

N°394
MARCH
2023

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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IMPLEMENTATION OF THE 2023 STATE-FINANCING PROGRAMME

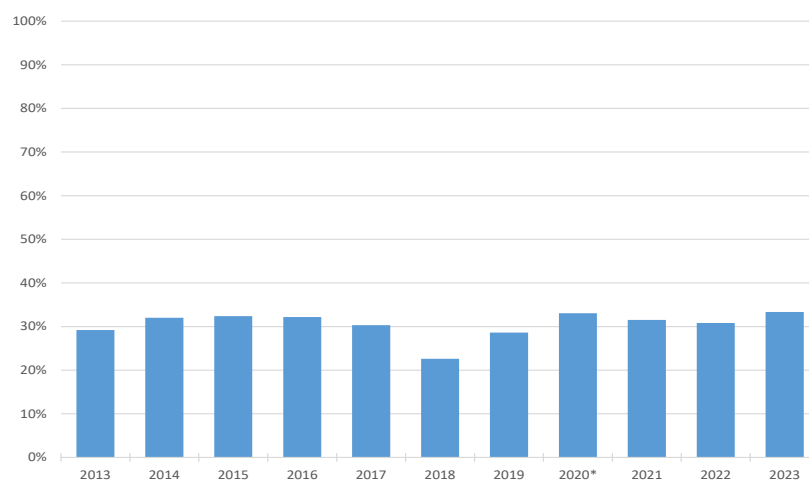
Against a backdrop of high market volatility, marked by fluctuating inflation and monetary policy expectations, the robustness of the sovereign debt markets in the euro zone and in France enabled Agence France Trésor to carry out a third of its 2023 financing programme in the first quarter. At the end of March, AFT has borrowed around €90bn through medium- and long-term OATs on the market out of the €270bn planned for 2023. By comparison, AFT had raised €83bn over the same period in 2022 for a €260bn programme.

As announced in the [2023 financing programme](#), AFT created two new benchmark bonds. The first one, the [OAT 3.00% 25 May 2054](#), a new 30-year benchmark, was launched on 7 February by syndication for an amount of €5bn. The second one, the [OAT 2.50% 24 September 2026](#), a new 3-year benchmark, was launched by auction on 10 February with an outstanding amount that reaches now more than €8.5bn.

For the rest of the year, AFT plans to by auction one new 5/6-year benchmark and, two new 10-year bonds, starting, on 6 April, with the OAT 3.00% 25 May 2033. In the inflation-linked bond segment, AFT will auction a new 10-year European inflation-linked bond (OAT€i). AFT will also consider, depending on market demand, the opportunity of issuing by syndication a 15 to 20-year French inflation-linked bond (OATi).

With one-third of issues completed in the first quarter, the completion rate of AFT's 2023 issuance programme is in line with previous years. This illustrates AFT's strategy based on the principles of regularity, predictability and transparency, resilient in a volatile market environment.

Net execution of the financing programme at 31 March from 2013 to 2023



* As calculated in Q1 2020, before the increase of the state financing programme to fund the policy response to the pandemic

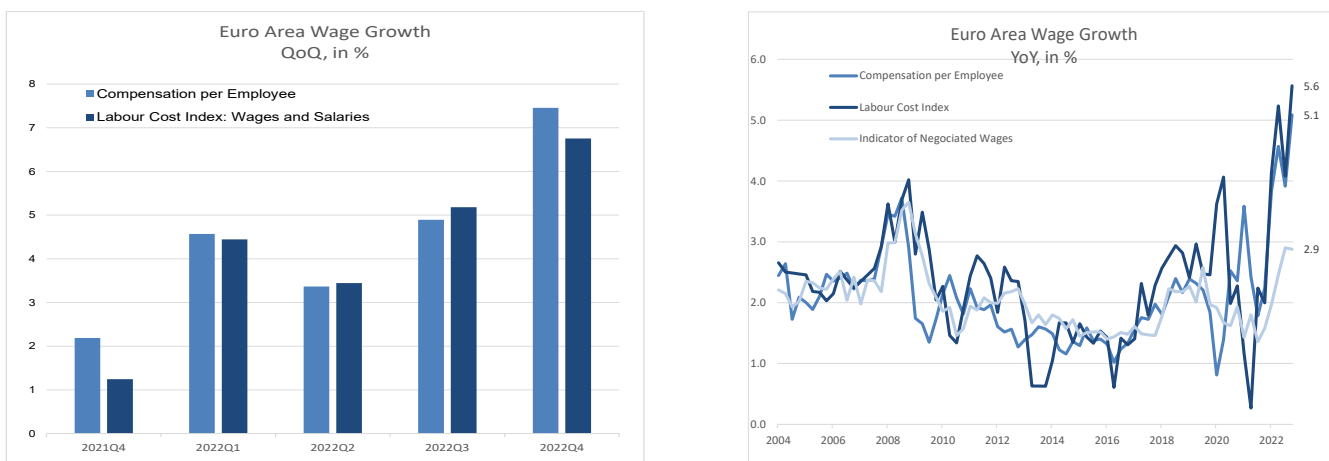
The observed rates continue their upward trend, marked however with some episodes of volatility: the 10-year rate has fluctuated between 2.5% and 3.2% since the beginning of 2023. Moreover, the weighted average yield stood at 2.83% at the end of March 2023, after 1.43% in 2022 following a period of exceptionally low rates.

This column takes stock of the latest Euro area wage data.

Taking Stock of forth quarter 2022

The three main wage series we track for the Euro area—compensation per employee, the labour cost index, and the ECB index of negotiated wages—all showed a further sequential acceleration in the forth quarter. Compensation per employee is running at 7.5% on a sequential annualised basis, up from 4.9% in the third quarter (Exhibit 1, left). The wages and salaries component of the labour cost index accelerated to 6.8% on a sequential annualised basis (GS seasonally adjusted) in the forth quarter, up from 5.2% in the third quarter. The ECB index of negotiated wages was unchanged at 2.9% on a year-on-year basis (Exhibit 1, right).

Exhibit 1: Strong Sequential Pace in forth quarter of 2022

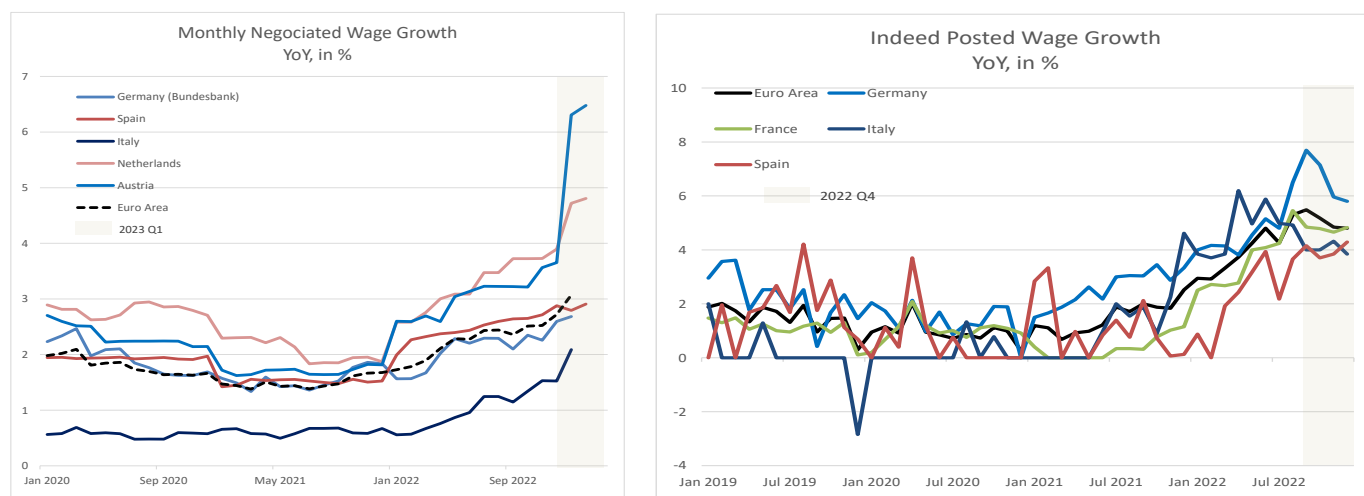


Source: Goldman Sachs Global Investment Research, Haver Analytics, ECB

The sizeable discrepancy between compensation or cost measures and negotiation outcomes is currently likely driven by one-off payments. That said, countries such as Germany appear to be moving away from large one-off payments and towards demands/offers for sizeable rises in regular pay, which implies upside to negotiated wages (ex. bonus payments) growth in coming months.

Although area-wide wage data are released with a long lag, national and alternative data sources can help assess the recent momentum. First, national negotiated wage series (which the ECB then averages in its own index) have so far accelerated further in the first quarter of this year (Exhibit 2, left). Second, the [Indeed Wage Tracker](#)—which measures wage growth in job postings and thus reflects marginal agreements—has declined since September but was still running at a strong 4.8%/yoy in December (Exhibit 2, right).

Exhibit 2: Wage Growth Remains Firm in first of 2023



Source: Goldman Sachs Global Investment Research, Haver Analytics, Indeed Hiring Lab

Taken together, wages appear to have grown robustly in the last quarter of 2022 and leading indicators suggest wage growth continues to run at an elevated pace.

INDICATIVE AUCTION SCHEDULE

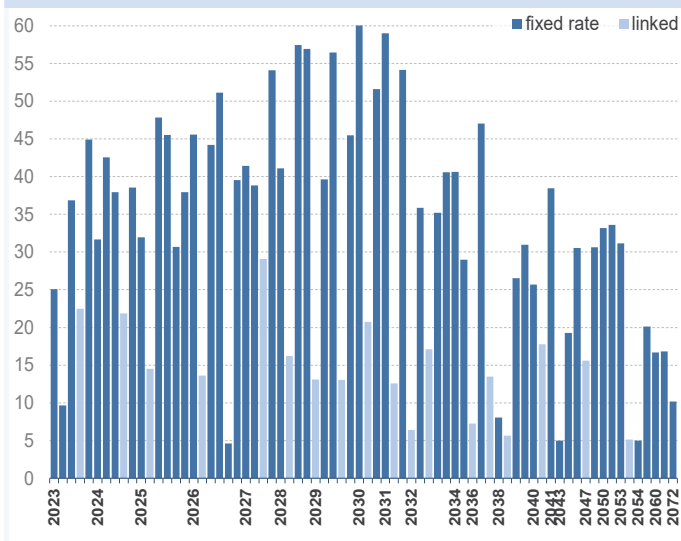
		Short-term					Medium-term	Long-term	Index-linked
April 2023	auction date	3	11	17	24	/	20	6	20
	settlement date	5	13	19	29	/	24	12	24
May 2023	auction date	2	9	15	22	30	17	4	17
	settlement date	4	11	17	24	01 June	22	8	22

■ anticipated or delayed (bank holidays, etc.)

Source: Agence France Trésor

MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 28 FEBRUARY 2023

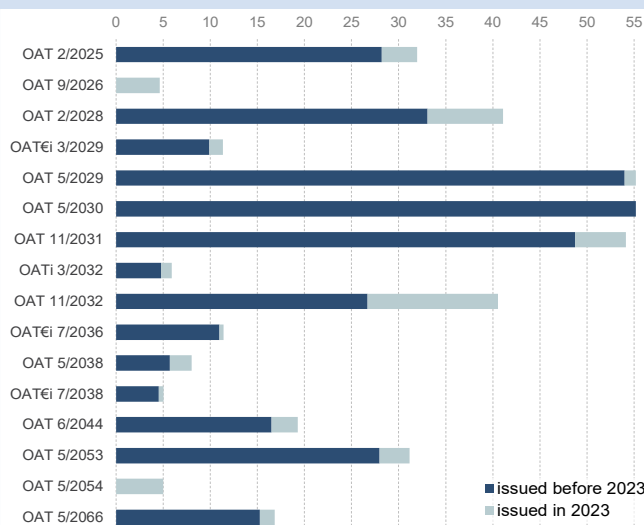
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 28 FEBRUARY 2023

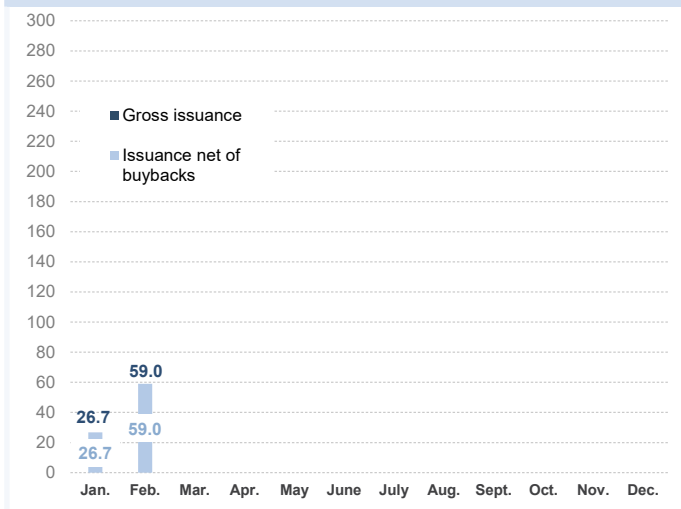
IN € BILLION



Source: Agence France Trésor

ISSUANCE AT 28 FEBRUARY 2023

IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 28 FEBRUARY 2023

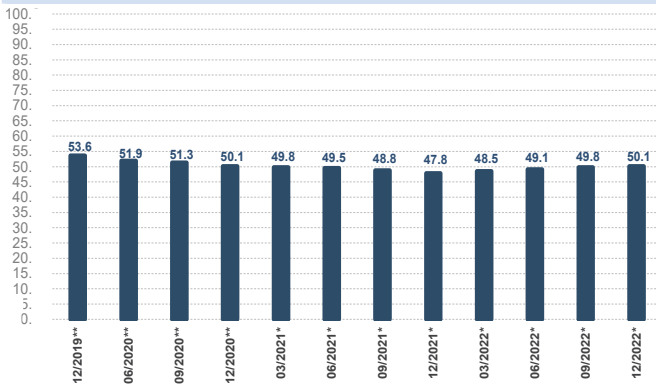
IN € BILLION

Month	Coupon	Redemption
Mar-23	0.1	25.1
Apr-23	9.1	9.6
May-23	10.0	36.8
Jun-23	0.6	
Jul-23	2.6	23.1
Aug-23		
Sep-23	0.1	
Oct-23	8.3	44.9
Nov-23	2.4	
Dec-23		
Jan-24		
Feb-24	0.3	31.7

Source: Agence France Trésor

NON-RESIDENT HOLDERS OF NEGOTIABLE GOVERNMENT DEBT IN FOURTH QUARTER OF 2022

AS A % OF NEGOTIABLE DEBT OUTSTANDING
EXPRESSED IN MARKET VALUE



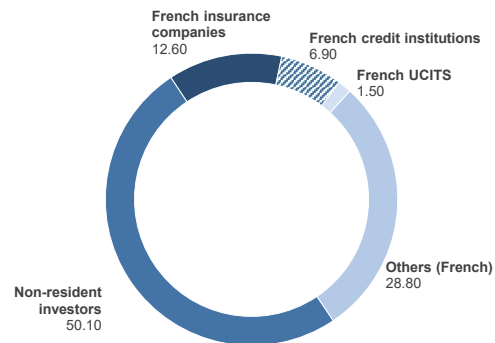
(*) figures quarterly revised

(**) figures annually revised

Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT BY GROUP OF HOLDERS IN FOURTH QUARTER OF 2022

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT AT 28 FEBRUARY 2023

IN EUROS

Total medium- and long-term debt	2,156,578,356,476
Total stripping activity	54,925,190,700
Average maturity	9 years and 12 days
Total short-term debt	141,053,000,000
Average maturity	116 days
Total outstanding	2,297,631,356,476
Average maturity	8 years and 189 days

Source: Agence France Trésor

NEGOTIABLE GOVERNMENT DEBT SINCE 2019 AT 28 FEBRUARY 2023

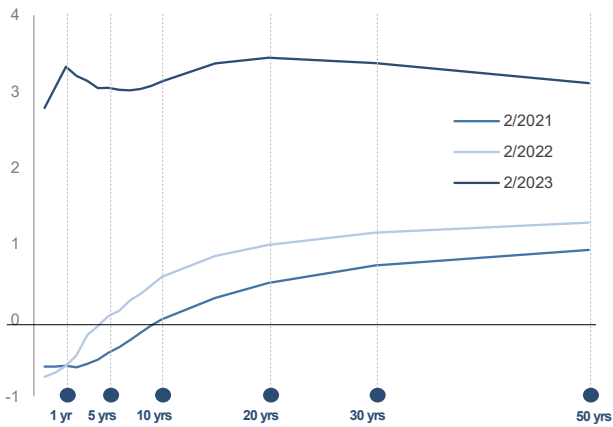
IN € BILLION

	End 2020	End 2021	End 2022	End Jan. 2023	End Feb. 2023
Negotiable government debt outstanding	2,001	2,145	2,277	2,298	2,319
<i>of which index-linked securities</i>	<i>220</i>	<i>236</i>	<i>262</i>	<i>264</i>	<i>266</i>
Medium- and long-term	1,839	1,990	2,129	2,157	2,178
Short-term	162	155	148	141	141
Average maturity of the negotiable debt	8 years	8 years	8 years	8 years	8 years
	73 days	153 days	184 days	182 days	189 days

Source: Agence France Trésor

YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

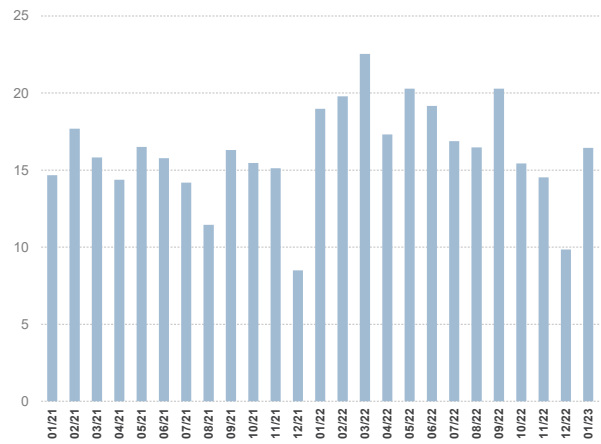
END-OF-MONTH VALUE, %



Source: Bloomberg

AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

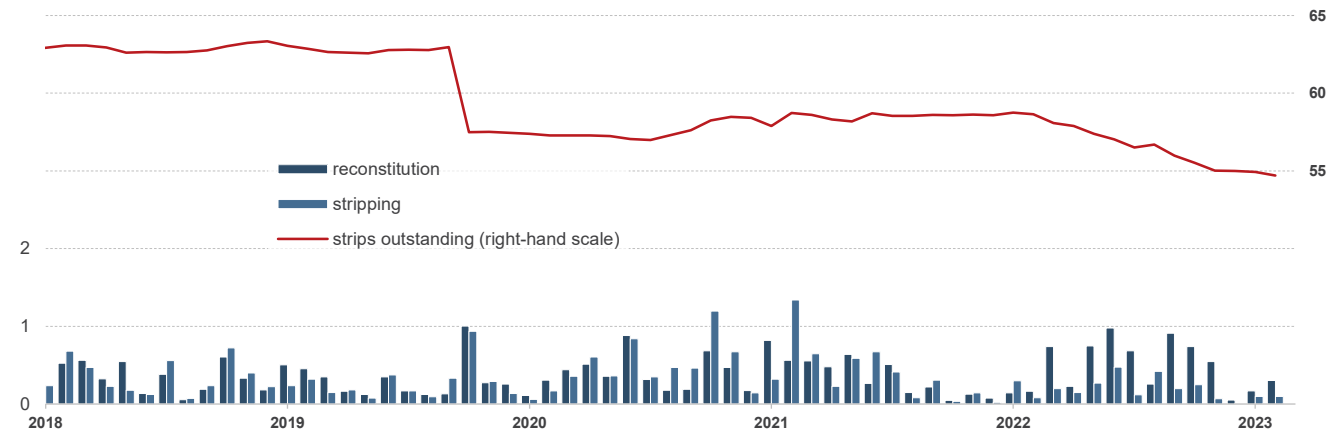
IN € BILLION



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

TOTAL STRIPPING AND RECONSTITUTION

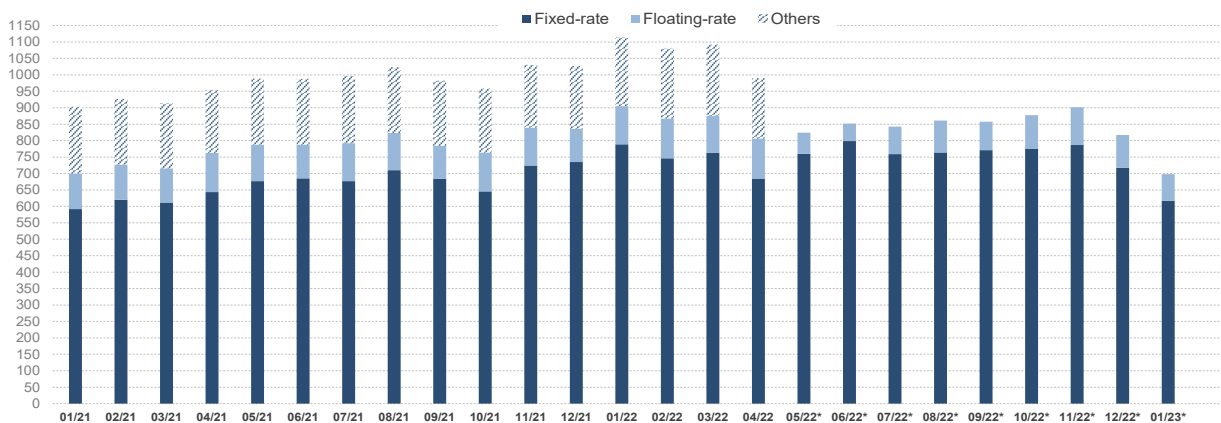
IN € BILLION



Source: Euroclear

PRIMARY DEALERS, CUMULATED REPO OUTSTANDING AT END OF MONTH

IN € BILLION



*new reporting framework now based on face value data

Source: reporting by primary dealers in government securities

SHORT-TERM DEBT AT 28 FEBRUARY 2023

ISIN Code	Maturity	Outstanding(€)
FR0127462838	BTF 1 March 2023	7,474,000,000
FR0127317008	BTF 8 March 2023	6,938,000,000
FR0127462846	BTF 15 March 2023	4,894,000,000
FR0127034728	BTF 22 March 2023	5,544,000,000
FR0127462853	BTF 29 March 2023	3,099,000,000
FR0127462861	BTF 5 April 2023	5,653,000,000
FR0127613406	BTF 13 April 2023	5,705,000,000
FR0127176370	BTF 19 April 2023	5,589,000,000
FR0127613414	BTF 26 April 2023	5,939,000,000
FR0127462879	BTF 4 May 2023	5,546,000,000
FR0127613422	BTF 11 May 2023	5,280,000,000
FR0127176388	BTF 17 May 2023	4,721,000,000
FR0127613430	BTF 24 May 2023	3,006,000,000
FR0127462887	BTF 1 June 2023	3,374,000,000
FR0127176396	BTF 14 June 2023	6,413,000,000
FR0127613463	BTF 28 June 2023	6,601,000,000
FR0127317016	BTF 12 July 2023	6,536,000,000
FR0127613471	BTF 26 July 2023	3,197,000,000
FR0127317024	BTF 9 August 2023	7,425,000,000
FR0127317032	BTF 6 September 2023	5,798,000,000
FR0127462895	BTF 4 October 2023	6,570,000,000
FR0127462903	BTF 1 November 2023	6,485,000,000
FR0127462911	BTF 29 November 2023	11,627,000,000
FR0127613497	BTF 24 January 2024	7,455,000,000

MEDIUM- AND LONG-TERM DEBT (MATURING 2023-2026) AT 28 FEBRUARY 2023

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
	Maturity 2023	138,941,101,503				
FR0013283686	OAT 0.00% 25 March 2023	25,050,500,000			0	x
FR0000571085	OAT 8.50% 25 April 2023	9,641,695,903			4,990,738,300	
FR0011486067	OAT 1.75% 25 May 2023	36,844,000,000			0	x
FR0010585901	OATi 2.10% 25 July 2023	22,486,905,600 (1)	1.24595	18,048,000,000	0	
FR0010466938	OAT 4.25% 25 October 2023	44,918,000,000			486,275,000	
	Maturity 2024	172,540,919,940				
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 0.25% 25 July 2024	21,847,919,940 (1)	1.21926	17,919,000,000	0	x
FR0011962398	OAT 1.75% 25 November 2024	38,536,000,000			42,000,000	x
	Maturity 2025	208,408,682,358				
FR0014007TY9	OAT 0.00% 25 February 2025	31,960,000,000			0	x
FR0012558310	OATi 0.10% 1 March 2025	14,528,754,240 (1)	1.13568	12,793,000,000	0	x
FR0013415627	OAT 0.00% 25 March 2025	47,814,000,000			0	x
FR0012517027	OAT 0.50% 25 May 2025	45,530,000,000			0	x
FR0000571150	OAT 6.00% 25 October 2025	30,653,928,118			2,752,264,400	
FR0012938116	OAT 1.00% 25 November 2025	37,922,000,000			0	x
	Maturity 2026	198,669,172,000				
FR0013508470	OAT 0.00% 25 February 2026	45,590,000,000			0	x
FR0013519253	OAT€i 0.10% 1 March 2026	13,612,172,000 (1)	1.14388	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	51,113,000,000			0	x
FR001400FYQ4	OAT 2.50% 25 September 2026	4,625,000,000			0	x
FR0013200813	OAT 0.25% 25 November 2026	39,527,000,000			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 2027 AND BEYOND) AT 28 FEBRUARY 2023

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2027		163,447,253,260				
FR0014003513	OAT 0.00% 25 February 2027	41,446,000,000			0	x
FR0013250560	OAT 1.00% 25 May 2027	38,814,000,000			0	x
FR0011008705	OAT€i 1.85% 25 July 2027	29,088,253,260 (1)	1.28306	22,671,000,000	0	
FR0011317783	OAT 2.75% 25 October 2027	54,099,000,000			0	
Maturity 2028		171,711,449,471				
FR001400AIN5	OAT 0.75% 25 February 2028	41,076,000,000			0	x
FR0013238268	OATi 0.10% 1 March 2028	16,222,267,320 (1)	1.13379	14,308,000,000	0	x
FR0000571226	OAT zero coupon 28 March 2028	33,182,151 (2)		46,232,603	-	
FR0013286192	OAT 0.75% 25 May 2028	57,437,000,000			0	x
FR0013341682	OAT 0.75% 25 November 2028	56,943,000,000			0	x
Maturity 2029		167,709,663,144				
FR0013410552	OAT€i 0.10% 1 March 2029	13,117,296,000 (1)	1.15520	11,355,000,000	0	x
FR0000571218	OAT 5.50% 25 April 2029	39,618,880,458			1,795,346,100	
FR0013407236	OAT 0.50% 25 May 2029	56,452,000,000			0	x
FR0000186413	OATi 3.40% 25 July 2029	13,046,486,686 (1)	1.42039	9,185,144,000	0	
FR0013451507	OAT 0.00% 25 November 2029	45,475,000,000			0	x
Maturity 2030		132,640,262,880				
FR0011883966	OAT 2.50% 25 May 2030	60,294,000,000			0	x
FR0011982776	OAT€i 0.70% 25 July 2030	20,740,262,880 (1)	1.20359	17,232,000,000	0	x
FR0013516549	OAT 0.00% 25 November 2030	51,606,000,000			0	x
Maturity 2031		125,707,220,760				
FR0012993103	OAT 1.50% 25 May 2031	58,987,000,000			52,900,000	x
FR0014001N38	OAT€i 0.10% 25 July 2031	12,586,220,760 (1)	1.14566	10,986,000,000	0	x
FR0014002WK3	OAT 0.00% 25 November 2031	54,134,000,000			0	x
Maturity 2032		135,137,944,950				
FR0014003N51	OATi 0.10% 1 March 2032	6,419,245,970 (1)	1.08967	5,891,000,000	0	x
FR0014007L00	OAT 0.00% 25 May 2032	35,865,000,000			0	x
FR0000188799	OAT€i 3.15% 25 July 2032	17,105,376,380 (1)	1.48394	11,527,000,000	0	
FR0000187635	OAT 5.75% 25 October 2032	35,192,322,600			10,081,857,400	
FR001400BKZ3	OAT 2.00% 25 November 2032	40,556,000,000			0	x
Maturity in 2034 and beyond		563,410,622,280				
FR0013313582	OAT 1.25% 25 May 2034	40,613,000,000			0	x
FR0010070060	OAT 4.75% 25 April 2035	29,004,000,000			1,983,837,000	
FR0013524014	OATi 0.10% 1 March 2036	7,254,827,580 (1)	1.08654	6,677,000,000	0	x
FR0013154044	OAT 1.25% 25 May 2036	47,051,000,000			0	x
FR0013327491	OAT€i 0.10% 25 July 2036	13,460,289,040 (1)	1.18052	11,402,000,000	0	x
FR0014009O62	OAT 1.25% 25 May 2038	8,031,000,000			0	x
FR001400AQH0	OAT€i 0.10% 25 July 2038	5,670,469,670 (1)	1.12487	5,041,000,000	0	x
FR0010371401	OAT 4.00% 25 October 2038	26,534,000,000			4,542,941,400	
FR0013234333	OAT 1.75% 25 June 2039	30,941,000,000			0	x
FR0013515806	OAT 0.50% 25 May 2040	25,660,000,000			0	x
FR0010447367	OAT€i 1.80% 25 July 2040	17,772,203,400 (1)	1.37460	12,929,000,000	0	
FR0010773192	OAT 4.50% 25 April 2041	38,446,000,000			4,091,899,000	
FR001400CMX2	OAT 2.50% 25 May 2043	5,000,000,000			0	x
FR0014002JM6	OAT 0.50% 25 June 2044	19,273,000,000			0	x
FR0011461037	OAT 3.25% 25 May 2045	30,557,000,000			799,410,000	x
FR0013209871	OAT€i 0.10% 25 July 2047	15,605,173,570 (1)	1.19791	13,027,000,000	0	x
FR0013257524	OAT 2.00% 25 May 2048	30,644,000,000			640,300,000	x
FR0013404969	OAT 1.50% 25 May 2050	33,195,000,000			227,900,000	x
FR0013480613	OAT 0.75% 25 May 2052	33,622,000,000			692,100,000	x
FR0014004J31	OAT 0.75% 25 May 2053	31,169,000,000			183,000,000	x
FR0014008181	OAT€i 0.10% 25 July 2053	5,113,659,020 (1)	1.12487	4,546,000,000	0	x
FR001400FTH3	OAT 3.00% 25 May 2054	5,000,000,000			0	x
FR0010171975	OAT 4.00% 25 April 2055	20,118,000,000			11,161,318,000	
FR0010870956	OAT 4.00% 25 April 2060	16,696,000,000			8,915,904,100	
FR0013154028	OAT 1.75% 25 May 2066	16,828,000,000			1,176,700,000	x
FR0014001NN8	OAT 0.50% 25 May 2072	10,152,000,000			92,200,000	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	0.0%	Jan. 2023
Household consumption*, year-on-year	-2.1%	Feb. 2023
Unemployment rate (ILO)	7.2%	Q4-2022
Consumer prices, year-on-year		
• all items	6.3%	Feb. 2023
• all items excluding tobacco	6.4%	Feb. 2023
Trade balance, fob-fob, sa (€bn)	-€12.9bn	Jan. 2023
" "	-€14.7bn	Dec. 2022
Current account balance, sa (€bn)	-€3.6bn	Jan. 2023
" "	-€7.6bn	Dec. 2022
10-year constant maturity rate (TEC10)	2.90%	31 Mar. 2023
3-month interest rate (Euribor)	3.02%	31 Mar. 2023
EUR / USD	1.09	31 Mar. 2023
EUR / JPY	145.67	31 Mar. 2023

* manufactured products

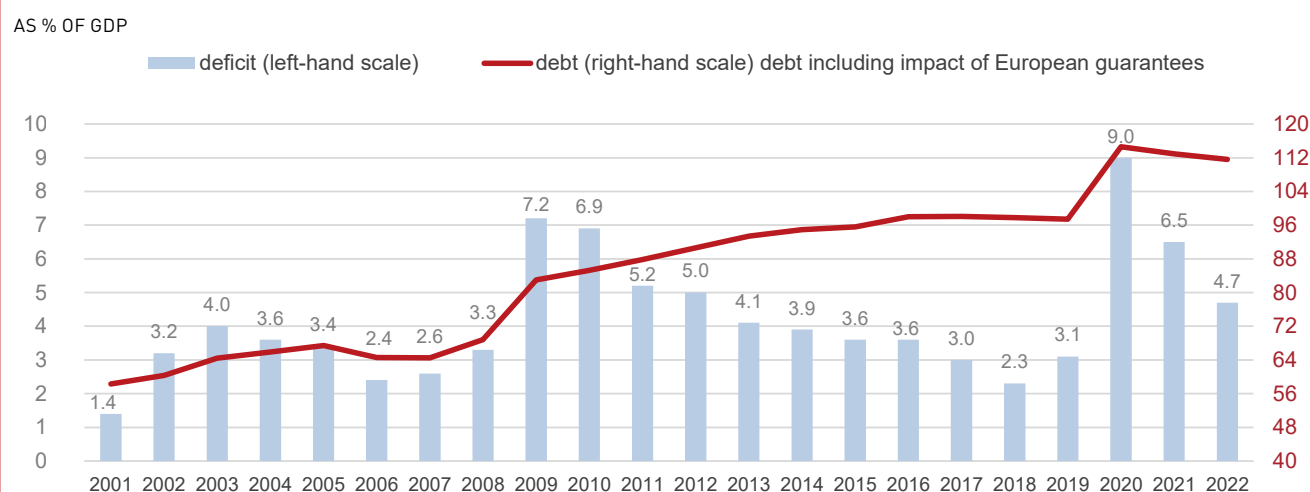
Sources: Insee, MEFSIN, Banque de France

MONTHLY GOVERNMENT BUDGET POSITION

	2021		end of January level		
	2021	2022	2021	2022	2023
General budget balance	-171.52	-158.20	-15.47	-11.89	-16.35
Revenue	324.95	354.74	22.46	23.53	23.02
Expenditure	496.47	512.94	37.93	35.42	39.37
Balance of special Treasury accounts	0.79	6.73	-6.39	-4.04	-4.80
General budget outturn	-170.73	-151.47	-21.86	-15.93	-21.15

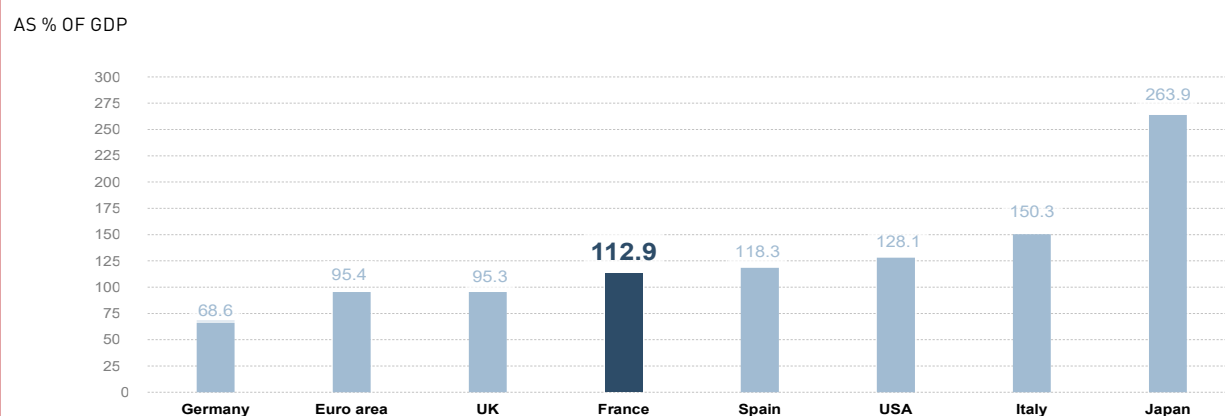
Source: Ministry of the Economy, Finance and Industrial and Digital Sovereignty

PUBLIC FINANCES: DEFICIT AND DEBT



Source: Insee


GENERAL GOVERNMENT DEBT IN 2021



Sources: Eurostat, IMF, Insee

APRIL 2023 

1 Eurozone inflation (HICP): March index (preliminary results)	5 Industrial production: February index	7 Balance of payments in February	7 Foreign trade by value in February	14 Consumer prices: March index (final results)	14 Net international reserves in March
19 Eurozone inflation (HICP): March index (final)	20 Monthly business survey (goods-producing industries) in April	26 Consumer confidence survey: April survey	28 Quarterly national accounts: initial estimate	28 Household consumption expenditure on goods in March	28 Industrial producer and import price: March indices
28 Consumer confidence survey: April survey					

MAY 2023 

2 Eurozone inflation (HICP): April index (preliminary results)	5 Industrial production: March index	5 Flash estimate of payroll employment Q2	9 Foreign trade by value in March	12 Consumer prices: April index (final results)	15 Net international reserves in April
17 Eurozone inflation (HICP): April index (final)	17 ILO unemployment rate	25 Monthly business survey (goods-producing industries) in May	26 Consumer confidence survey: May survey	31 Quarterly national accounts: final estimate Q1	31 Household consumption expenditure on goods in April
31 Industrial producer and import price: April indices	31 Consumer confidence survey: May survey				

Sources: Insee, Eurostat

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