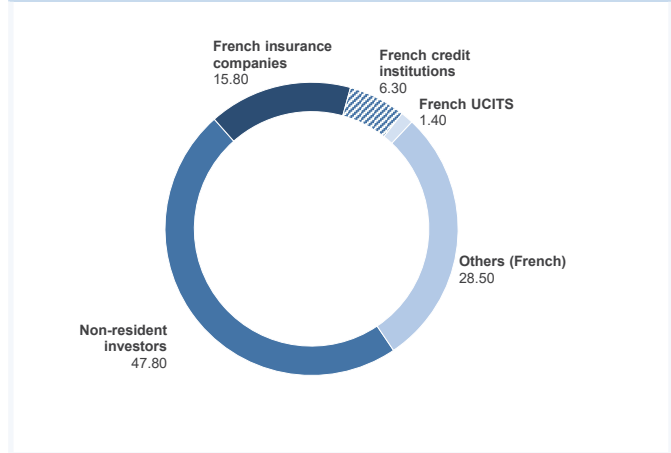
(*) figures quarterly revised

(**) figures annually revised

Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT BY GROUP OF HOLDERS IN FOURTH QUARTER OF 2021

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT AT 28 FEBRUARY 2022

IN EUROS

Total medium- and long-term debt	2,032,551,798,318
Total stripping activity	58,644,380,500
Average maturity	9 years and 10 days
Total short-term debt	146,414,000,000
Average maturity	115 days
Total outstanding	2,178,965,798,318
Average maturity	8 years and 161 days

Source: Agence France Trésor

NEGOTIABLE GOVERNMENT DEBT SINCE 2019 AT 28 FEBRUARY 2022

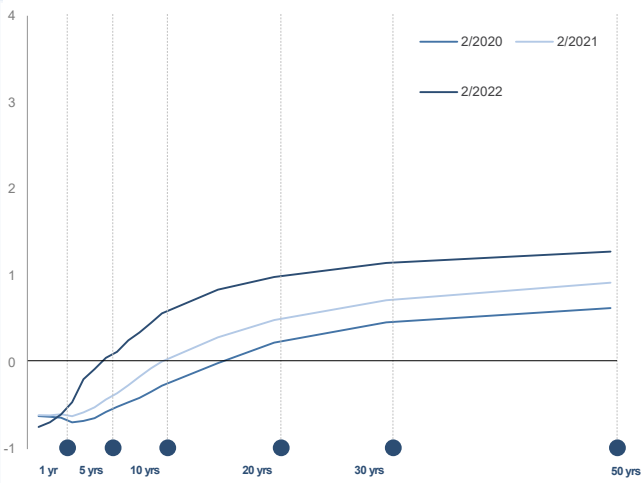
IN € BILLION

	End 2019	End 2020	End 2021	End Jan. 2022	End Feb. 2022
Negotiable government debt outstanding	1,823	2,001	2,145	2,167	2,179
<i>of which index-linked securities</i>	<i>226</i>	<i>220</i>	<i>236</i>	<i>240</i>	<i>246</i>
Medium- and long-term	1,716	1,839	1,990	2,016	2,033
Short-term	107	162	155	151	146
Average maturity of the negotiable debt	8 years 63 days	8 years 73 days	8 years 153 days	8 years 142 days	8 years 161 days

Source: Agence France Trésor

YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

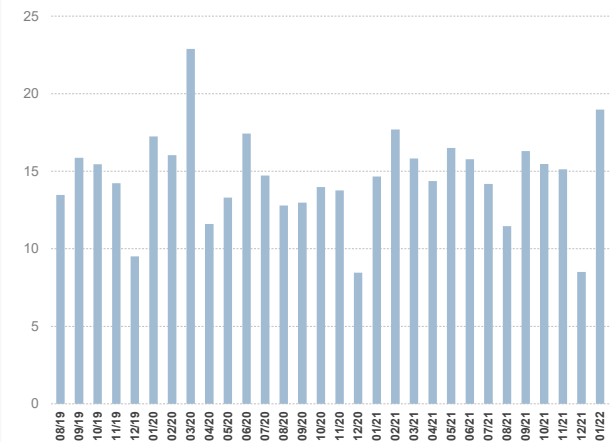
END-OF-MONTH VALUE, %



Source: Bloomberg

AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

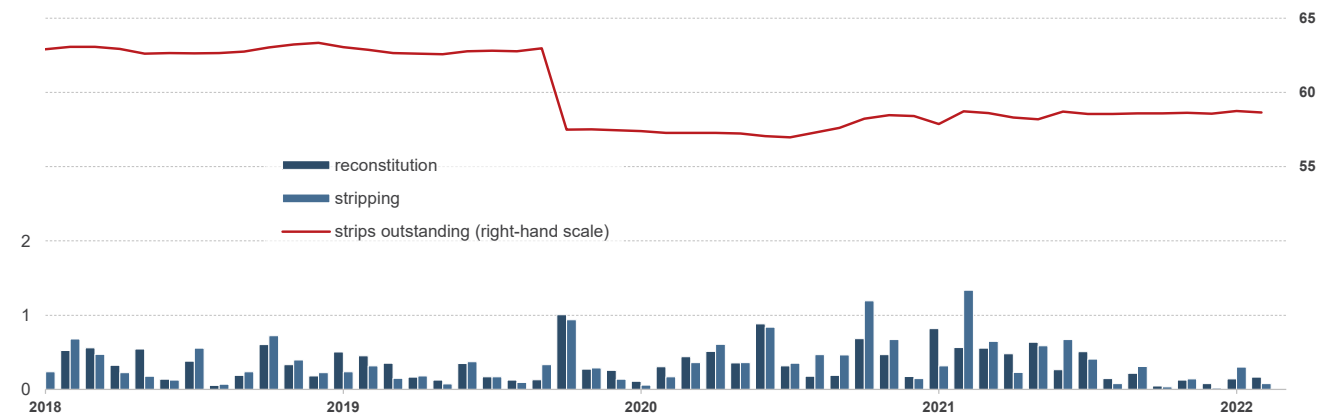
IN € BILLION



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

TOTAL STRIPPING AND RECONSTITUTION

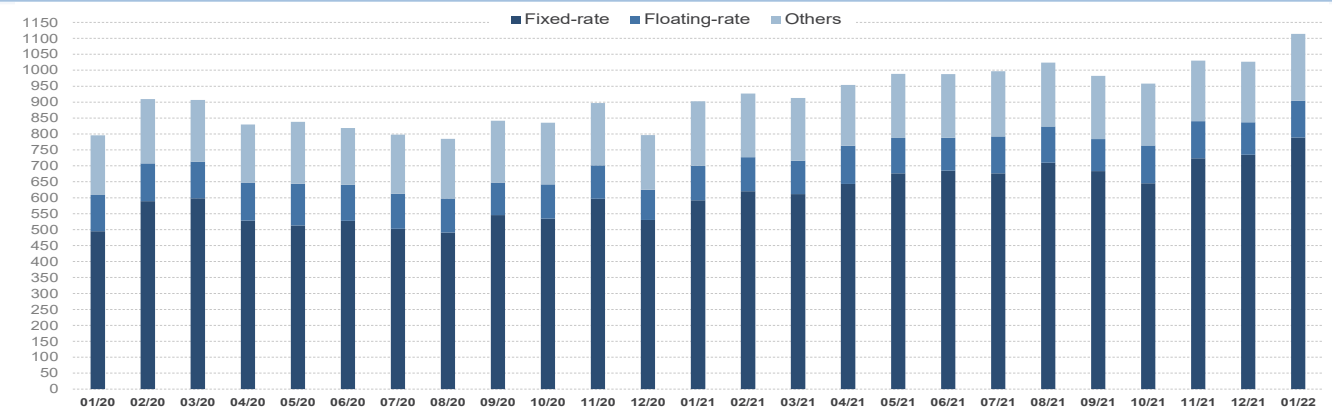
IN € BILLION



Source: Euroclear

PRIMARY DEALERS, CUMULATED REPO OUTSTANDING AT END OF MONTH

IN € BILLION



Source: reporting by primary dealers in government securities

SHORT-TERM DEBT AT 28 FEBRUARY 2022

ISIN Code	Maturity	Outstanding(€)
FR0126893637	BTF 2 March 2022	5,293,000,000
FR0126893595	BTF 9 March 2022	8,201,000,000
FR0126893645	BTF 16 March 2022	4,845,000,000
FR0126461849	BTF 23 March 2022	8,522,000,000
FR0126893660	BTF 6 April 2022	8,215,000,000
FR0127034603	BTF 13 April 2022	5,510,000,000
FR0126750787	BTF 21 April 2022	8,328,000,000
FR0127034611	BTF 27 April 2022	5,510,000,000
FR0126893678	BTF 4 May 2022	5,786,000,000
FR0127034629	BTF 11 May 2022	6,492,000,000
FR0126750795	BTF 18 May 2022	9,057,000,000
FR0127034637	BTF 25 May 2022	2,698,000,000
FR0126893686	BTF 1 June 2022	3,335,000,000
FR0126750803	BTF 15 June 2022	6,988,000,000
FR0127034660	BTF 29 June 2022	6,260,000,000
FR0126893561	BTF 13 July 2022	6,455,000,000
FR0127034678	BTF 27 July 2022	3,569,000,000
FR0126893579	BTF 10 August 2022	6,390,000,000
FR0126893587	BTF 7 September 2022	7,122,000,000
FR0126893694	BTF 5 October 2022	6,551,000,000
FR0126893702	BTF 2 November 2022	6,031,000,000
FR0126893710	BTF 30 November 2022	2,251,000,000
FR0127034694	BTF 4 January 2023	7,040,000,000
FR0127034702	BTF 25 January 2023	5,965,000,000

MEDIUM- AND LONG-TERM DEBT (MATURING 2022-2025) AT 28 FEBRUARY 2022

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
	Maturity 2022	129,994,546,780				
FR0000571044	OAT 8.25% 25 April 2022	960,939,990			0	
FR0011196856	OAT 3.00% 25 April 2022	41,478,000,000			119,509,300	
FR0013219177	OAT 0.00% 25 May 2022	28,502,000,000			0	x
FR0010899765	OAT <i>€i</i> 1.10% 25 July 2022	23,633,606,790 (1)	1.19043	19,853,000,000	0	
FR0011337880	OAT 2.25% 25 October 2022	35,420,000,000			0	
	Maturity 2023	172,652,966,143				
FR0013479102	OAT 0.00% 25 February 2023	11,519,000,000			0	x
FR0013283686	OAT 0.00% 25 March 2023	38,778,500,000			0	x
FR0000571085	OAT 8.50% 25 April 2023	10,328,695,903			5,312,365,200	
FR0011486067	OAT 1.75% 25 May 2023	45,891,000,000			0	x
FR0010585901	OAT <i>i</i> 2.10% 25 July 2023	21,217,770,240 (1)	1.17563	18,048,000,000	0	
FR0010466938	OAT 4.25% 25 October 2023	44,918,000,000			451,985,000	
	Maturity 2024	170,668,922,010				
FR0014001N46	OAT 0.00% 25 February 2024	31,676,000,000			0	x
FR0013344751	OAT 0.00% 25 March 2024	42,533,000,000			0	x
FR0011619436	OAT 2.25% 25 May 2024	37,948,000,000			0	x
FR0011427848	OAT <i>€i</i> 0.25% 25 July 2024	19,975,922,010 (1)	1.11479	17,919,000,000	0	x
FR0011962398	OAT 1.75% 25 November 2024	38,536,000,000			42,000,000	x
	Maturity 2025	182,561,766,158				
FR0014007TY9	OAT 0.00% 25 February 2025	9,834,000,000			0	x
FR0012558310	OAT <i>i</i> 0.10% 1 March 2025	13,006,838,040 (1)	1.07158	12,138,000,000	0	x
FR0013415627	OAT 0.00% 25 March 2025	47,814,000,000			0	x
FR0012517027	OAT 0.50% 25 May 2025	43,331,000,000			0	x
FR0000571150	OAT 6.00% 25 October 2025	30,653,928,118			2,813,064,400	
FR0012938116	OAT 1.00% 25 November 2025	37,922,000,000			0	x

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

* Like all euro area bonds, the bonds issued after 1 March 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 2026 AND BEYOND) AT 28 FEBRUARY 2022

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2026		182,313,972,000				
FR0013508470	OAT 0.00% 25 February 2026	41,396,000,000			0	x
FR0013519253	OAT€i 0.10% 1 March 2026	12,445,972,000 (1)	1.04588	11,900,000,000	0	x
FR0010916924	OAT 3.50% 25 April 2026	44,202,000,000			0	
FR0013131877	OAT 0.50% 25 May 2026	44,743,000,000			0	x
FR0013200813	OAT 0.25% 25 November 2026	39,527,000,000			0	x
Maturity 2027		147,081,430,800				
FR0014003513	OAT 0.00% 25 February 2027	29,345,000,000			0	x
FR0013250560	OAT 1.00% 25 May 2027	38,814,000,000			0	x
FR0011008705	OAT€i 1.85% 25 July 2027	24,823,430,800 (1)	1.17313	21,160,000,000	0	
FR0011317783	OAT 2.75% 25 October 2027	54,099,000,000			61,743,600	
Maturity 2028		117,977,988,057				
FR0013238268	OATi 0.10% 1 March 2028	14,814,590,400 (1)	1.06980	13,848,000,000	0	x
FR0000571226	OAT zero coupon 28 March 2028	31,397,657 (2)		46,232,603	–	
FR0013286192	OAT 0.75% 25 May 2028	52,627,000,000			0	x
FR0013341682	OAT 0.75% 25 November 2028	50,505,000,000			0	x
Maturity 2029		150,573,403,490				
FR0013410552	OAT€i 0.10% 1 March 2029	10,453,409,340 (1)	1.05622	9,897,000,000	0	x
FR0000571218	OAT 5.50% 25 April 2029	39,618,880,458			2,290,946,100	
FR0013407236	OAT 0.50% 25 May 2029	45,491,000,000			0	x
FR0000186413	OATi 3.40% 25 July 2029	12,310,113,692 (1)	1.34022	9,185,144,000	0	
FR0013451507	OAT 0.00% 25 November 2029	42,700,000,000			0	x
Maturity 2030		125,424,299,040				
FR0011883966	OAT 2.50% 25 May 2030	54,855,000,000			0	x
FR0011982776	OAT€i 0.70% 25 July 2030	18,963,299,040 (1)	1.10047	17,232,000,000	0	x
FR0013516549	OAT 0.00% 25 November 2030	51,606,000,000			0	x
Maturity 2031		106,204,295,000				
FR0012993103	OAT 1.50% 25 May 2031	53,267,000,000			58,900,000	x
FR0014001N38	OAT€i 0.10% 25 July 2031	7,041,295,000 (1)	1.04750	6,722,000,000	0	x
FR0014002WK3	OAT 0.00% 25 November 2031	45,896,000,000			0	x
Maturity 2032		63,388,996,570				
FR0014003N51	OATi 0.10% 1 March 2032	4,216,525,170 (1)	1.02817	4,101,000,000	0	x
FR0014007L00	OAT 0.00% 25 May 2032	9,305,000,000			0	x
FR0000188799	OAT€i 3.15% 25 July 2032	14,675,148,800 (1)	1.35680	10,816,000,000	0	
FR0000187635	OAT 5.75% 25 October 2032	35,192,322,600			10,590,157,400	
Maturity in 2033 and beyond		483,709,212,270				
FR0013313582	OAT 1.25% 25 May 2034	38,746,000,000			0	x
FR0010070060	OAT 4.75% 25 April 2035	29,004,000,000			3,273,937,000	
FR0013524014	OATi 0.10% 1 March 2036	5,146,604,400 (1)	1.02522	5,020,000,000	0	x
FR0013154044	OAT 1.25% 25 May 2036	41,823,000,000			100,000	x
FR0013327491	OAT€i 0.10% 25 July 2036	10,332,904,740 (1)	1.07938	9,573,000,000	0	x
FR0010371401	OAT 4.00% 25 October 2038	26,534,000,000			4,652,641,400	
FR0013234333	OAT 1.75% 25 June 2039	30,941,000,000			0	x
FR0013515806	OAT 0.50% 25 May 2040	22,332,000,000			0	x
FR0010447367	OAT€i 1.80% 25 July 2040	15,433,872,400 (1)	1.25683	12,280,000,000	0	
FR0010773192	OAT 4.50% 25 April 2041	38,446,000,000			5,463,999,000	
FR0014002JM6	OAT 0.50% 25 June 2044	14,186,000,000			0	x
FR0011461037	OAT 3.25% 25 May 2045	27,260,000,000			677,510,000	x
FR0013209871	OAT€i 0.10% 25 July 2047	14,018,360,730 (1)	1.09527	12,799,000,000	0	x
FR0013257524	OAT 2.00% 25 May 2048	28,759,000,000			620,300,000	x
FR0013404969	OAT 1.50% 25 May 2050	33,195,000,000			196,900,000	x
FR0013480613	OAT 0.75% 25 May 2052	30,529,000,000			678,100,000	x
FR0014004J31	OAT 0.75% 25 May 2053	14,511,000,000			167,000,000	x
FR0014008181	OAT€i 0.10% 25 July 2053	3,085,470,000 (1)	1.02849	3,000,000,000	0	x
FR0010171975	OAT 4.00% 25 April 2055	20,118,000,000			11,096,318,000	
FR0010870956	OAT 4.00% 25 April 2060	16,696,000,000			8,786,004,100	
FR0013154028	OAT 1.75% 25 May 2066	14,075,000,000			1,199,700,000	x
FR0014001NN8	OAT 0.50% 25 May 2072	8,537,000,000			91,200,000	x

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

(2) Revised on 28 March 2021; not open to subscription

* Like all euro area bonds, the bonds issued after 1 March 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	-0.7%	Jan. 2022
Household consumption*, year-on-year	-2.1%	Feb. 2022
Unemployment rate (ILO)	7.4%	Q4-2021
Consumer prices, year-on-year		
• all items	3.6%	Feb. 2022
• all items excluding tobacco	3.7%	Feb. 2022
Trade balance, fob-fob, sa (€bn)	-€8.0bn	Jan. 2022
" "	-€11.4bn	Dec. 2021
Current account balance, sa (€bn)	-€1.8bn	Jan. 2022
" "	-€7.0bn	Dec. 2021
10-year constant maturity rate (TEC10)	1.02%	31 Mar. 2022
3-month interest rate (Euribor)	-0.46%	31 Mar. 2022
EUR / USD	1.11	31 Mar. 2022
EUR / JPY	135.47	31 Mar. 2022

* manufactured products

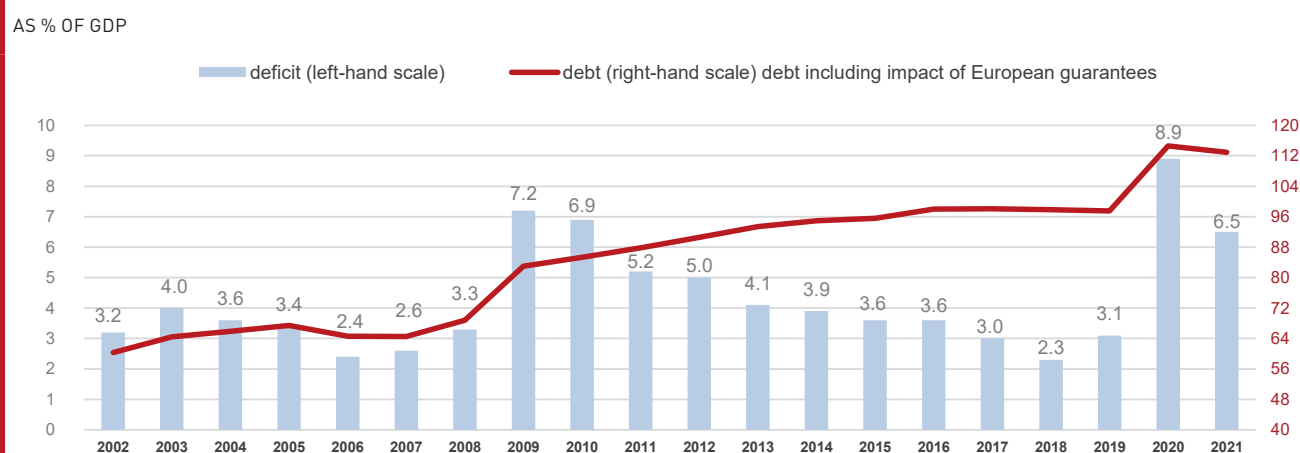
Sources: Insee, Minefi, Banque de France

MONTHLY GOVERNMENT BUDGET POSITION

	IN € BILLION				
	2020	2021	end of January level		
	2020	2021	2020	2021	2022
General budget balance	-172.68	-171.52	-14.15	-15.47	-11.89
Revenue	282.69	324.95	21.06	22.46	23.53
Expenditure	455.37	496.47	35.21	37.93	35.42
Balance of special Treasury accounts	-5.42	0.79	-5.82	-6.39	-4.04
General budget outturn	-178.07	-170.73	-19.97	-21.86	-15.93

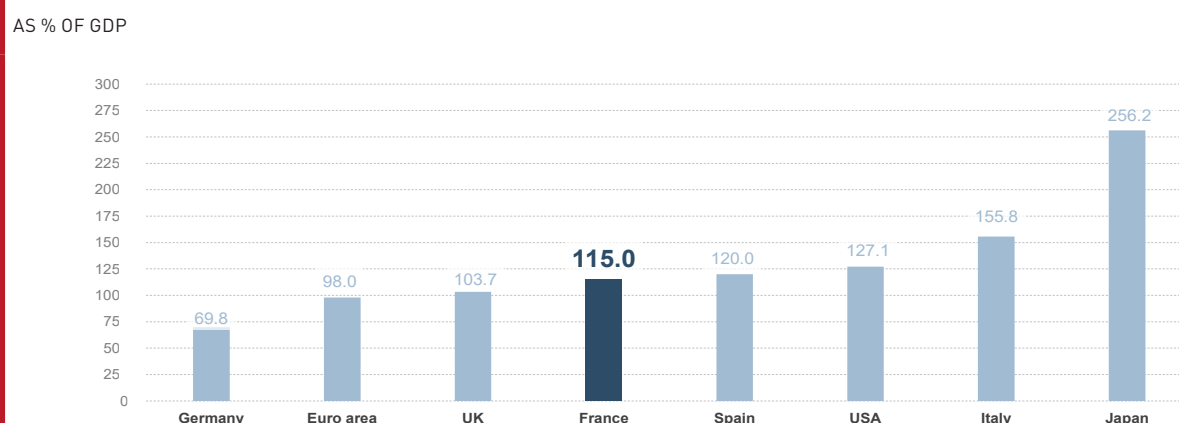
Source: Ministry of the Economy, Finance and the Recovery

PUBLIC FINANCES: DEFICIT AND DEBT



Source: Insee (preliminary estimates)

GENERAL GOVERNMENT DEBT IN 2020*



Sources: Eurostat, IMF, Insee (*2021 data harmonized by the European Commission will be published end of May 2022)

APRIL 2022 

1 Inflation (HICP): March index (preliminary results)	5 Industrial production: February index	12 Balance of payments in February	15 Net international reserves in March	21 Inflation (HICP): March index	21 Monthly business survey (goods- producing industries) in April
27 Consumer confidence survey: April survey	29 Quarterly national accounts: initial estimate	29 Household consumption expenditure on goods in April	29 Consumer prices: April index	29 Industrial producer and import price indices in March	

MAY 2022 

5 Industrial production: April index	6 Flash estimate of payroll employment: Q1 2022	9 Balance of payments in March	9 Foreign trade by value in March	13 Net international reserves in April	13 Net international reserves in April
17 ILO unemployment rate Q1 2022	18 Inflation (HICP): April index (final)	24 Monthly business survey (goods- producing industries) in May	25 Consumer confidence survey: May survey	31 Quarterly national accounts: final results Q1 2022	31 Household consumption expenditure on goods in April
31 Consumer prices: May index (preliminary results)	31 Industrial producer and import price: May indices	31 Inflation (HICP): May index (preliminary results)			

Sources: Insee, Eurostat

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